Chapter 2

Cyprus

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This chapter reviews the impact of Europeanization on the Cyprus conflict. Since 1974, the UN has developed increasingly detailed proposals for a bi-zonal, bi-communal federation. But throughout the decades of failed negotiations the main parties have essentially stuck to their negotiating positions. In the 1990s, with Cyprus' application for EU membership, the EU became a key external determinant of the evolution of the conflict. Indeed, because of Cyprus' accession process and Turkey's own aspirations to join the Union, the parties to the conflict equate Europeanization with EU-ization. EU-ization in Cyprus has two dimensions: the impact of the EU as a framework on conflict resolution efforts, and the impact of the accession process on the parties in conflict. The latter dimension of Europeanization has had both intended and unintended effects, which in turn are likely to impinge on future developments in the eastern Mediterranean.

The existence and persistence of the Cyprus conflict is characterized by a fundamental reluctance by all the principal parties involved to re-establish, create or run a unified independent Cyprus in which Greek and Turkish Cypriots coexist peacefully on the basis of a shared understanding of their political equality. This reluctance is driven by the parties' understanding of how they could each attain their own objectives of self-determination, individual rights and communal security. Their positions have revolved around a legalistic and modernist discourse of absolute sovereignty, statehood and military power and balance. Absolute and mutually exclusive positions have meant that fulfilling the basic needs of one party entails negating those of the other.

Cyprus' EU accession process in the 1990s affected both the incentives and the bargaining positions of the principal parties. However, the impact of the accession process did not meet the professed expectations of the member states, the Commission or the Greek Cypriot government. On the contrary, the major visible

development during the 1990s and early 2000s was the hardening of the parties' positions, in particular those of the Turkish Cypriot side. The specific (conditional and unconditional) gains and losses presented to the parties, and the way in which they were presented by EU actors had unintended effects up until late 2001. This was because they fed into the discourse of the most nationalist elements in the conflict, legitimizing their hardened positions.

By late 2001 the tide seemed to be turning, and the 2002-04 peace efforts offered the prospect of a final breakthrough. The approaching deadline of Cyprus' EU accession led both to an unprecedented activism on the part of civil society and centre-left forces in northern Cyprus and to open schisms within the Turkish national consensus on Cyprus. Particularly since Turkey's November 2002 elections, different 'Ankaras' voiced different views on the Cyprus question. These divisions were closely interconnected with different positions concerning Turkey's own EU accession course, launched after the Helsinki European Council in December 1999. Yet despite positive developments on the Turkish and Turkish Cypriot sides, these were not sufficient to seal an agreement, as evidenced by the April 2004 referendum results, in which the overwhelming rejection of the UN Annan Plan by Greek Cypriots (by 76% against) prevented the reunification of the island before Cyprus' EU accession on 1 May 2004.

2.1 The historical roots of the conflict: 1930s-1974

The potential for inter-communal conflict in Cyprus dates back to the period of Ottoman rule and the emergence of separate communities on the island. The seeds of the present dispute were effectively sown, however, during the years of British colonial domination in the early 20th century and the years of anti-colonial struggle in the 1920s-1950s.

In the 1920s, the Greek Cypriot community became increasingly dissatisfied with British rule in Cyprus. However, unlike with other 20th-century decolonization movements, desire for freedom did not lead to a demand for independence. Instead, viewing themselves and mainland Greeks as one people, the Greek Cypriots expressed their desire for freedom through *enosis,* or union with Greece.

Greece became actively involved in the Cyprus question a decade later. It had already declared Cyprus to be an inalienable part of Greece in the early 1920s. But

following its catastrophic expedition in Anatolia in 1922, and the ensuing Treaty of Friendship between Mustafa Kemal Ataturk and Eleftherios Venizelos, Athens set aside its irredentist ambitions during the 1920s and 1930s. It began to be actively involved in Cyprus in the early 1940s. This involvement initially took the form of diplomatic pressure on Britain, followed by mobilization within the UN. However, with the failure of Greek diplomacy, the Greek Cypriot movement resorted to armed struggle. The EOKA (Ethniki Organosis Kyprion Agoniston) fighters led by Georgios Grivas began a guerrilla struggle against the colonial regime, and the first EOKA bombs exploded in April 1955.

Up until the mid-1950s, the British reacted to demands for *enosis* through force and repression. Internally, the British supported and worked together with the Turkish Cypriot anti-*enosis* struggle. Aware of the potential danger of *enosis* to the Turkish Cypriots, to serve its own colonial aims Britain encouraged the counter-mobilization of that community. Externally, meanwhile, it highlighted Turkey's strategic interests in Cyprus and its aversion to *enosis*.

Turkish Cypriot concerns about *enosis* grew during the 1940s, and particularly after the 1950 plebiscite in which the Greek Cypriot community unanimously voted in favour of it. The Turkish Cypriot élite and the population at large were still relatively content with British rule. However, well aware of the discriminatory treatment of the Turks/Muslims in former Ottoman areas annexed to Greece, the Turkish Cypriots fiercely rejected union with Greece. This spontaneous rejection, nurtured by the British, led to a British-Turkish Cypriot front against EOKA in the mid-1950s. In 1956 the Turkish Cypriots began countering EOKA through the armed movement Volkan and then, in 1957, the TMT (Turk Mukavemet Teskilati). By 1957 the Turkish Cypriot community and Turkey had formulated their own counter-position to *enosis: taksim*, or partition of the island into Greek and Turkish Cypriot zones.

By the late 1950s, the main parties were at loggerheads with each other. The Greek Cypriots and Greece were pushing for *enosis*, while the Turkish Cypriots and Turkey responded with demands for *taksim*. The British, meanwhile, were determined to retain full sovereignty of the island. The path for compromise was cleared, however, with a shift in the British position in late 1957. The compromise solution between the extremes of *enosis* and *taksim* was independence. In 1959, a framework agreement was worked out in Zurich between the Greek and Turkish Prime Ministers. It was immediately followed by the signature of fully-fledged treaties in London,

which were also signed by the British and by Archbishop Makarios and Fazil Kucuk, representing the Greek and Turkish Cypriot communities respectively. The parties agreed on a basic structure for the new, independent Republic of Cyprus (RoC) which explicitly ruled out both *enosis* and *taksim*. Under the agreement, Britain retained sovereignty over the military bases of Dhekelia and Akrotiri.

At the same time, the parties also signed Treaties of Guarantee and of Alliance. The Treaty of Guarantee was intended to "ensure the independence, territorial integrity and security" of the Republic of Cyprus and to prevent its "political or economic union with any state whatsoever" (Article 1). In support of this aim, the Treaty gave Britain, Greece and Turkey "the right to take action with the sole aim of re-establishing the state of affairs established by the Treaty" (Article 4). The three guarantors could intervene in the internal affairs of the island, either jointly or independently, to ensure compliance with the Treaty and to prevent both *enosis* and *taksim*. The Treaty of Alliance was a defence pact to safeguard the independence and territorial integrity of the RoC. In its additional protocol, the Treaty allowed Greece and Turkey to station 950 and 650 troops, respectively, in Cyprus. It also granted Britain extensive rights in its use of the ninety-nine square miles under its sovereignty.

The basic structure of the RoC was laid down in the 1960 Constitution, which established a bi-communal partnership Republic, i.e., a hybrid consociational model with elements of communal autonomy. Bi-communality was ensured through a detailed, complex arrangement providing for community representation and power-sharing. The executive would be governed according to a presidential system, with a Greek Cypriot President and a Turkish Cypriot Vice-President elected by the separate communities. The executive would also consist of a cabinet of ten members: seven members would be Greek Cypriot and appointed by the President, while the remaining three would be Turkish Cypriot and appointed by the Vice-President. The legislature would consist of a fifty-member House of Representatives elected through separate electoral lists. Communal representation would be determined on a 70:30 ratio, and there would be the same ethnic quota for the civil service and the police force. For the 2,000-strong armed forces, however, a 60:40 ratio would apply. The judicial system would consist of a Supreme Constitutional Court, a High Court of Justice and lower courts also characterized by bi-communal representation. Separate communal chambers would be set up to deal with educational, religious, cultural and

personal status matters. The communal chambers would be entitled to levy taxes and establish separate courts to administer these powers, and to receive direct subsidies from their respective 'motherlands'. Finally, in each of the island's five largest towns there would be separate municipalities for the two communities.

Almost from the outset, many Greek Cypriots expressed their dissatisfaction with the agreements, regarding them as a betrayal of the *enosis* cause. Makarios felt they had been imposed from outside. Most importantly, the Greek Cypriots contested what they believed to be the over-generous concessions granted to the Turkish Cypriot community relative to their size. In their view, the Turkish Cypriots, who represented 18% of the island's population, should have been granted minority rights rather than an almost equal share in government arrangements. Hence, on 3 November 1963 President Makarios presented Vice-President Kucuk with a thirteen-point proposal for amending the Constitution. The amendments proposed the abolition of several critical constitutional provisions that characterized the bi-communal nature of the Republic. They set the stage for a unitary, centralized state with minority rights (at most) for the Turkish Cypriot community.

Ankara and Vice-President Fazil Kucuk rejected the proposed amendments. Tensions within public institutions grew until Turkish Cypriot officials either left or were made to leave all public positions. At the same time, violence broke out between communal paramilitary groups. Paramilitary organizations were initially defensive in nature, but as tension mounted they adopted more aggressive positions. The outbreak of inter-communal violence between the Greek Cypriot police force and the Turkish Resistance Movement, and between Greek and Turkish Cypriot paramilitary groups, led to numerous deaths and the forced displacement of over 30,000 Turkish Cypriots from mixed villages to enclaves. The (Greek Cypriot) government imposed an economic embargo on strategic goods and services to the enclaves, it directed no public expenditure to the Turkish Cypriot community living in enclaves, restricted the latter's freedom of movement and denied it most forms of employment.

The problem intensified with Greece's efforts to destabilize Makarios' government. Tensions between Greece and Cyprus had been exacerbated following the 1967 military *coup* in Greece and the growing Greek interference in the internal affairs of the island. It culminated on 15 July 1974 when the Greek National Guard staged a *coup* to oust the Archbishop's regime and extend the dictatorship to Cyprus.

At this point, Turkey, which had already been on the verge of intervening in 1964 and 1967 in response to inter-communal violence, intervened militarily on 20 July 1974, invoking its rights under the Treaty of Guarantee. The army initially took control of a narrow, ten-mile strip of coastline around Kyrenia, which was then joined to the triangular enclave of land under Turkish Cypriot control. After the first attack, the parties met in Geneva in August 1974. They agreed on an exchange of prisoners and UN protection for the Turkish Cypriot enclaves. The Turkish and Turkish Cypriot sides proposed a bi-zonal federal system as a take-it-or-leave-it solution. When acting President Glafcos Clerides asked for an adjournment of 36-48 hours for consultations, Turkey attacked a second time and took control of 37% of the island's territory.

During and immediately after the first Turkish military intervention EC member states in the framework of European Political Cooperation made a set of démarches in Athens and Ankara calling for ceasefire and supporting negotiations in Geneva. Internal European divisions however blocked EPC during and after the second invasion. Between the first and the second Turkish attacks, the Greek junta collapsed and the new premier Constantine Karamanlis immediately voiced the intention to apply for EC membership. The pro-European regime in Athens and the Turkish occupation of over one third of the island in turn made member states such as France more supportive of the Greek Cypriot side. Other member states like Germany and the UK preferred to retain an even-handed approach towards Greece and Turkey. As a result, since 1974 the EC refrained from active collective involvement in conflict resolution efforts.

2.2 The evolution of the conflict since 1974

Following their intervention, the Turkish troops remained in Cyprus and the 1960 constitutional order was not restored. Instead, a radically different order emerged, with the Turkish Cypriots now controlling 37% of the island, including 57% of the coastline. This territory included 70% of the island's economic potential, with over 50% of its industrial enterprises, 60% of natural resources, 65% of the total cultivated land and 73% of the tourist infrastructure. The intervention and the ensuing Vienna agreements on population exchange in April/May 1975 led to the displacement of 140-160,000 Greek Cypriots from the north and 60,000 Turkish Cypriots from the south. Both areas were almost entirely ethnically cleansed. Only 13,000 Greek

Cypriots remained in northern Cyprus, living in the isolated Karpass Peninsula. Furthermore, since partition Turkey has encouraged immigration to northern Cyprus from the mainland, and today the number of Turkish immigrants ranges between 40,000 and 80,000.[1] Property formerly belonging to Greek Cypriots was nationalized and distributed to Turkish Cypriots, through certificates of usufruct, on the basis of property lost in the south. As a result, the return or compensation of properties became one of the major sticking points on the conflict settlement agenda.

Since 1974 Cyprus has been divided into two distinct zones. In the north, the Turkish Cypriot community first declared the Turkish Federated State of Cyprus in 1975, and in 1983 declared the Turkish Republic of Northern Cyprus (TRNC). The international community – excluding Turkey – condemned this unilateral declaration of independence (UDI) as a secessionist act against the spirit of conflict resolution.[2] In the south, the Greek Cypriots retained the title of the RoC. With the exception of Turkey, the international community continued to view the RoC as the only legitimate authority on the island despite the absence of Turkish Cypriots there.

Table 2.1: Cyprus – population and ethnicity*		
	1960	2000
Total	572,000	757,000
Greek Cypriots	441,500	630,500
Turkish Cypriots	104,000	210,000
Other	26,500	75,000

* The last official census in Cyprus was in 1960. Figures since then have been hotly disputed. The 2001 Commission Progress Report states that in 2000 the population of the island was 757,000 (including both northern and southern Cyprus). The RoC authorities claim that this figure includes 630,500 Greek Cypriots, 9,000 Maronites, Armenians and Latins and 66,000 resident workers. RoC statistics claim that only 87,600 Turkish Cypriots reside in Cyprus, while 115,000 Turkish settlers immigrated from Turkey. TRNC statistics, claim that the number of Cyprus-born Turkish Cypriot citizens and Turkish immigrants with TRNC citizenship stands at 210,000.

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[1] Figures on the numbers of Turkish immigrants vary enormously, with Greek Cypriot sources citing around 115,000 Turkish settlers and Turkish Cypriot sources arguing that not more than 40,000 of the population was born in Turkey.
[2] UN General Assembly Resolution 5412 (1983), UN Security Council Resolutions 541 (1983) and 550 (1984) and Council of Europe Resolution 1056 (1987).

The partition of the island led to a consolidation of conflict, with the evolution of two very different economic, political and social systems and polities.[3] The first divisive condition was the existence of the formally recognised RoC governing the Greek Cypriot community alongside the *de facto* but unrecognized TRNC, governing the Turkish Cypriot community. Over the years, as the conflict showed no signs of settlement, the latter went from being an administration that had served the enclaved Turkish Cypriots in 1967-1974 to declaring independence in 1983. The present situation has greatly exacerbated the division between the two peoples by precluding any experience of joint governance and the development of a joint political culture.

The second divisive condition has been the almost complete lack of any social, cultural or economic links between the two communities. Because of separate governance, and above all the 'Green Line' (dividing the two communities in separate zones since the 1974 partition of the island), contact between the two sides has been virtually non-existent. In the social and cultural spheres, links between the communities have been inhibited by territorial separation, while in the economic sphere, the embargo imposed on the north by the RoC destroyed almost all the economic links that had existed through trade and joint business. New generations of Cypriots grew up without any form of contact with the other community. This in turn encouraged radical political views based on bias and prejudice. The media and education systems exacerbated this situation by reminding young generations of the injustices and atrocities of the past. In this context it may be interesting to note some of the results of a poll carried out in March 2000 in the RoC. Seventy-five per cent of the Greek Cypriots interviewed said that they would not agree to a marriage between a member of their family and a Turkish Cypriot. Over 80 per cent said that in the event of a federal solution they would not live in the Turkish Cypriot zone. Finally, between 30 and 40 per cent of interviewees were opposed to working in the same place as a Turkish Cypriot, living in a mixed village or allowing their children to attend the same schools as Turkish Cypriot children. Figures on the Turkish Cypriot side would probably paint an even bleaker picture, given that the fear of coexistence is even more marked within the smaller Turkish Cypriot community.

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[3] For further detail on this aspect see Nathalie Tocci "Self-determination in Cyprus: Future Options within a European Order", in Bruno Coppieters and Richard Sakwa (eds), *Contextualizing Secession: Normative Analysis in Comparative Perspective* (Oxford: OUP, 2003), pp.71-96.

The situation changed in April 2003 when, following the failure of UN-led negotiations, the Turkish Cypriot side opened the Green Line. There was a huge influx of people across the border, with largely positive consequences. Young generations of Greek and Turkish Cypriots have experienced that contact does not automatically entail violence, and that coexistence is possible. Yet at the same time important elements of division remain. On the Greek Cypriot side, seeing the comparative poverty in northern Cyprus and watching Turkish Cypriots crossing the border to buy food and consumer goods in the prosperous south consolidated the vision of the 'impoverished Other'. Some Greek Cypriots resented having to show their documents to Turkish Cypriot authorities when crossing the border. On the Turkish Cypriot side, resentment mounted over the obstacles to intra-island trade erected by the Greek Cypriot government, despite their nominal acceptance of this confidence-building measure. Turkish Cypriots have also resented the restrictions imposed by the Greek Cypriot side on the overnight stay of foreigners in northern Cyprus.

The third condition fostering division is the economic disparity between the two communities. After 1974, while the Greek Cypriot economy in the south underwent a vigorous recovery, leading to economic prosperity, the Turkish Cypriot economy in the northern region stagnated.[4] The Greek Cypriot economic success was facilitated by the status of the RoC as the only internationally recognized state on the island. As a small economy it benefited hugely from trade and investment, specializing in light manufacturing goods, tourism and offshore financial services. Northern Cyprus presents a starkly contrasting scenario. Agriculture remains largely subsistence-based, and tourism is under-exploited mainly owing to the lack of international air links from places other than Turkey. The economy is dominated by an inefficient public sector, leading to serious fiscal imbalances. The stagnation in the economy is exacerbated – if not largely caused – by the lack of international recognition. The close ties between northern Cyprus and Turkey have not only been insufficient to offset the costs of international isolation[5] – they have also meant that

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[4] The economy of northern Cyprus is marked by the existence of significant unrecorded economic activity. Real figures are thus higher that those reported in statistics for northern Cyprus. On this see Clement Dodd (ed.), *The Political, Social and Economic Development of Northern Cyprus* (Huntingdon: Eothen, 1993).
[5] In 1998, Turkey formed an Association Council with the TRNC providing for close links in trade, political solidarity and budgetary support.

northern Cyprus has inherited Turkey's economic ills, further hampering trade and investment, and thus overall growth, in the north.

Economic disparities have meant radically different ways of life and standards of living, hindering inter-communal relations. In addition, they have heightened concerns about reunification amongst the Turkish Cypriot people, who fear the economic domination of northern Cyprus by the prosperous Greek Cypriots. This fear explains why one of the principal items on the conflict settlement agenda is the liberalization of the freedoms of movement, settlement and property. The Greek Cypriot community, wishing to return to the north, demands the liberalization of the three freedoms. The Turkish Cypriot community rejects their demands, arguing that if these freedoms were fully liberalized, northern Cyprus would be 'bought up' by the richer Greek Cypriot community, thereby threatening the communal survival of the Turkish Cypriots.

The last cause of division between the two communities is the underlying conflict between their respective kin-states, Greece and Turkey. Since the Ottoman conquest of Constantinople in 1453 and the ensuing four centuries of Ottoman rule over Greece, which ended with the Greek war of independence in 1821-29, tensions between the two nations have been high. Rivalries were reinforced in the late nineteenth and early twentieth centuries with the wars of 1897, 1912-13 and 1919-23, and again after 1974 by conflicts over sovereignty rights in the Aegean. To the extent that the two Cypriot communities identify with their respective 'motherlands', Greek-Turkish rivalry hinders the creation of shared or coexisting identities in Cyprus.

The situation has improved since the seeds of a Greek-Turkish *rapprochement* were sown during the spring and summer of 1999. The Greek Foreign Minister George Papandreou, in particular, increasingly felt the need to engage in constructive dialogue with arch-enemy Turkey, following a period of increasing brinkmanship between the two countries in 1996-99. The earthquakes in Greece and Turkey in August-September 1999, and the mutual support between the two countries in the wake of these humanitarian crises, provided the pretext for a major policy shift. The earthquake diplomacy led to the groundbreaking reciprocal visits of foreign ministers Ismail Cem and George Papandreou to each other's countries in January-February 2000. *Rapprochement* steadily filtered through the system. By the autumn of 2002, Greece and Turkey had signed ten bilateral agreements on 'low politics' issues. Regarding Greek-Turkish disputes in the Aegean, despite the absence of concrete

agreements, since March 2002 the parties have engaged in talks on the continental shelf. The *rapprochement* should be hailed as one of the most positive developments in the Cyprus conflict since 1960. It remains fragile, however, and a crisis in Cyprus or the Aegean could still endanger the process.

Hence, while the initial causes of the conflict are rooted in the decades preceding 1974, the conflict has been sustained by the divisive conditions that have emerged since then. Real and imaginary political, geopolitical, social and economic divisions have led to support for rigid negotiating positions by the two community leaderships, preventing the materialization of a lasting and comprehensive agreement.

2.3 The history of negotiations and attempted solutions

Successive rounds of negotiations since 1974 have amounted to little more than a few superficial and inconsequential successes and a myriad of failures. The parties, at different times and to different degrees, rejected international proposals, refusing to alter their negotiating positions in any meaningful way. Yet at the same time the international community, embodied mainly by the UN Secretariat, became increasingly precise as to what the contours of a settlement would look like. In other words, over time the proposals did not deviate significantly from one another, but rather built on each other. They also remained based on the political concepts underpinning the 1960 Constitution. Over the years, international mediators fine-tuned their proposals, adapting them to the increasingly refined positions of the principal parties and attempting to square the circle between their incompatible positions by taking account of underlying basic needs.

The only concrete steps forward came shortly after partition. UN Security Council (UNSC) Resolution 367 of 1975 proposed a solution based on an independent, sovereign, bi-communal and bi-zonal federation. A federation would take into account the post-1974 situation, while respecting the independence of Cyprus as advocated in UNSC resolutions.

UNSC Resolution 367 paved the way for the high-level agreements of 1977 between Rauf Denktash and Archbishop Makarios and those of 1979 between Denktash and Spyros Kyprianou. The 1977 agreement established four main guidelines for a settlement: it would be based on an independent, bi-communal and non-aligned federation. Territorial readjustments would take into account the

economic viability of the entities involved and communal land ownership. Provisions on the 'three freedoms' of movement, settlement and property would be included in the agreement, and the federal government would ensure the unity of the country. The 1979 agreement stipulated ten further points: a settlement would be reached via inter-communal talks and would address human rights and freedoms on the island. It would also provide for the resettlement of 35,000 Greek Cypriot refugees in a demilitarized Varosha, the now uninhabited and formerly developed tourist resort area bordering the town of Famagusta. No action would be taken which could jeopardize the peace process. The international community still upholds the high-level agreements, but their substance is so general that it could accommodate almost any negotiating position.

The impossibility of achieving a compromise was determined largely by the fact that for decades the main parties had been defending mutually exclusive negotiating positions on the key issues. The main differences between the two parties can be highlighted by briefly analysing their positions on four issues: sovereignty, political equality, territory and security – positions that have not fundamentally changed since 1974. The Turkish Cypriot vision emphasizes the necessity for separate sovereignty. In practice, this means that a federal state would emerge from the aggregation of the Greek and Turkish Cypriot sovereign federated states. Only a federation by aggregation would ensure political equality between the two communities. The sovereign and largely self-governing cantons would then delegate limited powers to the centre. The Greek Cypriot leadership also accepts the concept of a bi-communal, bi-zonal federation, but it emphasizes the single and indivisible sovereignty of the RoC, which would disaggregate through constitutional change.

Interpretations of political equality have also differed significantly. To the Turkish Cypriot leadership the sacrosanct principle of political equality means equality between the two federated states, coordination rather than subordination between the federated states and the federal level, and equality of the two communities within the federal level through widespread unanimity of decision-making and numerical equality. To the Greek Cypriots, the reluctantly accepted principle of political equality predominantly entails equality between the two federated states. The 1989 Greek Cypriot proposals essentially rejected the equality of

the federated states *vis-à-vis* the centre.[6] The federated states would have only a limited set of regional powers. At the centre, the key principles would be those of proportionality and majority rule. As current President Tassos Papadopoulous put it: "political equality can only be achieved within the confines of one state, one sovereignty and one citizenship".[7]

The prism of absolute sovereignty has also led to contrasting positions on territory, Turkish immigrants and the three freedoms of movement, settlement and property. The Turkish Cypriot leadership demanded a territory large enough to be economically self-sufficient and thus sustain Turkish Cypriot sovereignty. This concept was rejected by the Greek Cypriot side, to whom territorial boundaries would not divide two sovereign entities. According to the Greek Cypriots, the boundary should take into account the demographic balance on the island. Effectively following the same demographic logic, the Turkish Cypriot leadership rejected the Greek Cypriot demand for the repatriation of Turkish immigrants. To the Greek Cypriots, the three freedoms of movement, settlement and property should be liberalized because the Cypriots, as the ultimate repositories of the single sovereignty of the state, should enjoy equal rights throughout the island. The Turkish Cypriots rejected this position, insisting on their right to separate, sovereign self-rule. Cyprus, in their view, is composed of two sovereign peoples, not one.

Differing perceptions of security threats have also led to contrasting positions on external guarantees. To the Turkish Cypriots, within a system of two sovereign entities, Turkey alone could protect the security of the smaller Turkish Cypriot state from the larger Greek Cypriot community. To the Greek Cypriots, however, the main security threat is posed by Turkey itself rather than by the Turkish Cypriots. Hence their calls for demilitarization and resistance to Turkey's interference in Cyprus.

Thwarted by mutually exclusive positions, domestic and international efforts made since the high-level agreements went through an unending series of failures. In what follows we briefly recount the history of negotiations and proposed solutions since 1974. Following the 1977 and 1979 high-level agreements, UN Special Representative Hugo Gobbi mediated inter-communal negotiations in the period

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[6] Republic of Cyprus, "Outline Proposals for the Establishment of a Federal Republic and for the Resolution of the Cyprus Problem", submitted on 30 January 1989, Appendix 20, in Republic of Cyprus, *The Cyprus Problem, Historical Review and the Latest Developments* (Nicosia: Information Office, Republic of Cyprus, 1999).

between 1980 and 1983. Gobbi's mediation ultimately failed when in May 1983 the RoC, supported by Greece, brought its case to the UN General Assembly and secured Resolution 37/253 in favour of the immediate withdrawal of Turkish forces. Frustrated by the Greek Cypriot advantages deriving from recognized statehood, the Turkish Cypriots responded with their unilateral declaration of independence in November.[8] In response, the Greek Cypriot team left the negotiations and rejected the UN Interim Agreement.

Talks resumed in Vienna in August 1984. The UN drafted three agreements under Secretary-General Javier Pérez de Cuéllar in 1984-86 (the 1984 Working Points, the 1985 Integrated Documents and the 1986 Draft Framework Agreement). The proposals suggested a federation consisting of two provinces, with the Turkish Cypriot province amounting to 23-30% of the island. The legislature would have two houses. The lower house would be governed either by proportional representation or by a 70:30 ratio (as per the 1960 Constitution). The executive would be a presidential system, which would either follow the 1960 Constitution (with a Greek Cypriot President and a Turkish Cypriot Vice-President) and a 60:40 ratio in the cabinet, or would involve a rotating presidency and a 70:30 ratio in the cabinet. The federal level would be responsible for foreign and security policies, federal finance, monetary policy, infrastructure and social policy. The two provinces would have the residual competences. Talks also covered the 'three freedoms', the withdrawal of Turkish troops, the resettlement of Varosha and the reopening of Nicosia airport. The Turkish Cypriot side accepted the first and third draft agreements for a federal settlement, but both Papandreou and Kyprianou rejected them.

There was a greater sense of optimism when talks were re-launched in Geneva in August 1988 between Rauf Denktash and the newly elected Greek Cypriot President, Vassiliou, who was viewed as considerably more moderate than his predecessor Kyprianou. In July 1989, Pérez de Cuellar presented his ideas for a settlement. The ideas provided for a new 'common home' for the two communities, whose relationship would be not of majority and minority but rather of political equality. There would be a new constitution, which would set up a single, bi-zonal

[7] Debate between Nicos Anastasiades, Demetris Christofias and Tassos Papadopoulos, in Cyprus College, Nicosia, 11 March 2002.
[8] According to a Turkish minister at the time, the UDI was intended not as a permanent measure but rather as a means of shifting the balance of opinion within the UN in favour of political equality for the

and bi-communal federal Cyprus. The new state would have a single international personality and citizenship, but it would embody the political equality of the two communities. The single sovereignty of the federal state would in fact 'emanate equally' from the two communities. Negotiations on the basis of the Secretary-General's ideas continued into 1990 and culminated in a summit in March 1990. The summit failed when Denktash demanded the right of separate self-determination and was turned down by Vassiliou.[9] Nevertheless, Security Council Resolution 649 called for an agreement negotiated on an equal footing by the two parties, based on the Secretary-General's ideas. It also called the parties to 'refrain from any action that could aggravate the situation' (article 5).

Notwithstanding the Security Council's appeal, the RoC applied for EC membership on 4 July 1990. The Turkish Cypriot authorities reacted harshly to the application. Following the application and the Commission's positive Opinion in 1993, the 'EU' as a collective actor (that despite its 1972 Association agreement with Cyprus had never played a significant role in peace efforts) gradually became an integral element of the dynamics of the conflict.

Notwithstanding the RoC's application for EC membership, the 1990-1993 period witnessed persisting and intense UN mediation efforts. In October 1991, UNSC resolution 716 reaffirmed the principle of a single Cyprus based on the communities' political equality.[10] Two months later, the UNSG's report stated that "the framework of a settlement has become clear (...) [and] sovereignty will be equally shared but indivisible"; the solution would be based on a 'new constitutional arrangement' which would be negotiated on an 'equal footing' and approved through 'separate referenda'.[11] In early 1992, the new UN Secretary-General Boutros Boutros Ghali immediately picked up the Cyprus dossier from where his predecessor had left off. The process culminated in 1992 with a fully fledged UN proposal for a settlement, known as the 'Set of Ideas'. The UN Security Council endorsed the document in Resolution 750 of 10 April 1992.

The 'Set of Ideas' fleshed out in greater detail previous UN ideas and proposals for a bi-zonal and bi-communal federation, which had in turn drawn on the

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Turkish Cypriot community – as indeed appeared to be the case in the 1984-86 negotiations and in the 1992 Set of Ideas. Interview conducted in Istanbul, May 2002.

[9] Interview with Greek Cypriot negotiator in 1989, Nicosia, March 2002.

[10] UN Security Council Resolution 716 (S/23121 08/10/91), paragraphs 4 and 6.

[11] Report of the Secretary-General to the UN Security Council (S/23300 19/12/91), paragraph 6.

high-level agreements and the 1960 accords. Cyprus would be the common home of the two politically equal communities. The principle of political equality was formalized by stating that "one community cannot claim sovereignty over the other community"[12] and that "the federal Government cannot encroach upon the powers and functions of the two federated states".[13] The federation would have a single international personality, citizenship and sovereignty. However, sovereignty would emanate equally from the two communities and each federated state would be administered by one community, in accordance with its own constitution. At the centre, there would be a President and a Vice-President, one from each community. There would be a federal council with a 7:3 communal ratio, taking decisions by majority vote. There would be a bicameral legislature (with a ratio of 70:30 in the lower chamber and 50:50 in the upper chamber). For decisions in the spheres of foreign affairs and defence, security, budget, taxation, immigration and citizenship, parliamentary approval could necessitate separate majorities of both communities in both houses.

The Set of Ideas entrusted the central level with considerable power over foreign policy, defence, policing, customs, trade, monetary policy, citizenship and immigration as well as standards on public health, the environment, the preservation of natural resources, and weights and measures. The centre would also be responsible for airports and ports, communications, patents and trademarks. All remaining areas, such as transport, industry, R&D, tourism, agriculture, education and culture, would be sub-state competences. The federated states would also be responsible for security and law and order within their territories, through separate police forces and judiciaries. Both the central and the federated state levels would have separate budgets and powers of taxation.

Concerning refugee return and the liberalization of the three freedoms, the Set of Ideas proposed that whereas the freedom of movement would be freely exercised, other rights and freedoms would be restricted by certain conditions. In particular, a set of conditions governed the return to or settlement in northern Cyprus by Greek Cypriots. The result would ensure that each community had a clear majority of the population and land ownership in their federated state. Those displaced persons who

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[12] UN Secretary-General, "Set of Ideas for the Reunification of Cyprus" (S/24472 English, 1992), pt.11.
[13] UN Secretary-General, "Set of Ideas for the Reunification of Cyprus" (S/24472 English, 1992) pt.21.

did not wish to, or who could not, return to their former properties would be adequately compensated. The Set of Ideas also envisaged a map which reduced the Turkish Cypriot zone to approximately 28% of the territory. People affected by the territorial adjustments could either remain in their homes or be relocated to the Turkish Cypriot federated state. Finally, concerning security, the Set of Ideas included demilitarization as a long-term objective. In the meantime there would be a numerical balance between Turkish and Turkish Cypriot troops and equipment on the one hand and Greek and Greek Cypriot troops and equipment on the other. The Treaties of Guarantee and Alliance would remain in force.

The Greek Cypriot team under Vassiliou accepted the Set of Ideas as a basis for negotiation. The Turkish Cypriot side endorsed ninety-one out of the one hundred points in the document. Nevertheless the talks finally ended in November 1992 with the Secretary-General concluding that the peace process was suffering from a 'deep crisis of confidence' between the parties. Furthermore, in February 1993 George Vassiliou lost the presidential election to the (then) more hardline Glafcos Clerides, who rejected the Set of Ideas. Direct talks on final status were stalled until 1997.

Yet in the meantime Cyprus' accession process steadily proceeded. At the 1994 Corfu European Council the Union decided to include Cyprus (and Malta) in the future round of enlargement. In 1995 the General Affairs Council decided to open accession negotiations with Cyprus six months after the completion of the 1996 Intergovernmental Conference. In 1997 the Commission document 'Agenda 2000' stated that accession negotiations could begin with the Republic of Cyprus despite the persistence of the conflict.

In view of the prospect of opening accession negotiations between the divided Cyprus and the EU, inter-communal negotiations were relaunched in July 1997 in Troutbeck, New York, when the UN tabled a proposal which – like the 1992 Set of Ideas – proposed a federal state with single sovereignty emanating equally from the two communities, with single international personality and citizenship, and composed of two federated states with identical powers. At the Troutbeck meeting, the Greek Cypriot team rejected the formulation of sovereignty 'emanating equally' from both communities. The talks were reconvened in August 1997 in Glion, Switzerland. They failed, this time because of the Turkish Cypriot position. With the failure of the talks and the opening of EU accession negotiations between the RoC and the EU, Rauf Denktash refused further direct talks.

To break the impasse in 1999, the UN Security Council called for the launching of proximity talks,[14] and between December 1999 and November 2000 five rounds were held under UN auspices. What became clear, round after round, was that these proximity talks were making little progress even towards opening direct talks, let alone towards a settlement. Indeed the UNSG later defined the process as one of 'procedural wrangling', 'verbal gymnastics' and 'shadow boxing'.[15] UN Special Representative Alvaro de Soto engaged in shuttle diplomacy between the sides and worked on a set of bridging ideas. Their substance was disclosed in the form of 'oral remarks' in November 2000. In December 2000 the Turkish Cypriot side unilaterally abandoned the talks, and the peace process was once again plunged into deadlock. The December 1999 Helsinki European Council had stated that Cyprus' accession could occur without a settlement on the island. The scene appeared set for the EU accession of a divided island.

Yet, in November 2001, in an unexpected turnaround in the Turkish Cypriot position, Rauf Denktash invited Glafcos Clerides for a 'heart-to-heart' talk in northern Nicosia. Reciprocal dinner invitations set the stage for a restart of direct talks. Talks, in the presence of Alvaro de Soto, began in January 2002. They were intended to lead to a comprehensive agreement by June 2002, a deadline that would allow the December 2002 Copenhagen European Council to invite the whole island into the EU. Yet as the successive rounds of talks proceeded, a growing mood of pessimism pervaded the negotiations. The June deadline was missed and by the summer of 2002 the process seemed deadlocked. The publication of a UN Plan (hereafter 'Annan Plan') in November 2002 injected new life into the process, as it provided a comprehensive proposal to reunify the island within the EU. The parties nonetheless failed to reach an agreement by the successive deadlines of 13 December 2002 (i.e., at the Copenhagen European Council when Cyprus was invited to join the Union), 28 February 2003, 11 March 2003 and then, finally, during the peace process re-launched in February-April 2004.

What were the principal features of the Annan Plan? Three versions were presented in November 2002 and March 2003. Two additional versions were

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[14] Proximity talks are a process in which, rather than negotiating with each other, the parties present and discuss their positions with a third-party mediator, e.g., the UN Special Representative, who shuttles back and forth between the two sides.

[15] UN Secretary-General, *Report of the Secretary-General on his Mission of Good Offices in Cyprus*, 7 April 2003, paragraph 23.

presented in March 2003. While the Plans differed marginally from each other, in what follows reference is made to the fifth and final version of the Annan Plan. Constitutionally, the Plan adopted several aspects of the Swiss and Belgian federal constitutions. Sovereignty would be shared and would not lie exclusively with one level of government. Instead, both levels would 'sovereignly' exercise the powers granted to them by the Constitution in a non-hierarchical fashion. The 'sovereign' exercise of powers was inspired by the previous UN stipulation that sovereignty would 'emanate equally' from the two sides. Most powers would be attributed to the constituent states, which would coordinate policies in their spheres of competence. In this respect the Annan Plan envisaged a looser common state than that put forward in the Set of Ideas. However it should be noted that, unlike federal arrangements such as those of Belgium, the Annan Plan (like the Set of Ideas) does not allow federated states to conclude international treaties in their domestic spheres of competence. In federal structures composed of several ethnic or linguistic communities, treaty-making power is one of the ways to acknowledge, through the constitution, the right of these communities to national self-determination.

Federal institutions would be marked by effective political equality between the parties in a manner that built upon previous proposals but also differed from them in important respects. Rather than a presidency (as in the 1960 constitution and past UN proposals), there would be a Presidential Council comprising nine members (including at least two Turkish Cypriot voting members, and one Turkish Cypriot non-voting member), within which there would be a rotating Presidency (with a President and a Vice-President from different constituent states, rotating every twenty months). The idea of a presidential council (modelled on the Swiss constitution) was an ingenious way of escaping the deadlock between the parties on whether there should be a rotating presidency. The Annan Plan took up the idea of rotation, called for by the Turkish Cypriot side, but by introducing the idea of a presidential council it diminished the importance of the rotating presidency, thus taking Greek Cypriot concerns into account.

The presidential council would strive to reach decisions by consensus (if the council fails to reach decisions by consensus it would decide by majority vote). The federal parliament, on the other hand, would be composed of two houses, and decisions would require the approval of both chambers by simple majority. Hence, unlike in the Set of Ideas, minority blocking power was not envisaged in the Plan at

either the executive or the legislative level. However, for specified matters a two-fifths majority of both Greek and Turkish Cypriot Senators – in addition to a simple majority – would be required. The Supreme Court would be represented by an equal number of Greek and Turkish Cypriots and would serve as a dispute-resolving mechanism if federal institutions became deadlocked. Elections would be based on constituent state citizenship for the lower house and on permanent residency for the constituent state legislature. In the Senate, instead, representation would be based on community affiliation (i.e., there would be an equal number of Greek and Turkish Cypriots).

The constitutional aspect (which in important respects, albeit not all, came closer to meeting Turkish Cypriot concerns than previous UN proposals) was counterbalanced by territorial proposals which provided for a reduction of the northern zone to approximately 28.5% of the land (including the transfer of approximately 50% of the territory of the British sovereign bases predominantly to the Greek Cypriot state). Territorial readjustments in turn would allow some 90,000 Greek Cypriot displaced persons to return to their properties under Greek Cypriot rule. The remaining Greek Cypriot displaced persons who wished to return to the north would have the right to the reinstatement of one-third of the value and one-third of the area of their total property within three to five years. They would receive compensation for the remaining two-thirds. They would not be entitled to reinstatement if their properties were currently occupied by other displaced persons or had been significantly improved (in which case they would receive compensation instead).

In terms of military security, there would be an equal number (6,000) of Greek and Turkish troops until 2011, to be scaled down to 3,000 by 2018 (or by the date of Turkey's EU membership). Thereafter, figures would be scaled down to 950 and 650 for the Greek and Turkish contingents respectively (as provided for in the 1959 Treaty of Alliance), with complete demilitarization as the objective. A UN peace-keeping force, empowered by a new mandate, would monitor the implementation of the agreement. The Treaty of Guarantee would remain in force and the guarantors would defend the constitutional status and territorial integrity not only of the United Cyprus Republic, but also of the two constituent states. The UN Plan further stipulated that Cyprus would not put its territory at the disposal of international military operations

without the consent of both constituent states and of both Greece and Turkey until the accession of Turkey to the EU.

The Plan, with its thousands of pages of draft federal laws, international agreements and treaties, represented the most detailed – and the only comprehensive – attempt by the UN to advance a settlement since 1960. The Plan was based on the 1992 Set of Ideas, which in turn built on previous proposals dating back to the 1977 and 1979 high-level agreements and the 1960 constitution. As such, the UN Plan inevitably retained some of the vagueness inherent in previous proposals, particularly regarding questions of state sovereignty. The Set of Ideas had proposed 'indivisible' sovereignty that would 'emanate equally' from the two communities. The Annan Plan likewise fudged the question of sovereignty by speaking about the constituent states 'sovereignly' exercising their powers.[16] The Annan Plan also kept an aura of vagueness over the question of state succession. Would the new Cyprus result from the aggregation of the RoC and the TRNC or from a change in the RoC's constitution? In other words, the location of the original constituent power was left unspecified. This appeared to be the only way to square the circle between the mutually exclusive positions of the parties.

2.4 The impact of Europeanization on the Cyprus conflict

The impact of Europeanization on conflict settlement and resolution in Cyprus has two important dimensions to it. The first relates to the EU framework, into which a unified Cyprus was expected to enter. How was the EU framework utilized by UN mediators when drafting bridging proposals? The second relates to the impact of the EU accession process on the domestic parties in the Cyprus conflict. The value of the EU framework for conflict settlement and resolution in Cyprus translates from potential into actual to the extent that it is appreciated domestically by the main parties to the conflict. Only if the latter view the EU framework as a valuable asset can it add important resources to peace efforts.

Let us start with the first dimension. The RoC applied unilaterally for EU membership in 1990. Following a positive Commission Opinion in 1993, the Republic embarked on an accession process. It did so heedless of the opposition of

Turkey and the Turkish Cypriot leadership and the scepticism (at least up until the late 1990s) of the large majority of the Turkish Cypriot population. Yet by the late 1990s, and in particular following the 1999 Helsinki European Council, the island was set to enter the Union in 2004. Particularly during the 2002 direct talks, the parties were well aware that in December 2002 the European Council in Copenhagen would admit Cyprus into the Union. UN mediators therefore crafted the Annan Plan with the aim of embedding a loose, common state within the EU. How did they use the provisions and characteristics of the EU framework to draft a more palatable proposal?

In relation to constitutional questions it is important to differentiate between the mechanisms aimed at the domestic coordination of European issues and the representation of these domestic positions at the EU level. The Annan Plan aimed to make a settlement within the EU more appealing to the sceptical Turkish Cypriot side by endorsing the Belgian model of domestic coordination on EU matters. The Plan stated that: "constituent states shall participate in the formulation and implementation of policy in external and EU relations on matters within their sphere of competence in accordance with Cooperation agreements modeled on the Belgian example".[17] Thus, as in Belgium, the Annan Plan stated that the various levels of government would need to coordinate their stances in order to reach common positions to be represented at EU level. The Belgian model of domestic coordination is based on the consensus principle whereby each participating entity (i.e., each federal and federated representative) can potentially use its right of veto and thus block the coordination process. The price for Belgium of non-agreement at the domestic level is abstention in the EU Council of Ministers.

However, while the Annan Plan's formulations on domestic coordination on EU matters are modelled on the Belgian example, those on representation in EU Councils are rather vague, departing from the Belgian model. Article 19(3), making use of the possibilities allowed for under Article 203 of the Treaty of the EU, stated: "Cyprus shall be represented in the EU by the common state government in its areas of competence or where a matter predominantly concerns an area of its competence. Where a matter falls predominantly or exclusively into an area of competence of the

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[16] The Swiss constitution uses an even more ambiguous formula, referring to the cantons being sovereign within the limits of the Constitution.

[17] On the Belgian system of coordination see Bart Kerremans, "Determining a European Policy in a Multi-Level Setting: The Case of Specialized Co-ordination in Belgium", *Regional and Federal Studies,* Vol. 10, No. 1 (2000), pp. 36-61.

constituent states, Cyprus *may* be represented either by a common state or a constituent state representative, provided the latter is able to commit Cyprus" (our italics).[18] This means that Cyprus, together with the Belgian, German and Austrian federations, would belong to the limited number of member states that can be represented at the EU level by federated entities.[19] However, unlike with Belgium – where in areas of competence of the federated entities the Federation can be represented in the Council of Ministers only by these entities, acting as leaders of the Belgian delegation – the Annan Plan merely allows for the possibility of sub-state representation in EU Councils, without making it mandatory. In this respect the regulations in the Plan resemble the German and Austrian models of representation rather than the Belgian one. Nonetheless, the Plan does not rule out the further specification of these regulations. Various formal mechanisms of representation used by the federal states of Belgium, Germany or Austria in the multi-level EU setting could be taken into account when designing institutional solutions.

Under the 'Annan Plan', as in the case of Belgium, the implementation of EU laws and regulations would also be shared out in accordance with the internal division of powers. If, however, the constituent state level defaulted on its EU obligations, the common state level would be called upon to ensure the implementation of EU laws and regulations, even in policy matters that fell outside its sphere competence. By emulating this aspect of the Belgian model, the Annan Plan for Cyprus stepped up the role of the constituent state level, which would be entitled to exert its powers both within the common state and outside it (in Brussels).

The Annan Plan ensured that the implementation of the EU *acquis communautaire* would not become a hindrance to an agreement. Most of the provisions of the *acquis* would be implemented in EU member Cyprus. However, the original Annex V to the Annan Plan (later the Draft Act of Adaptation, attached to the Plan) set out a number of exemptions to the *acquis*, intended to allay Turkish Cypriot concerns about being overwhelmed by the larger and richer Greek Cypriot community. The exemptions were also included in order to retain the greatest possible balance between the rights in Cyprus of EU member state Greece and non-EU

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[18] United Nations Secretary-General (2004), *The Comprehensive Settlement of the Cyprus Problem,* Fifth Version, on http://www.cyprus-un-plan.org
[19] For a comparative analysis of the Belgian, German and Austrian systems of domestic coordination and representation at the EU level see Tamara Kovziridze, "Europeanization of Federal Institutional

member Turkey. Annex V was to be part of Cyprus' Treaty of Accession, which would in turn have taken precedence over EU law.

In terms of the 'three freedoms', while freedom of movement would be liberalized immediately, there would be restrictions on the freedoms of settlement and property acquisition, to be phased out over time. The Turkish Cypriot authorities could restrict the rights of persons (who had not been residents for more than three years) to acquire property in northern Cyprus either for twenty years or for as long as the Turkish Cypriot state's GDP per capita remained below 85% of that of the Greek Cypriot state. This would constitute a temporary exemption in the application of the *acquis*.

In another temporary exemption to the *acquis,* residence rights for citizens hailing from the other constituent state would be limited according to a specified formula. In the first five years there would be a moratorium. In years six to nine, residence rights could be restricted if residents hailing from the other constituent state represented over 6% of the population of any given village or municipality. The quotas would rise to 12% in years 10-14, and then to 18% of the population of a constituent state until the nineteenth year (or until Turkey joined the EU). Thereafter, the constituent state could continue to apply residency restrictions on a non-discriminatory basis in order to preserve its 'identity' (to ensure that no less than two-thirds of their permanent residents spoke the official language of that constituent state). These safeguards would not entail permanent derogations to the *acquis*, in so far as the latter allows for restrictions to the implementation of the EU's four freedoms if these are motivated for reasons of public security and are non-discriminatory in nature.

In addition to the effective exemptions to the *acquis* regarding intra-island freedom of ownership and residence, the Turkish Cypriot constituent state could adopt temporary economic 'safeguard measures' during the first six years of EU membership, if EU internal market laws threatened the economic development of northern Cyprus.

The Plan also attempted to reassure Turkey and the Turkish Cypriots that the external balance (i.e., between Greece and Turkey) would be respected despite Greece and Cyprus' EU membership. The retention of equal numbers of Greek and Turkish

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troops (until Turkey's EU membership), the continuation of the Treaty of Guarantee and the exclusion of Cyprus from possible ESDP operations created a balance in the security and military sphere. In the economic sphere, the agreement stipulated that Cyprus would accord both Greece and Turkey 'most favoured nation' status and apply the rules of the EU-Turkey customs union.

The Plan also attempted to retain a balance between Greece and Turkey in the spheres of property acquisition, residence and movement of persons, proposing to extend similar rights to Greek and Turkish nationals vis-à-vis Cyprus. For nineteen years or until Turkey's EU membership, the right of Greek (Turkish) nationals to reside in Cyprus would be restricted if this figure amounted to more than 5% of the number of resident Greek Cypriot (Turkish Cypriot) constituent state citizens. These restrictions also accounted for Greek Cypriot concerns about the presence of Turkish settlers in northern Cyprus. The Plan also stated that Greek and Turkish nationals would receive equal treatment in their movements to and from Cyprus. The Plan did not specify whether this entailed Cyprus' non-participation in the Schengen system, or whether additional benefits would be extended to Turkey in Cyprus, despite its non-membership of the EU (and non-inclusion in the EU visa-free list).

Let us now turn to the second dimension of the Europeanization of the Cyprus conflict, namely, the impact of the EU accession process on the domestic players. The question here is: to what extent, and through what mechanisms, were the features of the EU framework appreciated by the conflicting parties? And what, in turn, was the impact of the accession process on the principal parties to the conflict? When discussing the meaning of Europeanization in the Cyprus conflict, the starting point is the differentiated interpretation and value of Europeanization to the domestic players, who have different interests and different ideological standpoints. On these domestic players, Europeanization is having a dual effect. On the one hand, it has transformed their ideological and bargaining positions. This occurred both through a change in the domestic opportunity structure and through a more diffuse process of social learning (see Chapter 1). On the other hand, it has been used by the domestic players to legitimize their ideological positions and further their interests. Also worth emphasizing here is the fact that in Cyprus, owing to the imminent EU accession, 'Europeanization' is synonymous with 'EU-ization'.

Austria", *Regional and Federal Studies*, Vol. 12, No. 3 (2002), pp. 128-155.

The EU accession process, particularly in its final stage (which coincided with the latest UN mediation efforts), had diverse effects on the Greek and Turkish Cypriot political élites.[20] It induced the more moderate forces in Cyprus to be more active in seeking a solution prior to accession, while it contributed to a covert hardening of the positions of the least flexible forces. Given the deadlines inherent in Cyprus' EU accession timetable, those in favour of an early solution necessarily supported the Annan Plan as the basis of an agreement.

To begin with the Greek Cypriot side, it is important to note that the decision to apply for and pursue EU membership in the early 1990s was linked to the aim of strengthening the Greek Cypriot bargaining position in negotiations. First, the EU accession process and final EU membership would bolster the RoC's status as the only legitimate government on the island, it would further discredit the TRNC, and it would provide the RoC with an additional forum in which to put forward its cause. Second, Cyprus' accession process would increase Greek Cypriot leverage on Turkey both because of an expected rise in EU pressure on Turkey and because of Turkey's own aspirations to join the Union. Third, EU membership would yield critical security gains to the Greek Cypriot community, given the unlikelihood of a Turkish attack on an EU member state. Finally, with the implementation of the *acquis communautaire*, EU membership would provide a framework for the liberalization of the freedoms of movement, property and settlement.

In terms of these factors, the EU accession process had diverse effects on the Greek Cypriot political élites. President Clerides appeared far more open to compromise in 2002-03 than he had been in 1993, when he ran for and won his first presidency on a bid to reject the Set of Ideas.[21] Three key reasons appear to lie behind this change. The first reason is domestic. The different electoral alliances in the presidential campaigns of 1993 and 1998 partly explain Glafcos Clerides' different rhetorical and substantive positions. The two other reasons are external, and deeply connected to the ongoing process of Europeanization in Cyprus. The EU accession

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[20] On the problematic effect of the EU role in Cyprus see Thomas Diez (ed.), *The European Union and the Cyprus Conflict - Modern Conflict, Post Modern Union* (Manchester: Manchester University Press, 2002); Nathalie Tocci, "Cyprus and the EU: Catalyzing Crisis or Settlement?", *Turkish Studies,* Vol. 3, No. 2 (2000), pp. 105-138; and Christopher Brewin, *The European Union and Cyprus* (Huntingdon: Eothen, 2000).

[21] The Set of Ideas failed partly because of the changes demanded by the Turkish Cypriot side. However, the election campaign in southern Cyprus in 1993 – like the one in 2003, when the relatively more hardline candidate won the elections – was certainly detrimental to the peace process.

process and the immediate prospect of membership imbued the Greek Cypriot political élites with an increased sense of security. This increased the readiness of the moderate forces to make new concessions (such as accepting Turkey's role in Cyprus' security arrangements or accepting limits on the numbers of Greek Cypriot returnees. In this respect, lifting conditionality on the Greek Cypriot side in 1999 (i.e., allowing for the possibility of Cyprus' accession without a settlement being a condition) may have had a positive influence on the positions of the former Greek Cypriot leader.

Europeanization has also had an indirect effect on Cyprus, through the ongoing Europeanization of Greece, especially in the realm of foreign policy. Being a Greek Cypriot nationalist in 2003 had a profoundly different meaning from what it did in 1993. And this was due to the transformation of Greece over the course of two decades of EU membership.[22] EU membership aided the transformation of Greek governments at the level of discourse and mode of operation (e.g., increasingly accepting moderate positions and multilateral decision-making) as well as at the level of interest perception and understanding. In the realm of foreign policy, in particular, in 1999 the Simitis government made a historic U-turn in official Greek positions towards Turkey, advocating a policy of EU inclusion rather than exclusion. A Cyprus settlement would significantly reduce the chances of a serious rift in EU-Turkey relations, and – most importantly – it would consolidate the nascent Greek-Turkish *rapprochement*. Hence the relatively strong Greek support for the Annan Plan in 2002-03, which in turn restrained Greek Cypriot (opposition) politicians in their criticism of the Plan.[23]

To the extent that, by 2002, the Greek Cypriot government was genuinely willing to reach a settlement, the accession deadline may have increased their incentives to clinch an early deal.[24] While Greek Cypriot officials attached little importance to Turkish threats of annexation, they did appreciate that the international and domestic momentum generated in 2002 would evaporate in 2003 (as indeed it did, only to resurface in early 2004). If the chance to seal a deal prior to Cyprus' EU

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[22] See Panayiotis Ioakimidis, "The Europeanization of Greece: an Overall Assessment" in Kevin Featherstone and George Kazamias (eds), *Europeanization and the Southern Periphery* (London: Frank Cass, 2002).

[23] For example, at the 2002 Copenhagen European Council, the then Greek Cypriot opposition parties AKEL and DIKO moderated their criticism of the negotiating team for wanting to 'sell off Cyprus' after the support for the team's approach expressed by the Greek government.

[24] William Wallace, *Reconciliation in Cyprus: The Window of Opportunity* (Florence: Mediterranean Programme Report, EUI, 2002).

accession was missed, despite the greater Greek Cypriot bargaining strength after their EU accession this strength could remain latent in the absence of inter-communal talks (at least until Turkey's uncertain accession prospects became clearer). Furthermore, time could work against the Greek Cypriots, given the trends of Turkish Cypriot emigration from and Turkish immigration to the island. The EU 'deadline' may therefore have strengthened genuine Greek Cypriot determination to settle the conflict.

The same cannot be said, however, of the current Papadopoulous administration, in power since February 2003. As noted above, several Greek Cypriot analysts believe that, while Tassos Papadopoulous may have unwillingly accepted the Annan Plan at The Hague in March 2003, he became very reluctant to accept the original Plan in the aftermath of the signing of Accession Treaty in April of the same year.[25] Having secured EU membership, and aided by the non-committal stance of the New Democracy government in Athens (in power since March 2004), Papadopoulous felt unconstrained in his flat rejection of the Annan Plan in April 2004. The President was well aware of the stronger Greek Cypriot bargaining position post-accession. In his rejection of the Plan, President Tassos Papadopoulous evidently felt that he would be able to use his increased bargaining strength post-membership to secure a more favourable agreement. Not only would member state Cyprus be able to exert pressure on Turkey by hindering its EU accession course – it would also be in a stronger position to reject any provisions that contravened the EU acquis. In other words, EU conditionality model II, which the EU adopted in 1999, and whereby the Union offers privileged access to the bigger entity only (see Chapter 1), had an adverse effect on the current Greek Cypriot leadership. In addition, following the actual entry of Cyprus into the EU in May 2004, many of the exemptions to the *acquis* included in Annex V of the Annan Plan would no longer be feasible, as they would not be incorporated into the Treaty of Accession.

The Greek Cypriot discourse used to criticize the provisions of Annex V of the Annan Plan is particularly interesting. Whereas in the past uncompromising positions were couched in the language of human rights and majoritarian democracy, the accession process allowed the far more specific and binding language of the *acquis* to legitimize inflexibility. The ceilings on the numbers of Greek Cypriots in northern

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[25] Conversations with Greek Cypriot focus group participants, Nicosia, June 2003.

Cyprus, the limitations on the freedoms of settlement and property, the limits on the numbers of Greek nationals residing in Cyprus and the economic safeguards for the Turkish Cypriots are being criticized for being insufficiently 'EU-ized'.

Turning to the Turkish Cypriots, the EU accession process appeared to have its strongest negative effects between 1993 and 2001. They occurred because the presentation of costs and benefits of EU membership for their community was frequently based on misinformation about the EU or about existing practices within the Union. As a consequence, the benefits offered by EU membership were not valued enough by the Turkish Cypriot authorities for them to make concessions with a view to finding a solution. Throughout the accession period, moreover, Turkish Cypriot civil servants complained bitterly about the absence of adequate information from Commission officials, which led to the manipulation and misrepresentation of the accession process by those unwilling to see an agreement on the island.

The main incentive offered by the Commission to the Turkish Cypriots was economic. But in a context of international isolation stemming from embargoes and trade restrictions, the offer of conditional economic carrots had an adverse effect. The lure of economic incentives was branded a 'bribe' by several Turkish Cypriot and Turkish officials. They argued that the total aid on offer merely approximated to the annual transfers from Turkey (around $160-200 per year). They also argued that if Europeans had been genuinely concerned about the welfare of the Turkish Cypriots they would not have restricted trade since 1994. The 1994 European Court of Justice ruling, banning the export of products carrying Turkish Cypriot documentation, was interpreted as a deliberate and unethical attempt by 'the EU' to strangle the northern economy and force the Turkish Cypriots into compliance with Greek Cypriot demands. The EU still trades with Taiwan in spite of its non-recognition of Taiwan's independence. Why, therefore, if not purely to exert pressure on the Turkish Cypriot side, did 'the EU' impose a trade embargo on the Turkish Cypriots?

Furthermore, the perceived zero-sum nature of Greek Cypriot gains from EU membership automatically made the Turkish Cypriot leadership view EU accession as a threat, thereby reducing their incentives to reach an agreement that would entail EU membership. What made matters worse was that, until late in 2001, EU players failed to convey the message that many of these perceived threats were in fact based on serious misconceptions of EU law and policy. It may be argued that those unwilling to reach an agreement knew that their positions were based on misreadings of the Union.

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Yet had the Commission or the member states engaged in systematic information campaigns on possible ways of accommodating a settlement within the EU framework, they could have more easily discredited the uncompromising factions that bolstered their own positions through flawed reasoning.

Until late 2001, EU players did little to oppose the view that Cyprus' EU membership would necessitate a strongly centralized state in order to speak with a single voice in the EU. The EU did not inform the Turkish Cypriot side about its framework's potential to blur the distinctions between fully fledged statehood and highly autonomous federated entities. Several EU decisions, such as the 1994 European Court of Justice ruling on the banning of Turkish Cypriot exports, highlighted the significance of recognized statehood. Commission officials also did nothing to discredit the Turkish Cypriot view that bi-zonality within the EU called for a confederal rather than a federal agreement. EU law guarantees freedoms between (rather than within) member states. So if, hypothetically, the two leaderships agreed to restrictions solely within a federal Cyprus, and entered the EU as a single member state, strictly speaking this would not necessitate exemptions from the *acquis*. Exemptions would be more necessary if two states or a confederation joined the Union.

Finally, the debate in northern Cyprus suffered from serious misinformation concerning the implications of membership for relations with Turkey. A Turkish argument made against Cyprus' EU membership was that it would contravene the 1960 provisions granting 'most favoured nation' status to the three guarantor powers. However, the joint membership of Cyprus, Greece and Turkey in a customs union (as part of the Turkey-EU customs union) should automatically eliminate these concerns. The Turkish side also argued that EU membership would make any future Turkish security guarantee obsolete and that the EU Rapid Reaction Force (RRF) could be mobilized to expel Turkish troops from Cyprus. Yet the mandate of the RRF was not planned to extend beyond limited peace-keeping tasks. The idea of a hypothetical EU military intervention in Cyprus, against Turkey, was a myth that EU officials for too long failed to invalidate.

Because of these concerns, throughout the 1990s Turkish Cypriots and the TRNC establishment supported EU membership only after a settlement and/or after Turkey's accession. Membership after a settlement in Cyprus would mitigate the potential threats from EU accession, while Cypriot membership together with Turkey

would provide additional security guarantees. Thus as Cyprus' accession process went ahead while Turkey's path to the EU was blocked, those Turkish Cypriots who supported EU membership only after Turkey's entry became more reluctant to reach an agreement. To the most nationalist forces in northern Cyprus, moreover, the accession of a divided island was seen as a blessing in disguise. Several high-ranking officials argued that the accession of a divided Cyprus could settle the conflict on the basis of partition. Short of recognized independence, some officials would have been content with gradual integration into Turkey. In other words, as the Union gradually switched from conditionality model I (in 1993) to model II (in 1999) (see Chapter 1) *vis-à-vis* Cyprus, without an accession strategy for Turkey, the Turkish Cypriot authorities became more unwilling to reach agreement on the reunification of the island.

The mounting pressure on Denktash in 2002-03 suggests that the lure of EU accession did generate important incentives amongst the Turkish Cypriot public. Indeed, the parliamentary elections in the north on 14 December 2003 led to an unprecedented victory by the opposition forces. According to the electoral results, the two parties on the nationalist side – the National Unity Party (UBP) led by former Prime Minister Dervis Eroglu and the Democrat Party (DP), led by Serdar Denktash, both of which were sceptical of the Annan Plan – won the same number of seats in the parliament as the two centre-left parties, the Republican Party (CTP) led by Mehmet Ali Talat and the Peace and Democracy Movement (BDH) led by Mustafa Akinci, which had campaigned in favour of the Annan Plan and EU membership. Following the elections, a new government was formed in January 2004 between the centre-left (and pro-Annan Plan) CTP and the centre-right (and sceptical of the Annan Plan) DP. For the first time, centre-left leader Mehmet Ali Talat won the premiership in northern Cyprus. With the re-launch of the peace process in February 2004 and the failure to reach an agreement by March 2004, a large majority of the Turkish Cypriot community (by 65%) backed the Annan Plan (now finalized by the UN) in the separate referendum on 24 April 2004, despite its forceful rejection by the Turkish Cypriot President.

What explains these crucial political dynamics in northern Cyprus? While the government continued to dismiss economic incentives as a cheap bribe designed to turn the people against their government, the appeal of EU membership nonetheless appeared to be gaining hold amongst the public. This was not least because the

economic situation in the north had steadily deteriorated since 1999. However, what apparently lay at the heart of the public's concern was not simply the fear of poverty accentuated by the allure of EU-generated prosperity. It was rather the fear that economic ills and isolation would lead to their disappearance as a self-governing and well-defined community in northern Cyprus – that the Turkish Cypriots would disappear through emigration. These trends, they thought, would become exacerbated following Cyprus' EU membership, as the Greek Cypriot government would make EU passports available to all Cypriots.

Another consequence of isolation was the increasing dependence on Turkey, which led to a growing sense among the Turkish Cypriot public that they were not democratically governing themselves but were being controlled by Ankara. More and more, they saw poverty and isolation not simply as 'economic' issues but also as factors related to security and identity. Increasingly, they came to view their self-determination and communal security as depending on a solution and EU membership. In other words, the isolation of Turkish Cypriots increased their desire to accede to the Union, partly as a mechanism for securing democratic self-government in northern Cyprus.

The prospect of Turkey's EU accession was also a critical factor in the mobilization of the Turkish Cypriot opposition and public in 2002-03. All Turkish Cypriot centre-left leaders agree that the mass mobilization would not have been possible without the launching of Turkey's accession process after the December 1999 Helsinki European Council.[26]

Finally, the mobilization of the public in support of EU membership was linked to the publication of the Annan Plan. The Plan showed how a solution and EU membership could satisfy basic Turkish Cypriot needs. In doing so, it laid to rest many Turkish Cypriot fears about EU membership.

The last crucial dimension of the effects of the EU in Cyprus concerns Turkey. The prospect of Turkish accession has become somewhat clearer since the Helsinki European Council, in 1999. This improved the prospects for a settlement in Cyprus. The fundamental Turkish and EU ambivalence about Turkey's EU membership, however, continued to have an adverse affect on conflict resolution efforts. Those in Turkey who were sceptical of Turkey's EU membership (principally because of the

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[26] Interviews with Turkish Cypriot opposition leaders, Nicosia, February 2002 and June 2003.

domestic transformation it would entail) vehemently rejected any link between a Cyprus settlement and Turkey's accession. Nationalists argued that Cyprus was a national security issue, which could not be compromised for the sake of the EU. According to many analysts, nationalists and Eurosceptics relied on Turkish Cypriot 'intransigence' to prevent a settlement in Cyprus. The absence of a settlement would erect a further barrier in EU-Turkey relations. This, in turn, would reduce EU pressure on Turkey to embark on difficult reforms, and it would provide an opportunity for it to annex northern Cyprus.

Those who instead genuinely favoured Turkey's full membership were far readier to accept the linkage between a settlement and EU-Turkey relations, and as such became more willing to modify Turkish positions since Turkey was granted accession status in December 1999. The coming to power of the AKP (Justice and Development Party) in Turkey in 2002 led to the clearest change in the rhetoric of Turkey's Cyprus policy. In sharp contrast to previous administrations, the AKP government was willing to acknowledge openly the link between Turkey's accession process and a settlement.

Yet even after the 1999 Helsinki European Council, at which Turkey was accorded EU candidate status, the insufficient credibility of EU policies on Turkey strengthened the arguments of nationalist and Eurosceptic forces in Turkey and northern Cyprus, who argued against an early settlement within the EU. Moderates in Turkey accepted the fact that, because of Turkey's own shortcomings, Cyprus would join the EU before Turkey. However, they could not accept that, because of unchangeable features of the Turkish state and society (e.g., culture, religion and geography), Cyprus would mark the borders of a united Europe, keeping Cyprus and Turkey on opposite sides of the European divide. Hence, the more EU attitudes and decisions fed Turkish mistrust of the Union, and the less credible the positions of Turkish moderates became, the less well-disposed Turkey became towards a resolution of the conflict. In December 2002, the government felt that a Cyprus settlement within the EU would amount to 'losing Cyprus'. Events showed that the EU's Copenhagen offer to review (in December 2004) the possibility of starting accession negotiations with Turkey was insufficient to induce Turkey and the Turkish Cypriots to sign an agreement at that point in time. This failure was not only caused by flawed Turkish bargaining tactics, but was fundamentally linked to Turkey's

mistrust of Europe. Pressure alone was insufficient to persuade Turkey into an agreement.

This is not to say that Turkey decided against a solution within the EU. Throughout 2003, trends in Turkey continued to oscillate. Those sceptical of Turkey's future in Europe persisted in their opposition to Cyprus' EU membership, and consequently their opposition to the UN Plan. Those in favour of Turkey's EU membership, but dissatisfied with the Copenhagen decision, proposed postponing a settlement until Turkey's EU prospects became clearer (i.e., in December 2004). Other pro-Europeans pushed instead for an early settlement based on the UN Plan. They appreciated the difficulty of reaching a favourable agreement after Cyprus' accession to the EU (May 2004) and understood that in future the international burden, and EU conditionality in particular, would be placed on Turkey's shoulders.

By February 2004, those in Turkey pushing for an early settlement appeared to gain the upper hand. With the formation of the government in northern Cyprus, the National Security Council in Turkey convened a meeting on Cyprus in late January 2004. The meeting resulted in a Turkish (and Turkish Cypriot) commitment to re-launch direct negotiations and to use the Annan Plan as a 'reference' for an agreement (note: not as the 'basis' of' an agreement). However, shortly afterwards, Turkish Prime Minister Erdogan went a step further, when, during a World Economic Summit meeting in Davos, he declared to Kofi Annan that the UN Secretary-General had the authority to 'fill in the blanks' if the parties failed to agree on changes to the Plan. The Secretary-General then convened the parties in New York to draw up the timetable for negotiations.

In New York the Turkish and Turkish Cypriot sides made a remarkable proposition. They presented a three-stage timetable for reaching an agreement before Cyprus' accession on 1 May. The first stage would see a re-launch of negotiations between the two Cypriot leaderships, aimed at reaching an agreement on the basis of the Plan. In the second stage (if the first stage had not resulted in an agreement), Greece and Turkey would intervene, again attempting to reach a mutually agreed solution. In the third and final stage (again assuming the absence of an agreement), the Secretary-General would add the final touches to the Plan which would then be submitted to the two communities in separate referenda (and then to the parliaments of Greece and Turkey).

Throughout the three-stage process, the Turkish government remained committed to its pledges, and indeed supported the final version of the Annan Plan submitted to separate referenda. While this did not entail a consensus within the elites, the government's ability to pursue its stance clearly pointed to a decisive shift in the balance of power within the establishment.

This argument suggests that while the stick of Cyprus' accession proved insufficient to generate Turkish willingness to seek a solution, the carrot of Turkey's own accession process, together with a change in Turkey's domestic political dynamics, triggered a shift in Turkey's state policies on Cyprus. A greater Turkish readiness to settle the conflict under the AKP government is evident. This is largely due to the government's unprecedented commitment to EU accession (manifested also by its perseverance in pursuing domestic reforms). It is also due to the link made by EU actors between EU-Turkey relations and conflict settlement. However, without the more credible EU commitments to Turkey since 1999, and particularly since December 2002, the stick of the linkage (between a settlement and Turkey's accession process) would probably have had limited effect.

The EU had an impact on the Cyprus conflict both directly, as a result of EU conditionalities linked to the accession process, and through endogenous processes of social change within the main parties, which were also partly induced by EU accession. Where Cyprus' EU accession process is concerned, during the 1990s the Union switched from conditionality model I to conditionality model II. This may have had some positive effects on the previous Greek Cypriot leadership, imbuing them with a greater sense of security. But on the whole it did not lead to a moderation of Greek Cypriot positions, and it certainly reduced the current Greek Cypriot government's incentives to reach an early solution.

Nor did the switch to conditionality model II lead to a moderation in the positions of the Turkish Cypriot leadership, although it did trigger key domestic political dynamics in northern Cyprus by the turn of the century. The positions of the Turkish Cypriot leadership hardened over the course of the 1990s. Trends have altered since late 2001, and the results of the parliamentary elections in the north on 14 December 2003 certainly point to a distinct and unprecedented rise in the popularity of the opposition forces, and in particular their stance on a solution and EU accession, as also attested by the referendum results.

EU conditionality has appeared to produce some of its intended effects in the last three years, as Cyprus reached the end of its path to accession and, perhaps even more importantly, Turkey's accession process began, in December 1999. However, the problems that have plagued EU-Turkish relations since 1999 have also clouded the prospects for a Cyprus settlement. In particular, EU-Turkey relations are marked by two problems: time inconsistency and the different value of EU benefits as perceived by different domestic players (see Chapter 1). Concessions from candidate Turkey are demanded before the delivery of the actual benefits. This in turn creates uncertainty in Turkey and induces Turkish policy-makers to delay perceived concessions until the delivery of benefits is closer and more certain. Furthermore, Turkish foreign policy depends heavily on who gains the upper hand within the Turkish establishment and how highly these players value the prospect of EU accession.

The second – and in the long run perhaps even more important – form of domestic change over the course of the last decade is related to the process of social learning (see Chapter 1). What can be concluded is that the first positive signs of transformation in the attitudes and perceived interests within Greece, Turkey and Cyprus may be slowly emerging. In Greece this was manifest in the PASOK government's support for the Secretary-General's 2002 proposals and for Turkey's gradual integration into the Union. Following the March 2004 elections in Greece, it remains to be seen whether this Greek transformation was restricted to the previous government or whether it affects the Greek political system as a whole (and thus also the current New Democracy government). In southern Cyprus it was most evident in the positions of Glafcos Clerides' team, while being shared less by the general public. In northern Cyprus, the opposite was true, with a public far ahead of its leadership when it came to revising its positions on desirable future options. In Turkey, while internal consensus has not yet consolidated, the first signs of change emerged with the rise to power of the AKP government in Ankara. In these gradual and endemic processes of transformation, or 'Europeanization', the role of the EU as an anchor is clearly a vital one.

2.5 Possible outcomes in the near future

For those pushing for an early settlement within the EU – on both sides of the Green Line, in Greece and in Turkey – the Annan Plan remains the only game in town. Thanks both to its level of detail and to its tightly inter-related (albeit imperfect) compromise arrangements, any alternative that differs substantially from the current proposal cannot be realistically negotiated in the short-term. An early solution would mean that, regardless of whether resumed negotiations lead to mutually agreed changes to the Plan, either a slightly modified Plan would be re-put to referendum on both sides of the island; or the existing fifth version of the Plan would be re-put to referendum in southern Cyprus only.

The Annan Plan is the only possible 'solution' in the short term. With the rejection of the Plan by the Greek Cypriot side, however, it is unlikely that a peace process will be re-launched any time soon. First, it would be difficult to persuade the UN Secretariat to re-engage in the peace process, following the successive failures of March 2003 and April 2004. Second, assuming a peace process is re-launched, unless a significantly different Plan is put forward, the existing Annan Plan is unlikely to be accepted by the Greek Cypriot community (given that public opinion would have to be shifted by over 25%). Third, even if a different Plan, more favourable to the Greek Cypriot side, was put forward, it is unlikely that the Turkish Cypriot and Turkish sides would accept it. Above it was shown how the internal balance within northern Cyprus and Turkey has tilted, in favour of more moderate forces. However, this is not to say that there is not strong opposition to this more moderate stance. Accepting a Plan that came closer to satisfying Greek Cypriot interests at a perceived cost to the Turkish Cypriots is probably something the current authorities in both northern Cyprus and Turkey could not do.

So what are the possible default outcomes? One solution could be that, in the future, the Greek Cypriot side would succeed in pushing through a far more 'federal' solution, i.e., one resembling its 1989 proposals far more than the current UN Plan. Under the 1989 proposals from the RoC National Council, a federal Republic of Cyprus would unambiguously represent the continuation of the existing Republic of Cyprus, which would federalize through the adoption of a new constitution. A greater number of powers (than those envisaged by the Annan Plan) would be held by the centre, and this in turn would be reflected in the representation of Cyprus in the EU Council of Ministers. Perhaps most crucially, the Greek Cypriot side would like to abolish – or at the very least reduce – the restrictions imposed both on the return of

refugees and on the freedoms of settlement and property acquisition. This in turn could lead to a faster return to the pre-1974 situation of ethnically mixed territories. Finally, this solution would see the faster and more extensive withdrawal of Turkish troops and settlers, the existence of clearer international guarantees of the implementation of the Plan, and a further dilution – if not abolition – of Turkish guarantees.

Such a solution could materialize with a strengthening of the Greek Cypriot bargaining position and a weakening of that of Turkey and the Turkish Cypriots. A stronger bargaining position on the Greek Cypriot side would result from the RoC's accession to the EU in May 2004. A weakening of Turkey's bargaining strength would occur if the EU exerted full conditionality on Turkey regarding a resolution of the conflict, irrespective of the failure of the 2004 peace process due to the Greek Cypriot stance. However, for such a form of pressure to be effective, two interrelated conditions would need to be satisfied. First, a consensus in Turkey would need to consolidate around the imperative of EU membership and the fulfilment of all the necessary conditions for achieving it (including almost any Cyprus solution). Secondly, it would require a credible commitment from the member states, whereby, if Turkey fulfils its conditions, it will be accepted as a full EU member. As of today, we are far from achieving this double consensus.

If this double consensus does not materialize in the medium term, then Cyprus may drift towards a consolidation of the Green Line. At the time of writing, in May 2004, this appears the most likely scenario. This could result either in the gradual (*de facto*) integration of northern Cyprus into Turkey, a scenario which neither the current Turkish government nor the Turkish Cypriot people support, or in some form of continuation of the *status quo*. The viability of the *status quo* in northern Cyprus will depend to a large extent on the approach taken by the international community, in particular the EU. Under the existing circumstances of complete political and economic isolation, the *status quo* could evolve into an increasing Turkification of northern Cyprus (through the emigration of Turkish Cypriots to western Europe and immigration of Turks to the island). If, however, EU member states reach the conclusion that such a scenario would not be in their interests, action may be taken to break the isolation of the north (i.e., through the lifting of trade restrictions and embargoes).

The first steps in this direction are being taken. Following the failure of the peace process, the EU decided to grant €259 million in aid to the Turkish Cypriot community, i.e., the amount that was allocated to northern Cyprus under a reunification scenario. The Council also decided to accept Turkish Cypriot exports with Turkish Cypriot Chamber of Commerce certification and EU supervision. However, these steps remain far from representing a normalization of economic relations with northern Cyprus. The Taiwan precedent indicates that international recognition is not a necessary condition for economic normalization. However, in an EU context (or rather, in a context in which, legally, Cyprus is wholly admitted to the Union but de facto northern Cyprus is excluded) it remains unclear how normalization would be achieved. Nonetheless, if the necessary political will is found within the enlarged EU, and the latter makes good on its promises not to leave the Turkish Cypriots out into the cold, then innovative means to truly normalize the situation of the north could be found. And this indeed may be the best way to foster and prepare the ground for a future reunification of the island, an aim which remains in the interests of all internal and external parties to the conflict.

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