The EU as an Actor in the Solution of the Cyprus Dispute: The Questions of 'How'?

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This article argues that, despite the optimistic expectations of the international community, the accession process of the Republic of Cyprus with the European Union (EU) has so far only contributed to further 'securitization' and 'perpetuation' of the conflict. It is argued that the dangers of EU membership of a divided Cyprus would far outweigh the expected benefits. As a consequence, the paper contends that if the EU wants to make a constructive contribution to the resolution of the Cyprus dispute, it should adopt a new approach – one that foresees the active support of the European countries to the EU membership of a loosely-centralized federal Cyprus. Compared to the traditional sovereign sensitive approaches, the author argues that neither the confederal approach of the Turkish Cypriots nor the tightly-centralized federal approach of the Greek Cypriots could find a niche within the post-modern and post-Westphalian environment of the European Union. Given that the EU is the only institution that could affect the incentive-matrixes of the interested parties in the conflict, the author concludes that a change of mind is required by the EU for a breakthrough to come about.

I.   Introduction

It is contended in this paper that the European Union (EU), through the dynamics of the membership accession process, has the potential to contribute to peace and security in and around the island of Cyprus, provided some conditions are met. However, unless the current approach of the EU is changed, the ongoing accession process between the EU and the Greek Cypriots on behalf of the whole of Cyprus will lead only to further securitization in the region.

Up to now, the EU has been faced with an impasse whose sources lie in five interlinked developments. The first stems from the ambiguous strategy of the EU pertaining to the accession of the island. It is one thing to say that the lack of an *a priori* political settlement on the island would not constitute a precondition for the membership of the Greek Cypriots in the EU as representing the whole island. It is another thing to announce that the EU would approve of whatever a deal the Turkish and Greek Cypriots cut during their intercommunal talks. Due to the ambiguity over the details of the EU's Cyprus policy, neither community on the island could truly assess the model through which such a membership would come about. Under such

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an uncertain environment, both communities prefer to stick to their well-established negotiation positions, rendering a breakthrough a remote possibility.

The second is the Greek government's threat to veto the EU enlargement process for Central and Eastern European countries if the EU denies accession to the Greek Cypriots because of a continued stalemate on the island.

The third is Turkey's warnings that it would intensify integration with the Turkish Republic of Northern Cyprus (TRNC) if the EU admits the Greek Cypriots into membership as representing the whole island.

The fourth is the time problem emanating from the EU's enlargement calendar. It is expected that the EU will announce the first newcomers by the end of 2002. If the Greek Cypriots are presented with a membership invitation without a resolution of the conflict, then crises can be expected in the region, most probably pitting Turkey against the EU. The last factor stems from the dangers of the linkage politics between Turkey's accession to the EU and the resolution of the Cyprus conflict. The fear is that if Turkey were not encouraged enough on the way to its EU membership, it would not exert sustained pressure on the Turkish Cypriots to mend fences with the Greek Cypriots. The probable danger from the last two factors is that Turkey's relations with the EU would sour in the years to come. Such a development would worsen the security climate in the region by alienating Turkey (a country that has been playing a positive role in European security and stability for many years) from the EU (an international institution that claims to effectively play a global security role).

To make its involvement more effective and break the current stalemate arising from the slow pace of the latest intercommunal talks, which started on 16 January 2002, the EU should make it clear that EU membership of a loosely centralized, single-sovereign, bi-zonal and bi-communal federal Cyprus is the only feasible and legitimate solution. Only in this way can the EU demonstrate that it values the resolution of the Cyprus problem more than its conjectural interests in the enlargement process. Supporting EU membership of a loosely centralized federal solution would help the EU exert equal pressure on both communities of the island, as well as Turkey and Greece. The Greek Cypriots would not dare to insist on a

tightly-centralized federal structure for fear of the permanent division of the island and the Turkish Cypriots would not dare to ask for the confirmation of two sovereign states on the island risking the evaporation of Turkey's hope for EU membership.

II.   The EU as a Security Environment

It is one of the major claims of this paper that the enlargement of the European Union to include the Central and Eastern European countries, including Turkey and Cyprus, will bring security and stability to these regions (Smith and Timmins 2000: 80-90). Due to the 'security community' character of the European Union's internal environment, the projection of EU identity to those lands would stabilize interstate and intra-state relations there. The candidate states' internalization of the EU's constitutive norms and rules would usher in a regional environment where resort to force would be an outdated option (Adler 1997: 249-77). EU member states are expected to sort out their interstate and intra-state frictions through peaceful methods of conflict resolution, including negotiations, bargaining, consultation and arbitration.

The percolation of the EU's foreign and security policy norms of 'consultation' and 'desecuritization' into the policymaking elite of would-be members would encourage them to be cautious and circumspect in their external policy behaviour (Diez 2000b). They would like to avoid appearing unilateralist by acting without consulting their EU fellows. Besides, the process of peaceful cohabitation within the EU environment would likely lead them to adopt a 'desecuritizing discourse' concerning both domestic and external issues. The discourse, which depicts opponents or rivals as existential threats and thus legitimizes the use of force to counter them, would stop operating in the EU's institutionalized environment. Thought of this way, the involvement of the EU in the Cyprus dispute through the accession process should bring a desirable outcome. The ideal situation on the island presupposes that both communities refer to the fundamental principles of the EU as their reference points in a future solution framework. If agreed on, both would share a common European identity under which neither of them would continue to view the other as an existential threat to its security and well-being.

III.   The Accession Process as a Mechanism to Project EU Identity

For the candidate countries to internalize the constitutive identity of the European Union, the EU must offer them credible incentives and costly punishments on the way to membership. As the accession talks proceed, candidate states are assumed to harmonize the letter and spirit of their political, economic, legal, defence and security systems with those of the EU. If the accession process leads to closer harmonization and convergence between the EU and each candidate state, then it is meaningful to talk about the security producing character of the EU's accession process (Krenzler 1998).

For this mechanism to be in operation, first, there must be a consensus among domestic interest groups, be they political, economic, social, religious or cultural, that the internalization of the EU's identity would enhance the security and prosperity of the nation. On the contrary, if the continuation of the EU's accession process resulted in further cleavages within society, with different interest groups accusing each other of selling out the country and its national interests, then risks to domestic and regional security would abound.

Second, the interaction process between the EU and candidate countries should be built on the 'logic of appropriateness' rather than the 'logic of instrumentality'.[1] This would mean that the EU desires the membership of a candidate country on the grounds that that particular country would contribute to the international representational identity of the EU. In such a case, the EU would act as an agent of socialization in familiarizing candidate states with the requirements of the membership (Schimmelfennig 2000: 109-39). Only under this condition, would the

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[1] The point is that changes in foreign policy behaviour of the candidate countries would be more solid and long lasting if those changes are brought about by a transformation in the identities of those states, rather than the adaptation of their preferences to the conjectural realities. In the second case, deviations from 'EU-typical foreign policy behaviour' would be likely in cases where states found it detrimental to conform. For an extensive discussion on these arguments see Thomas Risse and Tanja A. Borzel, 'When Europe Hits Home: Europeanisation and Domestic Change', European University Institute, Robert Schuman Centre for Advanced Studies, No. 2000/56.

EU be ready to offer credible incentives and punishments to the candidate country in question.

Taking the contrary case, if the EU acted instrumentally, meaning conjecturally here, towards a candidate country, it would prefer to develop a set of mechanisms to effectively 'manage' its relations with that country. In this case, the EU would prefer to have the accession process with a particular candidate continue without offering any credible promise for future membership.

In return, if candidate countries were adamant about attaining EU membership, then they would be eager to harmonize their internal and external identities with those of the European Union. They would pay utmost attention to siding with existing EU members on issues of international relations. Getting EU membership would become their first and foremost national interest, outweighing their all other priorities. The 'integration discourse' would supersede the 'sovereignty discourse' and, as such, domestic actors would convincingly argue that the security of their countries would lie in integration with the EU. The 'sovereignty discourse', which revolves around domestic sensitivities over national sovereignty rather than the merits of integration, would not be in harmony with the EU accession process (Miniotaite 2000).

If candidate countries acted with an instrumental logic in an effort to make use of the future benefits of EU membership against their enemies or rivals, then the accession process would be handicapped at the outset. Such a mentality would never result in a true identity transformation process in candidate countries. Cooperative policies concerning the EU's rules and laws would be temporary and conditional on the logic of cost-effectiveness. In having relations with such countries, it would always be possible for the EU to find itself in the midst of serious troubles and flashpoints (Diez 2000b).

IV.   The EU's Cyprus Policy

The EU's current Cyprus policy can be summarized in three conflicting sentences. The first is that the EU will not regard the resolution of the political deadlock on the

island as a precondition of membership of the island.[2] The second is that the EU will take all relevant factors into account when deciding whether or not to admit the island into membership.[3] The third is that the EU would most likely approve of any political settlement between the Turkish and Greek Cypriot communities and not create problems during the implementation process of the EU's internal regulations in each and every part of the island (European Commission President Release 1997). In total, these conflicting sentences are intended to send different messages to all interested parties to the conflict. While the first approach seems to have sympathized with the Greek Cypriots' view, the second is addressed to Turkey. The last one is aimed at encouraging the Turkish Cypriots to show more commitment to EU membership of the island. However balanced such a three-dimensional EU Cyprus policy might appear, the danger is that the EU has given its moral support to the first approach rather than the last two.[4]

When the European Commission announced its opinion in July 1993 on the Greek Cypriots' membership, it recommended that the accession process should follow resolution of the dispute.[5] Otherwise, the EU would encounter serious problems, for instance the importation of the Turkish-Greek disagreement over the island into the EU. However, the same EU soon reversed its position and decided to include Cyprus within the next group of countries to be admitted to the EU. This about-turn in the EU's position came about at the EU's Corfu summit in June 1994 and was confirmed in the Essen summit in December of the same year.[6] On 6 March 1995, on the sidelines of the signing of the Customs Union Treaty between the EU and Turkey, the EU's General Affairs Council added a new dimension to the EU's Cyprus policy by announcing that Cyprus would be among the countries with which

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[2] This is implied in Article 9b of the EU's Helsinki summit Conclusions: "…If no settlement has been reached by the completion of accession negotiations, the Council's decision on accession will be made without the above being a precondition…"
The text can be found at http://europa.eu.int/council/off/conclu/dec99/dec99_en.htm
[3] "…In this the Council will take account of all relevant factors." Article 9b second section, as above.
[4] Cyprus: Republic of Cyprus – Gunter Verhungen refers to Cyprus at the Plenary Session of Europe, RDATE: 14/03/2002, Spanish Foreign Minister, Josep Pique, stated that resolution of the Cyprus conflict is not a precondition for EU membership of the island.
[5] The text of the European Commission opinion on the Greek Cypriots' application for EU membership is at: http://europa.eu.int/comm/enlargement/cyprus/index.htm
[6] The clauses of the EU's Corfu and Essen summits on Cyprus are at:
http://europa.eu.int/comm/enlargement/cyprus/index.htm

the EU would start accession talks six-months after the intergovernmental talks end. In one way, the EU has then established a strong link between Turkey's relations with the EU and EU membership of Cyprus. The deal was that Greece would lift its veto over Turkey's Customs Union with the EU in return for the EU's agreement to start accession talks with the Greek Cypriots on behalf of the whole island six months after the end of the intergovernmental conference to be held in Amsterdam.[7]

Then came the EU's *Agenda 2000* where the EU for the first time announced that an *a priori* resolution of the Cyprus problem would not constitute a precondition for membership of the island in the European Union.[8] With the EU's Luxembourg decisions in December 1997, the EU decided to include Cyprus within the first track countries with which accession talks would start in March 1998, while denying Turkey formal candidateship status.[9] The 1999 EU Helsinki summit decisions formally confirmed that the resolution of the Cyprus problem would not be considered a precondition for EU membership of the island. The Union also resolved to take all relevant factors into account when the time came to decide on the accession of the island to the EU. The same EU summit also granted candidateship status to Turkey while making the solution of Turkey's disputes with Greece one of the preconditions for the start of the accession talks with Turkey.[10] The link between Turkey's and Cyprus's EU memberships were once again confirmed in the Accession Partnership document of December 2000, which the EU prepared as Turkey's road map for EU membership. The EU required that Turkey, as part of the short-term requirements, constructively encourage the United Nations' attempts at finding a solution to the Cyprus dispute. Turkey was implicitly asked to exert pressure on the Turkish Cypriots to show a more conciliatory stance *vis-à-vis* the Greek Cypriots.[11]

In contrast to hopes that the EU's involvement in the Cyprus dispute would lead the Cypriot parties to accelerate the solution process, what happened was the gradual

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[7] One can reach this text at the above address.
[8] This text is at: http://europa.eu.int/comm/enlargement/index.htm
[9] EU's Luxembourg summit conclusions are at:
http://ue.eu.int/Newsroom/related.asp?max=1&bid=76&grp=1049&lang=1
[10] EU's Helsinki summit conclusions are at:
http://ue.eu.int/Newsroom/related.asp?max=1&bid=76&grp=2186&lang=1
[11] The Accession Partnership document prepared for Turkey is at:
http://europa.eu.int/comm/enlargement/turkey/pdf/ap_turk_en.pdf

estrangement of the parties from each other. In response to the EU's Luxembourg decisions, Turkey and the Turkish Cypriots decided to give further momentum to their efforts at integration. The logic was that the more the EU integrates with the Greek Cypriots, the more Turkey integrates with the Turkish Cypriots (Park 2000: 31-53; see also Bağcı 1999: 39-50). Besides, there has been a gradual hardening of Turkey's official position on the appropriate solution of the dispute. The long proffered federal solution has been replaced by a confederal approach. Turkey did not hesitate to give its backing to Turkish Republic of Northern Cyprus President Rauf Denktash's confederal Cyprus solution, whose details were made public in late August 1998.[12]

Though President Denktash has made it clear that the Turkish Cypriots would not negotiate with the Greek Cypriots unless they recognized the sovereignty of the former, he gave a green light to the UN-monitored proximity talks in December 1999. These talks continued until the last months of 2000, but unfortunately came to an abrupt end when the Greek Cypriots made a great fuss about the wording of the UN Secretary-General's statement, dated 12 September 2000, where he referred to both communities as equals and suggested that the Turkish Cypriot community, and not just the Greek Cypriots, be asked for formal approval for renewal of the United Nations Force in Cyprus (UNFICYP) mandate. Promising as it would have been, this UN attitude could not last long in the face of strong Greek and Greek Cypriot opposition. The Oral Remarks of the UN Secretary-General, which were put on the table on 8 November 2000 as the final product of the five-round proximity talks between December 1999 and November 2000, seem to have reverted back to the old view that there is only one internationally recognized sovereign state on the island and that is the state the Greek Cypriots run (Ertuğ 2001: 135-146).

It was due to the new peace initiative of President Denktash that the two leaders started to talk face to face again in January 2002. Since 16 January 2002, the parties have been undertaking numerous direct talks aimed at singling out the basics of a new

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[12] The text of Denktash's confederation proposal is at http://www.mfa.gov.tr/grupa/ad/add/305.htm

partnership entity on the island, whose accession to the EU would be much easier to manage.

Though as of today nothing is sure about the content of these talks, it seems that the Turkish Cypriots have showed some flexibility regarding their view on confederalism as the ideal political arrangement on the island. The New Partnership, as the Turkish Cypriots call it, would come into being as one externally sovereign Cypriot state consisting of two internally sovereign and politically equal communities. Despite the fact that the latest intercommunal talks have been propagated as the last chance of the parties to reach a mutually satisfactory political settlement before the EU casts its decision on the membership of the island, one should not feel so optimistic as to argue that the EU has finally embraced an impartial stance towards the conflict and that it has started to exert pressure on the Greek Cypriots as well. According to the latest statements of high-level EU officials, Brussels seems to be determined on Greek Cypriot membership of the EU as representing the whole island, even if the parties could not cut a political deal.[13]

The EU's performance on the Cyprus dispute has demonstrated two things. The first is that the cooler and the less intensive Turkey's relations with the EU are, the less conducive the environment for an intercommunal negotiation process and the less conciliatory the Turkish Cypriots become towards the Greek Cypriots. The second is that if the EU continues to proceed with accession talks only with the Greek Cypriots as representing the whole island, then prospects for resolution will be dim with the political environment on the island turning out to be more 'securitized'.

V.   'Catalytic Effect', But How?

For the European Union to contribute to peace and security in and around Cyprus, the first precondition is that all the interested parties share the belief that the EU's involvement in the dispute is something positive for them to seize upon. The second

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[13] For instance, the EU Enlargement Commissioner, Günter Verheugen, recently stated that the European Commission would not accept any dilution of the 1999 EU Helsinki summit agreement on Cyprus which says a political solution in Cyprus is desirable but not a precondition for membership. See http://www.hri.org/news/cyprus/cna/2002/02-04-24.cna.html

precondition requires the abandonment of the main assumptions on which the false premise, that the involvement of the EU in the Cyprus dispute would generate catalytic effects, was built.

The first flawed assumption was that the economic benefits of EU membership would be enough to buy the consent of the Turkish Cypriots for EU membership of the island. It was assumed that the flow of money from Brussels within the framework of the EU's regional and structural funds and the ending of the economic embargo would fundamentally alter the preferences of the Turkish Cypriots (Baier-Allen 1999: 171-186). Built mainly on the logic of economic rationality, such an approach could not convince the Turkish Cypriots of the benefits of EU membership because the Turkish Cypriots view EU actions not from the perspective of 'homo economicus' but 'homo sociologicus'. If they believe the EU's approach is biased in favour of the Greek Cypriots and that their security would be damaged unless the EU developed a more balanced attitude towards both communities, then the expectation of economic benefits alone would be insufficient for the Turkish Cypriots to support EU membership of the island. After all, it is not economic well-being but physical and societal security that matter for the Turkish Cypriots (Diez 2000a; see also Ertekun 1999: 97-113).

The second assumption was that not only the Turkish Cypriots but also the Greek Cypriots would soften their negotiating positions. EU membership of the island would be a supporting reason for the Greek Cypriots to feel more secure, therefore there would be nothing wrong with them giving the Turkish Cypriots more than what they actually desire. However, since 1995, the Greek Cypriots have behaved in such a way as to refute these expectations by hardening their negotiating positions. Neither the intercommunal talks in the second half of 1997 nor the negotiations between December 1999 and November 2000 have been indicative of any softening in Greek Cypriot policies. As the latest news on the negotiation position of the Greek Cypriots during the ongoing intercommunal talks displays, they still hold the view that there is no need to establish a New Partnership (or a new common state) while the international community recognizes the existing Republic of Cyprus as sovereign. Rather than writing a new constitution that would take its

legitimacy from the consent of the two communities, the Greek Cypriots claim that it would be enough to make some amendments to the existing constitution. However, the legitimacy of the 1960 constitution was lost in the eyes of the Turkish Cypriots. The Greek Cypriot's attitude is not difficult to understand given that their real motivations behind applying for EU membership were political and aimed at having the EU legitimize Greek Cypriot claims (Nugent 2000: 131-150; see also Featherstone 2000: 141-162). When the EU made it clear that resolution of the conflict would not be a precondition for the Greek Cypriot State's membership of the EU as representing the whole island, the incentives for them to negotiate a new deal with the Turkish Cypriots decreased. Why would the Greek Cypriots agree to share their internationally recognized sovereignty over the island with the Turkish Cypriots under a new political framework where both communities would be considered as politically equal?

The third flawed assumption held that Turkey would value its interests in EU membership more than other interests. The expectation was that the more the EU upgrades the level of its relationship with Turkey, the more pressure Turkey would exert on the Turkish Cypriots to come to terms with the Greek Cypriots. However, this also proved to be wrong, for Turkey not only dared to freeze its political relations with the EU in the aftermath of the Luxembourg rebuke but also reverted from its years' long federation policy by backing the confederal arguments of TRNC President Denktash.

In analysing Turkey's policies *vis-à-vis* Cyprus, one needs to point out that its interests on the island are well established and independent of the dynamics of its relations with the EU. Turkey's presence in Cyprus seems to serve two purposes. On the one hand, the strategic balance with the Greek and Greek Cypriots is maintained at acceptable levels. On the other, Turkey's prominent role in the realization of security and stability in the Eastern Mediterranean region is guaranteed. Independent of the dynamics of its relations with the European Union, these two factors would suffice to argue that Turkey's stakes on the island are much higher than some circles tend to think. Any trade-off between Turkey's respective interests in the EU and

Cyprus would in no way be possible to conceive as far as Turkey's foreign policy preferences are concerned.

What makes the Turkish political and military elite worried is their anxiety over the real intentions of the EU. Their perception is that if the EU is seriously committed to Turkey's EU membership, why was it elevating the prior resolution of the Cyprus conflict to one of the fundamental preconditions for Turkey's entry in to the club? After all, when Turkey becomes an EU member, all border restrictions will be eliminated and the region will become a zone of peace and cooperation in the presence of the EU memberships of Turkey, Greece and Cyprus.[14] If the changing parameters of the international system allow a greater role for the EU in the Eastern Mediterranean and the Middle Eastern regions and, if the EU decides to pursue its interests in these regions through the Greeks and Greek Cypriots and, if the EU does not envision Turkey's membership soon, it is highly likely that Turkey will continue to view developments over the island from a strategically-oriented *realpolitik* perspective.

The fourth flawed assumption was based on the idea that an EU-induced negotiation process would encourage the communities on the island to pursue a settlement along the well-established UN designed frameworks. This was wrong for a number of reasons. While the Turkish and Greek Cypriots have been treated as politically equal communities during the UN-designed intercommunal talks, the EU's accession process has changed this status by according the Greek Cypriots legitimacy to speak on behalf of the two communities (Stivachtis 2000). While the UN framework envisages separate public referendums for the final settlement to come into force, the EU seems to be ready to recognize the EU membership of the Greek Cypriots on behalf of the two communities even before a mutually acceptable political settlement is reached. The involvement of the EU might also seem to be in conflict with the fundamental parameters of the UN-designed solution framework. Neither the principle of bi-zonality, which allows for the Turkish Cypriots to make laws in their autonomous region, nor the gradual implementation of the three

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[14] This is one of the major arguments of the Euro-sceptics in Turkey. See Erol Manısalı (2001). *Avrupa Cikmazi* (*The Europe Impasse*), Istanbul, Otopsi Yayınları.

fundamental rights of movement, settlement and buying property, seem to operate well with the internal regulations of the European Union, unless the EU makes it clear that temporary or permanent opt-outs from these regulations will be granted. Besides, the EU membership of the Greek Cypriots as representing the whole island would make the presence of the UNFICYP contestable. Under what conditions would such a force continue to operate within the borders of the European Union? Would it patrol the borders of an EU member state or help the two communities of the island buy time for intensive intercommunal talks?

The fifth assumption was that the parties to the conflict would regard the involvement of the EU as impartial. However, this proved to be wrong given that Greece has been an EU member since 1981 and has succeeded in exploiting EU mechanisms in pursuing its interests *vis-à-vis* Turkey. It would be highly unconvincing to argue that the EU would have adopted its current Cyprus policy even if Greece had not been an EU member.[15]

VI.   The Dangers of EU Membership of a Divided Cyprus

To argue for the merits of a loosely centralized federal arrangement on the island one needs to underline the probable consequences of one of the possible scenarios in the months ahead, i.e. the Greek Cypriots' EU membership as representing the whole island. Such a scenario might be possible if the ongoing intercommunal talks do not generate a cooperative outcome on the island and if EU officials fall prey to their repeated promises to include the island within the next enlargement process. However, if the EU decides to go ahead in the upcoming EU summit in Copenhagen

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[15] Though the mainstream Turkish view puts the blame for the negative Turkish-EU relations on Greece, some authors argue that Greece is only the scapegoat attracting the criticisms of sceptics in Turkish-Greek relations. For example, Mehmet Uğur claims that Greece does not possess the wherewithal to affect the fundamental course of EU-Turkey relations and the main responsibility for the downward spiral in EU-Turkey relations rests with the parties themselves. Because they do not fulfil their obligations arising from the integration process, they find an exit in Greece's expected anti-Turkish position. Mehmet Uğur (1999). *The European Union and Turkey: an Anchor/Credibility Dilemma.* Aldershot, Ashgate: 194-95.

with Greek Cypriot membership as representing the whole island a crisis will arise in the region.

In this case the Greek Cypriots would lose the possibility of a unified Cyprus where they can one day enjoy the three fundamental rights over the whole island. Besides, their incentive for any further round of intercommunal talk would go down, for, given their EU membership, the Greek Cypriots would feel less motivated to accommodate the claims of the Turkish Cypriots as part of a final deal. They would also have to increase their military spending in the face of escalated risks in the region. Their economic performance would be negatively affected by the escalation of the island's crisis environment since foreign investors would not want to invest their capital on the island. Besides, sharp reductions in the profits of the lucrative tourism sector would be likely.

The Turkish Cypriots would not be immune to the negative consequences of EU membership of a divided Cyprus either. First, their dependency on Turkey would tremendously increase in as many policy areas as possible. The economic benefits of EU membership would be foregone. This situation would level a serious blow to their communal identity and their long-standing claim that they possess an independent and sovereign state (Barkey and Gordon 2001: 83-94). In parallel to increased integration with Turkey, more settlers may come from Turkey and the Turkish Cypriots might find themselves a minority in their territory. Besides, increased economic dependency on Turkey would not relieve them of their current economic problems. Neither would the Greek Cypriot-imposed and EU-endorsed economic embargo be lifted nor would Turkey's deteriorating economic performance be able to bail them out of a financial crisis.

EU membership of a divided Cyprus would also affect Turkey negatively. It is certain that a divided Cyprus as an EU member would constitute a major source of friction in EU-Turkey relations due to its determined anti-Turkish attitude (Barkey and Gordon 2001). The addition of the Greek Cypriots to the anti-Turkish bloc within the EU would lessen Turkey's chance of EU membership. Second, the European Union might not start accession talks with Turkey on the pretext that Ankara has not worked enough to encourage the Turkish Cypriots to come to an agreement. If

accession talks with the EU do not take off in the next two to three years (particularly if a delay is due to the stalemate on the island), Turkey's relations with the EU will be seriously affected (Wallace 2002). In Turkey, the pace of the EU-induced transformation process would slow down. In parallel to heightened tensions on the island, Turkey might find itself spending more on armaments, thus forsaking investments in more lucrative fields.

Moreover, the anti-EU forces in Turkey might gain political victories against those who see the future of the country in closer integration with the EU. The most important consequence of any Cyprus-induced negative EU attitude towards the initiation of accession talks with Turkey would be that EU-related discussions in the country would emphasize 'if' and 'whether' questions rather than 'how' questions. Devoid of EU membership prospects, Turkey might find itself investing too much capital and energy on the discussions of 'whether and if Turkey should become an EU member', rather than 'how Turkey should adapt to the EU's *acquis communautaire* in order to hasten its accession date to the EU'. It is sure that this process would be costly and divert the country's attention from attempts at modernization, that is 'Europeanization' in Turkey's context. Turkey would also channel huge financial resources to the Turkish Cypriots to buttress their position on the island.

The most important consequence of this scenario would be on the ongoing negotiation process between Greece and Turkey. All the bilateral gains of the last three years could be squandered. If the atmosphere soured in the Aegean Sea, risks to regional and continental security might abound with Greece and Turkey finding themselves on opposite sides (Wallace 2002).

Greece would also feel the negative consequences of the crisis on the island. The pro-EU-integrationist Costas Smitis government in Athens might be exposed to harsh criticism at home along the lines that Europeanizing Turk-Greek relations did not yield satisfactory outcomes for Greece. Critics might decry the PASOK government for its accommodative attitudes toward Turkey, claiming that neither the bilateral negotiation process, started in late 1999, nor the transformation of the dynamics of Turkish-Greek relations into EU-Turkish relations helped bring EU accession to an

undivided Cyprus and in favour of the Greek Cypriots. Greece's defence expenditure would increase to keep pace with Turkey (Wallace 2002). Greece would have to live next to a Turkey that was further estranged from the European Union and would feel too insecure to channel energy and resources into the completion of its Europeanization programme. For Greece to join the top tier of EU member countries and enjoy the peace dividend of the post-Cold War era, Turkey must be attached to the EU with a strong prospect of membership.

Membership of a divided Cyprus would also affect the European Union and EU member states negatively. In addition to the escalation of risks to security and stability in the region, the EU would find itself with a member state whose borders UN forces patrol. Imagine the negative impact on the EU's institutional identity. If the divided island became an EU member, it would be an option for the Greek Cypriots to sabotage EU-Turkey relations by sparking a crisis with Turkey and then inviting the EU's Rapid Reaction Forces to come to their help (Wallace 2002). However far-fetched it might sound, this scenario is possible given that one of the Greek Cypriots' main arguments is that Turkey would find itself occupying a part of the EU should it not withdraw its troops following Cyprus' accession.

The EU would also face a Turkey alienated from the EU. Such a Turkey might easily adopt anti-EU policies in the Eastern Mediterranean, Balkans and Middle East if its interests contradicted the EU's. Given that trans-Atlantic bonds are becoming fragile and flimsy, the impression that Turkey is siding with the United States rather than the EU in the Eastern Mediterranean and Middle East would not serve the interests of the EU. A further danger for the EU lies in the possibility of a Turkish-Greek military confrontation. In such circumstances, the whole enlargement process might experience a serious setback in the face of insecurity produced by the EU accession process. Moreover, if the EU as an institution does not side with Greece against Turkey, as the latest US-UK-Turkey deal over the European army's use of NATO's assets demonstrated, its credibility might decrease in the Greeks' eyes and this situation might constitute a negative precedent for the would-be-members.

VII.   The Merits of an 'EU-Member, Loosely Centralized Federal Cyprus'

For all the interested parties to the conflict, the best possible outcome would be the accession of the island to the EU in its entirety. For this to happen, the Greek and Turkish Cypriots need to agree over the details of a constitutional arrangement that would later be included in the island's EU accession treaty. Given that the two communities have well entrenched negotiation positions, it is difficult to imagine a final breakthrough stemming from their own efforts. Therefore, Greece, Turkey, the United States and the European Union should do their utmost to encourage the two communities in their efforts. The greatest responsibility falls on the European Union's shoulders since it is the only actor that can seriously affect the incentives-matrix of the communities. Both communities need to be convinced of the necessity and legitimacy of reaching a resolution before the accession of the island to the EU. It is the argument of this paper that unless the EU fully supports a loosely centralized federal solution on the island, neither party will seriously engage in a negotiation process aimed at an everlasting settlement. They will continue to temporize and hope to see the EU cast its decision in their favour. The loosely centralized federal arrangement on the island would be useful for a number of reasons.

First, this mechanism would be based on two major concessions given by each community. Each would have to forfeit their maximalist positions in order to reach a mutually acceptable formula. The Turkish Cypriots would not insist on the recognition of two independent states on the island coming together under a confederal roof, for both the Greek Cypriots and the international community are sensitive over the sovereignty issue. It is the view of the international community that the island should possess a single international identity represented by a central government in Nicosia. The Turkish Cypriots need also to agree to a decrease in the territory they currently possess and to the gradual withdrawal of Turkish troops from the island as the two communities go on to experience cohabitation within the European Union. However, they need to be assured that Turkey's legitimate and legal rights emanating from the 1960 agreements would be incorporated in the new

treaty.[16] This seems to be the only way for the Turkish Cypriots to feel safe under the rubric of the new state coming into life within the EU.

Alongside this point, the Greek Cypriots need to give up their insistence on a unitary or tightly centralized federal arrangement on the island. They must stop seeing the Turkish Cypriots as a minority group but as an equal political community. The Greek Cypriots should also concede the reality that the island has never been under sole Greek rule in its entire history and that the 1960 proclamation of independence was made possible with the legal rights of Turkey being incorporated into the constitution of the new state.

Second, a unitary or tightly centralized political arrangement on the island would be in contradiction to the realities on the island and, as such, would not survive. The two communities have been separated since 1963. Therefore, the experience of joint governance is missing on the island. The lack of mutual trust and cooperation is also highly evident on the island. Emanating from the separate systems of education, religion, culture and political life, the points of divergence between the two communities are much higher than the convergences. The lack of an interdependent economic life also fuels this communal differentiation (Khashman 1999).

Third, the establishment of a loosely centralized federal arrangement would be in accordance with the spirit of the 1960 treaties, which came into being upon the denial by the communities of their maximalist positions: *enosis* (union with Greece) and partition (the division of the island between Turkey and Greece). Given that the United Kingdom did not give up its sovereign rights over the island in favour of any one community but the joint rule of the Greek and Turkish Cypriots, neither community is justified in monopolizing sovereign rights and the international identity of the island. Besides, the long held Turkish Cypriot position that the proclamation of the Turkish Federated State of Cyprus in 1975 and the establishment of the Turkish Republic of Northern Cyprus in 1983 would constitute only one of the constitutive parts of the future federal state of Cyprus should be taken as a facilitating factor.

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[16] This should not be difficult to realise given that neither of the contracting parties to the 1960 treaties proclaimed that these are invalid.

Fourth, Turkey would have to give its consent to EU membership of the loosely centralized federal Cyprus if the European Union strongly supported such a solution and made it part of Turkey's EU accession process. Given that Turkish domestic public opinion is very sensitive to the Cyprus dispute, the Turk's would certainly reject outright any solution that preaches the abolition of Turkey's constitutional rights over the island, even in a gradual manner (Berg 1999: 111-21; see also Dodd 1999: 28-147). Turkey's main interests over the island emanate from two major considerations: the strategic location of the island and the well-being of the Turkish Cypriot community. The Turks have traditionally resisted adamantly any solution on the island that could result in the extension of Greece's regional strategic influence since Turkey's relationship with Greece greatly affects its strategic discourse. In Turkey's perception, there is no clear-cut difference between the direct rule of Greece on the island (*enosis*) and a Greek Cypriot-dominated administration, irrespective of the island's EU membership. In either case, the island would come under Greece's sphere of influence. However, Turkey would be unable to resist EU membership of the island if the EU overtly supports its guarantorship rights and lets Turkey continue its special relationship with the Turkish Cypriots until it becomes an EU member itself. Moreover, Turkey does not seem to be in a morally justified position to argue against the exclusion of the island in its entirety from the EU while it seeks membership in the same international institution. The EU membership of the island would also eradicate one of the thorny issues on Turkey's road to the EU.

Fifth, by proposing a loosely centralized federal arrangement, the European Union might prove its commitment toward Turkey's EU membership since this is the only option of which Turkey can really approve. Regarding all other options, it seems that Turkey would value its national interests in the island more than its aspiration for EU membership, risking rupturing its relations with the EU. After the accession of a loosely centralized Cyprus, pro-EU forces in Turkey would gain further ground and the pace of the ongoing internal transformation process would accelerate.

Sixth, the solution of the Cyprus conflict would positively affect the Turkish-Greek reconciliation process. Greece and Turkey could spend less on defence, releasing economic resources for more beneficial sectors. The ending of the security

dilemma both on the island and in the Aegean would contribute to the security of the Eastern Mediterranean region. The tarnished image of the EU as an international actor contributing to the resolution of conflicts would also be remedied.

Seven, a loosely centralized federal Cyprus would be in accord with the ongoing integration process within the European Union. Given that today's EU can best be characterized as a political entity that is more than a confederation but less then a federation, and that sovereignty is shared within the EU among supranational organs in Brussels, national capitals and local and regional authorities, a loosely federal administrative structure on the island would function easily (Hugg 2001: 92-111). Both the Greek Cypriots' claim for a tightly centralized federalism and the Turkish Cypriot claim for a confederalism of two sovereign states are so sovereignty-sensitive that they cannot survive within the EU's post-sovereign institutional environment. Even though the communities would live better within the EU under a loosely centralized federal state, they might later turn out to have a tightly centralized administrative structure as, and if, they develop mutual trust and habits of cooperation between each other. As various EU officials have stated, the EU is ready to offer some opt-outs to the Turkish Cypriots if they decide to join the EU alongside the Greek Cypriots.[17] These derogations can be either negative (for example, restrictions on the Greek and Turkish Cypriots' use of the European Union's three fundamental rights) or positive (for example, the European Union could agree to treat Turkey as an EU member as far as Turkey-Cyprus relations are concerned).

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[17] For example, the Belgian model of federalism, which is based on equality between the constituent parts and the central government, is strongly recommended for Cyprus. Besides, regulations concerning the Åland Islands, a Swedish-speaking Finnish territory, are put up as a model before the Cypriot communities. Regulations concerning the rights of other EU citizens to buy property in Poland, Denmark and Malta can constitute other role models for Cyprus. On the compatibility between the EU accession of the island and the solution of the Cyprus dispute, see Michael Emerson and Nathalie Tocci (2002). *Cyprus as Lighthouse of the East Mediterranean: Shaping EU Accession and Re-Unification Together*. Brussels: Center for European Policy Studies.

VII. Conclusion

The idea that the EU should admit Cyprus as a member only after the communities have reached a loosely centralized federal arrangement would not only help the EU proceed with the enlargement process smoothly but also be in harmony with the latest trend in international relations. As the decision of the Serbians and Montenegrins to create a new state (Serbia and Montenegro) out of the ashes of Yugoslavia has demonstrated, the establishment of loosely centralized federal entities is the best possible answer to the question of how two adjacent communities with significant communal cleavages should live together (if that is the most beneficial and practical way to go). If EU membership of the island were added to the final agreement as a constitutive part of it, then the likelihood of a long-lasting political solution would be greatly increased. This seems to be the only way for the European Union to contribute to peace and security not only on the island but also in the Eastern Mediterranean, which includes Greece and Turkey.

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