Why the EU Catalyst Proved Insufficient to Solve the Cyprus Problem: The Politicization of European Values

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Abstract

Whereas the European Union posited itself as a “catalyst” for solving the Cyprus problem via accession, nearly two years since the act of accession, Cyprus remains divided and no negotiations have been held since the failed Annan Plan that aimed to reunite the island was rejected by the Greek Cypriot community in a fateful referendum. This paper addresses the literature on Europeanization and conflict resolution that points to two roles of the EU in ethnonational secessionism: actor and framework. In the case of Cyprus, despite its ostensible potential for conflict transformation, the EU’s “post-modern” quality has been less in evidence. Rather, intergovernmental efforts have characterized the post-accession period in such a way as to reify “modernist” conceptualizations of the conflict, which does not augur well for the immediate future. The ability of the Republic of Cyprus to shift the framework, possibly in line with a “European solution” suggests that accession may not be the panacea once thought. EU norms and derogations, thus, have provided ammunition to disputants, rather than pointing to ways that the “third tier” of governance might help Cypriots negotiate their differences constructively. Hence the EU and its norms have become part of the conflict environment.
Introduction

The international dimension of the Cyprus problem tends to prompt considerations of the role of outside powers, such as Turkey, that intervened in Cyprus in 1974, and has, ever since, militarily occupied the northern third of the island. Yet, the international dimension has been complicated further by the process of EU accession and Cyprus’ membership since 2004. Unlike Turkey, the European Union is not usually considered a hindrance to conflict resolution, although there were some skeptics in case of Cyprus prior to accession who pointed to various problems with the process (Brewin 2001). The official view of the EU was that the Union would help Cypriots resolve their differences through accession. However, as of writing, the Cyprus problem remains unsolved despite accession. Thus, there is a need to reconsider the role of the European Union in conflict resolution, both in the case of Cyprus and more generally. This paper addresses the literature on Europeanization and conflict resolution with a view to understanding what went awry in Cyprus.

Europeanization and Conflict Resolution in Cases of Ethnonational Secessionism

The European Union is held to promise a qualitatively new model for conflict resolution through conflict transformation (see Coppieters et. al., 2004). Whereas third party mediators are said to wield leverage (the usual focus of the role of third parties in ethnonational and secessionist conflicts) possibly leading to cease fire or settlement, this is not necessarily the same thing as conflict resolution, especially if despite the settlement there persists an effective incompatibility of subjective positions. By contrast, conflict transformation refers to a transformation of subjective positions from antagonism to tolerance (Diez 2003). Moreover, conflict resolution also remains elusive, where resolution refers to the ending of negative or mutually destructive aspects of conflict (Harris and Reilly 1998).

Europeanization, a broad and contested concept (see Risse et. al. 2001, ) may also be applied to the field of conflict resolution involving secessionist entities. Accordingly, whereas the EU (hence Europeanization) is usually understood as a framework, it can also serve a mediation function. The latter is a highly relevant function during the enlargement process, whereby the EU may apply significant leverage over applicant states to ensure conformity to the EU acquis communautaire. That is, given asymmetry, applicant countries are not in a position to co-determine EU decisions and policies. Thus, in cases of ethnic conflict, the EU could play a crucial role in determining outcomes based on conditionality. This could, depending on other factors, induce parties to a conflict to arrive at a settlement. The EU as an active player, thus, has the potential to affect the short term strategies of domestic players involved in ethnic conflict “by linking the final outcome of the conflict to a certain degree of integration of the parties involved in it into European structures” (Coppieters et. al. 2004, p. 22).
Longer term, Europeanization may also contribute to conflict transformation by providing a framework through its third tier and multi-level framework of governance. In allowing for alternative models of governance, the EU has the potential to reorient not only the strategic interests of actors, but even political identities. Therefore, the EU may contribute to the creation of institutional structures and policy choices in third countries, based on EU governance practices and standards. As a framework, thus, the EU provides the mechanisms of socialization.

The roles of the EU as active player (i.e. mediator) and framework are not mutually exclusive and may actually work in tandem (Boerzel and Risse 2003). In applying conditionality the EU may categorically rule out some outcomes. For instance, it may rule out secession. This may affect the domestic opportunity structure, favoring the political positions of some groups at the expense of others, and may, under certain circumstances, contribute to domestic political configuration changes by influencing electoral results.

Such shifts in domestic positions may or may not portend similar shifts in domestic practices. The role of the EU in social learning, on the other hand, may induce changes that go beyond superficiality. In affecting how domestic actors define their interests and even political identities, the EU as a framework serves as point of reference for norm entrepreneurs (be it a top down or bottom up process) (Haas 1992). The EU’s constitutive norms (i.e. liberal market principles and standards of democratic governance) may be complemented by the role of EU institutions responsible for foreign policy as sites and promoters of socialization (Checkel 2003).

All this said, Europeanization mechanisms are not always fruitful in conflict resolution. Bruno Coppieters and his colleagues who advance the model are cognizant of potential pitfalls (Coppieters et. al. pp. 36-55). Some of these problems are exogenous and have to do with the particular domestic opportunity structures in conflict ridden societies making EU conditionality more or less effective. However, there are also failures of the EU itself. Inconsistencies and lack of clarity, both in terms of qualitative criteria and EU commitment, often lead to confusion among actors in the entity subject to ethnic conflict. Moreover, the EU may entail conditionality to the detriment of the seceding entity, although it officially supports a “common state” model. This may be because the EU recognizes the dilemma associated with the proliferation of micro-states.

**Europeanization and the Cyprus Problem: Failure and Potential as an Actor and a "Post-Modern" Framework**

In the case of Cyprus, now a member state despite its de facto division, the EU has failed rather spectacularly to resolve the conflict that has afflicted Cyprus for decades. Unfortunately, by the time a blueprint for a settlement was put to separate, simultaneous referenda on either side of the divided island, accession had become all but a formality, thus there was relatively little incentive for the Greek Cypriot community to accept the, admittedly, difficult compromise put before them. More than 75% of the Greek Cypriot community rejected the plan, making the way forward problematic given the
unpopularity of the plan. By contrast, 65% of the Turkish Cypriots approved the plan. Ultimately the “transformation” of the Turkish Cypriot side, which elected a new government committed to reunification prior to accession, came too late (Lacher and Kaymak 2005). The Republic of Cyprus formally acceded to the EU on 1 May 2004.

The premise of this paper is that this failure is not only due to its flawed policy of conditionality, whereby, as it is widely known, “common state” conditionality was abandoned at the EU Helsinki Summit of 1999 (that ostensibly served to encourage the Turkish side to negotiate and finalize a settlement in time for accession). Rather, the EU as a framework is not nearly as robust as the Europeanization model suggests.

Diez, writing prior to accession, nevertheless remained sanguine regarding the potential impact the EU could have in the longer term in its aforementioned role as a ‘framework’ (2002, pp. 8-15). Diez considers the EU to be a “post-modern polity” (see Ruggie 1993) juxtaposed against the “modern” view of sovereignty. It is the “postmodern” quality of the EU framework that holds the promise of transforming Cyprus. Accordingly, the “subversive character of integration” could, in time, fundamentally change the Cyprus conflict leading to conflict transformation.

Although Diez’ approach neatly differentiates the role of the EU as actor from that of framework, the challenges facing Cyprus today suggest that such a delineation is not fruitful in analysis of conflict dynamics. Of course, it must be pointed out that Diez’ framework potential is based on the assumption of accession including the Turkish Cypriot community, as he acknowledges the challenges of a scenario where northern Cyprus may become a “de jure but not de facto” member of the EU.

In this paper, I will argue that the EU’s failures are not limited to its role as actor prior to the act of accession. Indeed, the EU framework, as such, was not utilized in a manner than might have affected discourses in Cyprus, on either side of the Green Line, to a greater extent than it has. Moreover, given the accession of the Republic of Cyprus, the potential of the Greek Cypriot side to affect the framework itself must be considered, not only in terms of the Cyprus problem, but also more generally with respect to the role the EU may also play in other cases of ethnonational secession.

Below I first address the Annan Plan, a UN Blueprint that received the blessing of the EU, where the goal is to demonstrate that although the plan was produced with accession in mind1, the framework itself left little impression in Cyprus. This may be because the UN and EU, once again, failed to take into consideration the significance of identity discourses, hence the ontology of the Cyprus problem and how it related to the Annan

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1 The European Union’s policy was stated on 22 June 2002 in the Seville European Council Presidency conclusions:

"The European Union would accommodate the terms of ... a comprehensive settlement in the Treaty of Accession in line with the principles on which the European Union is founded: as a member State, Cyprus will have to speak with a single voice and ensure the proper application of European Union law. The European Union would make a substantial financial contribution in support of the development of the northern part of a reunited island."
Plan. This transformed the domestic political opportunity structure, especially within the Greek Cypriot community, allowing various political elites to contrast the Annan Plan with supposed “European” solutions. The Annan Plan, not only avoided the ontological questions, but also created the impression that the plan was not “European” but a product of great power interests. The view that Anglo-American interests (in furthering Turkey’s EU ambitions) lay behind the Annan Plan resonated with many Greek Cypriots.

Since the failed referenda, the EU as actor and framework has been made more problematic still, since the Republic of Cyprus has acceded to the Union. This, in turn, means a potential transformation of the framework itself. The framework should allow for borders to be reconceptualized so as to affect a “postmodernization” of conflict related to territorial issues of ethnonational secessionist conflict. Yet, in Cyprus, the net effect may be the reverse, with the EU’s Green Line Regulation and related regulations on aid and trade, actually serving to antagonize the sides, thus portending a “re-modernization” of the Cyprus conflict.

Whereas the Turkish Cypriot nationalists, aligned with Denktash and anti-EU interests in Turkey, were politically displaced in recent elections held in the TRNC, the role of the Republic of Cyprus in frustrating efforts to “lift the isolation” of the Turkish Cypriot community erodes the pro-EU sentiment among Turkish Cypriots. As a result, much of the potential of the framework, in conjunction with the role of the EU as actor, has become problematic.

The accession of divided Cyprus also affects EU conflict resolution efforts elsewhere. In other cases of ethnonational secession, the prospects of accession/integration-first, settlement-second, may capture the imagination of governments coping with secessionist entities of their own. The failure of the Annan Plan is a lesson in and of itself (Olivia Press 2004). Moldovia, thus, looks to Cyprus, considering that resolution may be put off through accession first.

Clarifications on the EU’s Role as Actor in Cyprus’ Accession Process

The failure of the EU with respect to its role as an actor requires some clarification. For decades, the UN has been principally responsible for mediating a negotiated comprehensive settlement on the island. The Republic of Cyprus’ application for full EU membership in 1990 affected the role EU could play in the mediation process. The EU avoided taking a direct role in mediation, and supported the UN in its mandate to solve the myriad of problems prior to accession. The question of conditionality, at first ambiguous, eventually shifted in favor of the Greek Cypriot view that that a settlement did not entail a precondition for membership. The EU maintained the view that the act of accession would bring the two communities on the island closer together (European Commission 1993: No. 46).

Neither can “catalytic effect” be dismissed out of hand, of course. The EU’s fateful decision to delink accession from a settlement at the 1999 Helsinki summit may have encouraged and reassured Greek Cypriot moderates who may have been prepared to
accept the Annan Plan in return for international guarantees, but it had a much different impact on hardliners who were inspired to reject the plan and push forward with a ‘Europeanizing’ solution in light of enhanced bargaining position afforded the Republic of Cyprus through EU membership, given Turkey’s EU candidacy and ambitions. Unintended or not, the accession process affected discourse among Greek Cypriots.

There was also a belated response to Helsinki in the Turkish Cypriot community. The upshot in this case was the strengthening of the moderates who could point to a new fact with some confidence; delaying tactics would only work against the interests of the Turkish Cypriot community, whereas in the past the uncertainties related to ultimate accession, with or without a settlement, generally favored the rhetoric of the Turkish Cypriot hardliners, including Rauf Denktash, whose views were echoed in Ankara. However, it was not until the government of Tayyip Erdogan came to power that Turkish foreign policy shifted toward the moderate position that the Cyprus problem should preferably be solved prior to the accession of the RoC.

However, Cyprus’ candidacy did not lead to a settlement prior to settlement, as was envisaged. Part of the problem, as noted by Thomas Diez (2002) was that the EU failed to acknowledge ethnopolitics in Cyprus and thus did not take prevailing identity discourses seriously. Moreover, it did not comprehend that the EU was not seen as neutral to the Turkish Cypriot leadership (under Denktash), thus overemphasizing the economic incentives that would persuade the secessionist entity to consider accession (hence a settlement). In retrospect, it must also be added that the European Union underestimated potential Greek Cypriot resistance to a brokered settlement. In the run and following the referendum, the Greek Cypriot leadership has been accused of not living up to its end of a bargain.²

The UN Blueprint versus the “European Solution”: a False Dichotomy

As the hoped for catalytic change failed to materialize, the international community and the EU pinned hopes on a last ditch effort to reunite the island in time for accession. The UN Blueprint, popularly known as the Annan Plan, that was produced by UN mediators in the run up to accession, lead to recriminations and various objections, especially among Greek Cypriots, as the plan entailed provisions that were allegedly not “European” enough. Since the failed referendum the Greek side has been promoting an alternative to the Annan Plan referred to as “European Solution”. It is, at present, too early to know the precise parameters of the “European Solution”, as compared to the comprehensive Annan Plan, that together with annexes ran nearly ten thousand pages in length, the Greek Cypriot ideas are abstractions.

² See Günter Verheugen’s statement upon Republic of Cyprus President Papadopoulos’ call for a no-vote in the Greek Cypriot referendum where he draws the “conclusion from his [Papadopoulos’] words that the government of Cyprus opposes the international settlement”. Verheugen moreover continued: “. . . I will be very undiplomatic now in saying that I personally feel that I have been cheated by the Government of the Republic of Cyprus”. Chris Patten, then EU commissioner for External Relations, referred to an overall feeling within the EU Commission of “being badly let down”; and repeated Verheugen’s comment about deception; for both, see http://www.hri.org/news/greek/ana/2004/04-04-22.ana.html#29 (accessed 20 February 2005).
In the years prior to the fateful referendum the EU accession process ran smoothly and unproblematically, with the large caveat that the Turkish Cypriot side did not partake in any of the accession negotiations. As a result, neither the Republic of Cyprus nor the EU proposed any particular derogations regarding Cyprus’ eventual membership, despite the anomaly of division. Thus, a debate regarding the constitutional framework, as regards bi-communality, a crucial matter of the UN mediation framework, did not feature in accession negotiations. As the secessionist entity, by choice under the leadership of Rauf Denktash, did not partake in the process, the potential for crafting institutions that would have provided for substate level roles in EU policy making did not feature on the agenda. Cyprus’ de facto constitutional order, amended following the withdrawal of the Turkish Cypriot community from the organs of the state in the 1960s, was treated unproblematically by the EU. As a result, relevant and possibly applicable models of governance, especially the Belgian model, were not addressed in EU-Cyprus negotiations. Indeed, the Annan Plan, in certain ways, approximates the Belgian model.

The irony of the current situation is that the Annan Plan was, in many ways, tailor made for the accession of a federal reunified Cyprus with an international personality, capable of implementing the acquis. The sides in Cyprus have, over the decades, differed on the question of what kind of settlement was sought. Whereas the 1977 and 1979 High Level Agreements call for the establishment of a bi-zonal federation, the sides have differed significantly as federal models are quite varied. The Greek Cypriots, who have favored a federation that entailed a significant hierarchy, and where the Republic of Cyprus’s single and indivisible sovereignty would be disaggregated through constitutional amendment. The opposite was true of the Turkish Cypriot side that aimed to aggregate the North and South, ensuring political equality, with ‘cantons’ delegating authority to the center. The Turkish Cypriot view was essentially one of confederation.

The international community has generally dismissed the conceptualization, on the part of the respective Cypriot communities, of absolute sovereignty, favoring the establishment of a ‘common state’ as a workable compromise, where the emerging state would have a single international personality, and the federated entities would enjoy some form of veto powers. However, to many critics of ‘consociationalism’ this model is a cop out. Such models tend to be ‘unworkable’, as the Greek Cypriots tend to claim, citing the failure of the original Republic of Cyprus power sharing Constitution. Ultimately this is an empirical question, and we do note the relative success of power sharing federal systems in Europe.

The EU, in turn, was supposed to have provided a framework that would have generated incentives and expectations to resolve differences to conclude a settlement on the island. The federal settlement would be augmented by a third tier of governance through inclusion of both communities in EU institutions. Such arrangements are not unknown in Europe and the EU. Thus, it is hardly surprising that the Annan Plan drafters borrowed from the Belgian model, and though not an EU member, Switzerland. Thus, the preferred solution of the international community with regard to Cyprus and analogous cases has
been the establishment of a ‘common state’ as a workable and viable settlement to the
Cyprus problem.

The Annan Plan and the Failed Europeanizing Framework

So, why did the Annan Plan fail to challenge the “modernist” discourses that plague
Cyprus? Here it is suggested that the Annan Plan avoided the ontological question of
‘what is the Cyprus problem’. Indeed, in order not to antagonize one side or the other,
the UN mediators deliberately side stepped questions of state succession, among other
significant queries.

“It was clear that the only practical way out was one that allowed
both sides essentially to keep their views of the situation prior to the entry into
force of the agreement and their views of the way in which the new state of affairs
would come into being, while leaving no doubt regarding the legal situation for
the future. To achieve this, the settlement needed to provide elements of
continuity for both sides into the new state of affairs.” (Annan 2003, paragraph
67).

The Annan Plan fudged the issues of sovereignty and state succession by design, leaving
it to the respective sides to interpret the ‘virgin birth’ of the United Cyprus Republic as
they saw fit. This is what is sometimes referred to as ‘constructive ambiguity’. Both
levels of government would exercise powers “sovereignly”. The term itself provoked
outcries that such a word could not be found in the dictionary. Constitutionally the
Annan Plan was non-hierarchical, and in this respect closer to the Turkish Cypriot view.
Constituent states would coordinate policies in their spheres of competence, themselves
enumerated.

The Annan Plan entailed provisions for self-determination of the respective communities
through the third tier of governance. For instance, the plan emulates the Belgian model
in some key aspects, including the need for domestic coordination between the
‘constituent states’ in the formulation and implementation of policy in external and EU
relations in matters within their spheres of influence. This suggests a potential for veto
and blocking of the coordination process, as is sometimes the case in Belgium. As in
Belgium, the implementation of EU laws and regulations would 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 would be called upon.

The Annan Plan could have gone even further with self-determination, had it made
representation of the constituent states mandatory in EU Councils. The wording of the
plan made it possible, though not necessary (thus better approximating the German and
Austrian models than the Belgian). Thus, the Annan Plan, unlike Belgium, does not
allow federated states to conclude international treaties in their domestic spheres of
competence. In other words, constituent states do not enjoy treaty-making power.
In Cyprus, on either side of the Green Line that divides it, the question of how supranational EU institutions would operate in a federal Cyprus was never discussed. The EU framework failed to provide the necessary impetus for Cypriots of either community to anticipate the opportunities to transcend the “frozen conflict” that had become the Cyprus Problem and embark on a process that would allow for a degree of conflict transformation.

**Post-Annan EU Efforts: Reifying “Modernist” Cypriot Discourses**

Since the fateful referenda, the EU has had to design new institutions to cope with the anomaly of accepting a territorially divided country as a member. Annex XVIII, Protocol 10 of the Accession Treaty was drafted to deal with this eventuality. The protocol states that given the failure to arrive at a settlement the acquis will remain suspended in “areas of the Republic of Cyprus in which the Government of the Republic of Cyprus does not exercise effective control” (i.e. northern Cyprus). The EU confirms that it is “ready to accommodate the terms of such a settlement in line with the principles on which the EU is founded.” At the same time, the EU decided that “the Council, acting unanimously on the basis of a proposal from the Commission, shall decide on the withdrawal of the suspension referred to”. Meanwhile, the protocol maintained that “nothing in this Protocol shall preclude measures with a view to promoting the economic development of the areas referred to in Article 1.”

These measures, instead of helping Cypriots transcend their “modernist” tendencies regarding sovereignty, has actually had the effect of turning back the clock. The upshot, far from “postmodernization” as envisioned by Diez (2002), may prove to “re-modernization”. As I will attempt to demonstrate below, the EU’s “Green Line” regulation has had the effect of reifying borders, as opposed to diluting their significance.

The Cyprus problem does not consist only of constitutional issues of power sharing and self-determination. It also entails many substantive issues emanating from the population transfers, hence the rights of displaced persons.

The EU framework, thus, also held promise in terms of its ability to transform the meaning of borders, an issue that is very sensitive in Cyprus given the territorial dimension of the conflict, as well as the status of property, and the rights of displaced persons.

Although in principle the EU framework would allow for more nuanced interpretations of borders, and an acceptance of territories more as administrative units, as opposed to sovereign entities, in practice the EU is often reluctant to impose full liberalization. Within the EU new member states often negotiate derogations that limit capital flows and labor. In the case of Cyprus, the Annan Plan, endorsed by the European Commission in the form of an annex called the Act of Adaptation, foresaw long periods of transition that would, in practice, limit the number of Greek Cypriot displaced persons from acquiring residency permits and reinstatement of properties in the north. Perhaps it is technically incorrect to conceive of internal restrictions within member states as derogations per se.
Nevertheless, these “derogations” had the impact of reaffirming boundaries (and in this case hitherto internationally unrecognized boundaries) in the name of bi-zonality (the second pillar of the UN mediation framework to reunite Cyprus). The Greek Cypriots have expressed disapproval of the various ‘derogations’ or exemptions from the acquis.

Whereas the EU framework may have suggested the dilution of the meaning of borders, the failure of the UN blueprint itself forced the EU to reconceptualize the Green Line. The Green Line Regulation, passed by the European Council in lieu of a settlement for the period after accession, stipulates that the line does not constitute an external border of the EU. The goal is to regulate crossings between areas over which the Republic of Cyprus exercises effective control (i.e. the southern part of the island) and areas where the EU’s acquis communautaire remains suspended (i.e. the Turkish Cypriot north) hence outside of the customs union and fiscal territory of the EU pending a settlement on the island. In practice the Green Line Regulation has not led to trade or meaningful integration, as was intended.

**The Interim and the Way Forward**

Today, thus, as far as the EU is concerned, the Cyprus problem has been transformed into one of applying the acquis in the north. Despite the division of the island, the EU hoped to play a role as a direct actor, facilitating domestic level reform with a view to eventually applying the acquis north of the Green Line.

In the interim, the question for the international community, and in this case the EU looms large, is what precisely to do regarding the division of Cyprus. Following the failed referendum the EU acted quickly. On 26 April 2004 the EU foreign ministers agreed “to end the isolation of the Turkish Cypriot community, and to facilitate the reunification of Cyprus by encouraging the economic development of the latter community”.

The EU Commission, in line with its mandate from the Council proceeded to draft further regulations to ostensibly ‘lift the isolation’ on the Turkish Cypriot community, who, according to the UN Secretary General, by “no fault of their own” remain outside of the EU. However, due to the fact that the RoC acceded to the EU, it has been able to prevent the straightforward adoption of the regulations as proposed on aid to and trade with the Turkish Cypriot community. The Greek Cypriots contend that to ratify an agreement on direct trade with the entity in northern Cyprus would be tantamount to recognition of the Turkish Republic of Northern Cyprus (TRNC). Of course, the real issue is the degree to which the TRNC would be upgraded in status. As long as the

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3 Report of the UN Secretary-General on his mission of good offices in Cyprus to the Security Council of 28 May 2004 (S/2004/437), p. 27. “The Secretary-General applauds the Turkish Cypriots, who approved the plan notwithstanding the significant sacrifices that it entailed for many of them. He regrets that the Turkish Cypriots will not equally enjoy the benefits of EU membership as of 1 May 2004, but he hopes that ways will be found to ease the plight in which the people find themselves through no fault of their own.”
United States and the United Kingdom, not to mention the European Union as a whole, withhold formal recognition, it is not likely that the TRNC will be recognized as an international state any time soon. However, what is at stake is the way in which the suspended acquis will be ‘unsuspended’ in northern Cyprus.

The Turkish Cypriot community currently suffers from a sense of injustice with the failure of the EU to fully deliver on its promises to lift the isolation of the Turkish Cypriots. This manifest failure to “reward” the Turkish Cypriots for approving the Annan Plan and thus shifting away from overt secessionism has been the result of a political and legal struggle on the part of the Republic of Cyprus to reinterpret the EU’s mandate regarding lifting the isolation of the Turkish Cypriot community.

With respect to direct trade, which would have entailed duty-free import of EU goods into northern Cyprus and the reciprocal duty-free export of goods from northern Cyprus, there was a problem of recognition. To overcome the question of the origin of certificates the EU Commission proposed that the Turkish Cypriot Chamber of Commerce (an institution that predates the division of Cyprus, and hence enjoys international standing) be permitted to issue certificates. Under Article 133 of the EU Treaty the EU could regulate trade between the Community and third countries or territories that are part of EU member states but not included in customs territory. If the proposed regulation required a procedure that would only have required qualified majority in Council. However, the Republic of Cyprus (i.e. the Greek Cypriots) effectively argued that direct trade must fall under Protocol 10 of the Accession Treaty (i.e. the section that dealt with Cyprus that stipulates that a partial lifting of the suspension of the acquis to the north requires unanimity). Thus, in all matters where the EU had an original mandate to upgrade the north, in practice most decisions entail a Greek Cypriot veto. Similarly, a regulation on aid to the north had been delayed, and it remains to be seen whether the Turkish Cypriots will accept any money with strings attached. Thus, at present, EU efforts at upgrading the north in order to sustain support for reunification and in preparation for the lifting of the suspension of the acquis, remains limited to funded programs such as “Partnership for the Future”.

With the political process stalled and the promise of the lifting of the isolation of the north only partially fulfilled, the Cyprus problem seems set on entering another stalemate. With the EU’s relative failure to fulfill its mandate to the Turkish Cypriots there is now the very real problem that the domestic political transformation that took place in the north in the run-up to accession could be reversed. This also makes the EU’s potential role as a mediator more problematic, although the Greek Cypriot side has called on the EU to assume a more direct role in subsequent rounds of substantive negotiations.

As the Cyprus problem enters a new stalemate, commentators have been encouraging the respective sides, as well as the EU, to make unilateral moves that might, at some point, kick-start substantive negotiations that could lead to a final settlement. The International Crisis Group, for instance, calls on the EU not only to lift the isolation of the Turkish Cypriot community, but to go further and “contribute constructively to a redefinition of

The outcome of a protracted stalemate is uncertain. The potential for a new round of negotiations in the near future continues, but is contingent on numerous factors. The present stalemate emerging in Cyprus was an unintended outcome as far as the EU is concerned.

One way out of the stalemate is to engage in confidence building measures, negotiated or perhaps in the form of unilateral steps, that have the effect of maintaining Turkish Cypriot support for a settlement, prod the Greek Cypriots to reconsider their stance with respect to the Annan Plan, and advance intercommunal reconciliation. Unfortunately, as the supposed confidence building measures often overlap with substantive issues (such as the return of territory and demilitarization) the sides tend to see the result as potentially prejudicing the final, comprehensive settlement.

The official Turkish position (i.e. that of both Turkey and the Turkish Cypriot authorities) remains that a negotiated settlement is desirable and that the Turkish side is prepared to negotiate on the basis of the Annan Plan. Turkey has also been making overtures that would help it cope with its obligation to extend customs union to the Republic of Cyprus (the government of which it does not exist, as it apparently does not currently represent the Turkish Cypriots). In January 2006 Turkey advanced the idea of holding a summit meeting by the summer, including the respective sides from Cyprus, as well as Greece, Turkey, and the UN. Specifically, Turkey would like an agreement where north Cyprus is integrated into the EU customs union in return for Turkey fulfilling its own obligations to the Republic of Cyprus. However, following a joint communique of the UN Secretary General and the Republic of Cyprus President that foresaw the establishment of technical committees that implied the discussion of substantive matters beyond customs union, including demilitarization and territorial adjustments, the way forward remains uncertain.

The most significant development has been the intervention of the UN representative Ibrahim Gambari, who helped forge a new diplomatic process on the island with the advent of technical committees. Nevertheless, without explicit reference to a comprehensive settlement model, such as the Annan Plan, the way ahead is fraught with difficulties stemming from the question as to which committees should be empowered to discuss what issues. After all, the sides tend to view ‘confidence building measures’ with distrust, assuming they may tend to prejudice a final settlement to the detriment of one side or the other.

**The “European Solution”**

Aside from the modalities of how to restart negotiations, the Greek Cypriot side wants to ensure that the settlement that would eventually emerge from a new round of negotiations would secure the continuity of the RoC, where the RoC federalizes through the adoption of a new constitution, among others. Indeed, many diplomats now consider that the Greek Cypriot side may have all but abandoned a sincere desire to establish a federation,
pursuing instead a policy of eventual “osmosis”, whereby the Turkish Cypriot minority is assimilated over time.

This strategy, regardless of variation, is very much dependent on the commitment of Turkey to EU membership, as well as the commitment of EU members to eventual Turkish full membership. In either case, there are doubts. Turkish elites do not share a consensus on EU membership, the policies of the current government notwithstanding. This incongruity is, in part, related to the lack of coherence on the part of the EU, which cannot confirm to Turkey that in the event it successfully completes accession talks that the end result will be full membership. Whereas efforts to impose on Turkey a ‘privileged partnership’ have not surfaced in any EU decisions, the present political climate in key countries such as France - that has already committed to holding a referendum on the matter should Turkey successfully complete accession talks – does not bode well. Thus, there are limits to the degree of leverage that the Greek Cypriots can exercise despite EU membership.

Through the EU the Republic of Cyprus may consider the opportunity to move outside of the Annan Plan parameters to put forth alternative solution blueprints in line with a supposed “European Solution”. In terms of mediation, this suggests a more active and direct role for the EU. It also entails the full implementation of the “three freedoms”, namely freedom of movement, settlement, and property acquisition. The latter two were subject to restrictions under the provisions of the Annan Plan.

Whereas the Annan Plan was a comprehensive settlement package that entailed all aspects of the Cyprus problem, both intercommunal and international, the current Greek Cypriot leadership is attempting to secure ‘recognition’ from the Republic of Turkey on the international front, while pushing the European Union to endorse what it calls European values (or fundamental principles) that the Annan Plan was deemed deficient in or contrary to. Ultimately, the Greek Cypriot strategy would appear to be to push the clock back to before 1974 when negotiations between the sides in Cyprus was aimed at a Constitutional revisions so as to allow Turkish Cypriot community effective political participation in the state. These very principles were put forth by the Greek Cypriot side in previous rounds of negotiations.

The Shifting Framework

The ‘Europeanization’ of the Cyprus problem seems to operate at different levels. On the one hand, the RoC holds the threat of a veto in its hands with respect to Turkish accession talks at every stage of negotiation on the various chapters. No doubt, the Greek Cypriot leadership hopes that it can coerce Turkey into accepting RoC sovereignty, and thus negotiate with it in various areas, including security. It is no surprise that the annulment of the Treaty of Guarantee would be among the strategic goals of the RoC government. The RoC will hope that various EU member states, especially those skeptical of, if not opposed to Turkey as a member, will support the RoC. However, the RoC also risks getting its bluff called, and it has already had to accept that conditions on Turkey beyond
Copenhagen criteria are currently limited to Turkey’s extension of customs union to Cyprus.

At the level of the European Parliament the RoC lobbies MEPs to adopt the aforementioned European ‘fundamental principles’ (i.e. self-determination, liberty, democracy, respect for human rights, and the rule of law) and wishes the parliament to endorse its ultimate goal of solving the internal aspects of the Cyprus problem through a constitutional convention and amendments. The Committee For A European Solution in Cyprus, a self-described “private independent organization of civil society” lays out the strategy in unambiguous terms.

Currently there is a great deal of skepticism among critics of the Papadopoulos government that the strategy of “Europeanizing” the Cyprus problem will pay dividends. Indeed, there is an emerging schism between President Papadopoulos’ party DIKO and coalition partner AKEL over whether the Annan Plan forms a basis for a settlement. The international community, especially the key players of United States and United Kingdom, and of course the United Nations, also urge the Greek Cypriot leadership to return to the negotiating table with the Annan Plan parameters as its basis.

Nonetheless, the net effect of these developments is the lack of discourse between the communities regarding the future of Cyprus. This is all the more remarkable considering the pro-EU orientation of the current Turkish Cypriot leadership that came to power through the promise to solve the Cyprus problem and join the EU. At an official level, contacts were only initiated through UN representative Mr. Gambari’s initiative in July 2006. During the summer of 2006 the undersecretaries of the respective sides have been engaging in sporadic meetings to determine the technical committees to discuss technical issues (i.e. day to day matters related to the Green Line crossings, etc.) and substantive matters (i.e. what to do about the status of the ghost town, Varosha, and issues such as demilitarization).

In practice, however, neither side seems to consider the impending crisis between the EU and Turkey over Cyprus to be a matter of great urgency.

The Greek Cypriot leadership appears content to avoid direct inter-communal contacts, hence negotiations, so long as progress can be made on the international dimension regarding the relationship between Cyprus and Turkey.

The Turkish Cypriot side, increasingly beholden to Ankara for support, would prefer that Turkey not accept concessions on Cyprus in return to progress in accession negotiations with the EU. Within Turkey the ruling AK party, facing domestic pressure and impending elections, is loath to seeming conciliatory on Cyprus. Prime Minister Erdogan paid a several day long visit to North Cyprus to commemorate the 20th of July (the day Turkish troops arrived on the shores of Cyprus in 1974 leading to the partitioning of the island).
The hard won consensus that had been forged among Turkish Cypriots in the run-up to the referendum of 2004 is giving way to disillusionment and possibly portends another role reversal in the years to come. Given the disillusionment with the process on the EU regulations, the Turkish Cypriot leadership is already torn on whether or not to accept funds earmarked by the Council. This would indeed be evidence of the “subversive” character of integration.

**Conclusion**

Just as the EU failed in its catalytic role the EU framework may also prove limited in leading to a settlement, let alone a genuine transformation of the Cyprus problem. The catalytic role was limited by the passive role the EU played in the actual mediation of the Cyprus problem. Although the EU did assist the UN and openly endorsed the resulting Annan Plan that was to put to referendum on either side of the divided island, the EU failed to impress on Greek Cypriots that the plan could be considered sufficiently in line with European norms.

Whereas the EU still holds promise, and may yet help redefine the Cyprus problem, the current stalemate does not bode well. Thus, instead of pointing to alternative forms of governance, as is ostensibly the function of the EU as a framework, the EU is increasingly limited by the political and legal haggling that has resulted from the accession of the Republic of Cyprus. The Republic of Cyprus has demonstrated that, to some extent, it can affect the framework and help define the parameters of an, as of yet, elusive “European solution”. Rather than undermining “modernist” discourses as a “post-modern polity”, the relative success of the Republic of Cyprus merely reinforces the intergovernmental view of the EU. Thus, Turkish Cypriots and Greek Cypriots, alike, are not taking part in any discourse on their common future within the EU.

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