

## **The Domestic and International Politics of the Next Mediterranean Enlargement of the European Union**

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**Resumé.** *La question du prochain agrandissement méditerranéen de l'Union Européenne est reliée à un nombre de considérations, mais, en premier lieu, aux priorités internationales changeantes de l'Union Européenne elle-même, à ses buts de politique étrangère et à la situation politique domestique dans les trois Etats ayant soumis leurs candidatures. En ce qui concerne le Chypre et Malte, et ceci jusqu'en 1996, les négociations auraient dû commencer six mois après la fin de la Conférence Intergouvernementale, tandis qu'une date sûre n'avait guère été établie pour commencer les négociations avec la Turquie. Le changement du gouvernement à Malte, à la suite des élections d'octobre 1996, porta à la suspension de la candidature maltaise. Entretemps, la situation domestique en Turquie ne s'est pas modifiée selon les procédures qui auraient facilité ses prétentions à devenir membre de l'Union. En ce qui concerne le "problème Chypre", celui-ci continue à être, à la fois et simultanément, la cause principale des contestations entre la Grèce et la Turquie, un obstacle potentiel à la candidature du Chypre et un instrument de raccordement politique, utilisé par Ankara, dans ses efforts pour accélérer la candidature turque. En décembre 1997, le Conseil Européen à Luxembourg a confirmé le début des négociations avec le Chypre, déclenchant ainsi l'irritation turque et marquant une nouvelle période de turbulence dans les rapports entre l'Union européenne et la Turquie. Celle-ci a déclaré avoir suspendu le dialogue politique avec l'Union et qu'elle n'assisterait pas à la Conférence européenne, convenue pour mars 1998. Ces développements laissent prévoir que le futur agrandissement méditerranéen comprendra que le Chypre. Cet article examine les politiques domestiques des trois pays candidats, ainsi que leurs politiques envers l'Union européenne, dans le cadre des priorités internationales changeantes de l'Union, et examine également comment celles-ci modifient le prochain agrandissement méditerranéen.*

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### 1. Introduction

Until October 1996 it seemed undeniable that the two Mediterranean island States of Cyprus and Malta were ahead of the field of twelve aspirants in the EU membership race. Turkey was exerting all its

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diplomatic efforts to keep up with them, though the widely held view was that her membership chances were negligible. Enlargement of the EU to include Cyprus and Malta posed no economic problems for the Union (however, neither did it promise many advantages). Both applicants, being micro-states, would be easy to absorb, especially since both had buoyant economies. However, their small size raised a number of institutional questions for the EU. Further, in the case of Cyprus, membership would necessitate the Union internalising the Cyprus Problem; in the case of Malta there was the question of how its neutrality would square with the Union's Common Foreign and Security Policy (CFSP). Turkey raised diametrically opposing problems, *i.e.* its large size and relative economic backwardness coupled with its dismal human rights record and the cultural differences. In its dealings with the EU, Turkey's trump cards were two: it was a pivotal member of the North Atlantic Treaty Organisation (NATO) and it held one of the keys to a solution to the Cyprus Problem. Turkey's NATO membership was devalued as a diplomatic bargaining chip following the end of the Cold War, while its ability to use the Cyprus Problem to its advantage was seriously damaged when, in 1995, the EU decided to start negotiations with Cyprus six months after the end of the Intergovernmental Conference, with or without a solution to the Problem. In January 1997, Turkey threatened to veto<sup>1</sup> NATO enlargement and to leave the Euro-Mediterranean Partnership unless it was admitted to the EU<sup>2</sup> but subsequently it participated in the second conference of the Euro-Mediterranean Partnership in Malta in March and failed to carry out its threat at the NATO Madrid summit in July.

From another angle, the inclusion of the two Mediterranean island States in the European Union would re-introduce some balance in the EU's own composition by strengthening the Mediterranean dimension and by implication the Union's sensitivity towards the region.

In October 1996, the general elections in Malta returned the labour party to government after an absence of nine years. Malta's new government announced that it was "freezing" the EU application. Some days after winning the election the labour government, which had

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<sup>1</sup> Article 10 of the *North Atlantic Treaty*, Washington, April 4th, 1949: "*The parties may, by unanimous agreement, invite any other European State .... to accede to this Treaty*".

<sup>2</sup> *Europe News Bulletin*, no. 6904, Brussels 31<sup>st</sup> January, 1997, pp. 4-5.

campaigned under the slogan of turning Malta into a “*Switzerland of the Mediterranean*”, decided to leave NATO’s Partnership for Peace (PfP) because it was incompatible with Malta’s brand of neutrality. On that same day, Switzerland joined the PfP.

Before the election, the labour party’s leader and Malta’s current Prime Minister, Alfred Sant, claimed that Malta’s membership of the EU would harm Mediterranean stability. He added that Malta’s security could best be safeguarded by maintaining a position from which it poses a threat to no one, north or south.<sup>3</sup> Malta indicated that for the foreseeable future it had no interest in membership, but wanted instead to conclude a free trade agreement with the Union accompanied by a protocol providing guarantees for Malta’s security. Malta was not represented at the Dublin summit with the other applicant countries, an unmistakable signal that the “structured dialogue” had come to an end. European Commission President, Jacques Santer, replying to a question by a journalist, said that Malta was no longer a candidate for membership<sup>4</sup>. In practice, Malta will certainly miss the next enlargement and therefore the question of whether the application is in fact “frozen” or withdrawn is an academic one.

With Malta’s decision to freeze its application and the Union’s definite “no for the moment” to Turkey following the publication of the European Commission’s “Agenda 2000”, coupled with the forthcoming start of negotiations with Cyprus in 1998, the whole issue of Mediterranean enlargement has changed dramatically since October 1996.

Meanwhile, after concluding the Customs Union agreement with the Union, Turkey has become even more assertive in its demands for membership and has said time and again that it would not tolerate Cyprus’s membership of the Union<sup>5</sup>. Former Turkish Prime Minister and Foreign Minister Mrs Tanasü Ciller has been even more specific. Just before the start of the Dublin summit she said that there are three reasons why Turkey is taking part in the next enlargement of the Union: “...we are

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<sup>3</sup> *The Times* (of Malta), October 15th, 1996.

<sup>4</sup> *Europe News Bulletin*, no. 6876, Brussels, December 16th, 1996, point 012.

<sup>5</sup> Former Turkish Prime Minister Necmettin Erbakan told journalists in Ankara that “The south of Cyprus cannot join the EU without the permission of Turkey ... if it does so, the integration of the Turkish Republic of Cyprus into Turkey will be carried out as quickly as possible”, *Europe News Bulletin*, no. 6882, Brussels, December 24th, 1996.

*the first country to have signed an agreement that provides for enlargement, we are the only applicant that is a member of NATO, we are the only country that has achieved a degree of integration (with the EU) represented by the Customs Union that came into force just one year ago*"<sup>6</sup>. Later, Mrs Ciller added that improved relations between the EU and Turkey would make the resolution of the Cypriot problem more likely<sup>7</sup>. This position was reiterated by the new Turkish government led by Prime Minister Mesut Yilmaz which succeeded the Ciller-Erbakan coalition in mid-July 1997, following another passive intrusion by the military in Turkish politics<sup>8</sup>.

## 2. *From the Launching of the Applications to the Present*

### 2.1 *The Case of Turkey*

Turkey was the first of the trio to launch its application on the 14th of April 1987 and the Commission's Opinion came out at the end of 1989<sup>9</sup>. Turkey's relations with the European Community date back to 1963, when it became the second Mediterranean country after Greece to sign an Association Agreement with the Community. As a key member of NATO and other Western European security arrangements and due to its strategic position at the head of the Dardanelles and facing the Caucasus, during the Cold War close links with the Community were considered desirable as part of the wider political and strategic aims of strengthening NATO's Southern flank by stabilising Turkey's internal political, economic and social situation. The end of the Cold War diminished Turkey's traditional importance for the West, though strong arguments can still be made about her strategic value *vis-à-vis* the turbulent Middle East and Central Asia, not to mention the importance of supporting and upholding the Turkish secular State as a model for the newly independent Moslem States of Central Asia. Europe cannot, however, make plans for

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<sup>6</sup> *Europe News Bulletin*, no. 6874, Brussels, December 14th, 1996, p. 4.

<sup>7</sup> *Europe News Bulletin*, no. 6876, Brussels, December 16th, 1996, point 002.

<sup>8</sup> *Europe News Bulletin*, no. 7016, Brussels, July 14/15th, 1997, p. 4: the new Turkish government's programme stated that full membership for Turkey in the EU "is not only an objective but also a right derived from certain agreements".

<sup>9</sup> Commission Opinion on Turkey's Request for Accession to the Community, SEC (89) 2290 final/2, Brussels, December 20th, 1989.

Turkey as a preponderant power in the Middle East and the Caucasus without being ready to offer her some compensatory favour. Turkey has named her price; the EU has refused it. At the informal "5+1" meeting in Rome in January 1997, Mrs Ciller made it amply clear that Turkey was not interested in "a special status" in the EU as a substitute for membership<sup>10</sup>. The reasons which the EU puts forward for refusing Turkey's application are routinely linked to Turkey's low level of economic development, its rapidly growing population (with the added consideration that were it to become a member of the Union, Turkey could before too long become one of its most populous countries) and the impact that such a large underdeveloped, mainly agrarian country, would have on the Community's structural funds, agricultural policy and budget - not to mention internal migration<sup>11</sup>. In the background of course there is the Greek factor or the way Greece uses its EU membership to condition Turkish behaviour in general by blocking her membership and financial aid.

In 1989, the EU's excuse for not starting negotiations with Turkey were that at that time the Community was still putting in place the Single Market, was about to embark on Economic and Monetary Union and moreover was involved in the task of "*improving its institutions and thereby reconciling enlargement and consolidation.*" The Commission recommended that on the basis of these considerations alone "*it would be unwise, with regard both to the candidate countries and to the Member States, to envisage the Community becoming involved in new accession negotiations before 1993 at the earliest, except in exceptional cases*"<sup>12</sup>. The "exceptional case" was soon invoked for the European Free Trade Area (EFTA) applicants while Turkey's application, whose Association Agreement<sup>13</sup> envisaged eventual EU membership, though not automatically, was put on the back burners, as were the applications - launched in 1990 - of Cyprus and Malta.

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<sup>10</sup> *Europe News Bulletin*, 6904, Brussels, 31st January, 1997. The "5+1" is made up of Germany, France, the United Kingdom, Italy, and Spain plus Turkey.

<sup>11</sup> *Ibid.*, Commission's Opinion on Turkey's application point 8, "Economic Context, as well as relevant annexes."

<sup>12</sup> *Ibid.*, Commission's Opinion on Turkey's application, point 4.

<sup>13</sup> Article 28 of the EC-Turkey Association Agreement specified that "As soon as the operation of this agreement has advanced far enough to justify envisaging full acceptance by Turkey of the obligations arising out of the Treaty establishing the Community, the Contracting Parties shall examine the possibility of the accession of Turkey to the Community", *Collection of Agreements concluded by the European Communities*, Brussels, 1978, Vol. 3, p. 553.

The EU's treatment of Turkey is symptomatic of its changing international priorities, not least those in the Mediterranean region. Since the late Sixties and early Seventies, the Community had regarded the Mediterranean as a zone of instability whose problems could spill over into Europe itself. This position is now being overtly stressed by NATO, which has set up the Mediterranean Cooperation Group<sup>14</sup>. While military threats and the overall strategic balance in the region might perhaps have been countered by the presence of the American Sixth Fleet, the Community was using economic statecraft, especially discriminatory trading preferences under the aegis of its Global Mediterranean Policy, to enhance stability in the region, essentially by trying to alleviate the non-military threats<sup>15</sup>. The accession of Greece (1981), Spain and Portugal (1986) to the EC consolidated the new democratic process began in each of these States in the first half of the Seventies. In the late Eighties, at the time of Turkey's application, no such prerogatives existed which would have motivated the EC to include her in its fold. Moreover, the focus of the EU had shifted markedly to internal consolidation, while externally it became preoccupied with two main issues: the successful consolidation of Western European integration by linking the EFTA countries with it through the European Economic Area (EEA) and the events in Central and Eastern Europe. Then came the negotiation and ratification of the Treaty of Maastricht, the start of Economic and Monetary Union (EMU) followed by accession negotiations with the EFTA group and the conclusion of Europe Agreements with the countries of Central and Eastern Europe. These events also negatively affected the applications of Cyprus and Malta.

Moreover, the emerging problems and priorities in the Mediterranean region, to which the EU was admittedly rather slow to react — population growth, migratory pressures on Europe, terrorism, illicit drug trafficking and the spread of Islamic fundamentalism — lessened Turkey's attractiveness, the perception being that Turkey could possibly aggravate rather than diminish some if not all of these pressures. Turkish intransigence on Cyprus and its dismal human rights record did not help either. Lurking under the

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<sup>14</sup> NORDAM J., "The Mediterranean Dialogue: Dispelling Misconceptions and Building Confidence", *NATO Review*, 4, July-August, 1997, pp. 26-29.

<sup>15</sup> Of course it remains a mute point as to how relevant the EU's Mediterranean Policy has been in maintaining regional stability and how much it has contributed towards the maintenance of the colonial relations between the European metropolitan core and the peripheral States in the post-colonial era.

surface was the cultural question, namely that although Turkey has Western institutions of government and legal system established by Kemal Attaturk, it is an Islamic country<sup>16</sup>. Ironically, when in the Seventies the international environment was potentially favourable towards Turkey, the latter was rather lukewarm<sup>17</sup> to the idea of membership while Greece successfully pressed for membership. In the late Eighties and Nineties, Turkey is enthusiastic about membership; the EU, however, is not.

Human rights have always played an important role in the Union's dealings with the Mediterranean associates<sup>18</sup>. Given this emphasis, when the European Parliament's statutory approval was sought for the EU-Turkey Customs Union agreement and the financial protocol in December 1995, Turkey's Human rights record came under attack in the Parliament, with the leader of the socialist group stating most emphatically that the majority of her group were voting in favour of ratification "...in sorrow, with heavy hearts and without enthusiasm"<sup>19</sup>.

The Customs Union agreement was accompanied by a financial aid package made up of ECU 375 million in budgetary aid and ECU 750 million in EIB loans. However, following the events of January 1996 around Imia island in the Aegean, this aid was blocked at the insistence of Greece. In July, the European Council issued a declaration<sup>20</sup> on

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<sup>16</sup> REDMOND JOHN, *The Next Mediterranean Enlargement of the European Community: Turkey, Cyprus and Malta?* Dartmouth, 1993, pp. 45-46.

<sup>17</sup> The disenchantment with the whole relationship was clear when the Turkish Foreign Minister said in 1974 that his country did not share Greece's urgency in joining the EC. Again, during those years Turkey constantly complained with the Community that it was biased towards Greece in the Aegean dispute. Relations with the Community were worsened by the 1974 invasion of Cyprus. Further difficulties in the EC-Turkey relationship were introduced by the intervention of the Turkish military in domestic politics and the general deterioration in the human rights situation.

<sup>18</sup> The agreement with Greece had been frozen after the colonels' coup in 1967, while Spain's request for an Association Agreement based on article 238 were rebuffed pending substantial progress in democratisation. It was only after Franco's death that relations between the EC and Spain were gradually normalised. Human Rights were a frequent bone of contention between the EU and Turkey following the intervention of the Turkish military in the political affairs of the country. Besides, the respect for human rights is now a binding feature of the Europe Agreements and the new Euro-Mediterranean Partnership Agreements.

<sup>19</sup> Pauline Green, European Socialists, *Debates of the European Parliament, OJ Annex no. 4-472*, 13th December, 1995, p. 144.

<sup>20</sup> The Council's Declaration was published in the *Bulletin of the European Union*, no. 7/8, Brussels 1996, point 1.4.27, pp. 97-98.

relations between the EU and Turkey including a reference to the Imia islet incident and calling for the avoidance of any action liable to increase tensions and specifically against the use of force. Turkey was asked whether it would commit itself to the principles stated in the declaration, but the reply was slow in coming. The Commission has also referred to the lack of legislative initiative in Turkey, which has resulted in no progress being made on democratic reforms and fundamental human rights. Turkey has pleaded that it is going through an awkward time in its history when it has to fight the “terrorist” movement of the Kurds (PKK) which in Turkish eyes has criminal connections. The EU’s reply is that the fight against terrorism does not release Turkey from the obligation to respect human rights.

## 2.2 *Cyprus and Malta*

Cyprus and Malta had become interested in concluding an Association Agreement with the Community in 1961, following Britain’s first application to join, an aim both achieved some ten years later<sup>21</sup>. Their level of economic development is at least comparable with that of some of the other Southern EU member States. With populations of 0.4 million and 0.7 million respectively, Malta and Cyprus are unimportant for the EU either as markets or as regards their impact on the Community’s finances and other main economic policies<sup>22</sup>. This was more or less confirmed by the Commission’s Opinions on their applications published in 1993<sup>23</sup>, in which, however, a number of economic sectors in each State were identified as requiring modernisation in preparation for membership. On the basis of these observations, a “*Structured Dialogue*” commenced between the Union and each of the applicants to usher in the priority reforms. This dialogue is still going on with Cyprus, but not with Malta as a consequence of its shift on EU membership.

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<sup>21</sup> Malta in 1970, Cyprus in 1971.

<sup>22</sup> In a document entitled *Europe and the Challenge of Enlargement*, presented by the Commission to the European Council in Lisbon in June, 1992, it was stated that “... the integration of Cyprus and Malta into the Community system would not pose insurmountable problems of an economic nature”, Bulletin of the European Communities, Supplement 3/92, Brussels, 1992, p. 13.

<sup>23</sup> Commission Opinion on Malta’s Application for Membership, *COM (93) 312 final*, Brussels, 30th June, 1993; Commission’s Opinion on the Application by the Republic of Cyprus for Membership, *COM (93) 313 final*, Brussels, 30th June, 1993.



The Commission also referred to the additional difficulty concerning the impact of their membership, both being micro-States, on the Union's institutions<sup>24</sup>. This followed from the position adopted by the EU at the Lisbon European Council of June 1992, when the Benelux countries urged the EC to tackle the institutional issue in a way that would not be detrimental to smaller countries. The Benelux trio made it clear that as a consequence of this membership should be immediately open to the EFTA countries, but not to the Mediterranean applicants<sup>25</sup>. This killed any hope there might have been of an early entry of either one or both of the Mediterranean applicants. This hope had arisen from the fact that, since the Community had always insisted that each application should be treated on its merits, the Maltese authorities<sup>26</sup> had been encouraged to believe in early accession together with the EFTA group without having to wait for Cyprus<sup>27</sup>. As for Cyprus, the Commission declared that there is a link between the question of enlargement and the problem that results from the *de facto* separation of the island into two entities<sup>28</sup>.

When presenting its application, the Cypriot government did so on behalf of the whole island. In line with the relevant UN resolutions, the EU recognises only the government of the Republic of Cyprus and not the administration of the Northern Turkish part, the so-called Turkish Republic of Northern Cyprus (TRNC) established in 1983 and recognised only by Turkey. The Turkish-Cypriot authorities do not believe that the Nicosia government has the right to negotiate on behalf of the whole island. They base their legal position on the Geneva Treaty of Guarantee

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<sup>24</sup> Ibid., Commission's Report, *Europe and the Challenge of Enlargement*, point 31, pp. 17-18.

<sup>25</sup> See the Benelux Memorandum submitted to the European Council of Lisbon (26 and 27 June, 1992) in which it was stated that "As for other applicants for accession (Turkey, Malta and Cyprus), the Commission could be asked to make proposals designed to give substance to 'strengthened Association Agreements'", *Europe Documents* no. 1789, *Agence Europe*, Brussels, June 1978.

<sup>26</sup> In its 1992 *Electoral Manifesto*, the nationalist party had declared that it was confident that Malta would join the European Union with the first group of countries. See, "Solidarjeta, Dejjem ... Kulimkien", *Partit Nazzjonalista*, 1992, p. 91.

<sup>27</sup> This was encouraged by such pronouncements as that by Commission President, Jacques Delors, in an interview with the French newspaper *Liberation* of September 14th, 1992: "There is a country one sometimes forgets which is very important as a symbol: Malta. We must not displace Europe too much towards the North while forgetting the South: we risk losing our sensitivity to the Mediterranean world which is our world, but which at present cumulates danger for the future of all of us."

<sup>28</sup> Ibid., point 30, p. 17.

and the 1960 Cypriot Constitution<sup>29</sup>, according to which the President and vice President of Cyprus, the latter (constitutionally) a Turkish Cypriot, each have a veto over any foreign policy decision, particularly on joining an international organisation or alliance that does not count both Greece and Turkey among its members<sup>30</sup>. In its Opinion on the Cypriot application the Commission came out strongly against the prospect of the Union “internalising” the Cyprus Problem, reiterating clearly that accession negotiations with Cyprus could only begin after a solution to the problem had been found<sup>31</sup>. However, should the inter communal talks between the Greek and Turkish Cypriots not lead anywhere, the Commission proposed that the situation should be reassessed and the question of Cyprus’s accession to the Community be reconsidered in January 1995<sup>32</sup>. This prevented Turkey from gaining complete leverage on Cyprus and Greece and to a lesser extent on the EU itself. Had Cypriot membership of the EU and a solution of the Cyprus Problem been linked open endedly, something Greece would never have permitted, Turkey might have used Cyprus as a hostage until its aims had been fully met.

In Malta’s case, the Commission’s main additional observation was that although the Maltese government had affirmed that it is in Malta’s interest to subscribe to the Common Foreign and Security Policy (CFSP), this does not alter the fact that it might be necessary to amend the constitution which incorporates Malta’s neutral status based on non-alignment<sup>33</sup>. Such an amendment requires a two-thirds majority in Parliament. When the nationalist party was in power, Malta consistently maintained that its neutrality was *sui generis* and that, just as other neutral States were participating in the EU, Malta would have no difficulties in doing the same with its brand of neutrality<sup>34</sup>. However, the labour party

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<sup>29</sup> *Draft Constitution of Cyprus*, Cmnd. 1093, July 1960, article 50, p. 112: “The President and vice-President of the Republic, separately or conjointly, shall have the right of final veto on any law or decision of the House of Representatives or any part thereof concerning: (a) foreign affairs, except the participation of the Republic in international organisations and pacts of alliance in which the Kingdom of Greece and the Republic of Turkey both participate”.

<sup>30</sup> Point 8, p. 4, Commission’s Opinion on the Application of Cyprus.

<sup>31</sup> *Ibid.*, point 47, p. 23.

<sup>32</sup> *Ibid.*, point 51, p. 24.

<sup>33</sup> Points 17-19, pp. 9-10, Commission’s Opinion on Malta’s Application.

<sup>34</sup> For a brief discussion of the issues involved, see Pace R., “Assessing Malta’s Bid to Join The European Union: The Case in Favour”, *University of Reading Discussion Paper in European and International Social Science Research*, no. 54, July 1995.

has continuously maintained that membership could have a detrimental effect on stability in the Mediterranean and on Malta's neutrality.

In June 1994 an important development took place when, on the insistence of Greece, the Corfu European Council established that the next EU enlargement would include Cyprus and Malta<sup>35</sup>. At the end of the summit, Greek Minister Theodoros Pangalos noted that the Council's decision meant that "*the question of the admission of Cyprus, was disassociated from the political problem of Cyprus*"<sup>36</sup>. In the first half of 1995, Greece blocked progress on the EU-Turkey Customs Union agreement and the transfer of EC financial aid to Turkey in order to force the latter to drop its opposition to Cyprus joining the EU before the Cyprus Question had been resolved. At the same time Greece put pressure on its EU partners to fix a date for the opening of negotiations with Malta and Cyprus. After a decision reached within the General Affairs Council in April, the Cannes European Council of June 1995 reaffirmed that negotiations with Cyprus and Malta would begin six months after the end of the Intergovernmental Conference (IGC), taking into account the outcome of the Conference<sup>37</sup>. Negotiations with Cyprus are now to begin in the first half of 1998.

Initially there was some confusion over the state of relations between the EU and Malta following the October 1996 election. In November 1996, a member of the COREPER in Brussels was reported to have said that there was no point in continuing the Structured Dialogue with Malta once it had ceased to be interested in membership<sup>38</sup>. The government's position was stated in an *aide memoire*<sup>39</sup> to all EU member States: Malta reiterated that its foreign policy will remain oriented towards Europe while at the same time cultivating a complementary Mediterranean policy. The Foreign Minister visited Brussels and addressed the General Affairs Council, explaining that the membership application had been put "on hold" and that Malta was fundamentally in favour of European integration, though the present government did not see any role for Malta

<sup>35</sup> Conclusions of the Presidency, Corfu European Summit, 24th and 25th June 1994, Doc. SN 150/94, p. 14.

<sup>36</sup> Reported in "Europe", Special Edition, no. 6260, *Agence Europe*, Brussels, 26th June, 1994, p. 4.

<sup>37</sup> Conclusions of the Presidency, Cannes European Summit.

<sup>38</sup> *The Times* (of Malta), November 19th, 1996.

<sup>39</sup> The Department of Information, Valletta, on the 23rd November, 1996 published the *aide memoire*.

in it for the foreseeable future. The Council instructed the Commission to begin consultations with Malta with a view to eventually starting negotiations aimed at establishing a new agreement<sup>40</sup>. Italy expressed disappointment at Malta's change of policy, but promised that it would help Malta achieve its aim of a closer relationship with the EU. Interviewed by a Maltese journalist during the Irish European summit, Italian Prime Minister Romano Prodi was reported to have said that Italy regarded the Mediterranean expansion as being very important because the Union could not be an association of Northern European countries only. He added that Italy would always be close to Malta, but the latter's change of policy over Europe meant that they would be less close. He reiterated the hope that Malta would eventually change its stance once again on the issue<sup>41</sup>.

### 3. *The Impact of the Next Mediterranean Enlargement on the European Union and on the Mediterranean Applicants*

One way to consider the impact of EU membership on the Mediterranean applicants is to frame the arguments in the context of the "costs of non-membership", something that will be attempted in this section. The EU's reluctance to include the Mediterranean applicants together with the EFTA group, couched in terms of the negative impact that this would have on the Union's institutions, was a screen behind which the Union said no to Turkey because it was too big and underdeveloped, no to Cyprus because of the Cyprus Problem and no to Malta because it could not say yes to her while saying no to Cyprus. The question of institutional reform, specifically reducing the democratic deficit and increasing the effectiveness of the institutions, is a crucial issue, especially in the context of enlargement. Concurrently and paradoxically it was the EU itself which applied asymmetric treatment to the applicants on this issue when it waived the question of prior institutional reform in the case of the EFTAs but insisted on it in the case of the Mediterranean applicants, even though dealing with this problem could possibly have been left until a later stage as was the case with the EFTA countries<sup>42</sup>.

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<sup>40</sup> *The Times* (of Malta), November 26th, 1996.

<sup>41</sup> *The Sunday Times* (of Malta), December 15th, 1996.

<sup>42</sup> See for example the Joint Declaration on the Institutional Procedures of the Accession Treaties with the EFTA applicants: "In adopting the institutional

The economic impact on the Community of the entry of Cyprus and Malta would be expected to be negligible. In the hypothetical case of Turkey's membership, the Union will gain access to a large market - larger, in population terms, than that incorporated in the Union with the first Mediterranean enlargement. Turkey's population, being relatively young and growing, may produce migratory pressures on the rest of Europe. The Turkish economy has been expanding faster than the OECD average in recent years; during the 1996 calendar year GDP expanded by 7.25 per cent in real terms. Unemployment, currently at 6.8 per cent and predicted to fall during 1996, compares favourably with most OECD economies.<sup>43</sup> However, as Emmanuel Carpentier has argued, behind Turkey's apparent economic well-being lies another reality that threatens the whole's organism, that of chronic inflation, tax evasion, fiscal mismanagement, deficit budgeting, a large State sector and a parallel economy, all in brief economic structural imbalances. It is these that Europe needs fear and not whether the Kemalist institutions will resist the challenge of change<sup>44</sup>. This analysis has been arrived at by other prominent writers<sup>45</sup>.

The most serious challenge of enlargement will be to the Union's finances and especially the structural funds. While in this regard the entry of Cyprus and Malta is unimportant for the EU, the three applicants' level of development entitles them, on the basis of present rules, for each to be considered as a single *Objective One* region, which, taking into account the size of Turkey's population, would entitle it to about six times the current transfers to Greece. Considering the aid from the structural funds, membership is a definite positive advantage for the applicants and a

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provisions of the Accession Treaty, member States and the applicant countries agree that, as well as examining the legislative role of the European Parliament and other matters envisaged in the Treaty on European Union, the Intergovernmental Conference to be convened in 1996 will consider the questions relating to the number of members of the European Commission and the weighting of the votes of the member States in Council. It will also consider any measures deemed necessary to facilitate the work of the institutions and guarantee their effective operation", *OJ C 241*, Vol. 37, 29th August, 1994, p. 383.

<sup>43</sup> For a brief analysis of the Turkish economy, see "*OECD Economic Outlook*", 61, June 1977, pp. 114-116.

<sup>44</sup> CARPENTIER E., "La Turquie: adolescente de l'Europe", *Societal*, 4, January 1997, pp. 21-26.

<sup>45</sup> See for example, EDWARD MORTIMER, "Disenchanted Paradise", *The Financial Times*, June 4, 1997, p. 10.

headache for the Union, which will also have to tackle the challenges of integrating the Central and Eastern European countries. By contrast, the counterfactual situation of staying out of the Union but at the same time maintaining links with her in the ambit of the EU's Mediterranean Policy does not open up as many trade and economic development advantages as membership would for the Mediterranean applicants, especially as regards financial aid and technical assistance to strengthen their national development effort.

There is also the question of Foreign Direct Investment (FDI). In this regard the choice between membership and non-membership is not neutral. The applicant countries in Central and Eastern Europe will exercise a strong gravitational pull on FDI to the comparative detriment of the Mediterranean applicants should these opt to stay out of the EU. Mediterranean backward regions of the EU, which receive aid from the structural funds, also compete directly with non-member States for FDI.

On the Union's side there is the question of the Mediterranean applicants' readiness to join the last stage of EMU. Following the Lisbon European summit of June 1992, the EU has adopted the stance that in enlargement negotiations the requirements of membership are to be based on the Treaty on European Union and now presumably on the new Treaty of Amsterdam when that is finally ratified. Therefore applicant countries are to make parallel progress on achieving membership and in ushering in the changes needed to integrate fully in the Union. Both Cyprus<sup>46</sup> and Malta have claimed that they are within easy reach of achieving the Maastricht nominal convergence criteria and therefore their membership should not present problems to the Union in this regard. Cyprus is closer to achieving a fiscal deficit of around 3.0 per cent of GDP, one of the main convergence criteria, than is Malta, whose deficit presently stands at around 9.3 per cent of GDP. For Cyprus and Malta, achieving the Maastricht criteria is not a painless task and though the authorities in both applicant countries have been optimistic in the past, more sanguine appraisals of the situation have been aired in both countries. Theophanous<sup>47</sup> has argued that in the case of one of the criteria,

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<sup>46</sup> Cypriot Finance Minister, Christodoulos Christodolou was reported to have told a seminar that Cyprus had managed to achieve all five Maastricht nominal convergence criteria. *Cyprus Bulletin*, Vol. XXXIV, no. 3, February 6th, 1996.

<sup>47</sup> See for example THEOPHANOUS A., "Cyprus and The European Union: From Customs Union to Membership", *The Cyprus Review*, Vol. 7, no. 2, Fall 1995, pp. 74 ff.

*i.e.* public debt, if due consideration is taken of intra-government debt, total public debt would amount to 88.7 per cent of GDP in Cyprus. Cordina<sup>48</sup> has pointed out a number of difficulties in Malta's case but primarily to the ones connected with establishing the real size of public debt, problems with controlling inflation and long-term interest rates and lastly difficulties with determining the exchange rate of the Maltese lira, presently established by the Central Bank on the basis of a formula of a basket of currencies. Since the weight of the ECU in the basket is around two thirds, it is not surprising that the Maltese lira has been so stable against the ECU. Since 1996, the Maltese economy has entered a recession the duration of which cannot be forecast with confidence, but which will certainly push Malta further away from achieving the criteria. In any case, in the context of future enlargement, countries that are unprepared for EMU will be related to it by virtue of the EMS 2 until such time as they are ready to join.

Traditionally Turkey has been a high inflation economy<sup>49</sup>. No doubt the effects of the Customs Union and liberalisation may exercise a downward pressure on prices in the long run, but in the short to medium term the effects will be more mixed. In addition, pressures are already being felt on Turkey's current account balance as a result of the Customs Union with the EU. Longer-term interest rates remain high. Neither the government's financial deficit as a percentage of GDP nor public borrowing is being contained. Turkey will need a very long time to achieve the criteria for the final stage of EMU even though the new government in Turkey may exercise better management of the economy than the previous Islamic-led one.

On the political side there is the question of the applicants' participation in the Common Foreign and Security Policy (CFSP) of the EU. In this respect, Turkey is the least problematic, being a full member of NATO and an associate member of the Western European Union (WEU). In international politics Cyprus was a co-founder of the

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<sup>48</sup> CORDINA GORDON, "*Malta and EMU: Prospects For Sustainable Convergence*" in XUERE B. P.G. and PACE R., "*The European Union, the IGC and The Mediterranean*", EDRC, University of Malta, 1996, pp. 205 ff.

<sup>49</sup> "*OECD Economic Outlook*", no. 61, Paris, June 1997, Annex Table 14, (A 17) GDP Deflators. The general price level peaked at 107.0 per cent in 1994 but started declining thereafter. Present estimates show that it would go down to 65.0 per cent in 1998. Inflation at that level, even if achieved will still be extremely high by EU standards when the EU average is expected to be 1.9 per cent in 1998.

non-aligned movement (NAM) and remains an active participant in it. Malta joined the NAM much later. The NAM has enabled both applicants to forge political links with the developing countries, some of which they were already linked to through the British Commonwealth. So far, these relations do not appear to have translated into trade opportunities, which remain directed towards the geographically proximate regions. They have actively participated in the Conference on Security and Cooperation in Europe (CSCE, now OSCE) and have worked closely with the European neutral and non-aligned States, some of which are now members of the EU while others are waiting to join. Thus they are not complete novices to the problems of European security and as micro-States they view the Union as a “security community”. Being on the edges of the EU’s security sphere, the accession of Cyprus and Malta could potentially make the core countries more sensitive to the problems of the Union’s Southern periphery. One objection that could be put forward is that their “neutralism” could further hamper the EU’s CFSP. However, the Draft Treaty of Amsterdam has found an accommodating niche for neutrals without stalling the decision-making process.

In the case of Malta, the Labour party has expressed fears of the island being transformed into a fortress on the European frontier, guarding against the Arab world<sup>50</sup>. The Maltese government holds that in the present condition in the Mediterranean region neutrality serves towards safeguarding Malta’s security and identity in the event of a North/South conflict. This argument would have been reasonably valid if not for the consideration that, since Malta is unable to safeguard its own security, it has to seek military guarantees from neighbouring powers and thus become indirectly involved in regional military arrangements which, if they do not constitute alliances in the strict meaning of the term, are nevertheless close to so being. The Nationalist Administration of 1987-96 had declared that in the post-Cold War era, neutrality had lost most if not all of its meaning and that neutral countries were rethinking their international status. Malta’s security is currently guaranteed by Italy and Russia (as the successor State to the USSR). However, the guarantors’ intervention in the defence of Malta is not automatic and there is always the possibility that these stronger States may choose not to act in the event

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<sup>50</sup> Malta Labour Party, “Foreign Policy Document” (undated but probably 1995-96), p. 3.



of a threat to Malta's security/neutrality should wider interests prevail. Malta could eventually see its strategic reliance on Italy, already accompanied by an economic dependence resulting from the financial and economic aid which Italy has transferred to Malta over the past 15 years, transformed into a hegemonic relationship. By contrast, membership of the EU, which is not a military alliance but a security community, holds lesser risks all round and does not require Malta to abandon its policy of neutrality.

While in opposition the Malta Labour party had also proposed cooperation with the EU in matters related to security and foreign policy as part of its proposed alternative package of relations with the EU, falling just short of membership<sup>51</sup>. Indeed, when meeting the heads of the diplomatic missions of the NATO countries in Malta soon after the 1996 elections, the new Foreign Minister, George Vella, explained that Malta's exit from the PFP was "*not a political measure aimed at distancing Malta from Europe*"<sup>52</sup>. Later, the Minister said that Malta was not turning its back on Europe and that there was no need for a formal withdrawal of the EU membership application. He added that Malta would be continuing where the previous government had left off, taking on board what had already been agreed and seeking to build on it<sup>53</sup>. Speaking to the Chamber of Commerce, Prime Minister Alfred Sant said that "*for the foreseeable future we are ruling out the prospect of Maltese membership of the EU in the full belief that on a net basis, such membership would be in the interest neither of Malta nor of Europe*"<sup>54</sup>.

Support for EU membership in Malta is still very strong, with unofficial public opinion surveys showing that it runs across party lines. The electorate has not really been tested on the matter, despite the claims made by both main political parties. The private enterprise organisations, such as the Federation of Industry (FOI) and the Chamber of Commerce, maintain that it is in Malta's interest to join the European Union. In representations to the political parties just before the election, the FOI warned that "*it does not make sense for Malta to stand alone in splendid*

<sup>51</sup> Electoral Programme of the Malta labour party entitled *Ic-Cittadin l-Ewwel: Vizjoni ghal Malta Moderna*, October 1996, p. 2.

<sup>52</sup> *The Times* (of Malta), November 1st, 1996.

<sup>53</sup> *The Times* (of Malta), November 9th, 1996.

<sup>54</sup> Honourable Dr Alfred Sant (Prime Minister), "*Malta's Modern Way Forward*", Department of Information, Valletta, December 11th, 1996, p. 5.

*isolation when its competitors ... are uniting under the aegis of different regional economic blocs*"<sup>55</sup>. Following the election, the FOI said in a meeting with the newly appointed Minister for Industry that uncertainty over Malta's relations with the EU would harm investment<sup>56</sup>. In September 1997, Lino Spiteri, former socialist Finance Minister, lambasted the government on its EU and tax reform policies, showing for the first time that cracks have begun to appear in the ruling party's position. Spiteri's public foray<sup>57</sup> elicited a lengthy statement of support from the Federation of Industries and other organisations.

In February 1998, the European Commission presented the Maltese Government with its proposal for a new EU-Malta agreement leading eventually to a free trade area on the model of the Euro-Mediterranean partnership. The proposed agreement will be based on the 1970 Association Agreement and no reference to a security protocol has been made, as was to be expected.

Given the EU's other priorities — ratification of the Treaty of Amsterdam and embarking on the final stage of EMU, and the enlargement negotiations with the countries which are willing to go on with the process — negotiations with Malta will be treated in the same manner as those with other Mediterranean countries and consequently delayed. It will also be difficult for Malta to negotiate a *sui generis* relationship with the Union, first of all because the Brussels bureaucracy will find it difficult to place Malta in anything other than an already existing pigeon hole — in other words a Mediterranean Partnership Agreement, a "Europe Agreement" or an EEA, EFTA-type one. Moreover, the political will may be lacking on the part of the EU: in forging a relationship with Malta, the EU may find it difficult to depart from the beaten track, for this would raise serious precedents in its relations with other non-member countries. There is a historic negative precedent as well: Malta's 1981 request for a "special relationship" with the EC, proposed by Dom Mintoff, was rejected by the Community and subsequently bilateral relations entered a very difficult period.

The final consideration concerns Malta's security in and outside the Union. Malta's membership of the EU would not affect the Union either way. However, the reverse is not the case. Today there is *quasi-*

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<sup>55</sup> The FOI memorandum was published in *The Times* of October 17th, 1996. The original copy was used for the purposes of this study.

unanimous consensus<sup>58</sup> that the major threats to security in the Mediterranean are of a non-military nature. Most of the States of the Southern Mediterranean littoral are concerned with internal security issues widely related to the possibility of State collapse because of the deteriorating economic situation and the protest against the leading political *élites* in each country, under the banner — probably a banner of convenience — of Islam. There are also the classic flash points such as the Middle East, Cyprus and the situation in the Aegean (to mention but a few) which could erupt at any time. However, the likely effects of the latter remain by and large limited to a sub-region of the Mediterranean. Another source of potential conflict comes from unresolved border issues and the demarcation of the continental shelves. Malta is involved in such a dispute with both Libya and Tunisia. The North-South relations in the Mediterranean region are much less antagonistic than in the past. The States of the Northern littoral are not perceived as a military threat by the Southern Mediterranean countries (except in Tripoli) but as an essential partner whose intrusive intervention is not feared, but rather its lack of interest<sup>59</sup>. This view is corroborated by Monika Wohlfeld who claims that the Southern States, whilst viewing the development of the security and defence capabilities of the Northern Mediterranean States with suspicion, still broadly misinterpreting such WEU/NATO activities as military exercises and the possibility of humanitarian operations in the Mediterranean regions, are nevertheless concerned that the Western organisations' increased interest in Central and Eastern Europe may develop at their expense<sup>60</sup>. The Maltese labour party's view that "...when

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<sup>56</sup> *The Times* (of Malta), November 12th, 1996.

<sup>57</sup> His articles appeared on *The Times* (of Malta) on September 17th, 18th and 19th, 1997.

<sup>58</sup> For a comprehensive assessment of the situation in the Mediterranean region see for example, "*Nato's Southern Flank: Report together with the Proceedings of the Committee Relating to the Report, Minutes of Evidence and Memorandum*", Defence Committee, Third Report, House of Commons, HMSO, March 13th, 1996.

<sup>59</sup> VASCONCELOS ALVARO, "Security in Northern Africa: Ambiguity and Reality - General Framework and Concepts", in VASCONCELOS A. and FARIA F. (eds.) "*Security in Northern Africa: Ambiguity and Reality*", Chaillot Papers no. 25, Institute for Security Studies, WEU, September 1996, p. 14.

<sup>60</sup> WOHLFELD MONIKA, "A Survey of Strategic Interests of the Countries of the European Security Space" in LENZI G. and MARTIN L. (eds.) "*The European Security Space*", Working Paper of the European Strategy Group and the Institute of Security Studies of the WEU, December 1996, p. 14.

one considers the problems of our region and the rift and tension which exist between the North and South, [and which] have paradoxically escalated since the end of the Cold War” does not appear to square with the facts<sup>61</sup>.

#### 4. *The Problems of Cyprus*

Accession negotiations with Cyprus will commence, it is hoped, in 1998. The main obstacle to the membership of Cyprus was for a long time the “Cyprus Problem”. The rudiments of this problem are as follows<sup>62</sup>:

- (i) if Cyprus joins the EU, without a solution to the Cyprus problem first being found, Turkey has repeatedly promised annexation of the Northern Republic of Cyprus in the shortest possible time<sup>63</sup>. It will mean that Turkey, an applicant for future membership, with a customs union agreement with the EU, will have annexed a part of the Community’s territory. This will ensure that the issue will be a permanent feature of the European Council. Former British Secretary of State for Foreign and Commonwealth Affairs, Malcolm Rifkind, had stated that no third party would have a veto on Cyprus joining the European Union, though if a solution were found to the Cyprus Problem it would make accession negotiations easier<sup>64</sup>;
- (ii) Turkey claims that Cypriot constitution prohibits Cyprus from joining the EU. However, by virtue of another development, following the signing of the Customs Union agreement with the EU, Turkey should be banning exports from the TRNC since, on the basis of a European Court decision<sup>65</sup> of July 5th 1994, citrus fruits and

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<sup>61</sup> Ibid., Foreign Policy Document of the MLP, op. cit., (undated) [1995-96], p. 3.

<sup>62</sup> For a comprehensive treatment of the various initiatives taken on the Cyprus Problem, reference to which will be made in this part of the paper, see the “*Report on the Situation in Cyprus: Recent Political Developments*”, Parliamentary Assembly of the Council of Europe, Doc 7206, December 15th, 1994. Rapporteur: Lord Finsberg. An earlier draft of this report had been criticised by the Greek Cypriots.

<sup>63</sup> The most recent of such threats was made in July 1997 when a series of steps was announced jointly by Turkey and the Turkish Cypriot authorities on the partial economic integration of Northern Cyprus with Turkey and joint partnership in the fields of security, defence and foreign policy. This in effect amounts to the legalisation of the *de facto* situation between the two.

<sup>64</sup> Reported in the *Cyprus Bulletin*, Vol. XXXIV, no. 9, April 29th, 1996.

<sup>65</sup> *Case C-432/92* the Court ruled: “The agreement of 19th December, 1972

potatoes from Cyprus should not be exported to the EU's customs territory unless accompanied by the proper certification issued by the competent (in this case Greek Cypriot) authorities<sup>66</sup>. Turkey's position is thus weakened since it cannot stress one legal point while ignoring the other.

A solution to the Cyprus Problem has also become elusive. In December 1993, the EU appointed its observer to the UN-sponsored peace talks, a move opposed by both Turkey and the Turkish Cypriots. However, by that time, the inter communal talks had reached stalemate and the Security Council of the UN blamed this on the military balance between the two sides. As a way of breaking out of the impasse, in 1993 the Cypriot President Clerides wrote to UN Secretary General, Boutros Boutros Ghali, proposing the demilitarisation of Cyprus based on six major principles<sup>67</sup>. The Greek Cypriots claimed that if demilitarisation were not possible, the Turkish military presence in Cyprus would force the Greek Cypriots to purchase more arms and request Greece to include her in the Greek defensive plans. The demilitarisation proposals included the Turkish army withdrawing from Cyprus while the Turkish Cypriots were to disband their own forces in line with what the Greek Cypriots proposed to do on their part. Cyprus affirmed that if these proposals were not accepted, it would be incumbent on it to "*increase the defensive capabilities of the Republic and to enter into arrangements with Greece regarding a common defensive plan*"<sup>68</sup>.

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establishing an Association between the European Economic Community and the Republic of Cyprus, annexed to Council Regulation no. 1246/73 of 14th May, 1973 and Council Directive 77/93/EEC of December 21, 1976 on protective measures against the introduction into member States of organisms harmful to plants or plant products must be interpreted as precluding acceptance by national authorities of a member State, when citrus fruit and potatoes are imported from the part of Cyprus to the North of the UN buffer zone, of movement and phytosanitary certificates issued by authorities other than the competent authorities of the Republic of Cyprus".

<sup>66</sup> DODD C.H., *The Cyprus Issue: A Current Perspective*, 2nd edition, Eothen Press, 1995, p. 19. Dodd quoted former Turkish Prime Minister Bulent Ecevit saying that for this reason, "the Cyprus file should be closed".

<sup>67</sup> (a) Disbanding of the national guard; (b) maintenance of the police force of the Republic at its present numerical level and armed with light arms; (c) undertake the total cost of a substantially increased UN peace-keeping force; (d) the UN peace-keeping force will have the right of inspection to ensure compliance; (e) the National Guard heavy armour vehicles to be used to patrol the buffer zone by the UN; (f) deposit with the UN the difference between the money saved from disbanding the National Guard and the money used to pay for the increased UN force.

<sup>68</sup> *Cyprus Bulletin*, Press and Information Office, Nicosia, Vol. XXXII, no. 1, January 5th, 1994.

By early 1994 both Cypriot communities were showing readiness to embark on confidence building measures (CBMs) suggested by the UN Secretary General way back in 1992<sup>69</sup>. However, when the EU observer visited the island in February, the Turkish-Cypriot leader Denktash refused to meet him. The first round of "proximity talks" to implement the CBMs between leaders of the two communities took place in Nicosia on March 1st, 1994. Both the UN Security Council<sup>70</sup> and the EU urged that the talks should not be protracted and that they should be concluded by the end of March. In a report to the Security Council released on April 5th, 1994, the UN Secretary General showed that the talks were deadlocked and a month later he pronounced them dead, largely due to Turkish Cypriot intransigence<sup>71</sup>, which was confirmed by Lord Finsberg's report to the General Assembly of the Council of Europe<sup>72</sup>. This was followed in June 1994 by the decision of the EU Corfu Council that Malta and Cyprus would be included in the next enlargement. Then, on July 5th, came the European Court decision curtailing EU imports of Turkish-Cypriot citrus fruits and potatoes<sup>73</sup>. At this point Greece and Cyprus began to coordinate their efforts more closely on the Cypriot EU application, claiming that that membership would facilitate the resolution of the Cyprus Problem, thus benefiting both Cypriot communities. By April 1995, through Greece's efforts and most especially its blocking of further progress on the EU-Turkey Customs Union agreement, the desired result was achieved, the EU deciding to begin accession negotiations with Cyprus and Malta six months after the end of the IGC.

In the meantime, the stalemate in the intercommunal talks meant that neither the CBMs nor the Greek Cypriot offer of demilitarisation stood a chance of being actualised; meanwhile the arms race on the island had been intensified by Cyprus' acquisition of French MM-40 surface-to-surface Exocet missiles. Cooperation between Greece and Cyprus under

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<sup>69</sup> One of the suggested CBMs involved placing Varosha, now a ghost town surrounded by Turkish occupied territory, under UN administration and chambers of commerce of both sides would decide on, develop and promote joint projects. Greek and Turkish Cypriots would be free to enter the area while foreigners would enjoy freedom of movement.

<sup>70</sup> UN Security Council Resolution, no. 902/1994.

<sup>71</sup> Document S/1994/629 of May 31st, 1994.

<sup>72</sup> See points 96 and 98 of the Finsberg report, *op. cit.*

<sup>73</sup> The ECJ's decision was reinforced by a British High Court decision of November 11th, 1994.

the aegis of the 1994 Joint Defence Agreement was intensified with the pledge to a “*joint struggle against all adversaries*”<sup>74</sup>. In June 1995, the UN Secretary General proposed Turkish troop reductions in Cyprus and a freeze in defence spending by the Greek Cypriots. Again, Cyprus reiterated its call for demilitarisation<sup>75</sup>. In the meantime, work started on the construction of an air base near Paphos for the permanent deployment of Greek military aircraft, while the Greek side was reported to have obtained an unspecified number of T-80 tanks from Russia. On the diplomatic front, the USA and the EU continued with several unsuccessful efforts to find a solution to the impasse. In May 1996, Greek Foreign Minister Theodoros Pangalos described the Cyprus Problem as the only factor preventing trust between Greece and Turkey<sup>76</sup>. In June 1996, the situation in Cyprus flared up when Turkish soldiers killed a Greek Cypriot National Guardsman as, unarmed, he entered the UN buffer zone. This incident was followed by another more serious incident in August when scuffles broke out in the buffer zone between Greek and Turkish Cypriots, leaving two unarmed Greek Cypriots dead, one of them shot by a Turkish soldier as he climbed up a flag pole to remove the Turkish flag. In a resolution approved by the European Parliament in September 1996, these acts were condemned. The EU was called upon to stop financial aid to Turkey while the latter was asked to clarify its position on four issues: human rights, democratisation, the Cyprus question and the Kurdish problem<sup>77</sup>. The year ended on a very optimistic note, further diplomatic efforts having led to Greek and Turkish Cypriots agreeing to begin direct negotiations in the first half of 1997. However, 1997 commenced with tension heating up again between Cyprus, Greece and Turkey over plans by Cyprus to purchase the S-300 long-range anti-aircraft missile system from Russia. Turkish Foreign Minister Tansu Ciller said that her country was ready to “strike” should the Russian missiles be deployed in Cyprus<sup>78</sup>. The Turkish Ministry of Foreign Affairs issued a statement on January 1st, 1997, reminding the Russian

<sup>74</sup> These words were used to sum up the meeting of the Cypriot National Council headed by Clerides and Greek Prime Minister, Papandreou, held in Athens on May 4th, 1995, *Cyprus Bulletin*, Vol. XXXIII, no. 10, May 15th, 1995.

<sup>75</sup> *Cyprus Bulletin*, Vol. XXXIII, no. 13, June 26th, 1995.

<sup>76</sup> Reported in the *Cyprus Bulletin*, Vol. XXXIV, no. 10, May 13th, 1996.

<sup>77</sup> EP Resolution on the Political Situation in Turkey, September 19th, 1996, *OJ C* 320 of 28th October, 1996, pp. 187-189.

<sup>78</sup> *Europe News Bulletin*, Agence Europe, no. 6891, 14th January 1997.

Federation of its obligations under the OSCE and as a permanent member of the UN Security Council. Turkey also referred to a Greek attempt to "encircle Turkey from the South"<sup>79</sup>. On December 23rd, 1996, the Security Council of the UN had approved a resolution in which it reiterated its grave concern about the excessive levels of military forces and armaments in Cyprus, the rate at which they were being upgraded and the lack of progress towards a significant reduction in the number of foreign troops on the island<sup>80</sup>.

The USA used all diplomatic means at its disposal in the attempt to end the crisis. Following a meeting with Cypriot President Glafcos Clerides in Nicosia on Sunday 12th January 1997, US mediator Carey Cavanaugh said that the former had assured him that none of the surface-to-air missiles Cyprus had ordered from Russia would be delivered for at least 16 months. "*I believe this should diffuse the crisis,*" he said, adding that he had not asked Cyprus to cancel the order.

The Greek instigated arms race on the island is probably intended to diminish the value of Turkey's military option and force it to the negotiating table. The likelihood of a successful Greek-Cypriot incursion in the North is doubtful, since Turkish military strength is superior by far. The hypothetical question is, what would happen at some future date if, as members of the EU, Cyprus and Greece should feel confident enough to attempt to resolve the issue by resorting to war?

The problem is aggravated by the fact that no tangible progress appears to be made in the inter communal talks. During 1997, direct inter communal talks between the Greek and Turkish Cypriots were held in New York between the 8th and 13th of July, 1997 and later in Geneva in August under UN auspices<sup>81</sup>. These were unsuccessful and the Greek Cypriot side blamed Turkish intransigence<sup>82</sup>. Turkey and the TRNC, citing the "*negative effects of Agenda 2000 of the European Commission*",

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<sup>79</sup> Statement by the Turkish Foreign Minister and Deputy Prime Minister, Tansu Ciller, January 10th, 1997, Turkish Ministry of Foreign Affairs [Internet Web site].

<sup>80</sup> Security Council Resolution, no. 10932, December 23rd, 1996.

<sup>81</sup> The European Council issued a statement on these talks on July 8th, 1997. It called on the Cypriot parties "to enter into these talks with a spirit of openness. It hopes that the talks will enable the parties to engage in a genuine negotiating process... The Union will do everything in its power ... to achieve a positive outcome ... with an eye in particular to the prospective opening of the process of its enlargement."

<sup>82</sup> *Cyprus Bulletin*, Vol. XXXV, no. 16, 20th August, 1997.



signed an Association Agreement providing for the partial economic integration of Northern Cyprus with Turkey. Cyprus naturally launched a protest in the UN against this move on August 12th while Greece did the same in the European Council<sup>83</sup>. Meanwhile, more inter communal talks have been promised for the future. The Greek Cypriots claim that since the July 1997 publication of *Agenda 2000* by the European Commission and the reiteration by the Union that accession negotiations with Cyprus will commence on schedule, the Turkish side has become even more intransigent<sup>84</sup>. This intransigence can now be explained as being directly linked to Turkey's wider aim of gaining access to the EU.

The situation is tense. With the prospects of the forthcoming accession negotiations, the EU has expressed the wish that ways be devised of involving the Turkish Cypriot side in the accession negotiations<sup>85</sup>. The Greek Cypriot government has indicated that it is ready to propose formulas by which representatives of the Turkish Cypriot Community would be included in the negotiation process on the same footing as other non-governmental organisations.

A solution to the Cyprus Problem depends not only on the two Cypriot communities but also on their respective sponsors, Greece and Turkey. A rapprochement between these two countries would provide a sounder basis for a solution. In May 1997, a committee of experts was set up between Greece and Turkey to examine the outstanding disputes between the two sides. It is not the aim of the committee for the two sides to engage in direct negotiations, but rather to clarify what the problems are. Athens does not appear to be attaching more importance to this Committee. In July, on the fringes of the Madrid NATO summit, Turkish President Suleyman Demirel and Greek Prime Minister Costas Simitis issued a joint communiqué, which the Greek Prime Minister described as a "non-aggression" pact<sup>86</sup>. However, since then, Turkey has taken a stronger uncooperative stance towards the EU while the Cypriot inter-communal talks have been pronounced dead.

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<sup>83</sup> Ibid.

<sup>84</sup> Cyprus Bulletin, Vol. XXXV, no. 17, 3rd September, 1977.

<sup>85</sup> Declaration by EU Council President Jacques Poos reported in *Europe News Bulletin*, no. 7049, Brussels, September 3rd, 1997, point 002.

<sup>86</sup> The contents of the communiqué were published in *The Cyprus Bulletin*, Vol. XXXV, no. 14, July 16th, 1997.