

# MPRA

Munich Personal RePEc Archive

## **Cyprus-EU Relations: Possible Scenarios For The Future**

Ilhan Ozturk and Kamil Sertoglu and Ebru Kaptan

2006

Online at <http://mpa.ub.uni-muenchen.de/257/>

MPRA Paper No. 257, posted 9. October 2006

**CYPRUS-EU RELATIONS:  
POSSIBLE SCENARIOS FOR THE FUTURE**

**Ilhan OZTURK\* & Kamil SERTOGLU\*\***

**Ebru KAPTAN\*\*\***

*Pakistan Journal of Applied Sciences, Vol:2,*

*No:2, pp:237-244.*

***ABSTRACT***

Cyprus Problem is being discussed from a different perspective since the application of South Cyprus for full membership to the European Union. Today the problem came to a turning point where the efforts for solving the problem would end up at a point where the division of the island becomes permanent. The study first evaluates the relations between Cyprus and the Union. Then it examines the application of GCA to the EU, the reasons for application, Turkish Cypriot's response to the application and possible future scenarios that are likely to take place. It is concluded that the acceptance of Cyprus to the Union in its current state is a highly possible scenario and this would lead to the permanent division of the island.

**Keywords:** Cyprus problem, EU, Turkish Cyprus, GCA

---

\* Lecturer, Department of Economics, Faculty of Economics and Administrative Sciences, Cag University, Adana, Turkey.

\*\* Lecturer, School of Applied Sciences, Başkent University, Ankara, Turkey.

\*\*\* RD & PD Specialist, Turkiye Halk Bankasi, Ankara, Turkey.

## 1. INTRODUCTION

The process of enlarging the European Union (EU) is proceeding at an increasing interest both for the EU member countries and the prospective Europeans. Among these candidates is Cyprus. Since the early times economic agreements are made between countries for the economic welfare of countries. Cyprus made many agreements with the European Community (EC) since the 1960's. After 1960, the economy of the young Republic of Cyprus was such that, most of its economic activities such as exports were heavily depending on United Kingdom (UK). When UK applied for the membership to European Economic Community (EEC); Cyprus; in fear of losing the UK market, applied for community membership in 1962 with the consent of two founding communities of Republic of Cyprus; Turkish Cypriots and Greek Cypriots. When this application was made, the European Community was actually an economic community. The relations within its members and with other countries were basically for economic purposes. Economic purposes were also the main reasons for Cyprus's application.

Unfortunately things did not evolve as expected in Cyprus. Greek Nationalism became very severe that the Turkish Cypriots were thrown out of the government and their legal rights in the government were taken off in 1963. The constitution of the Republic of Cyprus was written in such a way that the vice president of the Republic would be a Turkish Cypriot with veto powers. Also some other measures were taken in order to safeguard the rights of Turkish Cypriots within the government. Greek Cypriots being unsatisfied from the constitution (and the idea of uniting the island with Greece in their minds) tried to change the constitution in 1963. When the Turkish Cypriot community rejected the offer for constitutional changes, they were thrown out of the government by illegal forces of the Greek Cypriots. This situation had continued until 1974 with increased pressure from Greek nationalists for the unification of island with Greece and frequent inter-communal violence between Greek and Turkish Cypriot Communities. In 15 July 1974, EOKA; an illegal underground group on the island made a military coup against the government with the support of junta regime in Greece. Their ultimate aim was to unite the island with Greece. This was unacceptable for Turkey and on July 20, 1974, Turkey intervened to the island in order to prevent the unification of the island with Greece. Then the island is divided into two sides, Turkish Cypriots in the north and Greek Cypriots in the

south of the island. Since 1974, the negotiations between two sides are continuing in order to find a solution to the Cyprus problem.

After Turkish Cypriots were thrown out of the government in 1963, all relations between the European Community and Cyprus were carried out with Greek Cypriots in the name of so called “Republic of Cyprus”. At the end of the 1972 negotiations between Greek Cypriots and the European Community, came to turning point. An Association Agreement was signed between two sides, which was put into effect by 1973. After the 1974 intervention of Turkey, the relations were continued to be carried out between European Community and the Greek Cypriot Administration (GCA) in the name of whole island. In 1987, a customs union agreement was signed which aimed at having a full customs union between two sides by the end of the year 2002.

In 1990, the GCA made an application to the union for full membership in the name of whole Cyprus. This application was rejected by Turkish Cypriots. Turkish Cypriot Administration insisted that the GCA does not represent the Turkish Cypriots and this application would not be binding on Turkish Cypriots. Furthermore Turkish Republic of North Cyprus (TRNC) has signed a special declaration with Turkey stating that if the EU accepts South Cyprus as a member; North Cyprus will be united with Turkey.

Despite all these objections; in 1998, the European Union (EU) has started the accession negotiations with GCA in the name of whole Cyprus. But despite the objection of Greece, many EU officials keep mentioning the view that Cyprus’s full membership would only be possible after a solution to the Cyprus problem. Greece would definitely like to see Cyprus becomes a member to the EU even without a solution while on the other hand Turkey strongly opposes the idea that Cyprus would become a member even though the division of the island exists.

This study will analyze the application and the possible consequences of this process. The study is organized into the following sections. In the first part relations and the financial protocols between two sides will be discussed in detail. Than in the second part, the developments since the 1990 application of GCA for full membership to the EU

will be analyzed and the reasons for this application will be evaluated. In the last part, the likely consequences of this application and possible future scenarios will be evaluated.

## **2. CYPRUS AND EU RELATIONS**

Cyprus; has close cultural, political, social and economic relations with Europe. It has developed special trade links with Europe for more than 100 years especially with the UK after being a part of the British Empire. Since the establishment of the Republic of Cyprus in 1960, UK was the major trading partner of Cyprus because UK had been applying preferential tariffs to imports originating from Cyprus. When UK applied for membership to European Community in 1961, Cyprus in fear of losing UK market, had applied to EC for membership in 1962 with the consent of both communities on the island. However when France opposed to the membership of UK, the interest of Cyprus for membership has declined until 1970's. But since the beginning of 1970's, Cyprus's interest for membership has again intensified because by 1973, UK became a member of the European Economic Community.

### ***2.1 EC-Cyprus Association Agreement and Customs Union Agreement***

First major agreement between Cyprus and the Community was the Association Agreement. The Association Agreement was signed between the EC and the Republic of Cyprus at the end of 1972. EC signed this agreement only with the Greek Cypriot authorities, which excluded the Turkish Cypriots from the government of the Republic by illegal force after 1963. However the EC aimed at serving to all the citizens of the island. Article 5 of the Association Agreement states that "the rules governing the trade between the contracting parties may not give rise to any discrimination between the Member States or nationals or companies of Cyprus" (Bicak 1996:245-260).

The Association Agreement, which entered into force by the beginning of June 1973, aimed at establishing a "two stage" customs union, which would involve free movement of goods and services between Cyprus and EC, and Cyprus would apply the "common external tariff" of the EC to the goods and services coming from non-member countries.

The first stage was to be completed by the end of 1977. The European Community and “Cyprus” started negotiations for the establishment of the second stage on 16 May 1977, the negotiations were completed on June 1977. The Commission delegation submitted a proposal to the Council of Ministers on 3 May 1977. In accordance with the proposal, the transition to the second stage was not possible. Internal problems like the division of the island forced the Community to go to the extension of the first stage (Tsardanidis 1996:358 – 359). So the first stage of the Association Agreement continued until 1987 with annual protocols. But by 1987, two sides were ready to start to the second stage of the Association Agreement.

Negotiations for the implementation of the second stage of the Association Agreement were carried out by the GCA and the EU and a Customs Union agreement was signed in 1987 between the two sides. In these negotiations Turkish Cypriots were again kept out of the official meetings. It involved two phases in which in the end, a full customs union would be achieved between the “Republic of Cyprus” and the EU on all manufactured products and some agricultural products like citrus.

First phase of the second stage lasted 10 years (1988-1997) in which Cyprus reduced the tariffs on manufactured products and some agricultural products in a progressive way. The second phase of the second stage of the Association Agreement would last for five years covering the period 1998-2002. By the end of this phase, in 2002, the GCA and the EU would achieve full customs union. It can be seen that the GCA and the EU are successfully implementing their responsibilities according to the agreement. At present GCA and the EU are presently at the last phase for the completion of a Customs Union to be finalised by the year 2002 (Association Agreement 1999).

## ***2.2 Financial Protocols***

For many years, the EU has provided financial loans and grants to Cyprus in order to increase the productive capacity of the economy. They were provided for the benefit of whole population of the island. But as it can be seen from the below table, most of the financial support had been used by the GCA:

First Financial Protocol, which covered the period 1979-1983, aimed at providing the essential infrastructure of the island. Projects which are financed under the First Financial Protocol were mainly on the southern part of the island and mainly contributed to the economic development of the Greek Cypriots.

The Second Financial Protocol which covered the period 1984-1988, aimed at helping Cyprus's industrialisation, improvement of agriculture, improvement of business management and providing scholarship for training purposes. It is important to note that the share that the Turkish Cypriots in this protocol was less than the share in the First Financial Protocol.

The Third Financial Protocol covering the period 1989-1993, also aimed at financing the projects which would help the competitive sectors of Cyprus to adjust to the terms and conditions of the Customs Union Agreement. On the other hand Turkish Cypriots had benefited nothing from this protocol.

The Fourth Financial Protocol which began in 1996, aimed at financing 74 m. ECU for further integration of the Greek Cypriot economy with EU and promote the settlement of the Cyprus problem.

**Table 1: Distribution of Financial Protocols within the Two Communities.**

Financial Protocols	Greek Cypriots		Turkish Cypriots		Total	
	m. ECU	%	m. ECU	%	m. ECU	%
<b>First (1979-1983)</b>	24.0	80	6.0	20	30.0	100
<b>Second (1984-1988)</b>	41.8	95	2.2	5	44.0	100
<b>Third (1989-1993)</b>	62.0	100	0.0	0	62.0	100
<b>Fourth (1995-1999)</b>	74.0	100	0.0	0	74.0	100
<b>Total</b>	201.8	96	8.2	4	210	100

Source: Gilles Anouil 1996: 25

As it can be seen from the above table, nearly all of the financial aid went to Greek Cypriots. Specially third and fourth protocols were provided for the preparation of South Cyprus economy to EU (Cyprus-EU Relations 2000).

### **3. APPLICATION OF GCA FOR FULL MEMBERSHIP**

On July 3, 1990 the Greek Cypriot Administration on behalf of whole Cyprus applied for full membership to the ECSC, EEC and EAEC. The Council of Ministers sent the application to the European Commission in September 1990 asking for their opinion as required by the treaties establishing the EU. The Turkish Cypriots, for some reasons, had objected to the application and sent a detailed Memorandum to the Council of Ministers explaining the reasoning behind the objection of the Turkish Cypriot against this application.

On July 1993, the Commission presented its opinion to the Council of Ministers. The Council had accepted the opinion of the Commission and welcomed the eligibility of “Cyprus” for the membership and concluded the following main points. (European Commission 1993)

1. The Council supports the Commission’s stance which proposes to make use of all instruments contained in the Association Agreement in order to contribute in close co-operation with the “Cypriot Government” to the economic, social and political transition of Cyprus toward integration with the European Union without waiting for a peaceful, balanced and durable solution to the Cypriot problem. To this end, the Council invites the Commission to initiate substantial discussions with the government of Cyprus to help it prepare in the best possible conditions for accession negotiations and inform the Council regularly on the progress achieved.

2. In the eventually whereby despite those efforts a prospect of settlements is not forthcoming in a foreseeable future the Council has agreed to erase the situation in view of the positions adopted by each party in the inter communal talks and to examine in January 1995, the question of Cyprus’ accession to the European Union in the light of the situation.



The Turkish Cypriots objected to this application by the Greek Cypriots and the decisions of the Council of Ministers and sent a detailed Memorandum Addressed to the Council of Ministers explaining why the application of the “Republic of Cyprus” was not valid, could not be accepted by the Turkish Cypriots and could not be binding for Turkish Cypriots. These points are as follows: (Forysinski, Bıçak, Kotodziej 1999: 429-430)

1. EC accepted the application for the whole of Cyprus and considered the GCA (GCA) as the “Government of Cyprus”. GCA did not represent the Turkish Cypriots and could not apply for membership for the whole island.
2. Any form of union, economic or political, of part or the whole of Cyprus to any organisation where both Greece and Turkey are not members, was prevented by the Constitution of Cyprus and the Treaty of Guarantees. Thus, the application to the EU was violating the International Laws.
3. The Commission in its report asked that the fundamental freedoms of the Rome Treaty i.e. freedom of movement and settlement, right of establishment etc. should be integrated into the solution of the Cyprus problem. This was against the Turkish Cypriot-Greek Cypriot high level agreements signed between Denktas and Makarios (1977) and Denktas and Kyprianu (1979) which favoured a bi-communal and bi-zonal federal solution.
4. The application of the GCA for membership to the EC was against the Ghali’s Set of Ideas, which asked the application to the EU to be made after a solution to the Cyprus problem.
5. If the application of the Greek Cypriots succeeds, it would partition the island as Turkish North and Greek South. Such a membership would be a half ENOSIS and definitely this could not be accepted by the Turkish Cypriots.

On February 1995, the Council of Ministers took a decision that talks for the accession of Cyprus to the EU would start 6 months after the Inter Governmental Conference (IGC) in 1996. However it is important to note that this decision was taken during the discussions on the issue of Customs Union agreement between EU and Turkey. On 6<sup>th</sup> of March 1995, the decision concerning the Cyprus-EU relations was taken by the Council of Ministers as Turkey had signed the Customs Union (CU) agreement with the Union when Greece lifted its veto against this agreement with Turkey. The decision; as mentioned before, had specified a date for the talks on the accession of Cyprus to the EU (6 months after the IGC). Also in this decision EU called for more contacts with the Turkish Cypriot community in consultation with GCA in order to make them aware of the prospects of the EU. In addition, an agreement was included to hold structured dialogue between two sides in order to prepare Cyprus for the accession. Turkish side, on the other hand, made it clear that the 6<sup>th</sup> of March decision is not acceptable and cannot be binding on Turkish Republic of Northern Cyprus (TRNC).

Inter Governmental Conference had ended in June 1997 by the Amsterdam Summit of the EU. Then in the union's Luxembourg summit in December 1997, it was confirmed that the accession negotiations with Cyprus and other central and eastern European countries would start by the end of March 1998 (Cyprus-EU Relations 2000). Then the negotiations between South Cyprus and EU officials have started by 31<sup>st</sup> of March 1998 and they have been continuing since then.

### ***3.1 Reason For Application***

European Union membership has been the target for the Cypriot people for many decades as close cultural, social, economic links has been established with the continent for many centuries. Two parties constructing the Republic of Cyprus has applied for the membership with consensus. But because of the internal political problems there have been little achievements for the harmonisation of Cyprus with the EU until 1972. After the intervention of Turkey, the island has been separated in 1974. Since then the GCA has achieved a long way for the harmonisation of the laws and the full integration of the South Cyprus Economy to EU.

When the development of trade between South Cyprus and EU since 1972 is analysed, it can be seen that the things did not evolve in favour of Cyprus. Such that in 1972 exports was CY£ 32.8 m. (63.9% of total exports). But in 1993; although in nominal terms this amount has increased to CY£ 161.5 m., this share in total exports has fallen to 37.4 %.

**Table 2: Destination of South Cyprus's Exports in 1972, 1987 and 1993.**

	1972		1987		1993	
	CY£ m.	%	CY£ m.	%	CY£ m.	%
<b>Total Exports</b>						
-EU(12)	32.8	63.9	122.3	41.0	161.5	37.4
-Rest of the World	18.5	36.1	175.7	59.0	270.0	62.6

Source: (Ron Ayers 1996:51).

Balance of Trade with EU accounts for the major part of Cyprus's trade deficit. The share of the EU in total trade deficit was 62.9% in 1993. The ratio of exports to imports in Cyprus-EU trade has declined from 43.6% in 1972 to 23.6% in 1993. Also on the other hand the trade deficit with EU has risen from CY£ 47 m. in 1972 to CY£ 522 m. in 1993. EU trade deficit covers about 16% of the GNP in 1993.

**Table 3: The Ratio of Exports/Imports of South Cyprus and its Trade Deficit with EU.**

	1972	1987	1993
<b>The Ratio of Exports/Imports in South Cyprus/EU Trade (%)</b>	43.6%	30.2%	23.6%
<b>South Cyprus's Trade Deficit with EU (CY£ m.)</b>	CY£ 47 m.	CY£ 283 m.	CY£ 522 m.

Source: (Ron Ayers 1996:55).

By looking at those statistics, it is very easy to say that economic expectations are not the main reasons for South Cyprus in trying to become a full member. At least it is not the reason when they made the application in the beginning of the 1990s.

The trade balance between South Cyprus and EU has continued to get worse for Cyprus in the last decade of the 20<sup>th</sup> century as well. As it can be seen at the below table, South Cyprus's exports to the European countries had continued to decline steadily. On the other hand, EU's share in South Cyprus's imports had possessed its share over the years.

**Table 4: Destination of South Cyprus's Exports and Imports between 1993-1997**

	1993	1994	1995	1996	1997
<b>EU-15's share within the Imports of South Cyprus (%)</b>	51.9	50.3	51.7	48.6	47.6
<b>EU-15's share within the Exports of South Cyprus (%)</b>	37.4	36.0	34.7	28.4	27.1

Source: (Regular Report of European Commission 1998: 41)

It is also true that, at the moment South Cyprus Economy is performing better than several EU Countries. The main economic indicators for the economy of South Cyprus are quite better than many European countries. In addition to all these, there's a big problem for South Cyprus for membership. Services sector is the hardcore of the South Cyprus economy and within this sector; off-shore banks which capture an important share within services sector, will have to be closed in order to be compatible with the *acquis communautaire* (Regular Report of European Commission 1998: 25). So all these show that the motivation of Cyprus to be a member is not for economic reasons. Rather it is political.

Actually, the signs of South Cyprus's motivation for membership has been expressed many times by the Greek Cypriots leadership. For example, leader of the Greek Cypriot Community, Mr. Glafkos Clerides, in an interview made by the Greek newspaper "Ta Nea", had mentioned that by EU membership, the "Treaty of Guarantee" would be eliminated (Eminer 1998:35)

Also in another speech given by Mr. Clerides, he mentioned that Turkey's right to intervene to the island in a crisis, would be impossible in practice after Cyprus becomes an EU member. Also he added that by EU membership, the form of a future agreement, such as a bi-zonal would be changed. Because within the laws of EU, there wouldn't be such

conditions since there would be the “right of movement” and “right of settlement” which would apply within all EU countries for any EU citizen (Evran 1998:45).

In addition in 1998 Greece defence minister, Mr. Arsenis, had also expressed the same reasons for application in a speech given by him. He also added that, after Cyprus’s membership, Cyprus would be within the European defence zone and the security of Cyprus would be provided by the European Union. Also in the long-run the membership of Cyprus would mean that the island’s security will be controlled by the EU and Greece in particular. (Manisalı 1998:61)

In recent years, the political developments related with the Cyprus’s accession have not evolved in favour of GCA. After the intense lobbying of Turkey; the main countries of EU (ie. England, Germany, France & Italy) had expressed their views such that they totally disappointed GCA. When the Greek Cypriot foreign minister has visited Bonn (Germany) on March, 1997 he was shocked by the opinion of the German foreign minister “Klaus Kinkel”. Mr. Kinkel has made it clear that, full membership of Cyprus without a balanced solution to the Cyprus problem is not possible. Also he added that “the “discussion talks for full membership” and “full membership” are two separate subjects and the main condition for full membership is the solution of the Cyprus Problem and the success of the discussion talks which have started depends on the solution of the Cyprus problem. It is not possible for EU to import a country with internal political problems”. Later, when the foreign minister has visited other three European Countries parallel views has been introduced to him (Kibris Newspaper 1997: 15).

Later in the year, Mr. Kinkel has expressed the same views in a special interview with a Turkish journalist. He also added that they will do their best in order to involve the Turkish Cypriot leadership within the accession negotiations between South Cyprus and EU (Milliyet Newspaper 1997: 8).

These views are recently continued to be expressed by many foreign ministers of member countries. France, Netherlands, Italy and Germany’s foreign minister have repeatedly expressed their views that a divided Cyprus could not enter the EU because it would cause problems. They say that, accession negotiations will go all the way until the

end and it will not be concluded if there has been no solution to the Cyprus problem (Pearce 1999).

EU Commissioner for enlargement Günter Verheugen, also referred to the Cyprus problem during the enlargement talks. His observations were to point that “not even informed insiders know what is likely to happen with the Cypriot application. EU decision-makers have never stated whether they will or will not admit a divided Cyprus. All that has been said is that negotiations should continue, and if a solution to the Cyprus problem has not been found by the time the negotiations are concluded, then a final decision will be taken at that point”. (Neill 2000:147). He also added that “Be under no illusions: neither you nor I is the master of the enlargement process, neither is Parliament of the Commission. It is not even the Council, for the masters are the Member States!... there are a number of big and influential Member States who are already saying that we should not negotiate further with Cyprus because it is clear that Cyprus cannot fulfil the *acquis* in the area of common foreign and security policy.” (European Parliament,1999)

But it is also clear that Greece will impose great lobbying efforts for the acceptance at South Cyprus even without a solution to the Cyprus problem. Greece had expressed her intention to accept South Cyprus on its own to the EU even though it is the only EU member, which supports Cyprus’s membership without a solution. Whether Greece or the remaining 14 EU members will win this war of diplomacy is not clear at the moment; but these all together make it clear that EU will play a very important role in future for the politics of the Cyprus Problem.

### ***3.2 Legal Perspective of the Application***

Although the first application of Cyprus for membership was made with the consent of both communities on the island, relations between Cyprus and the Community were carried out with only Greek Cypriots since the departure of Turkish Cypriots from the government of Republic of Cyprus.

Since then the relations between the Community and the so-called Republic of Cyprus has become very controversial on the legal and the ethical grounds. The

Community has continued to negotiate with a totally Greek Cypriot administration (on behalf of the Republic of Cyprus) as if it represents the whole island in a unity, as if both the Greek and the Turkish Cypriots were participating in and running a unified governmental structure.

In that regard, the Community, especially after the 1972 Association Agreement, almost completely ignored the existence of the Turkish Cypriot community both as a co-founder of the Republic of Cyprus and as a co-owner of the island of Cyprus. When the Greek Cypriot side applied to the EC for the full membership of Cyprus on July 3, 1990, most of the Community members' attitude towards the Cyprus issue was that the existing Cyprus problem should be solved prior to the entry of Cyprus into the Community. In that regard, the EC was officially and publicly supporting the UN Security Council Resolutions and the mission of good offices of the UN Secretary General in finding a peaceful and just solution to the Cyprus problem. However, the decisions of the EC and the attitude of some of its organs towards the Cyprus problem in recent years prove to be quite different to the already accepted principles and criteria in the UN Security Council Resolutions, and quite inconsistent with some of the principles that exist in the Association Agreement between the Community and the Republic of Cyprus.

The original 1960 Republic of Cyprus was a bi-communal structure. The Turkish Cypriot co-founder of the Republic has been absent from the administration of that republic since 1963. Therefore, the EC (now the EU) negotiates with only one co-founder of the Republic of Cyprus on behalf of the whole island. In that respect, the EU makes both legal and ethical discrimination against the Turkish Cypriot community contrary to what it decided in the 1972 Association Agreement, the obligation of the EC was supposed to be fair to two communities of the island as a whole (Association Agreement 1999).

In addition, article 8 of the Basic Structure of the Republic of Cyprus agreed by Great Britain, Greece and Turkey in 1959 Zurich Treaty, and which later entered into the Constitution as article 50 "The President and the Vice-President, separately and conjointly, shall have the right of final veto on any law or decision concerning foreign affairs, except the participation of the Republic of Cyprus in international organizations and pacts of alliance in which Greece and Turkey both participate..." is quite clear in stating that

concluding international treaties, conventions and agreements, and joining to any political or economic union/alliance in which Greece and Turkey both are not members, needs the consent of both the Turkish and the Greek Cypriot communities.

Furthermore, the latest decision of the EU to start the accession negotiations between the EU and the "Republic of Cyprus" in 1996, damaged both the years-long efforts of the UN to find a just and lasting solution to the Cyprus problem, and also the delicate power balance between the two communities on the negotiation table. The UN succeeded to get the two communities agree, at least on paper, on certain principles and criteria of a prospective solution. All concerned parties formally agreed that the solution to the Cyprus problem would be through a Federal Republic of Cyprus which would be bi-communal with regard to the constitutional aspects and bi-zonal with regard to the territorial aspects. After the EU has declared that it will start accession negotiations with GCA, the secretary of United Nations (UN), Mr Perez de Culler has strongly criticized EU for its decision. He said that EU is causing the Cyprus Problem to be impossible to solve by taking this decision (Manisalı 2000:82)

Naturally Turkish Cypriots sent their objections and observations to the Council of Ministers. After the GCA made its membership application to the EU in 1990, TRNC President Mr. Denktas, sent a memorandum to the council of ministers, explaining why this application should not be put forward by EU. He sent this memorandum right after the application of Greek Cypriots Administration in 1990. Some of the main points that the TRNC President has put forward are as follows: (Denktas 1990:165-177)

- a) EC accepted the application of the whole of the Cyprus and considered the Greek Cypriot Administration as the "Government of Cyprus". GCA did not represent the Republic of Cyprus and could not apply for membership for the whole island.
- b) The application of Greek Cypriots if succeeded would partition the island as Turkish North and Greek South. "Such a membership would be a half ENOSIS and definitely this could not be accepted by the Turkish Cypriots". We need to note this is also in the other hand legitimising the North



Cyprus in South Cyprus eye because they insist on ‘the international platform’ that there is no north Cyprus.

c) The application of the GCA for membership to the EC was against the Ghali’s Set of Ideas which asked the application to the EU to be made after a solution to the Cyprus problem.

d) Any form of the union, economic or political, of part or the whole of Cyprus to any organization where both Greece and Turkey are not members, was prevented by the Constitution of Cyprus and the Treaty of Guarantees. Thus the application to the EU was violating the International Laws. But here also a note should be taken that Turkish side does not take the Constitution of Cyprus binding.

e) The Commission in its report asked that the fundamental freedom of the Rome Treaty i.e. freedom of the movement and settlement, rights of the establishment etc. Should be integrated into the solution of the Cyprus problem. This was against the Turkish Cypriot and Greek Cypriot high level agreements signed between Denktas and Makarios (1977) and Denktas and Kyprianu (1979) which favoured a bicomunal and bi-zonal federal solution.

f) TRNC would welcome EU membership, but only after a fair settlement to the Cyprus Problem.

The TRNC put forward legal, constitutional and moral arguments for their objections to the application by the GCA for EU membership in the name of all Cyprus. According to the Turkish view, that application is invalid and does not bind the Turkish Cypriot people, as the GCA has no legal authority to make its decisions on behalf of the whole island, and on the behalf of the Turkish Cypriot people. It has no legitimacy in law with regard to all Cyprus, as this legitimacy depended on the bi-communality of the state and its government, which was no longer the case after the Greek Cypriot leadership usurped the Constitution and violated the international Cyprus Treaties in December 1963.

These arguments are supported by a number of well-known international lawyers, especially by Dr. Christian Heinze, of Germany, and Professor Maurice H. Mendelson of the UK. Dr. Heinze prepared a detailed report for the Foreign Ministry of Republic of Turkey and concluded that, international law, the Zurich and London Agreements, the 1960 Guarantee Agreement, as well as the EU Agreements, constitute obstacles to the one-sided Greek Cypriot application (Heinze 1997:241-273).

Also Professor Mendelson, prepared a detailed report concerning the legality of the application and submitted his report to the UN Security Council on 25 July 1997. Professor Mendelson, in his opinion, declared: “On a proper construction of the relevant treaties and related instruments, the GCA is not entitled in international law to apply to join, or having applied, to join the EU whilst Turkey is not a member. Furthermore, as members of the EU and parties to the agreements in question, Greece and the UK are under an obligation to seek to prevent such accession. Moreover, as a matter of the law of the European Community, there are serious legal obstacles to such accession. Consequently, the Greek Cypriot application has no legal basis in the Cyprus Treaties and in international law.” (Mendelson 1997:274-300).

#### **4. POSSIBLE FUTURE SCENARIOS:**

Since the division of the island in 1974, quite a number of types of possible solutions are being discussed between Turkish and Greek Cypriots for the solution of the Cyprus problem. Mainly a strong federation or a loose federation (or confederation) are the types, which are being discussed. Two communities have agreed in 1977 and 1979 that the possible solution would be a bi-zonal and a bi-communal one. But when these forms of a solution were agreed, nobody had in mind the idea of EU membership. When the application was made in 1962, the main concern was economic advantages in international trade. But later these concerns turned out to be political. When the GCA had applied for full membership to the EU all the discussion points have changed. Actually nobody was accepting that the EU would accept that application. Until 1993, the European Commission and the European Council were saying that “unless the conflict between the two communities on the island is settled, there can be no question of Cyprus membership.” (Kabaalioglu 1996:219).

But the EU had accepted the application and furthermore started accession negotiations with GCA in the name of whole Cyprus as if the GCA was representing the whole island.

At present, the accession negotiations are continuing. Whether the next enlargement of the EU will include Cyprus even without a solution to the Cyprus Problem or not is not clear. Most of the member states are against this idea but Greece on the other hand threatens the union by boycotting any new member if Cyprus is not accepted (Jurgen 1999).

So it looks like there are basically three main scenarios, which are likely to happen in the future (i.e. possibly by 2003, where the next enlargement of the European Union will take place).

#### **A. Acceptance of South Cyprus in the Name of Whole Cyprus:**

Greece wins the diplomatic battle within the EU, the union will accept South Cyprus as a full member in the name of whole Cyprus.

Such a move by the EU, would definitely divide the island and all the future efforts at the United Nations in order to find a solution would be eliminated. Naturally this will cause a great anger within Turkey and TRNC. Turkey's and TRNC's presidents first signed a declaration on 28 December 1995. The declaration was aimed at warning the EU not to take any action with the Greek Cypriots Administration. In the declaration, Turkey and TRNC had clearly stated that the application of the GCA is illegal, Cyprus can not be a member of an organization where Turkey is not a member and Turkey will take steps in order to enable TRNC to express its views etc. (Joint Declaration 1995).

But all these warnings were not taken into consideration by the EU and it had decided to start the accession negotiations with the GCA in the name of whole Cyprus. Turkish reaction to these decisions was very strong. Turkey and TRNC had issued a statement on 4<sup>th</sup> July, 1997. In the statement, both sides have agreed that any step the GCA takes on with EU, this will accelerate the integration of North Cyprus with the Republic of

Turkey. This decision was clearly stating that if South Cyprus becomes a member of the EU, North Cyprus would be integrated to the Republic of Turkey (Joint Statement 1997).

This decision had caused a great shock among EU members. They started to re-consider the accession of Cyprus to the EU without a solution. Since then, Turkey and TRNC has taken steps in order to strengthen the economic and political relations between themselves. This also means to say that their threat to integrate North Cyprus to Turkey is a serious one. Obviously, this scenarios is the most dangerous alternative for the EU. It would definitely cause the permanent division of the Island because Turkey and TRNC has agreed to integrate North Cyprus to Turkey if Cyprus becomes a full member to the EU with its current position.

### **B. Entry of Cyprus after a Solution to the Cyprus Problem**

There are two possible solutions for the Cyprus Problem. Either a federation or a confederation. In federation, two sides will form a country which has a single common sovereignty. Where in this form the identity of two sides in international relations will be a single common one and no side will be allowed to establish a relationship with another country on its own. (For example North Cyprus would not establish special relations with Turkey...). In confederation two sides will have their own separate sovereignty where each of them will be free to establish international relations with any other country without the permission of other side. But the important point here is that, whatever the form of solution to the Cyprus problem, after entering to the union, these forms will not be viable, since the laws and procedures of the EU will be viable. Because EU is a supranational organization. In such a case, even if the Turkey Cypriots have the best possible settlement (i.e. bi-zonal, bi-communal confederation with separate sovereignty), that kind of a settlement would not work within the EU.

When a country becomes a member of the European Union, basic freedoms of the EU such as free movement of services, people, workers and the right of establishment would apply. Even if there are special rights given to the Turkish Cypriots by the EU while entering to the union, it is not guarantee that these will be applied. For example, EU has promised to give some financial aid to Turkey under the 1995 Customs Union Agreement

between Turkey and the Union. Even though the Customs Union is in full effect, the EU is not giving any financial support to Turkey. Because these aids are being prevented by the veto of Greece.

So as a result, it can be said that, there can be no guarantee of the protection of the rights of the Turkish Cypriots if Cyprus (federal or confederal) becomes a member of the EU while Turkey is not a member. After the entry, if there is any kind of problem it would be very difficult or almost impossible for Turkey to help Turkish Cypriots once the island becomes a member. After membership, the Island will be within the territories of the European Union. Turkey, as being a third party, won't have any right to impose anything on Cyprus, whatever the form of the agreement will be on Cyprus. In addition, Turkey would lose its right of being a "guarantor state" for the Island of Cyprus (Kabaalioğlu 1997:391). Simply Cyprus will be EU's own internal problem, which would interest only EU and its member countries.

### **C. Entry of Cyprus after a Solution when Turkey becomes on EU member as well:**

Actually, this scenarios was almost impossible to imagine after the EU's 1997, Luxembourg Summit. In this summit, Turkey was kept out of the future enlargements of the EU. This had caused great anger among Turkish authorities.

Turkey had frozen its relations with EU. This situation had continued until the 1999 Helsinki Summit of the EU. In that summit, Turkey was included among the EU candidates and Turkey had promised to arrange its laws and procedures according to the *acquis* of the Union. So after the Helsinki Summit, the possibility of a federal or co federal Cyprus to become an EU member with Turkey has become a possible scenario as well.

This possibility is the only riskless alternative for Turkish Cypriots. To become a member to an important and comprehensive union where Turkey is a member is safe for Turkish Cypriots. Turkey would insure that the rights of Turkish Cypriots would be protected in such a union.

GCA aims to be an EU member even though it is against the constitution of Republic of Cyprus. One of the main reasons for that they think Turkey's rights over the island as a guarantor country would be removed after such a membership. If a problem arises after the solution and membership to the EU, Turkey would not be able to intervene to the island but on the other hand Greece would be there to support Greek Cypriots. Some politicians claim that Turkey's rights over the island would be preserved when Cyprus becomes a member after the solution. These opinions can hold true in theory but in practice it is nearly impossible for Turkey to act or intervene to the island because Cyprus would not be an independent island but a geographical part of the European Union. So in possible future disagreements between Turkish Cypriots and Greek Cypriots, Greece will be there to support Greek Cypriots but Turkey would not be there to support Turkish Cypriots.

Therefore it is vital for Turkish Cypriots to become an EU member when Turkey is a full member. So even though a solution would be found to the Cyprus problem, Turkish Cypriots would accept EU membership whenever Turkey becomes a full member to the EU.

## **5. CONCLUDING REMARKS**

EU has always captured a vital role in international relations of Cyprus, but it is very difficult to say that, EU has been fear in its relations with Greek Cypriots and Turkish Cypriots. It has recognized the GCA as representing the whole island and developed its relations with Cyprus according to that. Also big majority of financial aids given by the EU, were used for the development of the Greek Cypriot economy.

In 1990, a turning point in the history of relations between Cyprus and the EU has developed; GCA applied for full membership to the in the name of whole Cyprus. This was totally rejected by TRNC authorities since the GCA has no right to act in the name of whole Cyprus. Furthermore TRNC has signed special declarations with Turkey stating that if EU accepts South Cyprus as a member North Cyprus will be united with Turkey. Turkish Cypriots are not against the membership to the EU but they think that this should only be possible after a solution to the Cyprus problem. They also think that it is risky to enter to a union where Turkey is not a member. This is also against the constitution of the

Republic of Cyprus where it is stated that the membership of Cyprus to an international organization; where Turkey and Greece is not a member, is forbidden.

On the other hand, EU had started the accession negotiations with GCA because of the pressure imposed by Greece (Pace 1997). Greece is the only EU member that clearly supports the membership of Cyprus even without a solution. Furthermore, Greece keeps mentioning that if the EU does not accept Cyprus as a member even without a solution, it will block the entry of possible new members to the EU.

At the moment, three possible scenarios stand out for the near future.. First, the EU will accept the pressure of Greece and let Cyprus to become a EU member in its current position. But in reality this situation will mean a definite partitioning of the island since TRNC will answer this decision by uniting North Cyprus with Turkey. This scenario is not desired by EU, Turkey and TRNC but it is highly possible that this will be the case if EU accepts South Cyprus as a member without solution to the Cyprus problem. When the GCA initially applied for full membership in 1990, the acceptance of Cyprus without a solution was clearly rejected by all member countries apart from Greece. But during the years Greece used its advantage as being a member and imposed great pressure to the Union to to start the accession negotiations and accept GCA as a member even without a solution to the Cyprus problem. So far, EU has started the accession negotiations with GCA. On the other hand, Greece is continuing its lobbying efforts to convince other EU members to accept the membership of South Cyprus in the first enlargement of EU possibly by 2003. Greece keeps threatening the Union that it would block the whole enlargement process if South Cyprus is not accepted to the Union due to the division of the island.

In recent years, some member countries started to discuss this alternative very frequently. At least, they do not state the rejection of South Cyprus in its current position as frequent and strict as they used to do. The reason according to them is the unwillingness of Turkish Cypriot side in the solution of the Cyprus problem. So it is quite possible that this scenario would take place and Cyprus would become a member even without a solution to the Cyprus problem. This would eventually lead to a situation where the

solution of the Cyprus problem would be impossible and the partitioning of the island would be permanent.

Second possible scenario is the acceptance of Cyprus for membership after a solution to the Cyprus problem. This scenario is possible but it is very risky for Turkish Cypriots to become a member to a union where Turkey is not. It is very important for Turkish Cypriots to have clear and continuous rights within a possible solution because EU membership would bring freedoms such as freedom of movement and freedom of settlement. These freedoms bear great risks for Turkish Cypriots even though a solution would be found to the Cyprus Problem.

Third scenario is the possibility of Cyprus's membership after a solution to the Cyprus Problem and Turkey's membership to the EU. This is the most desirable scenario but the only problem with it is that it would take some time. But the best alternative for the Turkish Cypriots is this one, since their rights would be under the guarantee of Turkey since Turkey would be a part of the union as well.

So overall it looks like the whole conjuncture came to a turning point. Nobody knows precisely what would happen in the near future. Among the possibilities, Cyprus's application in the near future in its current state is the most likely scenario. But it is certain that this situation would seriously damage the efforts to solve the Cyprus problem and the relations between Turkey and the European Union.



## REFERENCES

Anouil, Gilles (ed). (1996), *Avrupa Birliđi ve Kıbrıs*, European Commission-Cyprus Delegation, Imprinta Publications, Nicosia.

“The Association Agreement”. (1999), available at <[http://www.europa.eu.int/comm/enlargement/cyprus/rep\\_10\\_99/ab.htm](http://www.europa.eu.int/comm/enlargement/cyprus/rep_10_99/ab.htm)>

Ayers, Roy. (1996) “European Integration: The Case of Cyprus”, *The Cyprus Review*, Intercollege, Vol. 8 No: 1, Nicosia

Bıçak, Hasan A. (1996), “Recent Developments in Cyprus-EU Relations”, *First International Congress on Cyprus Studies*, EMU Press, Famagusta.

European Commission. (1993), “The Challenge of Enlargement: Commission Opinion on the Application by the Republic of Cyprus For Membership”, Bulletin Of The European Communities, Supplement 5/93, Brussels - Luxembourg.

“Cyprus-EU Relations” (2000), available at <<http://www.cyprus-eu.org.cy/en/brief-history.htm>>\_

Denktaş, Rauf R. (1990), “Turkish Cypriot Memorandum addressed to the Council of Ministers of the European Communities in Respect of an Application for Membership by “The Republic of Cyprus””, available at <<http://www.mfa.gov.tr/grupa/ad/add/stat-cyp/Chap3.htm>>.

European Parliament. (1999), Statement of Gunther Verheugen , available at <<http://www.europarl.eu.int>>

Eminer, Ciler. (1998), “Rumlar Neden AB’ye Girmek İstiyor?”, *Egemenlik AB ve Kıbrıs*, Dışışleri ve savunma Bakanlığı, Tanıtma Dairesi, Lefkoşa, KKTC.

Evrans, Mustafa. (1996). “Türkiye – Avrupa ilişkileri çerçevesinde Kıbrıs’ın AB’ye üyeliđi”, *Egemenlik AB ve Kıbrıs*, Dışışleri ve savunma Bakanlığı, Tanıtma Dairesi, Lefkoşa, KKTC.

Forysınskı, W.& Bıçak, H. &, Kotodziej, T. (1999), “EU Membership of Cyprus: Prospects for the First Group of Enlargement”, *Second International Congress For Cyprus Studies*, Volume 1B, Famagusta, N.Cyprus.

HeInze, Christian. (2000), “Legal Opinion On the Question of the Compatibility of the Admission of Cyprus into the European Union with International Law, the Law of the EU and the Cyprus Treaties of 1959/60.” (Attorney-at-Law,1997) *Journal of Cyprus Studies*, 16/17, EMU Press, Famagusta.

“Joint Decleration by the Republic of Turkey and the Turkish Republic of North Cyprus, 28 December 1995”, available at <<http://www.mfa.gov.tr/grupa/ad/add/mfa391.htm>>.

“Joint Statement by the Republic of Turkey and the Turkish Republic of North Cyprus, 4 July 1997”, available at <<http://www.mfa.gov.tr/grupa/ad/add/doc3.htm>>.

Jurgen Axt, Heinz. (1999), “The Island of Cyprus and the European Union”, *Cyprus: The Need for New Perspectives*, The Eothen Press, England.

Kabaaloğlu, Haluk. (1997), *Avrupa Birliği ve Kıbrıs*, Yeditepe Üniversitesi Yayınları, İstanbul.

Kıbrıs Newspaper, “No Membership without solution”, 13<sup>th</sup> March 1997.

Manisalı, Erol. (2000), *Dünden Bugüne Kıbrıs*, Çağdaş Yayıncılık Publication, İstanbul,

Milliyet Newspaper, “Impossible for Cyprus to be a member with the status-quo”, 9<sup>th</sup> September 1997.

Medelson, M.H. Q.C. (2000), “Opinion on the Application of “The Republic of Cyprus” to join the European Union”, *Journal of Cyprus Studies*, 16/17, EMU Press, Famagusta.

Nugent, Neill. (2000), “EU Enlargement and the Cyprus Problem” *Journal of Common Market Studies*: Vol.38, No.1.

Pace, Roderick. (1997), “The European Union’s Next Mediterranean Enlargement Challenges and Uncertainties”, Jean Monnet working Papers in Comparative and International Politics, available at <<http://www.fscpo.unict.it/EuroMed/jmwp06.htm>>

Pearce, Anthony,. (1999), “The Role of EU: The Cause of Permanent Division of Cyprus of the Solution”, Paper presented to the conference in Toronto University, Canada.

“Regular Report from the European Commission on Progress towards Accession of Cyprus (1998)” available at <[http://www.europa.eu.int/comm/enlrgement/dwn/report\\_11\\_98](http://www.europa.eu.int/comm/enlrgement/dwn/report_11_98)>.

Tsardanidis, Charalambos. (1984), “The EC-Cyprus Association Agreement: Ten Years of a Troubled Relationship, 1973-1983”, *Journal of Common Market Studies*, XXII/4, 4 June.