

The European Union

The Key to Cypriot Reunification

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When the Republic of Cyprus (RoC) began its rotating presidency of the European Union in July of this year, the focus of the 27-nation bloc remained on the delicate fiscal crises which have gripped much of Europe over the past few years. By chairing the EU, however, the RoC is in an advantageous position to bring the continued division of Cyprus and its potentially dire implications to the forefront of the European agenda. As the last several years of failed negotiations fostered by the United Nations have demonstrated, the UN's conservative mediation style and inability to offer political and economic incentives in exchange for reconciliation are unlikely to facilitate compromise.¹ The EU, which offers a similarly broad structure, alongside the ability to offer innovative mediation techniques and considerable incentives which the UN cannot, should be harnessed.

On the night of the RoC's accession to the EU in 2004, Cypriot President Tassos Papadopolous delivered an emotional speech concerning the Turkish Cypriot community which reverberated throughout the divided island:

Our great joy for our accession to the European Union is overshadowed by our grief because we could not celebrate this moment together with our Turkish Cypriot compatriots and our great disappointment at the absence of a solution to our national problem... We are expecting them. Their place is here with us, so that we can embark, hand in hand, on the new course commencing today in the interest of all of us, for the benefit of our common country. A reunited homeland.²

Since accession, the Greek south has hardened its position, which has substantially reduced the scope for compromise with the Turkish Republic of Northern Cyprus (TRNC). This was not an inevitable outcome of accession, however, as the EU has not attempted to harness its considerable influence to press for compromise. In this regard, the popular view that the accession of the RoC complicated reunification efforts can be turned on its

head if the EU provides the vehicle to reconciliation.³ This paper advocates a more substantive, primary role for the EU as the intermediary body seeking reconciliation between both ethnic communities, while highlighting the inadequacies of past attempts at reconciliation. To facilitate such a robust diplomatic role, the EU should commit to four main proposals:

Mandate bi-communal cooperation in exchange for European Investment Bank assistance packages - This mechanism can facilitate joint development through collaboration and bear the financial burden for Cyprus' reunification process.⁴

Increase funding to EU-financed civil society projects - The European Commission's financial assistance package is a natural vehicle for bi-communal cooperation and should be reinvigorated.⁵

Integrate ideas from successful national identity building programs - An initiative similar to the EU Program for Peace and Reconciliation in Northern Ireland should be established to forge a unifying national identity.

Effectively utilize the Initiative for Peacebuilding (IfP) - The IfP, an affiliated network of NGOs funded by the European Commission, is an invaluable asset that should be used to bring about a compromise.

The domestic stability of an EU member state must be a priority for a body which was founded on and continues to espouse a doctrine which promotes integration as a means of preventing conflict and promoting economic development. Therefore, circumstances in one member state necessarily impact the reputation and condition of the whole enterprise. If a compromise in Cyprus cannot be reached and the economic disparity between the two sides are exacerbated, social, political, economic and military instability could mandate a larger scale intervention down the road. This gaping disparity

and the EU's reluctance to act also fuels longstanding suspicions in Turkey that religious distinctiveness plays a role in its own accession negotiations, as both Turkey and northern Cyprus are majority Muslim territories.⁶ This could spur Turkey to adopt anti-western policies and undermine its relationship with the EU. These grave possibilities can be averted if the EU utilizes its aforementioned internal mechanisms and employs innovative approaches to facilitate a compromise.

European Investment Bank

A key feature of the EU framework, which has the potential to dramatically alter the Cypriot political and economic landscape, is the ability to offer nations assistance packages as an incentive for working toward an agreed upon goal, through the European Investment Bank (EIB). The EIB, the EU's financing institution, is tasked with supporting EU policy objectives in a host of areas. Most relevant to Cyprus are the Small and Medium-sized Enterprises (SMEs) initiative, meant to stimulate investment by small businesses, and the EIB's cohesion and convergence program which addresses economic and social imbalances in disadvantaged regions.⁷ Since 2004, the EIB has awarded Cyprus almost €1.5 billion in loans for a variety of public and private sector projects, several focusing on lines of credit for SMEs to support internal development.⁸ The EIB bolsters convergence through several Cohesion Policy Joint Initiatives which are meant to aid new member states in economic development. One such program which Cyprus is participating in is the Joint Assistance to Support Projects in European Regions, which was developed to provide technical assistance to implement cohesion policy.

Although these funds have aided the development of Cyprus, they have provided little incentive for cooperation between the north and south. In fact, by granting assistance packages to the RoC and TRNC separately, the artificial barrier which divides the island is being perpetuated, as a growing sense of independence and self-sustainability mitigates the

chances for reconciliation based on economic incentive. Through allocating resources to Cyprus on the condition of bi-communal cooperation on domestic projects, the EU would incentivize reconciliation. Therefore the focus of future EIB loans to Cyprus should revolve around internal cohesion rather than external European convergence, through instilling provisions which mandate bi-communal cooperation on future projects.

The CIVICUS Civil Society Index project undertaken in 2005 highlighted some critical barriers to societal integration in Cyprus, including the "high levels of intolerance that permeate the entire fabric of social life."⁹ In the study, a glaring area of concern was the lack of citizen participation in bi-communal events, as more than three-quarters of those surveyed said they had not participated in any sort of bi-communal event in the past year.¹⁰ For EIB loans to fulfill the intent of building societal cohesion, future funds should be allocated and monitored jointly. For instance, the MEDA loan program funded by the EIB to finance infrastructural development in the environment, transport and communications sectors should be expanded to

include northern Cyprus, whereby a prolonged collaborative effort may gradually forge better relations. By enforcing this provision, the EU would demonstrate its commitment to settlement.

The EU should also make it clear that the cost of reunification would be financed by the EIB. Although the RoC maintains a

relatively high-income economy, no financial disincentives to compromise should exist which could be manipulated as a political tool to advocate for the status quo by either side. Already, the unwillingness to disavow inflexible goals has resulted in protracted negotiations; an obvious financial hindrance to settlement would provide an unwarranted deterrent which would be difficult to overcome. Any sustainable settlement process must develop an initiative to reconcile two distinct national characters into one unitary national identity. The EIB is a valuable tool in facilitating reconciliation through economic incentives, however its full potential has yet to be realized.



Source: U.S. Central Intelligence Agency

EU-Financed Civil Society Projects

Other EU financial instruments which fund civil-society projects enhance the propensity for bi-communal settlement should be revitalized to encourage Cypriot reunification. In March 1995, the EU General Affairs Council determined that it would be in the best interest of both parties to incorporate Cyprus into several EU programs. The programs which Cyprus participates in has expanded since its accession to the EU and are aimed at accomplishing four key goals: closer relations of Cyprus with the EU in all economic sectors; the attainment of valuable experience; the harmonization of laws and institutional arrangements with the EU; and the modernization of the Cyprus economy.¹¹

An explicit intent of these civil society projects is to instill a sense of communal responsibility between the north and south. On February 27, 2006, the Council of the European Union established an instrument of financial support for the Turkish Cypriot community aimed at facilitating reunification:

The Community shall provide assistance to facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community with particular emphasis on the economic integration of the island, on improving contacts between the two communities and with the EU, and on preparation for the *acquis communautaire*.¹²

The World Bank reported that the annual per capita GDP of the Turkish north at the time of accession was one-third that of the Greek south, \$7,680:\$22,330.¹³ Prolonged disparities led to the establishment of the EU Infopoint program, started in 2009, aimed at familiarizing the north with the benefits of being an EU member state, in the event of, and with the intent to, facilitate reconciliation. The program highlights information to Turkish Cypriots (general public, companies, civil society organizations, media, and academia) on the European Union's political and legal order, as well as its main policies and activities.¹⁴ Five programs are currently under negotiation between Cyprus and the EU which would benefit the whole island, including Media II, an audio/video program; Third Multiyear Program, for small-medium enterprises;

Fifth Framework Program, for research and technological development; Karolous, encouraging homogenous *acquis* implementation; and Fiscalis, a tax-based initiative.¹⁵ Cypriot participation in other EU-financed initiatives in the future is likely in various sectors including public health, energy saving, culture and justice, and internal affairs.

Although stark economic inequalities persist in the northern regions of Cyprus, existing EU programs have made a difference in developing bi-communal cooperation on far-reaching topics and have provided valuable support for infrastructure development.

However, far more needs to be done to facilitate an agreement predicated on mutual compromise, rather than underscoring the potential benefits of accession. The notion that the TRNC would be incentivized to accept a settlement arrangement which it deemed incompatible with its longstanding goals, simply as a means of benefitting economically from accession, has been proven naive. The waiting game has not worked. Civil-society projects should be designed to transcend the artificial boundary which divides the nation, emphasizing the importance of bi-communal cooperation. By accelerating the materialization of innovative EU-financed initiatives, particularly in the realms of culture and justice and internal affairs, the EU would aid domestic civil-society organizations in building cohesion, a necessary precursor to sustainable peace. Many civil-society organizations, including entities attached to the IfP, could be utilized to this end.

National Identity Building Programs

Transforming Greek Cypriot and Turkish Cypriot identities is key to sustainable peace and may invoke an air of compromise that would facilitate EU accession. The vast support which the Annan Plan received within the Turkish-Cypriot community marked a substantial shift in the process of social and political transformation within the TRNC; however, the immense rejection of the plan by Greek Cypriots highlighted the deep-rooted resentment which precludes the south from participating in a “unifying political project.”¹⁶ Prior to the referenda, the international community ascribed blame for the Cypriot deadlock on meddling Turkish influence. Post-referenda, for the first time the world questioned whether Greek Cypriots were sincere about the settlement

process.¹⁷ If distinctiveness of language, religion and culture continue to be emphasized over the host of shared values which have the potential to unite the communities, deadlock will continue. Perhaps a rallying point could be European integration, especially if the EU helps facilitate real change.

A special EU structural funds program, similar to the Program for Peace and Reconciliation (PEACE) initiative, which lasted from 1994-2006 and helped transform identities in Northern Ireland, should be established to forge a unifying national identity in Cyprus. The PEACE initiative in Northern Ireland was allocated over €1.2 billion to accomplish a wide scope of internal affairs, including programs dedicated to social inclusion, economic development and employment, urban and rural regeneration, and cross border cooperation.¹⁸ PEACE was successful in combating the root causes of conflict and addressing the special needs of the peace process. Such an initiative, tailored to Cyprus, may be exactly what the stagnated process needs. This infusion of resources would demonstrate to Greek Cypriots that the EU will not allow terms of reconciliation to be dictated by one party, while illustrating to Turkish Cypriots that TRNC integration remains a priority of the EU.

Initiative for Peacebuilding

The EU can generate a new round of enthusiasm by employing measures which are already integrated in its framework, including the Initiative for Peacebuilding (IfP). The IfP, a consortium of civil society organizations funded by the European Commission, is tasked to “develop and harness international knowledge and expertise in the field of conflict prevention and peacebuilding to ensure that all stakeholders, including EU institutions, can access strong independent analysis in order to facilitate better informed and more evidence-based policy decisions.”¹⁹ The IfP can be employed in a variety of geographic and thematic areas by drawing on mechanisms such as the Instrument for Stability and the European Instrument for Democracy and Human Rights and its civilian, diplomatic, and military capabilities in the context of the Common Foreign and Security Policy (CFSP)/Common Security and Defense Policy (CSDP).²⁰ The Commission has the potential to contribute to the settlement process in Cyprus through tasking the IfP to mediate an agreement predicated on constructive discourse, increasing the capacity of the EU to deal

with the lingering negotiations. In 2008, a report published by the mediation cluster of the IfP stated “international peace mediation is a professional tool and instrument of conflict resolution that has not yet entered the consciousness of the EU.”²¹ EU intervention in Cyprus provides an ideal opportunity to change this.

The EU can also utilize other existing internal mechanisms to more effectively mediate. Cooperation between the EU and private actors could provide additional leverage to bridge the impasse. Additionally, while foreign policy is viewed as part of a member state’s sovereignty, the Commission controls the budgets for the EU’s aid programs which serve as catalysts for peace.²²

Existing political instruments at the disposal of the EU include EU special representatives and envoys, the Policy Planning and Early Warning Unit within the Council Secretariat, Commission Delegations, Troika visits to foreign nations and various funding mechanisms under the auspices of the Directorate-

General for External Relations - previously the Rapid Response Mechanism.²³ Combined, these tools offer a promising mechanism to drive reunification efforts on the world stage as well as domestically.

As outlined in a 2008 IfP report, three approaches to international mediation can inform EU mediation efforts: power-based (deal brokering) mediation, interest-based (problem-solving) mediation, and transformative (long-term) mediation.²⁴ By permitting the accession of Cyprus prior to reunification, the EU forfeit its opportunity to use the power-based approach, which relies on punishment and rewards as incentives to broker an agreement between conflicting parties. The EU is unlikely to reprimand a member state by any meaningful measure over a dispute which it has done little to resolve. For the past few decades, the UN used the interest-based approach to no avail. Through utilizing a more facilitative style, whereby conflicting parties were meant to take ownership of the process, little progress was made. The ingrained animosity and contentious history characterizing the Cypriot dispute necessitates a third party to be much more than a facilitator between sides. The key to promoting a sustainable solution is found in the transformative option.

Transformative mediation entails mediators interacting with conflicting parties at different levels with the aim of changing the relationship between

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and perceptions of themselves and the other party.²⁵ Only a total recalibration of perspectives which gradually molds a unitary national identity will provide the empowerment mechanism to drive long term conflict resolution. The EU is capable of supporting such efforts through the use of internal funding mechanisms such as the European Instrument for Democracy and Human Rights (EIDHR).

Potential for Change

It is clear that the EU possesses instruments for change within its framework, which if utilized correctly could facilitate a sustainable compromise in Cyprus. What remains to be seen however, is the willingness of the EU to move beyond some of its traditional roles and play a direct part in assisting in bi-communal settlement. The political, social and economic reconciliation of an EU member state may seem an obvious priority for the European Commission, but the lack of attention paid to the process since the accession of the RoC has been

staggering. The failure of the Greek Cypriots to pass the referenda in 2004 was followed by a prolonged state of complacency by all parties. Yet European nations have a direct interest in the future stability of Cyprus, as an EU member and its role as a gateway to the Middle East. The implications of nonintervention by the EU could include domestic instability in Cyprus, prolonged economic hardship for the Turkish Cypriot community and a growing anti-Western bent in Turkey's foreign policy.²⁶ Given the potential outcomes, the EU cannot permit the stalemate to continue indefinitely and must play a more active role in shaping the next stage of negotiations. With the rotating presidency of the EU at hand, the RoC can prioritize such substantive steps towards reconciliation. □

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NOTES

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