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The social and economic impact of EU membership on northern Cyprus

Introduction

The conflict between the Turkish and Greek communities of Cyprus can be traced back at least to the Greek-Cypriot mobilisation for enosis in the 1950s. Diverse solutions have been proposed over the years including double enosis, taksim (partition), and the 1960 Republic. Third parties have always been actively involved in the negotiation, implementation and, at times, imposition of solutions. The dispute has been so intractable that it qualifies in the literature of conflict resolution as a protracted conflict (Mandell, 1992; Farr, 1997). Since the Turkish intervention of 1974, the two main parties to the conflict have achieved a non-optimal static equilibrium position. The island has been divided into two territories; the South inhabited by Greek Cypriots and the North by Turkish Cypriots. Neither side considers the situation ideal, but as unhappy as they may be with particular aspects of the status quo, their governments have found conditions acceptable, or at least preferable to the outcomes of possible compromises. A movement away from this non-optimal equilibrium would require a change in the benefits and costs accrued to the Greek-Cypriot and Turkish-Cypriot communities.

The European Union (EU) has the opportunity to play a constructive role in the resolution of the Cyprus conflict. On 4 July 1990, the government of the Republic of Cyprus applied for membership in the European Union. Since then substantial legislative and economic reforms have been undertaken in South Cyprus to conform more closely to the requirements of the Union. The government of North Cyprus (TRNC) has harshly criticised EU candidacy and the prospect of accession because the application was filed, and has been negotiated in its entirety, by the government of South Cyprus. However, the prospect of EU membership makes a resolution to the conflict attractive to some groups of Turkish Cypriots. Some argue that within the Union the human rights of Turkish
Cypriots will be better protected than before, and that the economic benefits from accession will offset any losses resulting from a resolution. If the Union were able to reinforce these views and strengthen the position of those groups that sustain it, a resolution to the conflict in the near future would be more likely.

In this chapter we set out to discuss the social and economic impact that accession to the Union would have on North Cyprus. By 'social' we refer to the institutions and practices that tie the Turkish-Cypriot community together, understood in a broad sense to include issues of identity, the role of the state, immigration and emigration, and employment. We define as 'economic' those variables related primarily with the wealth and income of the Turkish-Cypriot community, including the impact on their productive capacity, prospects for foreign direct investment (FDI) and the inflow of foreign aid and subsidies. In order to address social and economic issues, we find it unavoidable to include a discussion of the political cleavages that exist within the Turkish-Cypriot community.

We begin our discussion with an analysis of the nature of the conflict with South Cyprus as seen through the eyes of different sectors of the Turkish-Cypriot community. In this section we will discuss the complexity of Turkish-Cypriot identity and the fears and interests of diverse groups with respect to a resolution. Secondly we analyse the social and economic impact of a resolution under different scenarios excluding possible accession to the Union. In our discussion we consider three scenarios: first, the continuation of the status quo; secondly, a strong federation along the lines envisioned by South Cyprus; thirdly, a loose federation in line with the ideas of North Cyprus. Following this discussion, we analyse how the social and economic impact of a resolution would change in the event of accession to the Union. We conclude with a discussion of the effect that EU accession would have on the particular fears and interests of different groups within the Turkish-Cypriot community.

It would be disingenuous to argue this Chapter as if we were detached emotionally and intellectually from the issue. We do not claim to speak with a fully objective voice, untainted by our geographic location, academic position, cultural perceptions, professional interests and ethnic identity. Instead we wish to make the sources of our biases clear. Both of us are assistant professors of economics at Eastern Mediterranean University, located in Famagusta (Gazimagusa), a few kilometres north of the line that divides Cyprus into two territories. Fatma Güven-Lisaniler is a Turkish Cypriot born under British rule. She saw the birth of the Republic in 1960 and experienced its destruction between 1963 and 1974 as she grew up in the Turkish-Cypriot enclave of Nicosia. Güven-Lisaniler conducted undergraduate and doctoral studies in Istanbul, Turkey. She has participated in bimicrobial activities aimed at bringing both sides closer together. Leopoldo Rodríguez a citizen of Argentina who grew up in Mexico and studied in the United States. He has lived in North Cyprus for two years. Both authors favour a resolution to the conflict that provides guarantees to the physical and social integrity of the Turkish-Cypriot community. It is in this spirit and within this context that this Chapter is written.

The conflict through Turkish-Cypriot eyes

The conflict in Cyprus originates in differences over the national designs of the two largest communities of the island. Religious and linguistic differences between Greek Cypriots and Turkish Cypriots did not lead to intercommunal violence over the course of approximately 400 years (Volkan, 1980; Farr, 1997). Serious problems arose only as recently as the 1950s, when Pan-Hellenistic nationalist feelings among the Greek Cypriots erupted into a struggle for union with Greece or enosis. We do not feel that it is necessary to discuss the ensuing historical events, because an extensive literature on the Cyprus issue has produced a multitude of thorough analyses. Instead, we focus on Turkish-Cypriot identity and the interests and concerns of the community.

Turkish-Cypriot identity

Turkish-Cypriot identity is contentious. Two competing interpretations of what constitutes a Turkish Cypriot are proposed: one based on ethnic background; the other, a rather more complex interpretation, based on several factors including linguistic, historical and cultural practices. The first tends to emphasise Turkish roots and links to mainland Turkey, and considers the Turkish Republic as some sort of guardian of the Turkish-Cypriot community, the 'motherland'. The latter emphasises the differences between mainland Turks and Turkish Cypriots, paying particular attention to cultural and linguistic similarities with Greek Cypriots. Needless to say, adhesion to one or the other of these proposals is highly politicised.

President Rauf Denktas is the best-known adherent to the ethnic-based interpretation of Turkish-Cypriot identity. Asked his opinion about Cypriot identity, he replied: 'The only true Cypriots are the wild donkeys of the Karpass peninsula' (Kibris 24 March 2000: 1). In an interview in 1999 he declared that 'there is no "Cypriot nation". Turkish Cypriots on Cyprus have established a state. It cannot be a nation-state, because there is no Turkish Cypriot nation.' He added:

A Turkish Cypriot is the extension of Turkey in Cyprus. So we are Turks, of Cyprus. Journalists ask us, are you a Turk first or a Cypriot? — The answer is: are you a Londoner first, or an Englishman? One is geography, the other is nation. We are Turks, as Turks of Anatolia are; but because our geography is Cyprus, we are Turkish Cypriots. If you were to organise Turkey on a geographical basis you would call a Turk from Erzurum an 'Erzurum Turk'. (Pillai, 1999: 26–7)

Right-of-centre political parties have adopted the ethnic-based interpretation of Turkish-Cypriot identity. In its programme, the UBP, founded by President Denktaş and the dominant political force in North Cyprus, states: 'Turkish Cypriots are an indivisible part of the Turkish nation. We share Turkish history, culture, language, religion and scientific heritage. The relation with Turkey, as always, will develop based on brotherhood and will be given priority' (UBP, n.d.: 32). In this vision of Turkish-Cypriot identity, the only Cypriot
element appears to be geography. Cultural and linguistic differences are considered irrelevant.1

Following 1974, large numbers of Anatolian Turks became permanent residents of North Cyprus, Turkish media became widely available to Turkish Cypriots, and North Cyprus adopted the school curricula of Turkey. Increased contact with Anatolian Turks and mainland Turkish culture has made differences more apparent, and at times has created tensions between Turkish immigrants and native Turkish Cypriots. Some Turkish Cypriots consider the large presence of Anatolian settlers and temporary immigrants a real threat to Turkish-Cypriot identity. In order to retain a separate Turkish-Cypriot identity that goes beyond geography, they emphasise linguistic, historical and cultural differences.

Linguistic differences are among the most important distinctions between Turkish Cypriots and mainland Turks. The Turkish spoken in North Cyprus differs from mainland Turkish in grammar, vocabulary, and pronunciation (Vancı, 1990; Boztaş 1991; Saracoğlu, 1992). The differences are sufficiently pronounced that a Turkish speaker familiar with the Turkish-Cypriot variety of Turkish can easily tell a member of the community from one who is not. The choice of Turkish dialect becomes one possible way for Turkish Cypriots who wish to distinguish themselves from other Turks and affirm a separate identity. Many Turkish Cypriots command standard Turkish as well, but choose to use their own variety in particular contexts to affirm their separateness. Most commonly these differences are in pronunciation, but they extend to lexicon and grammatical structures as well. There are many words used by Turkish Cypriots that originate in the particular historic circumstances of the island and therefore have no precedent in standard Turkish. A few of these words originate in English language and are a leftover from colonial times. Many have their origins in Greek language, but a few words are only used by Turkish Cypriots and Greek Cypriots, making them authentically Cypriot.2

Perhaps more obvious to outside observers, and of even greater relevance to Turkish Cypriots, are cultural differences with mainland Turks. Turkish Cypriots are generally very secular. Religious practices are kept to a minimum and are considered a matter of individual choice. For the most part, Turkish-Cypriot women do not cover their heads, in sharp contrast to most Turkish settler women who do. Although the call to prayer can be heard across the country, few Turkish Cypriots attend to it. In Turkish-Cypriot politics there is absolutely no discussion of reinstating sheriat. Although openly dating remains taboo among most Turkish Cypriots, premartial sex and cohabitation is often sanctioned once a couple gets engaged, a practice with no precedent in Turkey. There are also some cultural elements in common with Greek Cypriots such as drahoma, a marriage practice in sharp contrast with Turkish traditions.3

An interesting example of the ongoing struggle over Turkish-Cypriot identity is the manipulation of folk dance to reshape identity. The government has historically supported the establishment of folk dance organisations that place emphasis on dance figures similar to those considered of Turkish origin.

Independent folk dance organisations often use different figures that resemble Greek and Greek-Cypriot figures. In the past they have had to struggle to have their troupes recognised by the government in order to compete and go on tour.

The complexity of Turkish-Cypriot identity is reflected in the results of a survey in 1999.4 Asked to list their sources of identity in order of importance 46.5 per cent of respondents ranked Turkish as their first identity (METU/EMU, 1999).2 Cypriot, Muslim and European received 29.3 per cent, 18.1 per cent and 6 per cent, respectively as first identity. Turkish identity was considered first or second by 79.9 per cent of respondents, while Cypriot identity was first or second for 59.6 per cent. Table 10.1 shows the combinations of first and second identity responses.

Table 10.1 First and second choice of identities in North Cyprus

<table>
<thead>
<tr>
<th>Identity</th>
<th>Turkish</th>
<th>Cypriot</th>
<th>Muslim</th>
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<td>Second</td>
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<td>Identity</td>
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<tr>
<td>European</td>
<td>21.7</td>
<td>4.9</td>
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Clearly, Turkish and Cypriot sources of identity are the strongest, but Muslim identity is high. The combination Turkish/Cypriot in any order was by far the most popular with 42.7 per cent, but Turkish/Muslim was also very common with 34.8 per cent. In contrast, the results for European in combination with any other were low, with the highest for European/Cypriot at 7.1 per cent.

When we analyse the data by place of birth, we find significant differences in identity between Cypriot-born and Turkish-born respondents. Among Cypriot-born respondents, 45 per cent replied Turkish first, 34 per cent Cypriot first and only 14.5 per cent Muslim first. In the case of Turkish-born respondents Turkish first had 58.4 per cent of responses, Muslim first 36.4 per cent, while Cypriot first received only 4 per cent.

Turkish-Cypriot interests and internal politics
Concern over the physical security of Turkish Cypriots underpins the demand for sovereignty in negotiations. As a result of the torturous years during the period 1963–74, physical security remains a primary concern of the Turkish-Cypriot community. Memories of Greek-Cypriot civil guards attacking civilians, precarious conditions in refugee camps in Turkish-Cypriot enclaves and
the unresponsiveness of British and UN troops during intercommunal bloodshed, remain fresh in the minds of most who lived through the events. Younger generations are reminded of this history in school, national holidays, monuments and museums. As a result, many consider the physical separation of the two communities necessary to prevent a recurrence of Greek-Cypriot attacks on the civilian population. Asked to choose a just model for a resolution, 46 per cent of respondents favoured two independent states, 34.8 per cent wanted a federated bizonal state, and third came integration with Turkey (7.1 per cent). All of these imply some degree of physical separation from Greek Cypriots. A return to conditions prevalent before 1974, implying a reintegration of Turkish- and Greek-Cypriot communities, received only 1.5 per cent of responses (METU/EMU, 1999).

Physical separation, with or without sovereignty, is not considered sufficient, though. Many Turkish Cypriots believe that the only guarantee of the physical integrity of the community is the presence of Turkish troops on the island, or at the very least a treaty of guarantee providing Turkey the right to intervene. In the METU/EMU survey, 74 per cent of respondents considered a Turkish guarantee a necessity for resolution. Three of the four largest parties, UBP, the DP and the TKP, do as well (UBP, n.d.: 32; DP, 1998; TKP, 1998).

Intimately related to the question of sovereignty is the issue of territory and property rights. The Turkish-Cypriot community demands sovereignty rights over a territory sufficiently large to have a viable state. The extent of such territory is unclear. Presently, North Cyprus occupies about 34 per cent of the surface area of the island, which is considered by Greek Cypriots to be out of proportion to the share of the Turkish-Cypriot population. Turkish Cypriots may be inclined to some territorial concessions in order to arrive at a resolution. Territorial concessions could aid in reducing Greek-Cypriot demands for property restitution. Property within the Varosha area of Famagusta is ideal for restitution because it has remained vacant since 1974. However, most property owned by Greek Cypriots before 1974 in what now constitutes North Cypriot territory has been reassigned to Turkish Cypriots and Turkish settlers, and in some cases property titles have been granted. Restitution of such property to the original owners will face opposition from those who have cared and improved it for the past 26 years.

Many Turkish Cypriots want a state that would retain authority to limit the movement, residency and property ownership of Greek Cypriots. Beside the potential threats that these freedoms represent to the physical security of Turkish Cypriots, an additional concern is the economic security of the community. Currently, the Greek-Cypriot community is far wealthier than its Turkish-Cypriot counterpart. As a result, the indiscriminate freedom of ownership could result in a vast and rapid transfer of property to the hands of Greek Cypriots, severely undermining the viability and vitality of the Turkish Cypriots as a distinct community on the island. Constraints on the freedom of ownership and residency of Greek Cypriots imply that the vast majority of property restitution that would take place would have to occur in the form of territorial concessions.

Some Turkish Cypriots are concerned about the integrity of their community, not at the hands of Greek Cypriots in the event of a resolution, but rather at the hands of Anatolian immigrants, if a resolution continues to evade the island. Many consider that North Cyprus is under siege by the large inflow of mainland Turks who have immigrated in search of better employment opportunities and higher wages. In clear reference to Turkish immigration, the political programme of the CTP states that the inflow of foreigners prevents the shaping of a Turkish Cypriot will and threatens their existence (CTP, 1998: 13). Some Turkish Cypriots go so far as to consider the massive flow of Anatolian Turks a bloodless form of ethnic cleansing.

Estimates on the number of non-Cypriot Turks living in North Cyprus vary widely and are generally unreliable. According to the Census of 1996, 200,000 people live in North Cyprus, of whom 164,000 are North Cyprus citizens (State Planning Organisation, 1999). Approximately 32,000 non-citizens were born in Turkey, including 11,000 students of Turkish nationality (State Planning Organisation, 1998a, 1999). In addition, the census indicates that 24,000 North Cyprus citizens were originally born in Turkey. We presume that the vast majority of these are settlers who arrived after 1974. In total, the census finds that 28 per cent of the total population of North Cyprus is composed of Turks born in Turkey. Many locals and external observers consider the official statistics highly inaccurate. A common perception among Turkish Cypriots is that half of the population of North Cyprus is composed of a combination of Anatolian Turks who settled legally after 1974, and undocumented immigrants. The official numbers may be deflated on two counts. First, the census count may not include many undocumented workers because many of them do not have a permanent address. Secondly, the offspring of Anatolian settlers may generally feel closer to their Anatolian roots than to their Cypriot homeland in terms of language, religion and cultural practices. Because they are citizens of North Cyprus by birth, they cannot be distinguished from Turkish Cypriots in the statistics, but are considered settlers by many Turkish Cypriots owing to cultural and linguistic differences.

Anatolian settlers and their Cyprus-born offspring currently constitute an important political force that cannot be ignored by the politicians of North Cyprus. As noted above, many see themselves primarily as Turk and Muslim, not Cypriot, and even less European. They favour two separate states or integration with Turkey in much larger proportions than Turkish Cypriots, and are basically not interested in a federal solution. Anatolian settlers who have become North-Cypriot citizens are organised politically and have exercised their electoral rights successfully, placing their own representatives in government and at the helm of unions and other organisations. It is commonly assumed that settlers support President Denktas, the UBP, and perhaps the DP, because these parties have embraced Anatolian immigration and present a harsher stand
on negotiations with South Cyprus. Opposition parties often argue that both
President Denktas and the UBP rely heavily on the vote from nationalised
Anatolian settlers to win elections. Two left-of-centre parties, the CTP and the
TKP, have denounced the use of nationalised immigrants for electoral purposes

The modern versus the postmodern in Turkish-Cypriot visions
As stated earlier, the origins of the conflict in Cyprus can be traced back to divergent
national projects of the two main communities of the island. Their respective
national projects were the product of modern conceptions of the nation state, where ethnic, linguistic and religious characteristics of the population
were considered defining elements. The 1960 Constitution was a failed attempt
to patch together into one nation the two divergent conceptions of the communities' future. The events that followed have resulted in a deep sense of mutual
distrust. However, 26 years of stalemate in negotiations are perhaps bearing
fruits as postmodern conceptions of national identity and sovereignty begin to
emerge. Turkish Cypriots are increasingly aware that their community is the
product of an incredibly complex history that ties them to diverse cultures. As
such, its national project cannot be subordinated to the 'mother-country' or to
a primarily Turkish identity. Turkish Cypriots increasingly recognise that they
are bound to their Greek-Cypriot neighbours as much as to their Turkish origins,
and that in this context new proposals for sharing territory, governance and
future must be considered. It is perhaps in the present impasse of two
modern national projects that a postmodern project, with creative proposals for
sovereignty, citizenship and identity, could be forged.

Resolution scenarios and their social and economic impact

We have simplified a variety of possible scenarios for North Cyprus into three
basic categories: (a) scenarios that essentially amount to the status quo; (b)
scenarios equivalent to a loose federation; and (c) scenarios closer to a strong federation or unitary state. We consider that under current international conditions
recognition of two separate states is not feasible and consequently omit it as a
scenario. Further economic and political integration with Turkey would be the
natural progression of the status quo in the long run, and we therefore do not
include it as a separate scenario either.

Status quo

We understand the status quo as the social, economic and political division of
the island into two territories where the Greek-Cypriot and Turkish-Cypriot
communities are governed by separate authorities that view each other as illegitimate, unco-operative and a security threat. In this scenario, the TRNC
remains unrecognised, and the Republic of Cyprus (RoC) continues to receive
international recognition as the only legitimate government of Cyprus. Within
the parameters of this scenario, there could be a loosening of the economic
embargo on North Cyprus, or perhaps greater international pressure bearing on
the government of North Cyprus and Turkey to find a compromise. As long as
the Greek- and Turkish-Cypriot communities remain separated by a militarised
Buffer Zone and recognise separate governments as their legitimate authorities,
we consider that the status quo has not been altered.

Although the status quo in itself does not denote a resolution to the conflict,
it provides Turkish Cypriots with several advantages. One of the primary con-
cerns of Turkish Cypriots, physical security, is adequately addressed by the status
quo. The complete physical and political separation of the two communities and
Turkey's military presence have put a stop to the intercommunal violence that
sporadically broke out between 1963 and 1974, bringing to Turkish Cypriots a
sense of peace. Current arrangements provide the Turkish-Cypriot community
more physical security than any other arrangement imaginable. However, as
previously discussed, some perceive the inflow of Anatolian immigrants as a
threat to societal security.

In political terms, the status quo is equivalent to taksim. Many Turkish
Cypriots continue to see partition as the achievement of their national objectives and the best possible political arrangement. However, without interna-
tional recognition, North Cyprus remains extremely dependent on Turkey.
Interference by Turkey in external and internal affairs has created mounting
tensions. In July 2000, thousands of demonstrators took to the streets under
the slogan 'This country is ours' to protest against the subordination of the fire
and police departments to the commander of the Turkish Cypriot defence
forces, a general appointed by Turkey. The slogan has turned into an organi-
sation that brings together 41 unions and other groups of civil society in
opposition to an economic reform package largely designed by Ankara. In
October, This Country Is Ours called for a one-day strike that summoned
10,000 strikers for a meeting in Lefkoşa (Cyprus Today, 2000: 1). The prol-
gation of the status quo is likely to result in further political tensions with
Turkey unless the North Cyprus government is given freer range of decisions,
an unlikely event.11

Perhaps the least satisfying aspect of the status quo for Turkish Cypriots is
the economy. The economic embargo, depriving the country of most sources of
foreign investment, aid and export markets, has taken a toll on infrastructure
and productivity. As a result, growth rates and per capita income fall far behind
South Cyprus. Tourism and university students have become two of the largest
sources of foreign exchange and promise to continue expanding. Turkish Cypri-
ots enjoy a relatively comfortable standard of living, even if it remains signifi-
cantly below that of Greek Cypriots. However, the continuation of the status quo
would almost inevitably result in the further widening of the economic gap
between the two communities. Although Turkey has attempted to fill in the gap
produced by a lack of FDI and loans to North Cyprus, it is unable to carry out a
more aggressive investment strategy, particularly when it is undergoing deep economic adjustments itself.

If the status quo were to be sustained in the long term, North Cyprus would become increasingly integrated to Turkey economically and culturally. Turkish nationalist designs of taşsim for the island would become a permanent reality. If South Cyprus acceded to the Union, the Hellenistic dream of enosis would also be partially fulfilled. In other words, modern visions of the destiny of the island and its communities would be fulfilled, separating Cypriots according to ethnic, linguistic and religious characteristics rather than building a multiethnic society built on postmodern concepts of statehood.

**Strong federal republic**

In 1977, President Makarios and community leader Denktas agreed on a resolution based on a bizonal, bicomunal federal republic. Makarios died before the details of such a federation could be worked out. In 1992 UN Secretary General Boutros-Ghali presented a 'Set of Ideas' about the specifics of the federation and progress was again made in negotiations. Starting from the principle of a bizonal, bicomunal federation, Ghali proposed 'a State of Cyprus with a single sovereignty and international personality and a single citizenship, with its independence and territorial integrity safeguarded, and comprising two politically equal communities' (quoted in Stavrinides, 1999a: 53). The Ghali 'Set of Ideas' provides a blueprint for what could be a resolution based on a strong federal state, which is the model favoured by Greek Cypriots (Cofoudakis, 1992; Theophanous, 1996). It provided control over foreign affairs, the federal budget and taxation, customs and international trade, and immigration and citizenship to the federal government. It also advocated the implementation of the freedom of mobility immediately after a settlement was reached, and the expedient implementation of the freedoms of settlement and property.

The original 'Set of Ideas' met with several objections from Turkish Cypriots, including the character of federal sovereignty, the ratio of communal representation in the ministries, the electoral formula for President and Vice-President, the extension of the three freedoms, and property restitution (Stavrinides, 1999a). A compromise is conceivable over communal representation in the federal government and the election of federal authorities, but Turkish-Cypriot opposition to a strong federal state stems primarily from a concern over the physical and economic security of the community.

As noted above, Turkish Cypriots fear the full reinstatement of the three freedoms and property restitution because these would represent a threat to their community's security. Members from both communities recognise the dangers that the three freedoms and property restitution represent to the physical security of one or another community. For example, Stavrinides (1999a: 66) admits that 'the forcible creation of mixed villages [by a policy of free settlement and property restitution to original owners] could cause violent, and even fatal incidents, in which case neither the Greek-Cypriot police in the South, nor UNFICYP could afford Greek Cypriots any protection. He also claims that Turkish Cypriots could conceivably become a minority in the Turkish-Cypriot state if all displaced Greek Cypriots chose to return to their properties and Anatolian settlers were repatriated, something that is obviously unacceptable to Turkish Cypriots on grounds of physical and communal security.

In a strong federal state with the three freedoms, Turkish Cypriots would not enjoy the desired security, but could reap greater benefits in the economic arena (Theophanous, 1996). It is generally recognised that a resolution would require considerable transfers of resources from South Cyprus and abroad to North Cyprus, enhancing its appeal to Turkish Cypriots. The faster and deeper the political, legal and economic union of North and South into a federation with a strong state, the larger and faster would be the movement of domestic and foreign, public and private investment to the North. Greater economic integration could result in the faster convergence of the incomes of both communities. However, Turkish Cypriots fear that it could also result in the domination by Greek Cypriots of the North Cyprus economy through the purchase and control of the main productive activities and sources of employment. Turkish Cypriots are wary that in the context of a strong federal state, the economic strength of Greek Cypriots would result in the erosion of the economic interests of their community, undermining its viability.

It must be noted that enormous animosity and mistrust continue to characterise relations between the Greek-Cypriot and Turkish-Cypriot communities. A strong federation will require a lot of political, cultural and physical interaction between the two communities. The larger the number of issues on which joint decisions will be necessary, the greater the potential tension, stalemate and likelihood of failure of a federal experiment. Theophanous (1996: 147) warns: 'A "strong" federal model may lead to a higher frequency of friction than a "loose" federal model ... a viable and functional federal arrangement would be that which institutionally tends to reduce the possible causes or sources of friction between the two communities."

In a strong federal state, North Cyprus would gain autonomy from Turkey. The cultural ties between the Turkish-Cypriot state and Turkey would remain strong, but the Turkish-Cypriot community would find itself in an infinitely superior material and political position to develop independent cultural and educational projects reflecting its uniqueness. The inflow of Anatolian immigrants (permanent settlers or temporary workers) would no longer be a threat to the societal security of Turkish Cypriots because the federal government would have authority over immigration and Greek Cypriots would most certainly find the current state of affairs unacceptable. A strong Cypriot state based on a bizonal, bicomunal federation would require important compromises of the nationalist visions of both communities. Greek-Cypriots would be challenged to share the government of Cyprus and accept the Turkish-Cypriot community as a political equal, something they rejected once before with the destruction of the 1960 Constitution. Turkish
Cypriots would have to accept sharing their territory and sovereignty with Greek Cypriots, something that poses a danger to their security and stops short of taksim. The system of shared communal representation in the federal government would challenge modern notions of state legitimacy and proportional representation. However, it must be remembered that ratio-based communal representation has already failed once before. A modern conception of the state would prevail through single citizenship and a traditional conception of sovereignty resting on the federal government.

**Loose federal republic**

A loose federation is closer to the vision put forward by North-Cypriot negotiators when they speak of 'confederation'. It implies that sovereignty emanates from the federated states, investing in the federal government a limited number of powers. The federal state would enjoy sovereignty only in so far as the federated states granted their powers to it. The Turkish-Cypriot state would reserve the legal right to seek a separate international personality (international recognition independently of the other federal state), safeguarding the Turkish-Cypriot community from a repetition of the current state of affairs, where their state lacks international legal authority. President Denktas explains that the main purpose of keeping sovereignty in the communal states is to protect the security of Turkish Cypriots: 'My rights are based on my statehood. If you [Greek Cypriots] destroy the new agreement again, you will not be able to use the excuse "this is an internal matter, don’t interfere." Everybody will know that this is an aggression from one state against the other' (Pillai, 1999: 21). Precisely what authority would be vested in the federal state is not clear. We can presume that Turkish Cypriots would initially accept a limited number of powers transferred to the federation, primarily in those areas where their security is least threatened, or where they have the most to gain.

The federal government could gain control over foreign affairs and monetary policy. Federal powers in matters of fiscal policy, investment laws, labour immigration and the freedoms of movement, ownership and residency, are bound to be controversial. Primarily for security reasons, Turkish Cypriots would favour the greatest amount of autonomy for the federated states, while Greek Cypriots, confident that a federal state would be dominated by their interests, would press for a federal government with wide powers. Turkish Cypriots will insist on placing limits on the freedoms of settlement and property ownership of Greek Cypriots in the Turkish-Cypriot state. Restrictions on ownership could take the form of requirements on the percentage of proprietorship in firms. Residency restrictions could be implemented through restrictions on the share of non-Turkish Cypriots allowed to settle in a village or city, possibly setting a cap on the total share of non-Turkish-Cypriot residents in North Cyprus. The choice of residency would also be limited by the granting of professional licences by the state authority. Property restitution would have to be severely limited or fully discarded; otherwise pockets of Greek-Cypriot populations would appear at the centre of the Turkish-Cypriot state, with dangerous consequences.

Turkish Cypriots are also likely to demand that control over most fiscal matters remain in the federated states. Property taxes and sales taxes would remain under the control of the federated states, guaranteeing the Turkish-Cypriot state important sources of revenue to sustain their own social, cultural and economic projects. The federal government could gain control of trade tariffs, social security and progressive income taxes as long as these are allocated between the two states according to a pre-agreed formula. Initially, federal revenue could be directed to public investment in infrastructure and human capital in the Turkish-Cypriot state in order to diminish the income gap between the two communities.

Limits on the residency and property rights of Greek Cypriots, and dual fiscal systems meant to safeguard the physical and societal security of Turkish Cypriots, would result in slower economic gains. The greater the social and economic integration of the two communities, the faster would be the growth in economic opportunities available to Turkish Cypriots, both in terms of employment and investment. As trust builds between the communities, the potential for greater economic gains could bring the two states into closer co-operation and greater social and economic integration.

A loose federal state would require the adoption of a flexible conception of sovereignty. The federal government would control foreign relations and some fiscal issues, but a great deal of autonomy would remain in the hands of the communal states. Under this arrangement, two sovereign states would have a single international personality, posing a challenge to modern conceptions of the state. Although President Denktas and North Cyprus representatives hold traditional statist positions, discussion of a loose federation helps the lines that they propose could break the mould of state sovereignty and create a postmodern opening for the resolution of the conflict.

**Social and economic impact of accession to the European Union**

It appears almost certain that, with or without a resolution, South Cyprus will be admitted to the Union in a few years (Nugent, 2000). Given the stalemate in negotiations since the collapse of the Ghali 'Set of Ideas' in 1992, the international community has placed its hopes for a resolution on the catalytic effects of South Cyprus's application to the Union. However, as accession draws closer, the two parties appear to be further from one another than ever before, with North Cyprus demanding a confederation and South Cyprus insisting on a strong federal state. The catalyst potential of accession to the Union largely depends on the costs and benefits that both communities would incur by entering into a strong federation, a loose federation or refusing to enter into a compromise. The impact of EU membership on North Cyprus will depend on the
form of settlement with South Cyprus. Failing to achieve one, a common future for both communities could become more elusive than ever before.

**EU accession negotiations and the chances of a resolution**

Until recently, the Union chose to ignore the presence of a Turkish-Cypriot state on the island as part of its strategy regarding South Cyprus's application. Turkish Cypriots were told to enter the negotiations as part of the representation of the Republic of Cyprus. This would have amounted to recognising the government of South Cyprus as the legitimate authority over the entire island, so Turkish Cypriots refused. After the Helsinki Summit, the Union has slightly changed strategies. It is now attempting to entice Turkish-Cypriot civil society to break with their government in return for economic benefits, and warns that refusal would result in a golden opportunity being missed (Verheugen, 2000). The EU policy has shifted from neglecting Turkish Cypriots to the use of carrot and stick to bring a resolution prior to the completion of accession negotiations.

The Union must recognise that regardless of the legal status of North Cyprus, Turkish Cypriots have very legitimate concerns regarding the treaty of accession being negotiated on their behalf by Greek Cypriots. In order to address the security concerns of Turkish Cypriots the accession treaty would have to grant some exemptions, perhaps only temporary, to the *acquis communautaire*. Speaking about European integration, Zetterholm (1994: 6) states: "The greater the mental distance and mistrust between the actors, the more legal guarantees and formal organisational and decision making roles must be institutionalised in order to compensate "artificially" for relations of mistrust." If conditions of mistrust between peaceful neighbours have at times hampered European integration, the trust gap dividing the Greek- and Turkish-Cypriot communities must be acknowledged and accommodated by the Union. It must accept that integration of North and South Cyprus cannot be accelerated beyond the capacity of the two communities to trust each other.

The presence of the Turkish-Cypriot community in accession negotiations is therefore essential if the Union expects to play a positive role in the settlement of the conflict. The Union should not only encourage negotiations between the communities, but must be willing to grant exemptions and commit financial assistance to make a resolution palatable to Turkish Cypriots. Once economic benefits and security become more tangible, the government of North Cyprus may be more easily encouraged to arrive at a resolution.

In the event of accession by South Cyprus prior to a negotiated settlement, a resolution to the conflict would become harder to attain. The accession treaty would bind all of Cyprus, including the Turkish-Cypriot community, to provisions that are contrary to their interests and concerns. The *acquis communautaire* guarantees the three freedoms to all citizens of EU member states. Unless necessary exceptions are made in the treaty of accession, Greek Cypriots and Greek citizens would be entitled to these freedoms in North Cyprus in the event of a post-accession resolution. This would be unacceptable to Turkish Cypriots on security grounds. As a result, it would be harder to arrive at a settlement after accession.

**South Cyprus accession without a resolution**

If the *status quo* were to prevail, acceptance of the Republic of Cyprus to the Union would necessarily imply the exclusion of the Turkish-Cypriot community. The accession of South Cyprus would result in the further widening of the social, political and economic gaps that already exist between the Turkish and Greek communities of Cyprus. The sense of alienation from the international community already prevalent among Turkish Cypriots, and mistrust between the two peoples, would be reinforced. The position of political groups and individuals that favour closer integration with Turkey and a hard line towards South Cyprus would be reinforced.

In the economic arena, the exclusive accession of the South would make North Cyprus ever more dependent on Turkey. Economic activity in North Cyprus is highly dependent on government expenditures and public investment. In 1997, government expenditures were 42.5 per cent of gross domestic product (GDP). A considerable budget deficit of 13 per cent of GDP was primarily financed by aid from Turkey (State Planning Organisation, 1998b: 262–3). The international *de facto* embargo on direct exports of North Cypriot products, and other difficulties arising from non-recognition, has made the private sector particularly weak. It leaves Turkey as practically the only door for North Cypriot products to foreign markets. Much-needed foreign exchange would be supplied by university students and tourists, both groups primarily from Turkey. Turkey would remain practically the only source of foreign investment, loans and financial aid. Grants from Turkey totalled 24 per cent of government expenditures in 1997; loans by Turkey totalled 6.9 per cent of government expenditures the same year. Foreign aid from sources other than Turkey was less than half a per cent of total expenditures (State Planning Organisation, 1998b: 262–3). Although the economy would not remain stagnant, growth would certainly lag behind that of South Cyprus, and far behind the growth rates that could be achieved if a resolution had been attained before accession. The end result would be the further widening of the gap in income *per capita* between North and South Cyprus, currently estimated at four to one. Without a resolution or accession, Turkish Cypriots would have no alternative but to accept further integration with Turkey.

The *status quo* would also result in the strengthening of social and cultural ties with Turkey, as North Cyprus would remain cut off from Europe. Under current laws, entrance to North Cyprus by Turkish citizens requires only a national identification card. Significantly higher wages in North Cyprus act as a strong motivation for many Anatolian low-skilled workers who arrive at the island seeking employment, primarily in the construction and service sectors. Although all foreigners, including Turkish nationals, are required to obtain a work permit to be legally employed, the labour office has practically ceased to
enforce this regulation for Turkish citizens. The laws, their enforcement and the wage differential are not likely to change in the event of a continuation of the status quo. In contrast, Greek Cypriots would establish closer relations with European nations, including Greece, which is already an EU member. Under the acquis communautaire, Greek nationals would be free to settle in South Cyprus and seek employment. Under these conditions a cultural rapprochement between the communities would become significantly more difficult.

**EU accession of a strong federation**

A strong federation would leave most matters of governance in the hands of the federal government. Accession to the Union would take place without exemptions to the acquis communautaire, implying the free movement, settlement and property ownership of all European citizens including Greeks and Greek Cypriots in North Cyprus.

Although the economy of North Cyprus would benefit the most from a strong federation, this could prove costly to some groups of Turkish Cypriots. A bloated public sector would have to implement drastic cuts in personnel and expenditures, for two reasons. First, the transition of authority to a federal government would require the elimination of many public positions in the Turkish-Cypriot state bureaucracy, many more than would open in a federal government shared with Greek Cypriots. Secondly, the Maastricht Treaty requires that the budget deficit of a member state should not exceed 3 per cent of GDP. North Cyprus currently runs a 13 per cent deficit.

A federal solution would put an end to the international embargo on North Cyprus allowing for the expansion of exports. Accession to the Union would open a vast market for North-Cypriot agricultural products, injecting life to the North Cyprus economy. Traditional agricultural and agribusiness exports would regain access to their natural markets in Europe. The impact would be largest on citrus fruits, potatoes and orange juice, products that enjoyed great success in the EU market prior to the 1994 embargo. Other agricultural products with great potential are grapes and winter vegetables. In manufacturing the textile sector would benefit from open access to a European market where Asian, and even Turkish textiles, are subject to tariffs and quotas. Women's intimate apparel and leather products are two areas in which North Cyprus could readily compete in the Union. Service exports would also enjoy great potential, primarily in tourism. Recognition would allow direct flights from Europe, Africa and Asia, as well as calls to port by cruises. Peace and the free promotion of the unspoiled attractions of North Cyprus would result in a rapid rise in tourism income. However, considerable investment in irrigation, transport and tourism infrastructure would be necessary prior to the expansion of production and exports of goods and services.

A resolution and EU membership would also open the doors to foreign investment, loans and aid, all of which are greatly needed to improve productivity and increase the standard of living of Turkish Cypriots. However, in a strong federation, the Turkish-Cypriot economy would run the risk of being overrun by the much deeper pockets of the Greek-Cypriot community. The process would be hastened by the restitution of property in North Cyprus to pre-1974, Greek-Cypriot owners. The result could be a two-tiered society where practically all the wealthiest people belong to the Greek-Cypriot community while Turkish Cypriots predominantly occupy the middle- and low-income strata. If the North Cypriot economy became increasingly controlled by Greek and Greek-Cypriot capital, Turkish Cypriots may seek opportunities in the labour markets of Europe, resulting in further emigration and deeper demographic imbalance between the two communities.

With immigration policy resting in the federal government and the obligation to sustain European standards for entry requirements and work permits, North Cyprus would experience a sharp decline in the number of documented and undocumented immigrants from Turkey. Turkey is not a member of the Union and most likely will not gain access, if it ever does, for many years. Under a strong federal solution even Anatolian settlers who have resided in North Cyprus for over a quarter of a century and enjoy North Cyprus citizenship could be expelled. Limits to Turkish immigration could represent a severe constraint on the ability of North Cyprus to expand agricultural exports and tourism because the anticipated investment boom would significantly increase demand for low-skilled labour. In contrast, the freedoms of movement, residency and property guaranteed by the acquis communautaire would allow the open entry of workers from EU members to North Cyprus. Greek labour, relatively inexpensive by European standards, would be attracted to the investment boom in North Cyprus. Needless to say, such development would not be attractive to Turkish Cypriots and could result in ethnic tension and violence. On the other hand, contact with European ideas, goods and people would prepare the ground for the absorption of cultural, commercial and political attitudes prevalent in Europe. We can imagine Turkish Cypriots studying European languages in preparation for a university degree abroad. Television, magazines, radio, newspapers, fashion and consumer goods of European origin would more easily access the Turkish-Cypriot public. For better or worse, Turkish Cypriots, who are already rather Western in outlook, would become more integrated into the European mainstream. At the same time, contrast with other European traditions could also strengthen the few cultural traits shared by both Cypriot communities.

**EU accession of a loose federation**

Under a loose federation, the Turkish-Cypriot state would retain significant autonomy from the federal government. Restrictions to the freedoms of residency and property of Greek Cypriots in North Cyprus would be imposed. Membership in the Union would require significant exemptions to the acquis communautaire. There is precedent for exemptions to these freedoms in the Union. The Ahvenanmaa (Åland) islands in Finland received permanent
excluding all the areas in need of assistance. Objective One aid has been extremely successful in fostering growth in Ireland, Spain, and Greece (Finnish et al., 1997). Regional Development Studies, 1995, added that the European Union has traditionally been the main beneficiary of EU spending in these areas. However, it was recognized that these areas would need to be considered in the context of the broader economic and social development of the European Union.

An investment boom would result in an increase in demand for labour. In this context, the need for skilled and unskilled labour is particularly felt in the construction, agriculture, and services sectors. The importance of family and cultural ties between Turkic-speaking people and the EU member states, the latter of which require skilled labour, is crucial in this context.

The accession of small states such as North Cyprus, still limited to the freedom of movement of goods and services, would not affect the freedom of movement of people. However, the UN, as a regional entity, would play a crucial role in ensuring the freedom of movement of people between North and South Cyprus.

North Cyprus would achieve full independence on the day of accession. The Union would have to provide guarantees that the Turkish Cypriot citizens would be granted full rights of settlement, and that the EU would also have to provide guarantees that Turkey would be granted full rights of settlement in the EU. The latter would require Turkey to show significant progress in meeting the convergence criteria.

The economic and social impact of North Cyprus’ accession would be significant. The opening of the border would provide opportunities for the EU to benefit from the agricultural and manufacturing products of the new member state. The Union would also need to consider the potential for increased tourism and cultural exchanges.

Conclusively, the accession of North Cyprus to the European Union would have significant economic and social impacts. The EU would benefit from increased trade opportunities with a new member state, while North Cyprus would benefit from new markets and increased economic opportunities.
security of the community, but also to its material welfare. Partially as a result of the choices that confront them, Turkish Cypriots are increasingly engaged in debates over their identity and their community’s ties to Turkey.

A resolution is appealing on several grounds, but the appeal ultimately depends on the individual’s position in the community and her identity. Almost automatic accession to the Union, with the economic benefits that this would imply, is clearly the primary benefit from achieving a resolution. The owners of small and medium-sized businesses (SMBs) generally support a resolution because they perceive that EU membership will benefit them. The owners of large enterprises that have benefited from state contracts and monopolistic practices are a lot less enthusiastic or openly opposed. There is no doubt, however, that the economic opportunities available to the average Turkish Cypriot will increase in the event of a resolution, and explode with accession to the Union, particularly for young educated people, a rapidly growing number in North Cyprus.

A resolution and accession is also appealing to those who consider the Turkish-Cypriot community to be under siege by Anatolian immigrants. Many of the people who feel that Turkish-Cypriot identity and the integrity of the community are in danger of disappearing, support a resolution and accession to the Union because it would bring Anatolian immigration to a stop, or at the very least, it would slow it down. Turkish settlers with and without citizenship are clearly threatened by a resolution, particularly if it includes the Greek-Cypriot demand of repatriation for all Turkish immigrants who entered after 1974.

Whatever the appeal of accession to the Union, it has not been enough to push the balance in favour of a resolution because the level of uncertainty is very high. The outcome of negotiations could range from a very loose federation to a highly centralized federation, with important implications for the physical and societal security of Turkish Cypriots. The perceived danger of a compromise can be gauged by the preference of a majority of Turkish Cypriots for two separate nations and for a resolution that preserves the Turkish guarantee (METU/EMU, 1999). EU officials argue that within the Union, the physical security of Turkish Cypriots would enjoy greater guarantees than under present circumstances (Verheugen, 2000). The argument has been less than convincing to Turkish Cypriots. If intercommunal violence broke out in the context of a strong federation, the Union would have no authority to intervene in the internal affairs of a Cyprus with singular international personality. North Cyprus negotiators argue that only in a loose federation the physical and societal security of Turkish Cypriots can be guaranteed. Whether fears of renewed violence against Turkish Cypriots are realistic or not is largely irrelevant as long as the community perceives them to exist.

As long as Turkish Cypriots and their representatives remain unconvinced that the benefits of a resolution outweigh the costs, the status quo will be prolonged. Almost by default, North Cyprus would continue isolated from the international community and in a path of greater integration with Turkey.

Those who fear the destruction of Turkish-Cypriot identity will have little hope of turning the tide. The Turkish-Cypriot economy would continue to depend on the support of Turkey and its tourists and university students, with no hope of catching up with the economic standards of South Cyprus. Because of the special situation of the Turkish-Cypriot community and the exemptions that would be necessary in the treaty of accession, a resolution after the accession of South Cyprus to the Union would become much less likely. At that point, only the withdrawal of Turkish support to North Cyprus would force Turkish Cypriots to accept the conditions established in an accession treaty negotiated only by South Cyprus in the interest of Greek Cypriots.

The Union claims to be an outside observer in the dispute between North and South Cyprus. Nothing could be more disingenuous. By accepting the application of the Republic of Cyprus and allowing accession negotiations to reach the entrance door, the Union has become a strategic weapon in the hands of South Cyprus negotiators. If it truly wishes to act as a catalyst for a settlement that is fair and agreeable to both parties, it must gain the trust of the Turkish-Cypriot community and provide the resources necessary, both material and diplomatic, to convince Turkish Cypriots that the risk will be worth it.

Notes

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1 The UBP even proposes to purify the Turkish spoken by Turkish Cypriots in order to pass it to future generations closer to its ‘original form’ (UBP, n.d.: 26).
2 Some words of common usage include horu (horn), gortana (witch), solina (pipe), and kelloci (stubborn).
3 For a discussion of cultural elements in common between Greek Cypriots and Turkish Cypriots see Güven-Lisanier and Warner (1998).
4 The survey was funded by Middle Eastern Technical University (METU) and implemented by academics from Eastern Mediterranean University (EMU). The sample consisted of 521 registered voters. They were randomly chosen from the five districts of Noto Cyprus.
5 About 85 per cent of respondents were born in Cyprus, with nearly 15 per cent born elsewhere, most of who were born in Turkey. Those born in Turkey presumably are Turkish settlers who arrived after 1974 and were given North Cyprus citizenship afterwards. Of those born in Cyprus, many could be offspring of settlers.
6 When country of birth is considered, the order of the solutions changes. Turkish born respondents select integration with Turkey as their second choice rather than federation. The percentage of Cypriot born who choose integration with Turkey is 11.8 per cent, whereas the share of Turkish born respondents is 37.2 per cent (METU/EMU, 1999).
7 The four main parties demand as a minimum a resolution that is bizonal. They do not necessarily clarify the expected degree of sovereignty over this territory.
8 See Stavrinides (1999a) and Olgun (1999) for Greek-Cypriot and Turkish-Cypriot views on the problems and dangers of property restitution.
This constitutes 14.6 per cent of North Cypriot citizens, which is extremely close to the results of the METU/EMU survey, providing credibility to the accuracy of both statistics.

Only 14 per cent of Turkey born respondents to the METU/EMU survey prefer a federal solution, in contrast to 38 per cent of Cyprus born.

A measure of the interference of Turkey in the domestic affairs of North Cyprus is given by the following case. Until recently, the Ministry of Labour had inspectors who verified the legal status of workers, and fined firms hiring undocumented workers. Upon a complaint made by the Turkish Embassy, the inspectors have not been sent back to the field.

The Ghali 'Set of Ideas' speaks of a major programme of action ... to correct the economic imbalance and ensure economic equilibrium between the two communities' (quoted by Stavrinides, 1999a: 69). Mehmet (1992) discusses the fiscal implications of federalism for the transfer of resources between states.

The YDH, a new political party particularly concerned with a separate Turkish-Cypriot identity, has endorsed the Ghali 'Set of Ideas' and a strong federal state as the basis for a resolution.

It should be noted that this is precisely the reason why Greek Cypriots oppose the Turkish-Cypriot position. They fear that once sovereign rights are granted, the Turkish-Cypriot state will seek a separate international identity.

Denktas has also expressed that 'a confederation can later grow into a federation, if all goes well', implying that the federal state could be granted greater power gradually (Pillai, 1999: 20).

Such a division of taxation powers between the federal government and constituent states prevails in the United States, but the allocation of revenue is determined by an annual budget.

We assume that a strong federation would be based on the Ghali 'Set of Ideas'.

For a detailed discussion of the impact of EU agricultural policies on the North Cypriot economy see Serfoglu (1997).

The Aland Islands had an agreement with Finland before accession to the Union was negotiated, making their case slightly different. However, the fact that an exception was made given special circumstances should open the doors for exceptions to be made for the very special circumstances of Cyprus.

Conclusion
Cyprus and the European Union – an opening

Challenging discourses

The encounter of a modern conflict and a postmodern polity creates a number of challenges for both sides. The chapters in this volume have focused on establishing the modern features of the Cyprus conflict, and what it means for this conflict to become part of the postmodern context of the European Union (EU). They have shown how the strategic discourses of the Eastern Mediterranean are dominated by classic security concerns (Kanaz, Chapter 4, Stavriakis, Chapter 3 in this volume); how the politics of recognition and self-determination as essential elements of the modern state system restrain and inhibit the articulation of alternative and less exclusive identities (Constantinou and Papadakis, Chapter 5, Polat, Chapter 6); that the society of states is fraught with competing norms and ambiguities enabling actors to legitimise their violent practices (Richmond, Chapter 7); that the Union, too, is partly embedded in this discourse, and that conceptualisation of the Cyprus conflict within the EU falls short of adequately supporting alternative forces on the island (Richmond, Chapter 7, Diez, Chapter 8).

Nonetheless, the authors have also recognised the potential for change in bringing Cyprus within the context of the Union. This change would have to take place in the form of a 'postmodernisation' of the identity constructions on both sides in Cyprus, but also in Greece and Turkey, which may eventually strengthen democracy and thereby bolster peaceful relations in the Eastern Mediterranean (Adams, Chapter 9). As Chapter 10 (ículo-Lisani and Rodríguez) suggests, such a 'postmodernisation' may actually be more likely in a confederal rather than a federal solution. While this will be controversial, two other arguments underpin many of the chapters: one is that for EU membership to play a constructive role on the way towards a sustainable settlement, the Turkish-Cypriots will ultimately have to be part of the Union, too, since