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FEUTURE EU 28 Country Report

Cyprus

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1. History of EU-Turkey Relations¹

1.1 Main traditional positions of Cyprus on EU-Turkey relations

The Government of the Republic of Cyprus generally supports Turkey's accession to the European Union (EU). That support however is not unconditional. Nicosia blocks some important chapters in the EU's accession negotiations with Turkey. There are basically two main reasons behind that mixed political posture. First, the Cyprus Government believes that Turkey's potential accession to the EU increases the chances for the Europeanization of Ankara's foreign policy and the adoption of a neighbourhood policy that, in accordance with EU standards, would aim for good relations with neighbouring countries. Traditionally, Cyprus has always thought that Turkey's accession negotiations with the EU would have a positive impact on peace talks for the island's reunification. Second, the Government of Cyprus shifted its previous (pre-2004) position on Turkey's EU membership for tactical reasons. Before 2004 the Government of Cyprus contended that, unless the "Cyprus problem" was settled, Turkey should not open accession negotiations. This position built on the major concern that if Turkey opened accession negotiations without settling the Cyprus problem, Nicosia would have lost its most powerful negotiating leverage on Ankara. However, soon after Cyprus' accession to the EU, in December 2004, the Government of Cyprus had to adopt a new policy in response to mounting pressure by some EU Member States. Turkey had supported a comprehensive plan for the solution of the Cyprus problem – the well-known Anan Plan –, which was endorsed by Turkish Cypriots, but rejected by Greek Cypriots in two simultaneous referenda in April 2004, just a few days before Cyprus joined the EU. Nicosia seemed to have had no other contingency plans but to adjust its policy to support Turkey's EU membership.

2

1.2 Main narratives and arguments dominating the debate

Ever since the Government of Cyprus reluctantly accepted the opening of accession negotiations between the EU and Turkey a new narrative emerged across the political spectrum, which is generally shared by all political parties. This new narrative suggested that Turkey's candidacy (in the context of accession negotiations) could yield some new opportunities and policy options for the Government of Cyprus. It focused on the accession negotiations stating that if they had taken place in the form of an Intergovernmental Conference, the Government of Cyprus would have had the chance to forge a link between some benchmarks of the EU-Turkey Negotiating Framework and some relevant issues that concerned Cyprus, in particular the island's political problem and the bilateral relationship between the Republic of Cyprus and Turkey.

¹ The EU 28 Country Reports were completed before the Turkish Constitutional Referendum on 16 April 2017. Thus, the report does not take account of any potential changes in the national debate that might have occurred in the meantime.

In order to open the accession negotiations in 2005, the European Council asked Turkey (in December 2004) to ratify the Additional Protocol to the Ankara Agreement concerning the extension of the EU-Turkey Customs Union to include the new member states that had joined the EU in 2004. In July 2005, Ankara ratified that Protocol, but at the same time issued a declaration that referred to the exclusion of Cyprus from the EU-Turkey Customs Union. In response, the European Community and its Member States issued a declaration in September 2005 to express their regret for Turkey's unilateral declaration, stating that it did not form part of the Protocol and had no legal effect on Turkey's obligations under the Protocol. The EU declaration also asked Turkey to recognise all Member States, including the normalization of the respective bilateral relations, as a necessary component of the accession process. The same declaration stated that the opening of negotiations on the relevant chapters depended on Turkey's implementation of its contractual obligations towards all Member States. It also notified Ankara that failure to fully implement its obligations would affect the overall progress in the negotiations. The declaration recalled that the Republic of Cyprus became a member of the EU on 1 May 2004 and underlined that the European Community and its Member States recognized only the Republic of Cyprus as a subject of international law. Finally, the declaration expressed support to the efforts of the UN Secretary General to bring about a comprehensive settlement of the Cyprus problem in line with relevant UN Security Council Resolutions and the principles on which the EU was founded. It also expressed the view that a just and sustainable settlement would contribute to peace, stability and harmonious relations in the region.

This declaration, as well as Turkey's Negotiating Framework (which was finalized in October 2005), set the stage in Cyprus for a new public discourse on the future of EU-Turkey relations with regard to the Cyprus problem and Cyprus-Turkey relations. Some crucial developments that followed in the next couple of years paved the way for a new approach on EU-Turkey relations in Cyprus. In December 2006, the EU's General Affairs and External Relations Council decided to suspend negotiations on eight chapters relevant to Turkey's restrictions with regard to the Republic of Cyprus. These chapters are: Chapter 1: free movement of goods, Chapter 3: right of establishment and freedom to provide service, Chapter 9: financial services, Chapter 11: agriculture and rural development, Chapter 13: fisheries, Chapter 14: transport policy, Chapter 29: customs union and Chapter 30: external relations. The Council also decided that it would not close the other chapters until Turkey fulfilled its commitments under the Additional Protocol to the EU-Turkey Association Agreement. Three years later, in December 2009, the Government of Cyprus observed that Ankara showed no intention to fulfill its obligations and decided to increase the pressure on Turkey. It thus announced that it would unilaterally block the opening of six additional chapters. These are: Chapter 2: Freedom of Movement for Workers, Chapter 15: Energy, Chapter 23: Judiciary and Fundamental Rights, Chapter 24: Justice, Freedom and Security, Chapter 26: Education and Culture, Chapter 31: Foreign, Security and Defense Policy.

In the years that followed, the Government of Cyprus faced some foreign policy dilemmas, as well as a skeptic public opinion and a demanding national opposition vis-à-vis its approach to Turkey's EU membership. Ankara neither fulfilled its obligations in relation to the Additional Protocol nor it made progress in normalizing its relations with the Republic of Cyprus. On top of that, Turkey suspended its relations with the EU when the Republic of Cyprus assumed the rotating Presidency of the European Council in 2012. Still, the Government of Cyprus understood that Turkey remained an important partner to most of the EU Member States (and the US) and that there was a consensus in Brussels and Washington for keeping its accession process on track. In certain occasions, the Government of Cyprus came under some pressure to give its consent for the opening of new chapters. For example, in March 2016 there was some pressure by some EU member states regarding the opening of Chapter 33. Although the opposition insisted that no Chapter should be opened unless Turkey made some progress in relation to its obligations, the Government of Cyprus raised no objection for the opening of Chapter 33.

1.3 Main policy areas discussed as being key to EU-Turkey relations

After 2016, the Government of Cyprus clarified further its strategy toward Turkey's accession negotiations, as well as toward the future of EU-Turkey relations. The main elements of the refined strategy are the following: first, Cyprus will continue to support Turkey's EU membership and it will not object any steps taken in that direction, without prejudice to Ankara's contractual obligations deriving from the Additional Protocol and the relevant EU decisions. This implies that Nicosia will not block the opening of new chapters, beyond the ones already blocked by the Council and the government of Cyprus. Second, the eight chapters suspended by the Council of the EU in December 2006 shall not be opened for as long as Turkey denies its obligations vis-à-vis the Additional Protocol. These obligations were voluntarily assumed by Turkey in the context of its Customs Union Agreement with the EU. Other chapters (including the ones unitarily blocked by Nicosia) may be considered for opening. Third, certain conditions were set for the six chapters that were unilaterally frozen by the Government of Cyprus. For as long as Turkey does not make any progress with regard to its obligation to normalize its relation with the Republic of Cyprus these chapters shall not be opened. Fourth, the Government of Cyprus will not oppose the opening of any other chapter for as long as the relevant benchmarks are met. Fifth, the Government's policy on Turkey's accession negotiations is further affected by Ankara's actions in relation to the off-shore activities of the Republic of Cyprus in its delineated Exclusive Economic Zone. The latter is a new element in the bilateral relationship between Cyprus and Turkey that is expected to have some broader implications in the coming years.

A special issue that also shaped the Government of Cyprus' policy, as well as the public debate in relation to the broader EU-Turkey relations, concerns the NATO-EU 2003 Agreement in the context of the Berlin-Plus arrangements that allow the Union to use NATO's assets and capabilities. Turkey denies the participation of Cyprus to any EU military operations conducted

using NATO assets, as well as it denies Cyprus access to NATO classified information. EU-NATO relations were affected by Cyprus joining the EU in 2004. The Government of Cyprus reacted to this approach by denying Turkey membership to the EU's European Defense Agency in 2005. With his election in 2013, President Anastasiades promised that he would make an application for membership to NATO's Partnership for Peace (PfP) as a means for overcoming the problems regarding EU-NATO relations. Although this possibility was examined, the Government of Cyprus never made an official application to join the PfP.

Recent developments in Turkey that relate to the protection of individual rights and liberties, as well as the status of democratic values and principles, increased pessimism in Cyprus' public opinion regarding the prospects of Turkey's EU membership. Greek Cypriots seem to worry that Turkey may extend these practices to Cyprus as well.

2. Future of EU-Turkey relations

2.1 Dominant views and key concerns on the future EU-Turkey relations

In the last five years there has been growing consensus in Cyprus regarding the future of EU-Turkey relations. Although there is a general belief that EU-Turkey relations are (to some extent) affected by the anomalous relationship between the Republic of Cyprus (an EU Member State) and Turkey (an EU candidate state), at the same time there is a prevalent view that the link between EU-Turkey relations and the Cyprus problem is gradually weakening. There is no doubt that for as long as the Cyprus problem is not settled there will be some friction between the EU and Turkey, as well as (to a lesser degree) between the EU and NATO. In particular, the main concern is that the chances of a full EU membership status for Turkey are dramatically diminishing. The Cyprus Government strategy on EU-Turkey relations was traditionally premised on the assumption that Turkey's and EU Member States' mutual desire for the ultimate admission of Turkey to the Union would also stipulate a mutual desire for a just and sustainable settlement of the Cyprus problem in line with the principles on which the EU was founded. Furthermore, that mutual desire would contribute to peace, stability and harmonious relations in the region.

2.2 Debate on concepts of differentiated integration

Among officials, politicians, public opinion and the civil society, there is a widespread view that Turkey will not ultimately join the Union, but instead it will form some kind of a special relationship (a "privileged partnership" or a "strategic partnership") with the EU. Apart from this view however there is no particular discussion regarding how this could look like. This perception is based on two assumptions. First, the largest members of the EU seem to seriously consider and/or propose some special arrangements that will exclude the possibility of full membership. Second, the Turkish Government does not seem eager to align its policies with the

EU's *acquis* in certain areas. In the last couple of years, the President of Turkey, Mr. Recep Tayyip Erdoğan, appeared reluctant to adopt certain provisions of EU law, especially in the areas of democratic governance, the protection of human rights and the rights of minorities, arguing that the chapters 23 and 24 of accession negotiations that explicitly deal with those issues were blocked by the EU. Moreover, the public opinion in Turkey appears less confident regarding the prospect of EU membership, as well as it seems not to trust the EU that much.

Recent developments in the EU arena, i.e. Britain's decision to leave the Union (Brexit), only added to the skepticism regarding Turkish EU accession perspectives across Cyprus' political spectrum: Cypriot politicians, journalists and political analysts suggest that in case of Brexit Turkey would lose one of its most dedicated supporters in the EU. This development reduces Turkey's chances of joining the Union even further.

As EU-Turkey relations seem to shift away from the full membership prospect, the Government of Cyprus and political elites are forced to contemplate an alternative approach and potentially even a new strategy. So far there are no signs of considerations of a new strategy, as well as there is very little public debate on this issue. Research reveals that the Government of Cyprus has only made some initial thoughts on how to make the best out of an ultimate discussion for a "privileged partnership" or a "strategic partnership" between EU and Turkey. These thoughts concern issues that relate to the Customs Union, good neighboring relations, foreign policy and human rights. Questions and concerns are also raised with regard to the role of the EU in the peace process, as well as in the context of a Cyprus settlement. If EU-Turkey talks are shifted from membership to a "strategic/privileged partnership" Ankara may have fewer incentives for a compromise in Cyprus.

As of 2004, the Cyprus Government has been meticulously trying to keep EU-Turkey relations strongly linked to the peace talks. At the same time, the Government of Cyprus pursues an active EU role in peace talks. In the context of the ongoing talks, the European Commission has assumed a constructive role in relation to the adoption of the *acquis* by the Turkish Cypriot community. Turkey and Turkish Cypriot leadership however express skepticism regarding an active EU role in the Cyprus peace talks. Both sides believe that the EU cannot be an honest broker and should thus limit its role to that of an observing party. In the current phase of negotiations, the EU is represented by a Special Representative who is offering technical support and advice on issues that relate to the extension of the EU *acquis communautaire* to the Turkish Cypriot community.

2.3 Main events affecting the debate on EU-Turkey relations in 2015/2016

In late 2016, Cyprus talks reached a critical stage when the Greek Cypriot and the Turkish Cypriot leaders agreed on a Cyprus Conference. It is supposed to be an open-ended conference that ultimately commenced in Geneva in January 2017. This Cyprus Conference convenes the Greek

Cypriot leader, the Turkish Cypriot leader as well as the Governments of Turkey, Greece and the UK, which are the so-called historic guarantor powers of Cyprus. The EU joined the Conference under the status of an observer. In the first meeting the President of the European Commission, Mr. Jean-Claude Juncker, represented the EU. The Conference will mainly focus on the chapter of security and guarantees in the EU's accession negotiations with Turkey.

This development sparked a novel debate in Cyprus over the role of the EU in the peace process and reinvigorated public interest on the future of EU-Turkey relations. At the end of January 2017 however it was still uncertain if the Cyprus Conference would continue and how likely prospects of a fruitful outcome would be. It is also difficult to anticipate the actual implications of this process on the future of EU-Turkey relations. Domestic developments in Turkey such as the constitutional amendment procedure as well as purges in the aftermath of the failed coup attempt on 15 July 2016 seem to have much greater implications for the future of EU-Turkey relations. The status of the Kurdish community in Turkey emerges as an additional issue of special concern. Turkey's external environment (particularly developments that relate to Syria and Iraq) is also crucial for the future of EU-Turkey relations. It would be fair to state that these are the major elements of the Government of Cyprus' considerations, as well as the major themes of the public debate on the island in relation to the future of EU-Turkey relations.

3. EU-Turkey Relations and the Neighbourhood/Global scene

7

3.1 Impacts of the conflicts and political changes in the neighbourhood on Cyprus' views on Turkey's role and its relations with the EU

The refugee crisis and the humanitarian crisis in the Middle East shaped both the Government of Cyprus' reflections and public interest with regard to EU-Turkey relations. Although the crisis did not affect Cyprus directly (at least in its initial stage), the Government came across some policy dilemmas when the EU opened a constructive discussion with Ankara over the issue of Syrian refugees. Governmental sources revealed that during negotiations between the EU and Turkey over an Action Plan (which was agreed in October 2015 and activated at the EU-Turkey Summit in November 2015), Ankara attempted to expand the bargaining framework to include issues that relate to its EU accession course. In particular it demanded the opening of five chapters in the accession negotiations. Among these chapters were those that Cyprus had frozen unilaterally by appealing to the 2005 EU Declaration and the 2006 Council decisions. According to a public statement by the European Council President Donald Tusk, Turkey's demands were accepted by Germany and the Netherlands, but were opposed by other Member States, hence there was no consensus among EU Member States and EU institutions. Cyprus was one of the EU Member States that opposed the opening of these chapters. It is unclear however whether the Government of Cyprus would have blocked a Summit decision on the "Turkey Refugee Facility"

if it would have been the only Member State that would have opposed the opening of these chapters.

During a joint press conference with Mr. Tusk in March 2016, the President of Cyprus said that his government would not lift its veto on the opening of frozen chapters unless Ankara recognized the Republic of Cyprus. Anastasiades also insisted that its fellow EU Member States needed to understand that “possible acceptance of the Turkish demands, without implementation of Turkey’s long-pending obligations, would in essence constitute, with his own consent, acceptance that the Republic of Cyprus is, indeed, ‘defunct,’” (Cyprus Mail, March 15, 2016). In June 2014, Turkey submitted a document to the EU suggesting that the Republic of Cyprus is a defunct state.

3.2 Potential areas of cooperation with Turkey in the neighbourhood

The Government of Cyprus is interested in a fair and swift implementation of the EU-Turkey Action Plan on migration. In late 2016 and early 2017 the first groups of refugees and asylum seekers from Syria arrived in Cyprus. Hence, the Government of Cyprus was alerted of the possibility of more arrivals in the coming months. These refugees traveled from Mersin in Turkey and arrived in Kato Pyrgos, a small village in the North-Western Coast of Cyprus situated between the Turkish occupied pocket of Kokkina and the occupied village of Limnitis. Government officials expressed concerns that these incidents may reveal an intended Turkish policy to open a new route in order to flood the island with refugees and asylum seekers. Before these incidents there was a general perception that Cyprus was unattractive to Syrian and other migrants and refugees traveling through Turkey to Europe. Cyprus does not offer a direct access to Europe and it is not part of the Schengen area. Questions were also raised with regard to Turkey’s eagerness to collaborate with the Government of Cyprus to prevent these incidents. The Government of Cyprus expects the EU to take a firm position requesting Ankara to implement the Action Plan in regards to all Member States.

8

3.3 Effects of global developments on the debate on EU-Turkey relations

The Government of Cyprus appears eager to play a regional role in the area of energy security, as well as it pursues regional collaborations over a broad agenda that involves a number of issues ranging from trade, tourism, maritime, civil and military exchanges, search and rescue operations, terrorism and asymmetric threats. As of 2010, a number of bilateral, trilateral and multilateral initiatives have been cultivated among Cyprus and other neighboring countries (Israel, Egypt, Lebanon, Jordan, Greece, and the Palestinian Authority). The newly offshore discoveries of natural gas resources constitute both the focal and the take off point for enhancing these initiatives. A major argument which is promoted by the Government of Cyprus is that the Eastern Mediterranean could be one of the alternative energy sources for EU markets.

For the moment, there is a relatively loose image on the potential impact of these new developments on EU-Turkey relations. There are some designs for the construction of an undersea gas pipeline from Israel to Europe via Turkey, which may also incorporate Cyprus' gas reserves. Other designs however may also be attractive to EU markets, such as an EastMed gas pipeline from the Eastern Mediterranean to Greece and Italy, as well as possible projects regarding LNG facilities. These projects are well-known to the relevant actors in Europe, but, for the time being, there are no concrete policy plans.

The election of a new President of the United States is an additional element that affects considerations of the Cyprus Government as well as of the general public. The overall expectation is that the new US President, Donald Trump, and his administration would probably pursue a policy of further US disengagement from the Eastern Mediterranean and the Middle East that would ultimately broaden the strategic and security vacuum in these regions. The main assumption is that such a vacuum would further stipulate regional great power politics. Turkey is expected to assume a more active role in the region, while other regional states, such as Israel and Egypt would probably try to prevent any kind of regional Turkish hegemony. Certain questions are raised with regard to EU intentions to play a role in these turbulent regions, as well as the possibility of new balanced or imbalanced relations between the EU and regional states, such as Egypt, Israel and Lebanon.

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