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TURKEY AND THE EU

FOUR SCENARIOS:
FROM TRAIN CRASH TO FULL STEAM AHEAD



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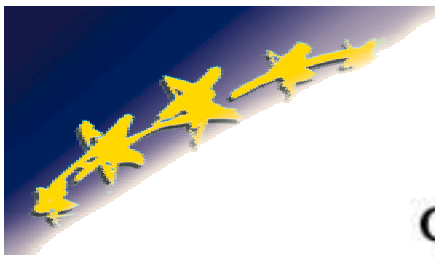
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Kirsty Hughes is a writer and commentator on European and international politics. She has directed policy and research programmes at various European think tanks over the last 15 years. She has published widely from shorter articles to books and reports. Her extensive media experience includes columns, features, analysis and comment on European and international current affairs for TV, radio and print and web-based media.

ABOUT THE REPORT

This report draws on about 50 interviews carried out in July and early August 2006 with politicians, officials, journalists, academics, business and non-governmental organisations in Brussels (EU institutions and permanent representations of Member States), London, Ankara, Istanbul and Nicosia to other EU capitals. Where not otherwise sourced, all quotes in this report are from these interviews. Most of these interviews were on a non-attributable basis, but those on the record are clearly attributed, as appropriate, in the text. The author would like to thank all those who took the time to share their views and expertise with her and TÜSIAD for the facilitation the research and compilation of this report.

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EXECUTIVE SUMMARY

SETTING THE SCENE FOR A EU-TURKEY TRAIN CRASH?

Less than a year after the formal start of Turkey's accession talks with the European Union, the two sides are at loggerheads, squaring up for a 'hot autumn'. In the worst outcome – the possibility of a much-heralded train crash between the two sides – talks could be suspended by the end of the year, possibly never to start again.

The proximate cause of this fractious turn in the EU's relations with Turkey is the failure of Turkey to open its ports and airports to Greek Cypriot ships and planes from the Republic of Cyprus, despite having signed an Additional Protocol to its Customs Union agreement with the EU (the Ankara Agreement) to do just that in July 2005. Turkey's Prime Minister, Recep Tayyip Erdoğan has insisted that Turkey will only open ports to Greek Cypriot vessels, if and when the isolation of the Turkish Cypriots is lifted, as promised by the EU in April 2004, and so northern Cypriot ports will also be opened.

The EU insists there is no link between the two issues, and had hoped that Turkey opening its ports could for now get the Union round the bigger issue of full recognition of the Republic of Cyprus, which Turkey will not do in the absence of a comprehensive settlement on the divided island. Since the Turkish Cypriots, with the encouragement of Erdoğan's government, voted 'yes' in April 2004 to a UN plan to reunite the island while Greek Cypriots overwhelmingly rejected the plan, Turkey had until the current crisis been seen as having become a positive player on the Cyprus problem. For Turkey, the fact that the Turkish Cypriots remain isolated despite their 'yes' vote is seen as a failure of the EU.

Other factors underpin problems in EU-Turkey relations. On the Turkish side, there are growing doubts as to whether the EU is serious about the ultimate goal of Turkish membership of the EU, combined with growing domestic political infighting as elections approach. On the EU side, there are concerns at the slowdown of reforms in Turkey, combined with the EU's own loss of momentum over its stalled constitution which is feeding into doubts on enlargement in general, and Turkish membership in particular.

POLITICAL DYNAMICS IN TURKEY

In Turkey, while the economy remains strong, political reforms have slowed down. Given the considerable number of legislative packages passed in recent years, the current reform problems are particularly concerned with implementation. Judicial reform is of particular urgency, with high-profile judicial cases against many writers' freedom of speech causing considerable

debate domestically and resulting in strong criticism from the EU side. A new package of political reforms may be passed in September: it will have to be seen if this assuages EU concerns at the pace of reform.

In more specific areas, cooperation continues not least in bilateral projects such as the recently announced Nabucco gas pipeline project (between Turkey, Austria, Bulgaria, Hungary and Romania). In its foreign policy, Turkey is seen by some key Brussels actors as providing a helpful link with various Middle East and other regional players.

Meanwhile Turkey is entering a pre-electoral period with presidential and parliamentary elections due in 2007. There is some fracturing of the pro-EU consensus in Turkey as parties and other actors jostle to criticise the government. Nationalism is rising in some quarters, while in the southeast violence has risen strongly again. Public support for EU membership has fallen from its high of two years ago – partly in response to the opposition of some high-profile EU politicians to Turkey's membership and partly due to the current row over Cyprus and ports.

POLITICAL DYNAMICS IN CYPRUS

Meanwhile, in Cyprus itself, despite the first meeting in July this year between the Greek and Turkish Cypriot leaders since 2004, no one is predicting any rapid moves to a new comprehensive settlement. Some trade is occurring from north to south across the Green Line but Turkish Cypriots call it cumbersome and bureaucratic. An EU aid package for the north was agreed in February 2006 but its implementation was blocked, as of July 2006, by the Greek Cypriots in a European Commission Technical Committee, though some hope the first tranche of funds will go through in September.

Direct trade for northern Cyprus remains firmly vetoed by the Greek Cypriots who argue that opening up northern Cyprus ports is tantamount to recognition (even though the EU argues Turkey opening its ports to Greek Cypriots shipping is not equal to recognition). Hopes of the EU finding some small package compromise deal to open up northern Cyprus' Famagusta port formally (it does already trade) under EU or UN supervision are slight. Without such a small package, Turkey is unlikely to open its ports and so the much-predicted EU-Turkey train crash looks likely to happen.

Perhaps as least as important as northern Cyprus's economic isolation (Greek Cypriots deny this exists at all) is the political isolation of Turkish Cypriots who have no voice in EU institutions. Despite the intensity and intractability of the dispute between the two communities on the island, the Greek Cypriots speak for the whole island in the EU's two key democratic and law-making institutions – both Council of Ministers and Parliament. It is as if the Flemish spoke for the whole of Belgium, including on issues where there is strong disagreement with the Walloons, or as if the English spoke for the Scottish.

The Greek Cypriots argue that this is because the Turkish Cypriots do not participate in Republic of Cyprus institutions and that the north is an illegal state. It is the Cypriot 'catch-22'. Without a comprehensive settlement – for which the Turkish Cypriots voted two years ago – they have no democratic voice. But they cannot force the Greek Cypriot side to return seriously to the negotiating table.

The EU needs to recognise that the Turkish Cypriots are being denied democratic representation in the EU – a situation the Union agreed to despite its own emphasis on human rights and democracy. It is indefensible that the smaller party to a dispute that concerns decisions the Union itself takes (such as on aid and trade for northern Cyprus) has no voice in the EU and is represented by its opponents in the dispute. The EU should urgently investigate legal ways to give Turkish Cypriots observer status in both Council and Parliament. It should also consider recognising Turkish as an official EU language.

HOW WILL THE EU RESPOND TO A TURKISH FAILURE TO OPEN PORTS?

How the EU responds to a failure by Turkey to meet its Custom Union obligations and open its ports this autumn (assuming no movement by Turkey or the EU to find a compromise on ports) is essentially a political decision for the EU – 'penalties' could range from a minor slap on the wrist (suspending negotiations perhaps on three negotiating 'chapters' directly related to the Customs Union) through to full suspension of negotiations. While some countries such as the UK favour the former weak penalty, others such as France appear to favour total suspension. The Finnish presidency will need to find a compromise agreement – but if the EU 25 do not agree, any individual country can effectively block the negotiation process from now on, chapter by chapter.

There are four main scenarios concerning possible developments this autumn:

1. **FULL STEAM AHEAD:** A compromise package is found on northern Cyprus that gives Turkey enough room to manoeuvre to open its ports.
2. **MINOR DERAILMENT:** A small number of chapters, directly related to Customs Union issues are frozen.
3. **INTO A SIDING:** A substantial slowdown of negotiations, possibly combined with a (tougher or milder) 'rendez-vous' clause for the EU to revisit the issue.
4. **MAJOR TRAIN CRASH:** A full suspension of negotiations or a blocking of negotiations chapter by chapter.

The most positive scenario **full steam ahead** looks for now the least likely even though with political will it could be achieved. This would require Turkey to push through a substantive political reform package in September and to start showing some willingness to move on ports. The EU would need either to find some way to a compromise between the Greek and Turkish Cypriots on opening Famagusta port under EU or UN supervision, or the EU (as well as ensuring all the financial aid for northern Cyprus does go through this autumn) should find a route to end the political isolation of northern Cyprus, giving Turkish Cypriots legal observer status in Council and Parliament and making Turkish an official EU language. In the face of such a set of moves, Turkey would have no reasonable excuse left to refuse to open ports.

On current trends, **into a siding** or even the **major train crash** scenarios look the most likely. If the EU compromises on a tough penalty but not a full suspension of talks, then Turkey's response will be crucial (not least whether in a febrile pre-election atmosphere Turkey walks away from the talks).

No-one gains from an outcome where EU-Turkey relations are seriously damaged, even if not completely ruptured – apart from nationalists on all sides. In such an outcome, the impasse over the Customs Union will remain, while, with a sour political mood, hopes for any move forward on UN talks on Cyprus will fade rapidly.

Wider regional stability in the eastern Mediterranean will not be helped either by an aggravation of the Cyprus problem or by any deterioration in Greece-Turkey relations that could result from a suspension of accession negotiations – just as the region is reverberating from the Israeli-Hizbollah-Lebanon conflict. Nor will wider global politics be helped by the EU being seen to turn away from talks with a country with a Muslim population. The EU's overall foreign policy credibility risks serious damage.

The EU has already stated that whether accession negotiations fail or succeed it is important that there is a 'European anchor' for Turkey. It may be pertinent to ask those Member States most keen to see a shift to a 'privileged partnership', not membership, as the basis for the EU-Turkey relationship, how they would intend to repair relations with Turkey in the event of a major train crash and ensure that Turkey remained well-disposed towards the Union and 'fully anchored' in European structures.

Both the EU and Turkey need to face up to some serious questions about their own internal political dynamics, their commitments to each other and their overall strategic relationship, if it is not all to end in tears. It cannot be in Turkey's interests to stand at a distance from the EU, and it cannot be in the EU's interests to have a fractious relationship with Turkey in the years ahead.

INTRODUCTION

June 2006:

'Everybody in the Union waits for Turkey to ratify the additional protocol, otherwise there could be consequences [for EU accession talks]. The end of the year is the deadline.' Erkki Tuomioja Finnish Foreign Minister.¹

'So long as the Turkish Cypriots remain isolated, we will not open our ports and airports. If the (EU) negotiations halt, then let them halt.' Recep Tayyip Erdoğan, Turkey's Prime Minister.²

'It is clear that if Turkey does not fulfil these conditions, it puts at risk its capacity to continue the enlargement process.' Jacques Chirac, French President³

The battle of words has already begun. Less than a year since the formal start of Turkey's accession talks with the European Union, the two sides are at loggerheads, squaring up for a 'hot autumn'. In the worst outcome – the possibility of a much-heralded train crash between the two sides – talks could be suspended by the end of the year, possibly never to start again.

In the space of two short years, relations between the EU and Turkey have plummeted. Back in 2004, a virtuous circle was in operation, with rapid, radical political and economic reforms in Turkey leading to EU positive signals on membership talks, leading to further political support in Turkey for the internal reform process. Since the European Council agreed in principle on 17 December 2004 to start talks, and then officially commenced negotiations on 3 October 2005, a vicious circle appears to have replaced the virtuous circle in EU-Turkey relations.

The proximate cause of this fractious turn in the EU's relations with Turkey is the failure of Turkey to open its ports and airports to Greek Cypriot ships and planes from the Republic of Cyprus, despite having signed an Additional Protocol to its Customs Union agreement with the EU (the Ankara Agreement)

¹ www.euractiv.com 30 June 2006.

² www.euractiv.com 20 June 2006.

³ Ibid.

to do just that in July 2005. As many predicted, the Cyprus problem has become a major stumbling block in Turkey's membership negotiations.

Other factors underpin this deteriorating relationship between the EU and Turkey. On the Turkish side, there are growing doubts as to whether the EU is serious about the ultimate goal of Turkish membership of the EU, combined with growing domestic political infighting as elections approach. On the EU side, there are concerns at the slowdown of reforms in Turkey, combined with the EU's own loss of momentum over its stalled constitution which is feeding into doubts on enlargement in general, and Turkish membership in particular. The twin blows of the French and Dutch 'no' to the draft EU constitution in 2005, the difficulties in adjusting to, and finding a new political direction for, an EU of 25 Member States (soon to be 27), and deep splits over foreign policy since the Iraq war, have created a general sense of political malaise and loss of momentum within the Union. Pulling up the drawbridge, whether to immigration or enlargement, has become an attractive option for some.

Meanwhile, in Cyprus itself, despite the first meeting in July this year between the Greek and Turkish Cypriot leaders since the Greek Cypriot rejection of the UN peace plan for the divided island in 2004, no one is predicting any rapid moves to a new comprehensive settlement of the Cyprus problem.

Enlargement has in the past been hailed as the EU's most successful foreign policy. The fact that Cyprus joined the EU as a divided island in 2004 was already one foreign policy failure for the EU. If the worst-case 'train crash' occurs this autumn between the EU and Turkey, then that first foreign policy failure will have directly contributed to a second and major failure – a breakdown in EU-Turkey relations.

Whether a way can be found through the EU-Turkey tangle over Cyprus is taxing minds from Brussels to Ankara. Perhaps an inelegant EU compromise will emerge, but that will depend not least on whether key political players in the EU and Turkey want to avoid or create a crisis.

This report analyses the factors leading up to this EU-Turkey 'hot autumn' and asks whether, and how, the train crash can be avoided. It assesses the political environment in the EU, Turkey and Cyprus and considers the different political and policy choices that the key actors will face this autumn, and the implications of the main scenarios that may unfold.

1. THE RECOGNITION PROBLEM

Negotiating to join the EU club without recognising one of its 25 Member States might look to an outsider like a non-starter. Turkey did indeed start negotiations on 3rd October 2005 without recognising the Republic of Cyprus, while continuing to be the only country that recognises northern Cyprus as an independent state, and with 35,000 troops stationed there. Why did the EU let negotiations start in such circumstances, only to threaten a train crash less than a year later over Turkey's refusal to open its ports to Cyprus?

In 2004, Cyprus had joined the EU with the 9 other new Member States. Despite an EU desire for a settlement of the long-running stand-off between the Greek and Turkish Cypriot communities so that a reunited island would join the Union, the Union had said, if there was no settlement, Cyprus could still join.⁴ This stance undercut any EU leverage especially on the Greek Cypriot side to agree to a deal. When the UN presented its comprehensive settlement plan – the Annan Plan – to twin referenda of the Greek and Turkish Cypriots in April 2004, a week before Cyprus joined the Union, three-quarters of the Greek Cypriots rejected it while the Turkish Cypriots voted yes by a two to one majority.

The UN and EU reacted with dismay. The UN's efforts had failed and the Cyprus problem had become an internal EU problem. While for many years, the Turkish Cypriot and Turkish sides had been labelled as obstructionist in preventing any deal, this label now shifted to the Greek Cypriot side whose resounding 'no' had been encouraged by their President Tassos Papadopoulos. The moral high ground had shifted to the pro-EU, pro-settlement Turkish Cypriots.⁵ In his report on this failure, UN Secretary-General Kofi Annan commented: 'The rejection of such a plan by the Greek Cypriot electorate is a major setback. What was rejected was the solution itself rather than a mere blueprint.' Annan went on to praise both Turkish Prime Minister Recep Tayyip Erdoğan for his support for a deal and Turkish Cypriot leader Mehmet Ali Talat.⁶

⁴ This commitment was made at the EU's Helsinki summit in December 1999 where Turkey was also recognised for the first time as a candidate country. The December 2006 summit will also be held under the Finnish presidency (and in a remarkably 'Finnish' moment, the EU's Enlargement Commissioner, Olli Rehn, is also Finnish, while the father of Finland's current Foreign Minister was the UN's first Special Representative to Cyprus back in 1964). If a compromise way through is to be found, the EU could probably do no better than be under a Finnish Presidency at this moment.

⁵ Tim Potier 'Cyprus: Entering Another Stalemate?' Chatham House Briefing Paper EP BP 05/03 November 2005.

⁶ 'Prime Minister Erdoğan's commitment to me to be one step ahead in the efforts for a solution was kept and I appreciated the strong support of the Turkish government from the top down for my efforts.' Report of the Secretary-General on his mission of good offices in Cyprus, UN 2004.

Annan called for individual states and international organisations to: 'Eliminate unnecessary restrictions and barriers that have the effect of isolating the Turkish Cypriots.' The EU's Council of Ministers rapidly passed a resolution on 26 April 2004, before Cyprus joined, which said: 'The Council is determined to put an end to the isolation of the Turkish Cypriot community.'⁷

Meanwhile, under Erdoğan's leadership Turkish reforms had picked up speed and by autumn 2004 it became apparent Turkey would get a positive signal on having met the EU's 'Copenhagen' political criteria covering human rights and democracy. While in the long-term, it was clear that Turkey could not join a Union where it did not recognise one of its members, it was also clear that in the absence of a comprehensive settlement of the Cyprus problem, Turkey would not recognise the Republic of Cyprus. Since Erdoğan, instigating a major shift in Turkey's policy stance on Cyprus, had backed a 'yes' vote to the Annan Plan, Turkey was seen to be much less at fault.

Setting the points to a train crash

The EU's leaders decided that an 'elegant' solution to this problem was through Turkey's extension of its Customs Union agreement with the EU to all 25 Member States – something it was legally obliged to do anyway under the terms of that agreement. Turkey agreed to this under pressure at the Union's December 2004 summit, finally signing the Additional Protocol in July 2005.⁸

Despite reassurances that this did not equate to formal recognition, Turkey did not implement it. Greek Cypriot ships and planes cannot today access Turkish ports and airports (though Greek Cypriot goods can be imported into Turkey via Athens or other intermediate ports). The stage was starting to be set for this autumn's prospective train crash.

Fuel was added to the flames when Turkey issued a declaration also in July 2005 saying its signature did not mean it recognised the Republic of Cyprus or its jurisdiction over the north of the island.⁹ Under Greek Cypriot and French pressure, the EU responded with a strong declaration on 21st September 2005 announcing that it would assess 'full implementation' by Turkey of its commitment to open its ports by the end of 2006.¹⁰ The declaration went on to state that non-compliance would have implications not only for opening of relevant chapters in the negotiations but also for the overall pace of

⁷ General Affairs Council conclusions 26 April 2004.

⁸ Additional Protocol to the agreement establishing an association between the European Economic Community and Turkey following the enlargement of the European Union – July 2005.

⁹ Declaration by Turkey on Cyprus, 29 July 2005.

¹⁰ Declaration by the European Community and its Member States, 21 September 2005.

negotiations (a point it repeated a week later in the crucial negotiating framework document of 3rd October 2005).¹¹

In its September 2005 declaration, the Union also stated that 'recognition of all Member States' is a necessary part of accession but without suggesting any time line for this, other than calling for 'progress in normalisation of bilateral relations...as soon as possible.'

As Yasir Yakis, leading AK party MP (and former Minister for Foreign Affairs) comments as he looks at the prospects for this autumn: 'We are aware of the absurdity of a situation where you negotiate with a group of countries and all have got the right of veto and you don't recognise one. But there is another absurdity on the EU side: there was a UN plan, the EU supports it, the party which rejects it is admitted and the party that supports it is left outside.'

Turkey's Prime Minister Erdoğan has, over recent months, developed this position. He insists that Turkey only will (and can in terms of political and parliamentary support at home) ratify and implement the Additional Protocol opening ports to Greek Cypriot vessels, if and when the isolation of the Turkish Cypriots is lifted, as promised by the EU in 2004, and so northern Cypriot ports are also opened. In January this year, Turkey's Foreign Minister Abdullah Gül put forward a 10 point action plan for both sides to simultaneously lift restrictions on ports and airports.¹² Turkish political and public opinion has swung strongly behind this stance.

The European Union insists – and will continue to do so this autumn – that the Turkish Customs Union commitment has no connection to the situation of northern Cyprus. Turkey must meet its commitments, both as a member of the Customs Union, and as a candidate country, or face the consequences.

Even sympathetic EU observers believe that Erdoğan has boxed himself into a corner on this, even if he has a political point. A number of EU observers point out that, in effect, what Turkey got for signing the Additional Protocol on ports was the opening of accession negotiations – so to argue for a further link to, or deal on, Turkish Cypriot isolation is to ignore this fact.

On the Turkish side, this denial of any link between the two has led to what one western diplomat calls 'an enraged sense of justice'. Yasir Yakis comments: 'We are aware of our obligations [on the Customs Union] and we will have to abide by it. But there is another obligation: when we were asked by the EU to encourage the Turkish Cypriots to vote 'yes', we said 'what if they vote 'yes' and the Greek Cypriots 'no'?'. They said, don't worry we will

¹¹ Negotiating Framework, Luxembourg, 3 October 2005.

¹² 'Turkey's New Initiative' January 2006, Ministry of Foreign Affairs.

alleviate economic restrictions on northern Cyprus and twist Greek Cypriot arms.'

2. TURKISH POLITICAL DEVELOPMENTS

Erdo an's tough stance, refusing to open ports, has received widespread support in Turkey across the political spectrum. With both parliamentary and presidential elections due in 2007, any backing down from this stance without some movement to unblock the stalemate in Cyprus is fairly inconceivable. So, while brinkmanship on both the EU and Turkish side may be expected in the autumn, Erdo an's statement that he will not open ports without an end to northern Cyprus isolation is highly credible. Although a small number of liberal voices in Turkey suggest he should have opened ports a year ago without allowing the issue to become so neuralgic and electoral, few if any think he can do so now. And so the train is gathering speed.

Adding to the negative mood music is the slowdown in Turkey's reform process in the last 18 months. When the European Commission issues its annual progress report on Turkey (in late October or early November), it will comment in detail both on the state of Turkey's reforms as well as on its (likely) failure to open ports to Cyprus.¹³ In a recent speech, European Enlargement Commissioner Olli Rehn said: 'After more than three years of substantial legislative reforms, I am concerned that the reform process has lost its momentum' and went on to say this could affect the pace of negotiations.¹⁴

Political dynamics take a wrong turn

One central question for many both in Turkey and in the EU is what has happened to Turkey's political dynamics that has shifted the country from a rapid reform path strongly linked to a pro-EU consensus to a path of political infighting, reform slowdown, and falling political support for Europe? How did Turkey go from virtuous circle to vicious circle in 18 months?

For once, it is not the economy driving plummeting political morale. Growth is high and foreign direct investment has finally started to grow rapidly with large leaps in 2005 and 2006 (directly linked many analysts say to the start of Turkey's EU accession process). Inflation in July 2006 headed to over 11% (due analysts say to the fall in the Turkish Lira in May and June), but expectations are for single digit inflation again in the autumn. Unemployment over 10% remains a serious black-spot, with youth unemployment particularly high, and income and economic inequalities across different regions of the country are extremely high – a major challenge for any government.

¹³ Slowdown in reform was already a theme of last year's report: 'Turkey – 2005 Progress Report' European Commission SEC(2005) 1426.

¹⁴ Olli Rehn 'Turkey: State of Play of the Accession Process' speech to the European Parliament, 20 June 2006.

Erdoğan came to power at the end of 2002 promising economic stability and growth, an end to corruption and on a strongly pro-EU ticket.¹⁵ Turkey embarked on a series of major legal and political reforms in 2003-4 that touched on many political sensitivities and led to deep debates – from abolition of the death penalty, to equal rights for women, stronger civilian control of the military, improving human rights on freedom of speech and assembly, banning torture and ill-treatment (leading to a significant fall), to the beginning of rights for Kurds and other minorities, and a strong shift on Turkey's position on Cyprus. Many internal and external observers were struck by the speed and depth of change. There was also surprise, and suspicion by some in Turkey, that this democracy drive which took the country to the start of EU membership talks, as well as to a period of economic stability and growth, was led by a moderate conservative party with Islamic roots – Erdoğan's AK (Justice and Development) party.

All this took place in a country where debate, suspicion and political stand-off has tended to be the norm between Kemalists and some secularists. Defending Atatürk's western modernisation dream against what they see as the combined attacks of Islamists, leftists, and separatists (principally seen as the Kurds). Many still see the army as a key guarantor against such threats, arguing against liberals demanding an end to any political role at all for the military – though reforms have substantially reduced the military's direct political role.

The EU's positive response to developments in Turkey in 2002-04 itself contributed to managing the tensions and disagreements between different groups. While Erdoğan's Islamic conservatives could hope moving towards the EU would help promote a loosening of Turkey's strict secularism and allow a more relaxed multiculturalism, Kemalists and secularists and some in the military hoped the road to the EU would underpin modernisation helping to ensure against Islamism and traditionalism, while Kurds and other minorities together with a range of human rights groups and other social and political non-governmental organisations saw the EU as underpinning rights and democracy. Turkish business saw its long push for EU membership as the way to underpin a market economy and liberal democracy finally bearing fruit. The EU had a 'ring-holding' effect in helping to facilitate Turkey's political reform consensus¹⁶.

¹⁵ Having done well both on the economic and EU tickets until now, Erdoğan has been less successful on corruption with *Transparency International's* 2005 'Corruption Perceptions Index' ranking Turkey 65th, with a score of 3.5 (out of 10). In comparison, the UK scores 8.6, Cyprus, 5.7, Bulgaria 4.0, Croatia 3.4 and Romania 3.0.

¹⁶ Kirsty Hughes 'Turkey and the European Union: Just another enlargement?' *Friends of Europe*, 2004.

In the last 18 months, a slowdown in reforms, approaching elections in 2007, and suspicions of the good faith of the EU have impacted on Turkey's political dynamics.

The deep-rooted suspicions of the AK party by some of the secularist and Kemalist elites seem to have strengthened. As Professor Atila Eralp from Ankara's Middle East Technical University puts it: 'In 2003-04, the pro-EU consensus was everywhere – civil society, business, opposition parties. Now we see a disintegration of that consensus, a fragmentation.' It is not so much that all these groups have become anti-EU but where before the EU goal contributed to holding them together in a political reform consensus, that uneasy co-habitation between different groups appears to have started to crumble.

Meanwhile, many Turkish nationalists – and other elements of the so-called 'deep state' – who were never in favour of this EU and reform road have continued to do their best to obstruct implementation of reforms and promote anti-EU sentiment. As disillusion with the EU spread in the last 18 months, their cause has become easier and nationalism has grown.

EU 'magic' disappears

This changing political mood is reflected in public opinion where support for the EU has dropped substantially over the last 18 months. In the EU's spring 2006 Eurobarometer, 44% of the Turkish public considered that EU membership would be a 'good thing' (against 25% seeing it as not a good thing) compared to 55% the previous autumn and 62% in autumn 2004.¹⁷ The EU's July Eurobarometer nonetheless had 54% of Turks still in favour of joining.¹⁸ Other polls show falls in support too though a December 2005 poll by the Ari NGO suggested 70% would vote 'yes' in a referendum on joining.¹⁹

Turkish commentators see two main reasons for this fall. Firstly, political opposition in the EU to Turkish accession is reported widely in the Turkish media and impacts strongly.

Comments by European politicians such as Austrian Chancellor Schüssel or likely French presidential contender Nicolas Sarkozy suggesting that Turkey should be offered a privileged partnership not membership fuel a suspicion that the EU is not genuine in its offer of the goal of membership.

¹⁷ Eurobarometer 65 Spring 2006, and Eurobarometer 62 Autumn 2004.

¹⁸ Special Eurobarometer 255, July 2006.

¹⁹ 'Survey on the Perceptions of the Turkish society about European Values' January 2006 prepared for the Ari Movement by Infakto Research Workshop.

When the EU's own attempts to square the circle of divergent views among its 25 Member States on Turkey's membership spill into public view, as with Austria threatening to veto the start of membership talks in October 2005, or Cyprus holding up the opening of the first negotiating chapter on science and research, or when the possibility of extra or permanent derogations or safeguard clauses is included in the EU's offer of talks, then Turkish public and political confidence falls.

Negotiating to join an EU which is holding intense and repeated debates over the validity of your country's candidacy, despite the Union's 25 leaders having signed up to membership talks, does not present Turkey with an easy task. Nor does it do much for the Union's own wider foreign policy credibility.

Whether Turkey can maintain political and public support for the process, if on the EU side this continues to be its most contested enlargement, is a question the EU's leaders need to consider perhaps as much as Turkey's.²⁰

One Turkish civil society activist comments: 'Survey after survey shows favourable opinion to EU membership but utter scepticism on it happening' and adds that 'the government will do unimaginable things when the EU goal is seen as irreversible.'

The EU-Turkey row over Cyprus is the second main reason most observers cite to explain the fall in public support for the EU. It has helped to stoke nationalist fires, and has fed into the forthcoming election stances of political parties more strongly than many imagined a year ago. No party dares take a conciliatory role on opening ports to Cypriot vessels since, as one business observer puts it: 'The extent of the [EU] train crash will definitely define the distribution of votes because the CHP (opposition social democrats) and MHP (nationalists) want to make the most of it for their election prospects.' The opposition CHP have also become increasingly nationalist and anti-EU in the last year or two, leading some to start discussing setting up a pro-EU faction within the party while many others lament the lack of a progressive liberal party in Turkey. As Atila Eralp puts it, one consequence of the EU-Turkey stand-off over Cyprus is that: 'The nationalists are benefiting on both sides, in Turkey and the EU.'

²⁰ The European Parliament's 'Draft report on Turkey's progress towards accession' (European Parliament, Provisional, 2006/2118(INI)) stresses once again that negotiations are: 'By [their] very nature an open-ended process and does not lead *a priori* and automatically to accession' – this despite the fact that the EU 25 have stated clearly in their 3rd October 2005 Negotiating Framework that: 'the shared objective of the negotiations is accession' – a point the European Parliament draft report fails to make.

Despite the finger-pointing at the EU for its role in Turkish public disenchantment with the Union, some in Turkey also admit that the government has failed to develop any communication strategy on Europe for the domestic public – or for that matter for the EU's doubtful publics.

Criticism can be heard from various quarters of Turkish business, media and academia at the fact that Turkey's chief negotiator with the EU, Ali Babacan, is also Economics Minister, a post that takes up most of his time. Turkey's Secretariat General for EU Affairs – respected by their Brussels counterparts – and its Ministry of Foreign Affairs are, according to some, not being allowed full input into discussions of Turkey's political strategy towards the EU for the autumn. Foreign Minister Abdullah Gül is seen as the leading authoritative politician driving Turkey's EU relations, but some worry he is beginning to cut a relatively isolated figure.

Elections loom

While Erdoğan's government remains pro-EU – along with substantial sections of Turkey's elite in business, universities, media and NGOs – it is coming under increasing attack from a variety of quarters, including pro-EU ones, as elections loom closer. Some of those who have remained suspicious of Erdoğan's Islamist past, and so of his potential 'hidden agenda', point to the impact of the European Court of Human Rights decision last autumn upholding a ban on headscarves in Turkish universities saying this disillusioned Erdoğan about what he could get from Europe. Others say, Erdoğan and Foreign Minister Gül remain committed to Europe but they have to manage their party grassroots – and that the AK party, while still far ahead of other parties in the polls (in the low 30s compared to low teens % support for other parties), is a complex coalition of different groups and forces.

One NGO activist argues that: 'There's no hidden agenda in the AKP but a lot of powerful people and upper middle classes suspect there is which is an impediment to (political) progress.' He goes on to say that the AK leadership '... feel vulnerable in their heartland including that of conservative small businessmen and worry that if they don't vote for the AKP they will vote for the MHP (i.e. the nationalists).' Others suggest Erdoğan is on a hiding to nothing if he goes after the nationalist vote.

A central issue of debate among Turkey's political elites is whether Erdoğan will choose to stand for president in next May's elections (elected by the parliament not the wider public). It is perhaps this issue that is especially worrying those Kemalists and secularists who believe Erdoğan is an unreformed Islamist.

They react with prickly outrage to the idea that a Turkish president could have a wife wearing a headscarf. One nationalist foreign policy expert, appalled at the idea that Erdoğan might want to sit on what was once Atatürk's 'throne', comments: 'It is a politically adventurous move on his part. I hope he can understand it would be a very dangerous move for him and his country.'

Commentators differ on whether Erdoğan will stand for president. Many suggest he will put forward a more neutral candidate, which will calm current anti-AK party fears, not least as the AK party may not fare well in November 2007 (or earlier) elections without Erdoğan at the helm. Anti-AKP voices criticise him on other grounds – suspicious of AKP cronyism in appointments, with particular business concern at the messy failure to appoint a governor of the Central Bank for 35 days earlier this year as Erdoğan's candidate failed to get support. Others criticise him and Gül for giving more foreign policy priority to the Middle East than the EU suggesting this too denotes Islamist leanings rather than simply reflecting the urgent political reality of the region. Ironically, and in contrast, various foreign policy voices in Brussels and the EU welcome Erdoğan and Gül's role in communicating with Iran and Hamas among others, describing it as helpful to EU foreign policy efforts.

As some secularists' fears rise again over the AK party's agenda and elections loom, some can be heard arguing that getting rid of the AK government is more important in the short term than keeping the EU show on track. This may prove a self-defeating judgement, contributing to weakening Turkey's EU chances without necessarily leading to domestic political change. All this contributes to the cracks that have appeared in the pro-EU consensus over the last 18 months. For now, the electoral cycle and deep-rooted internal debates have taken over.

Reforms slow down

Erdoğan could perhaps shrug off such attacks more easily if reforms were more on track and the EU process was not threatening a derailment over Cyprus.

Many Turkish commentators do admit to some slowdown in reforms though often explaining this as an inevitable outcome of the fact that the big legislative reform packages have all been passed while implementation and changing mentality (among bureaucrats and public) takes time. The fact that EU negotiations are expected to take a decade does not add to the sense of urgency.

Oguz Demiralp, Head of Turkey's Secretariat General for EU Affairs and former Ambassador to the EU, puts the best gloss on it: 'The political process of reforms has not stopped but naturally the pace has to diminish because Turkey fulfilled the political criteria. But we are adding new reforms and have launched the 9th reform package – it's not entirely come to life yet and we are

aware of problematic issues around freedom of expression. After the summer break, there will be a new focus of Turkish authorities on this, so the political reform process is on track.’ Others emphasise that there is still strong public support for the overall direction of reforms, claiming that the slowdown is exaggerated and pointing also to the success of many economic policy reforms.

Erdo an is expected to recall parliament early – in September – to push through the 9th reform package which will include new laws on foundations (and properties of non-Muslim minorities), anti-corruption, transparency of financing of political parties and the establishment of the ombudsman. A big enough package could help, Turkish diplomats hope, to improve the mood music in Brussels this autumn. There is a risk it could be too little too late.

The lack of progress on judicial reform is worrying many EU observers and diplomats as well as some in Turkey.²¹ The spate of high profile court cases on freedom of expression – under article 301 of the new penal code – including against author Orhan Pamuk have caused shock and disquiet in Brussels and across Europe, to an extent that is often either underestimated, or among nationalists resented, in Turkey.

A group of nationalist lawyers have been instigating these ‘insulting Turkishness’ cases.²² Murat Belge, academic and commentator, who has been acquitted of two recent cases brought against him, is concerned at the actions of nationalist forces who are against the EU: ‘They may not be very many but they are efficient and have an idea and a purpose...Spectators from abroad think it is mad [the anti-free speech cases] but there is method in their madness because they want to demonstrate to the outside world that Turkey is not really a country to be part of the EU.’

Turkish officials had hoped that case law would show that anti-free speech cases would be dismissed and so ease EU fears. Turkey’s highest court upheld a suspended sentence against Armenian journalist Hrant Dink recently. So the only way forward may be to repeal article 301. Some believe that Gül may be ready to do this in September, others are more doubtful. Abolishing 301 would send a major positive signal to Brussels at the right time, but managing the domestic politics of it in a period of rising nationalism may be more tricky.

Human rights activists and liberal intellectuals are also worried at the recent passing of a strict new anti-terror law in response to the upsurge in the violent

²¹ See for example Turkish Industry and Business Association (TUSIAD) press release 26/10/2006 ‘TUSIAD asserted ten priorities for an urgent judiciary reform in Turkey’.

²² For one analysis, see ‘Flying Insults: Turkey and free speech’ *The Economist* 29/7/2006.

conflict in the southeast of the country where a renewal of PKK (Kurdistan Workers Party) violence had led to hundreds of civilian and army deaths over the last year. The situation in the southeast has deteriorated in the last two years. While in 2004 small steps forwards on Kurdish broadcasting and language schools (under substantial restrictions) were seen as an important breaking of long-held taboos, the mood is now more downcast – a lack of progress building on these small steps makes some see them as little better than tokenism. While the situation is still better than the late 1990s when a state of emergency was in force, some in the southeast worry it is heading back that way.

While some NGOs welcome the EU's clear distinction between the importance of Kurdish human rights but the unacceptability of violence, other more nationalist voices argue the EU is promoting the division of the country with its emphasis on the political situation and human rights in the southeast.

According to a recent Eurobarometer, terrorism and unemployment are currently seen by Turks as the two most important problems they face, with 43% mentioning terrorism, while in autumn 2004 only 18% cited terrorism as a key issue.²³ Some Turkish commentators praise Erdoğan for his major speech last autumn in Diyarbakir reaching out politically to the Kurds, and criticise the lack of Kurdish political response for the absence of follow-up, but others blame the lack of follow-up on Erdoğan.

There is also concern that the military may be growing in political power again. Others argue that it is the growing violence in the southeast that means the military are being more vocal and point to how the military has gone along with the far-reaching reforms to its role in recent years.²⁴ The army's new Chief of Staff, labelled as a hardliner, will be closely watched by EU observers but some western diplomats doubt if there will be any major changes in the military top ranks' stance of supporting the EU process.

The resurgence of violence in the southeast is also fuelling anti-US feelings which have grown dramatically in Turkey in recent years in particular connected to the war in Iraq, and especially due to concerns that the PKK are using bases and bringing in arms from northern Iraq while the US is preventing Turkish army incursions into northern Iraq. Nationalist rhetoric against the EU and US combine into a growing anti-western sentiment that

²³ Eurobarometer No. 65 Spring 2006.

²⁴ European Enlargement Commissioner Olli Rehn connected his concerns on the role of the military with the situation in the southeast in a recent speech: 'I am worried about recent apparent cases of interference of the military in the functioning of the judiciary and in the political agenda. The Sendimli case is a case in point, raising doubts not only about the methods of the military to fight against PKK, but also about the independence of the judiciary. Here I refer to the sacking of the prosecutor in charge of an investigation because he indicted the Commander of the Land Forces.' Speech to the European Parliament 20 June 2006.

some Turkish commentators describe as relatively shallow but which worries some outside observers²⁵.

Any strategy to avoid a train crash?

Turkey's political leadership is not giving any clear signals of having developed a comprehensive political strategy for dealing with the 'hot autumn' with the EU. While there is an intention to push through a 9th reform package, possibly with an amendment or repeal of article 301, there is little evidence of other strategies to tackle the Cyprus issue or to make any other political gestures to key EU countries to improve the political mood, or even a strong communication strategy to promote Turkey's side of the argument in the EU.

There is perhaps an overconfidence in many different Turkish circles that the EU will not react too strongly to Turkey's failure to open ports and would not dare walk away from its relationship with Turkey given the latter's geostrategic importance.

Some western diplomats comment that Turkey is misreading the EU's mood on enlargement in general and on Turkey's importance in particular. Some in Turkey do realise that if negotiations grind to a virtual halt, it may be politically extremely difficult to restart them, but others are perhaps rather sanguine on Turkey's ability to manage a 'controlled crisis' with the Union.

One Turkish foreign policy expert is sure that if there was any movement to ease the isolation of northern Cyprus: 'Gül and Erdoğan can move a thousand steps'. Though EU politicians and diplomats reject the linkage between opening Turkey's ports to the Republic of Cyprus and northern Cyprus's ports to the world, behind the scenes, the European Commission and the Finnish Presidency are working to see if there's any way through to a small Cyprus deal that could give Turkey the chance to make its own move on ports. The current political climate in Cyprus is not promising.

²⁵'Who lost Turkey?' ask Philip Gordon and Omer Taspinar in 'Turkey on the Brink' *The Washington Quarterly* summer 2006.

3. A DIVIDED CYPRUS IN AN ENLARGED EU

Despite the EU's strong preference for accession of a unified Cyprus to the Union, a divided island joined on 1st May 2004. Both the EU and UN Secretary Generals had, in the immediate aftermath of the Greek Cypriot 'no' and the Turkish Cypriot 'yes' to the Annan plan on 24th April 2004, called for an end to the isolation of the Turkish Cypriot community in the north of the island. In a statement issued to the press that day by Kofi Annan, he regretted that 'the Turkish Cypriots will not equally enjoy the benefits of EU membership...but he hoped that ways will be found to ease the plight in which the people find themselves through no fault of their own.'²⁶ The EU also promised to end Turkish Cypriot isolation.²⁷ Recently, European Commissioner for Enlargement, Olli Rehn said: 'The EU should also do more to demonstrate clearly its determination to end the isolation of the Turkish Cypriot community, and thus to allow for direct trade between this community and the rest of the Union.'²⁸

In the face of such strong political statements, it is at first glance more than a little strange that EU-Turkey relations are set for a train crash because of the link Turkey makes between fulfilling its Customs Union commitments and the EU's promises on ending the isolation of northern Cyprus. Even if EU leaders recognise no political link between the two, why can the Union not move on the isolation issue separately?

A divided island has been brought into the EU and, irrespective of developments in EU-Turkey relations, the EU's interests and policy positions call both for an end to northern Cyprus isolation and for moves to a new comprehensive settlement of the Cyprus problem. Moreover, an EU-Turkey train crash will certainly have negative effects on any hopes for a settlement to the Cyprus dispute. As Republic of Cyprus opposition leader, Nicos Anastasiades, leader of Democratic Rally, says: 'Even if Turkey complies with the protocol, there will be no solution of the Cyprus problem.'

EU confusion

If dealing with the Cyprus problem was so easy then the UN would have succeeded in helping the parties come to a settlement at some point in the last 3-4 decades. The accession of a divided Cyprus to the EU had not made

²⁶ 'Statement issued by the Spokesman of the Secretary-General on the outcome of the referenda in Cyprus' 24 April 2004, UN.

²⁷ General Affairs Council conclusions 26 April 2004.

²⁸ Olli Rehn 'Turkey: State of Play of the Accession Process' speech to the European Parliament, 20 June 2006.

a comprehensive settlement through the UN any easier to reach. Ending Turkish Cypriot isolation is not easy now that the Republic of Cyprus, represented only by Greek Cypriots – with no voice or representation for the Turkish Cypriots – is a full EU Member State (with the whole of the island in the Union but with the *acquis* suspended in the north).

Greek Cypriots across the political spectrum anyway reject what they call the 'myth' of Turkish Cypriot isolation.²⁹ At the Foreign Ministry Ambassador Erato Kozakou-Marcoullis elaborates: 'As far as we're concerned what Turkey and Turkish Cypriots call isolation is the result primarily of the occupation.'

Turkish Cypriots are in fact caught in a 'catch-22'. They voted for the UN-sponsored settlement to the dispute between the two sides but because the Greek Cypriots voted 'no', there is no solution. They cannot open ports and airports with Greek Cypriot permission because, the latter say, they are an illegal state with no rights. The Turkish Cypriots cannot stop being an illegal state unless the Greek Cypriots are ready to come to a compromise deal.³⁰

While some EU politicians and diplomats from a variety of Member States will say off-the-record that bringing in a divided island was a mistake, it is now a *fait accompli*. On top of that, it is also clear that some Member States, notably France and Austria, are using problems thrown up in Turkey's accession negotiations because of the unresolved Cyprus problem as a cover or a tool in their wider political opposition to Turkey's membership. Meanwhile, although both Greek and Greek Cypriot politicians and officials admit it is in their strategic interests to see Turkey join the EU (despite hostile public opinion), it is an irresistible strategy for them to use EU-Turkey membership negotiations, and any EU efforts on ending Turkish Cypriot isolation, to get concessions that favour their position on the Cyprus problem.

While many Member States may tire of the wide range of political and economic challenges in the EU-Turkey relationship regularly stumbling into the Cyprus problem, there is to some extent a growth in so-called Member State 'solidarity', with some countries sympathetic to the Republic of Cyprus's explanation of its national interest in EU internal discussions. The problem with this 'solidarity' though is that it risks making the EU partisan in the Cyprus problem (despite the EU official position in favour of a comprehensive

²⁹ CD 'The Alleged 'Isolation' of Turkish Cypriots – myth and reality' prepared by Ambassador Erato Kozakou-Marcoullis, Ministry of Foreign Affairs, Republic of Cyprus, and 'Understanding the Turkish Propaganda Bluff that the Greek Cypriots subject the Turkish Cypriots to 'Sanctions, Embargoes and Isolation' Ministry of Foreign Affairs, Republic of Cyprus.

³⁰ It is striking that though the Turkish Cypriots voted for a reunification solution to the Cyprus problem, the Greek Cypriot side still treat every request by the Turkish Cypriot side – whether on what to do with EU aid funds or open ports or consult on bird flu – as part of a strategy of secession and recognition for northern Cyprus.

settlement under UN auspices) since only Greek Cypriots speak for the whole island, to the strong objection of Turkish Cypriots who have no voice at EU tables whether Council or Parliament.

Ending isolation?

After the EU's Council of Ministers declared on 26 April 2004 its intention to end Turkish Cypriot isolation, the Council went on rapidly – in advance of Cyprus's accession on 1st May – to adopt the so-called Green Line regulation on 29th April 2004 which deals with movement of both goods and people across the UN-patrolled Green Line from north to south Cyprus.³¹ In July that year, the European Commission proposed two more regulations to the Council, one on financial assistance³² for northern Cyprus and one on direct trade.^{33 34}

The Republic of Cyprus resisted the request, pushed especially by the UK, that the two regulations be treated as a package. When the two regulations were finally disentangled, with the Greek Cypriots firmly blocking direct trade, the aid regulation was passed in February 2006. A sum of €259 million in funding is earmarked for the development of the north.³⁵

However, disbursement of these funds were blocked in a technical management committee at the start of July this year by the Greek Cypriots (a committee which rarely sees a vote and agrees if necessary by qualified majority) who argued that the proposed projects went against the reunification of the island – something that both Turkish Cypriots and other EU sources dispute. EU diplomats hope the first tranche of funds will be agreed in September, something that Greek Cypriot Foreign Minister George Lillikas says is possible while insisting: 'What do they [the Turkish Cypriots] want – to get the money or assistance to create a separate state?' If the EU takes a

³¹ Council Regulation (EC) No 866/2004.

³² Council Regulation (EC) No 389/2006.

³³ 'Proposal for a Council Regulation on special conditions for trade with those areas of the Republic of Cyprus in which the Government of the Republic of Cyprus does not exercise effective control' European Commission 2004.

³⁴ The debates over the two regulations have been variously called 'unedifying' (*Crisis Group* 'The Cyprus Stalemate: What Next?' Europe Report No 171, 2006) and 'a sorry tale of obfuscation and bad faith' (David Hannay 'Cyprus, Turkey and the EU: Time for a sense of proportion and compromise' *Centre for European Reform* July 2006)

³⁵ Initially, the delay in adoption meant, due to EU budgetary procedures that some of the funds had been 'lost', and only €139 million was available but an appropriate legal base has been found for the €259 million to once again be available – but if it is not allocated this calendar year, the funds will once again be 'lost'.

decision, the Republic of Cyprus does not agree with on this, Lillikas says: 'We would take it to the European Court.'³⁶

A European Commission office to assist in management and information on these funds is due to open in the north part of Nicosia in September. After much wrangling over details by Greek and Turkish Cypriots the formal address of this office will be in Brussels, officials working there will be formally on a travel-mission from Brussels and will also use the Commission's representation offices in the south, and can live in any part of the island. Such detailed and complex solutions to what at first glance should be a simple exercise illustrates how hard it is to make small moves on Cyprus, in the absence of a comprehensive settlement.

Under the Green Line regulation, all EU citizens can now move freely north and south though only about half of Greek Cypriots have gone north, many refusing to go until Turkish troops are no longer there. Turkish Cypriot leader Mehmet Ali Talat, clearly frustrated and disillusioned, says this development: 'is the best that we got from the EU.'

The Turkish Cypriot side talk of many problems in the implementation of the Green Line regulation for trade in goods. Erdil Nami, Head of the Turkish Cypriot Chamber of Commerce (which issues trade certificates for goods to cross the line) says the trade is low level because: 'it is very cumbersome and bureaucratic.' One particular complaint is that Turkish Cypriot trucks are not allowed to carry goods to the Greek Cypriot side. This is due to a Greek Cypriot requirement (not part of EU *acquis*) that require trucks to have roadworthiness certificates issued in the south. The Greek Cypriots have drafted but not passed a law to deal with this. More generally, the Greek Cypriot side argue that the Green Line regulation is perfectly adequate for the development of trade³⁷.

Many of the detailed (and fractious) arguments between the two sides echo those between the Republic of Cyprus and Turkey. So Turkish Cypriots complain at lack of meetings between officials over bird flu to which the Greek Cypriots respond that they cannot recognise Turkish Cypriot officials though informal meetings between vets were possible. The Greek Cypriots then complain that Ankara's Ministry of Agriculture will not respond to an official approach from them on the same subject. Turkish Cypriots bemoan the failure of the Greek Cypriot side to transfer DNA of a murder suspect to the northern police force, while the Greek Cypriots complain at Turkish failure to

³⁶ Interview with the author, and see a fuller report on BBC 9 August 2006 'Glimmer of Light on Cyprus' (www.bbc.co.uk/news).

³⁷ Both sides talk at senior level and in detail on which side blocked a consignment of potatoes going from north to south recently as if one truckload of potatoes will prove or disprove isolation.

cooperate with their police force on international criminal issues. As for ports – at the heart of the forthcoming traincrash – while Turkey opening its ports to Greek Cypriot shipping is not equivalent to recognising the Republic of Cyprus, the latter insist that any opening of ports in northern Cyprus is an encouragement to the secessionist ideals of the north.

Direct trade as a way out of the train crash?

The proposals of the European Commission on direct trade remain on the table but no one expects the Greek Cypriot government to remove its veto on this in the near future. The government argues that only the Republic of Cyprus can authorise operation of ports and airports and that the Turkish Cypriot authorities have no international legal personality, and are an 'illegal secessionist entity', and so after the Turkish invasion in 1974 the Republic of Cyprus declared the ports closed since it could not have control over them.

In fact, the main port of Famagusta has continued to operate in northern Cyprus since 1974, but after a European Court of Justice case in 1994, preferential tariff treatment was ended for northern Cypriot goods though there is no formal EU or international embargo on trade. Most trade is with Turkey and via Turkish ports. The northern Cypriot airport of Ercan is also operating, though since the Republic of Cyprus controls (under international law) which airports carriers can use, planes can only arrive at Ercan that fly first via Turkey.³⁸

The Greek Cypriot side argue that there is no isolation, partly because the north does already trade in this way. They will not countenance allowing ports and airports in the north to open and trade officially, which the Turkish Cypriots say would allow a substantial expansion of trade and tourism, because it is an illegal entity. The Turkish Cypriot rejoinder, apart from pointing to UN and EU calls to end isolation, is that, as MP Ozdil Nami puts it: 'until 1994, there was direct trade but no recognition' i.e. ending isolation does not mean or encourage recognition.

The Greek Cypriots say the Turkish Cypriots can use the facilities of the Republic of Cyprus in the south. This is like saying to the Walloons that they can only trade through Flemish areas or to the Scots that they can only participate in EU education programmes if they fly out of English airports (and that this means they are not isolated).

³⁸ For one longer discussion of these issues see 'Cyprus Stalemate: what next?' *Crisis Group Europe Report No. 171* (2006).

It also presupposes a Turkish Cypriot acceptance of the authority of the Greek Cypriot-run Republic of Cyprus over their activities. This is at the heart of the dispute between the two communities: whether and how to share power in a federal state, even if many on the Greek Cypriot side would like the Turkish Cypriots to acquiesce in being a minority in the Republic of Cyprus as it is today. So, Turkish Cypriots can use Republic of Cyprus facilities and ports if they accept the shift that implies towards a solution on Greek Cypriot terms.

Despite this stand-off, the EU's Luxemburg presidency in the first half of 2005 undertook talks with both sides to see if Famagusta port could be opened under EU or UN supervision. The Greek Cypriot side insisted that there should also be a joint management committee of both Greek and Turkish Cypriots at the port, and asked for the return of Varosha (the tourist area close to the port, fenced off since the Turkish invasion when 45,000 Greek Cypriots were displaced from their homes), and also asking for a moratorium on property development in the north on Greek Cypriot property – both the latter rejected by the Turkish Cypriot side. The Turkish Cypriot side suggested that a joint management committee at Famagusta should be mirrored with a joint committee at the southern port of Limassol (rejected by the Greek Cypriot side), and apparently suggested the return of Varosha if Ercan airport was also opened (a proposal the Greek Cypriots rejected).

While both sides disagree on exactly how and why the talks collapsed (and on who offered and agreed to what), various EU diplomats suggest the Luxemburg presidency overloaded the deal, adding more elements at each stalemate. EU officials are also, rightly, nervous of becoming involved in negotiations that touch on issues that would belong in a UN comprehensive settlement.

While some sort of deal on opening up Famagusta clearly could pave the way for avoiding this autumn's EU-Turkey train crash, the above discussion shows why those European officials who are currently searching for any small package on direct trade are less than optimistic. The United States is currently proposing UN supervision of trade in northern Cyprus in return for Turkish fulfilment of its Customs Union obligations.³⁹ It remains to be seen whether this new version of the previous Luxemburg presidency plan will succeed in breaking the deadlock.

³⁹ Mark Beunderman: 'US Moots Cyprus Plan to Avert EU-Turkey Clash' EUObserver, 31 August 2006

Political isolation – a blot on the EU's democratic record

Much of the discussion on dealing with northern Cypriot isolation has revolved around economic issues and especially the issue of ports – given the link to the EU-Turkey prospective train crash. There is, arguably, the much more important issue of political isolation.

When Cyprus joined the EU, the *acquis* was suspended in the north (under protocol 10 of the accession treaty) – only to be changed at unanimity. Nonetheless, Turkish Cypriots were to be considered as EU citizens. They are eligible for Republic of Cyprus identity cards or passports and can then travel in the EU. The Greek Cypriots say that almost 70,000 now have such identity cards. When asked what EU citizenship means to them, a fairly typical reply is that of one Turkish Cypriot official: 'it is a big joke.'

In theory, Turkish Cypriots can, for instance, participate in EU education programmes, but since some of those, such as the Erasmus programme, require Member States to validate participating universities, then without Republic of Cyprus validation of northern Cyprus universities (currently not forthcoming) then Turkish Cypriots cannot in fact participate. European Commission officials have included proposals for a specific scholarship scheme for the north in the (currently blocked) financial aid package to attempt to alleviate this problem.

Turkish Cypriots can do the examination (the *concours*) to become a European Commission official, but since the Greek Cypriot negotiators did not ask for Turkish to become an official EU language during accession negotiations, Turkish Cypriots have to use two EU languages and not their mother tongue in the *concours* – a fairly tough barrier.

Much more serious, given the intensity and intractability of the dispute between the two communities on the island, is the fact that Greek Cypriots speak for the whole island in the EU's two key democratic and law-making institutions – both Council of Ministers and Parliament.

It is as if the Flemish spoke for the whole of Belgium, including on issues where there is strong disagreement with the Walloons, or as if the English spoke for the Scottish. The Greek Cypriots argue that this is because the Turkish Cypriots do not participate in Republic of Cyprus institutions and that the north is an illegal state. For Andros Kyprianou MP and spokesman for AKEL (the Greek Cypriot Communist party in coalition with Papadopoulos): 'The Treaty of Accession says the *acquis* does not function in areas under occupation...so we talk on behalf of the island and the Turkish Cypriots have no right to express their view because they do not participate in the Republic of Cyprus.'

Any solution of the Cyprus problem depends – as both sides at least theoretically agree – on a new power-sharing arrangement in a federal, bizonal, bicomunal republic. To suggest that Turkish Cypriots simply participate in the Republic of Cyprus is tantamount to asking them to accept a solution to the Cyprus problem entirely on Greek Cypriot terms. Moreover, the 1960 constitution which Greek Cypriots refer back to broke down in 1963 when the Greek Cypriots proposed a series of amendments to the constitution essentially ending its bicomunal nature – by the next year UN peacekeeping troops were on the island. As one legal expert puts it: ‘Unfortunately for the Greek Cypriots, the international community, let alone Ankara, will never countenance a reformed (1960) Republic of Cyprus...[which] was undone 42 years ago.’⁴⁰ As the Crisis Group points out, it is the difference in the two sides’ historical view of how and when the dispute started – 1963 or 1974 – that underpins many of the problems in coming to an agreed solution.⁴¹

It is the Cypriot ‘catch-22’. Without a comprehensive settlement – for which the Turkish Cypriots voted two years ago – they have no democratic voice. They cannot force the Greek Cypriot side to come seriously back to the negotiating table. Meanwhile, the Greek Cypriots say they (the Turkish Cypriots) cannot have democratic representation within the EU today unless they give in totally to Greek Cypriot demands and become a minority within the Republic of Cyprus without a settlement.

The EU needs to recognise that the Turkish Cypriots are being denied democratic representation in the EU. This situation, where one party to a dispute speaks for both sides within the EU, is one that the EU and its Member States agreed to. It is an EU, not only a Greek Cypriot, responsibility.

It means when the EU’s political leaders, Ministers and MEPs meet, whether to discuss EU-Turkey accession, or EU aid to northern Cyprus, only the voice of the Greek Cypriot side is heard. So while the Greek Cypriots argue for Turkey to open its ports to Greek Cypriot shipping and to keep northern Cyprus ports closed, the Turkish Cypriot community – if they had a voice – would argue for no opening of Turkey’s ports without also opening their northern ports. Likewise the two sides would and do take different stances on the disbursement of EU aid, or on the development of Green Line trade. Turkish Cypriots are represented neither in these committees or institutions

⁴⁰ Tim Potier ‘Cyprus: Entering Another Stalemate?’ Chatham House Briefing Paper EP BP 05/03 November 2005.

⁴¹ ‘The Cyprus Stalemate: What Next?’ Crisis Group Europe Report No 171 2006.

nor do they formally get minutes or other regular information flows. The Greek Cypriot side insists everything must be under their control.⁴²

In contrast, the Parliamentary Assembly of the Council of Europe has formally given full participatory observer status to two Turkish Cypriot MPs. Ozdil Nami MP gives the example of his finally being able to put a Turkish Cypriot view in a European parliamentary setting when he questioned Luxemburg's Prime Minister Juncker, leading the EU's presidency in early 2005, when Juncker appeared at the Council of Europe. Turkish Cypriot MPs do have some informal links with sister parties in the European Parliament which has a high-level Turkish Cypriot Contact Group, and there is a unit focused on northern Cyprus within the European Commission. None of these contacts amount to democratic representation.

Turkish Cypriot leader, Mehmet Ali Talat, asked what he would say if he addressed the EU's 25 leaders at their December summit, replies: 'We are committed to work for the unification of the island...and we want the EU to follow its promises regarding the lifting of isolation on 26/06/2004.' He goes on: 'The non-representation of Turkish Cypriots in EU institutions including the Parliament, the European Commission and the Council is a must to deal with, without that the democratic structure of the EU becomes an illusion for us. It is very unfair to occupy all the seats of Cyprus with Greek Cypriots in the EU institutions.'⁴³

The EU has not only brought in one side of the Cyprus problem within the EU, it has also, however unwittingly, become a party to that dispute.

Given the EU's emphasis on democracy and rights – both internally, in its accession processes, and in its foreign policy – and given the EU's strong track record in defending the rights of smaller countries in its own internal political debates, it is rather indefensible that the smaller party to a dispute that the Union itself insists should be solved in a bi-communal manner has no voice and is represented for now by its opponents in the dispute.⁴⁴

While EU diplomats search, pessimistically, for a solution to the EU-Turkey train crash through some 'sticking plaster' solution on northern Cyprus's ports,

⁴² 'It is imperative that all countries wishing to contribute to the welfare and advancement of the Turkish Cypriot community and the cause of reunification do so in cooperation with the Government of Cyprus and in ways that violate neither the rule of law nor the sovereign rights of the Republic of Cyprus.' Compact Disc 'The Alleged 'Isolation' of Turkish Cypriots', Ministry of Foreign Affairs, Republic of Cyprus.

⁴³ In an interview for this report, 31 July 2006.

⁴⁴ The EU should perhaps remind itself of article 6 of the Nice Treaty: 'The Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law.'

perhaps a more creative breakthrough could focus on ending the Turkish Cypriots democratic isolation within the EU.

An imaginative initiative could for instance involve making Turkish an official language of the EU – something that would certainly have been requested if a bicomunal, federal Cyprus had negotiated entry – taking away barriers to Turkish Cypriots working in EU institutions. Such a gesture does not run into problems of non-recognition of the north since the 1960 Republic of Cyprus constitution allows for Turkish as an official language. It would also indirectly act as a powerful positive gesture to Turkey on its own candidacy. The EU should also investigate urgently legal ways to give Turkish Cypriots observer status in both Council and Parliament.

Such genuine political moves would make a response from Turkey – both in opening ports to the Republic of Cyprus and perhaps in making a new move on Cyprus – imperative. Irrespective of what happens to EU-Turkey relations, the democratic challenge of Turkish Cypriot non-representation will remain. It is a situation crying out for urgent action. A real solution is, inevitably, hard to see without an overall settlement of the Cyprus problem.

Glimmers of hope for a comprehensive settlement?

More than two years after the rejection of the Annan Plan by Greek Cypriot voters, it is still discussed on both sides of the Green Line (an 'is it dead or alive' debate akin to the EU's current constitution debate). Leader of the Turkish Cypriots, Mehmet Ali Talat, who staked his political credibility on a pro-settlement, pro-EU line, insists that the Annan Plan remains the basis for any future talks while acknowledging changes would have to be discussed.⁴⁵

For Greek Cypriot Foreign Minister, George Lillikas: '[It] is history...we were forced to put it in a referendum...and anyone who wants really a unification of the island should not talk about a plan that's been rejected and anyone who does is supporting the division [of the island].'⁴⁶ This suggestion that, in talking about the Annan Plan, the Turkish Cypriots are secessionist, has a slight Alice-in-Wonderland feel – those who voted for a solution, apparently didn't really want it (and those who voted against did want a deal). As one

⁴⁵ Interview with the author, and see a fuller report on BBC 9 August 2006 'Glimmer of Light on Cyprus' (www.bbc.co.uk/news). Talat's Republican Turkish Party lost June elections for the Mayor of Nicosia – 'this should ring alarm bells' says one commentator worried that the credibility of the pro-EU, pro-settlement politicians is being seriously damaged by the lack of progress on either element.

⁴⁶ Interview with the author, and see a fuller report on BBC 9 August 2006 'Glimmer of Light on Cyprus' (www.bbc.co.uk/news).

academic puts it: 'since 24 April 2004, the 'no' side has proudly proclaimed that the Annan Plan is dead. It is not dead and there is no need for it to die.'⁴⁷

Lillikas's coalition partners, Akel, also disagree with him on its state of health even though they too campaigned for a 'no'. Andros Kyprianou, Akel's spokesman says: 'People make a mistake that there is some other solution on Cyprus and they will be very much disappointed...there are two equally dangerous trends on our side: those saying since we are in the EU we can demand negotiations from a zero basis as if nothing had happened for 32 years, and those saying OK, bring back the Annan Plan, pretend to negotiate and accept it with minor changes.' He says either route will lead to failure and bring the island closer to final partition: 'Akel does not say we want a major revision i.e. change the whole philosophy of the plan, but there are a number of core issues that if satisfied would make it acceptable by the majority of Greek Cypriots.' These core issues include questions of Turkish settlers, refugees right of return to their property, demilitarisation, security, and functioning of central government among others.

Nicos Anastasiades, President of the main opposition party, Democratic Rally (Disy), which campaigned for a 'yes' vote, is worried that without rapid moves to a new deal, based on a renegotiation of the Annan plan: 'Time is running against the case of reunification.' He worries that Cyprus risks permanent division – and that rather than those Greek Cypriots who favour absorption of the north into the current Republic of Cyprus getting their way: 'We [could] have a Turkish state in the north and a state in the south which may be a new partnership with the Turkish Cypriots since 75,000 now hold Republic of Cyprus passports.' His party spokesman, Tassos Mitsopoulos MP, also 'strongly deplores' the fact that some EU Member States 'use Cyprus as a pretext because they don't dare raise their own political reservations on Turkey's accession.'

In early July, the first glimmer of light showed through when under careful but firm pressure from UN Deputy Secretary-General Ibrahim Gambari, the two leaders, Talat and Papadopoulos, met for the first time since the referendum, and agreed a basic set of principles – including a commitment: 'to the unification of Cyprus based on a bi-zonal, bi-communal federation and political equality.' At the end of July, both sides exchanged lists of both 'daily-life' and substantive issues for discussion at technical level. At the time of this report, the two sides had not come to an agreement on modalities for meetings to go ahead, and continuing discussion of the issue has been postponed until September.

⁴⁷ Tim Potier 'Cyprus: Entering Another Stalemate?' Chatham House Briefing Paper EP BP 05/03 November 2005.

No-one is very optimistic on the chances of a breakthrough, but most express surprise that even this much modest progress has been made.

Many on both sides of the Green Line question whether Tassos Papadopoulos – long seen as a hardliner – has any genuine interest in either a rapid or a bi-zonal, bi-communal solution. As Disy spokesman Mitsopoulos says: ‘Papadopoulos thinks things will be more favourable for our side after two or three years.’ Others suggest that Papadopoulos wants to use the EU-Turkey accession negotiations to get key concessions from the Turkish Cypriot side and so find a ‘European Solution’ to the Cyprus problem through an ‘adjusted Republic of Cyprus.’⁴⁸ Few commentators think that becoming a minority in a unitary centralised Republic of Cyprus is an outcome that the Turkish Cypriots would ever support.

Some EU observers hope that if new discussions soon start under UN auspices this could help the mood music for the EU-Turkey clash this autumn. There is an air of unreality in much of this discussion. The size and the meaning of the Greek Cypriot ‘no’ vote two years ago is perhaps still sinking in. One academic suggests: ‘a significant proportion of the Greek Cypriots are beginning to acknowledge that the Cyprus problem has been solved and that this will lead to something other than reunification.’⁴⁹

UN observers could be forgiven for looking on wryly as the EU starts to learn more about the intractabilities of the Cyprus problem, which the Union chose to bring within its borders. While many EU politicians and diplomats still look to the UN to somehow pull a new solution out of its hat, and while the UN is putting new energy into the process, it is clear that the Cyprus problem is not going away in a hurry. That means it will continue to bedevil the EU's relations, and negotiations, with Turkey.

⁴⁸ Tim Potier ‘Cyprus: Entering Another Stalemate?’ Chatham House Briefing Paper EP BP 05/03 November 2005.

⁴⁹ Tim Potier ‘Cyprus: Entering Another Stalemate?’ Chatham House Briefing Paper EP BP 05/03 November 2005.

4. EU POLITICS AND CHOICES IN THE 'HOT AUTUMN'

Given current EU, Turkish and Cypriot political dynamics, it looks highly unlikely that Turkey will open its ports and airports to the Republic of Cyprus before the end of the year, and so avoid the looming trade crash. There may yet be some high profile 'shuttle diplomacy' in the autumn, looking for moves both in Turkey and in Cyprus that can create a compromise, but unless some new way through is found rapidly, the EU's Member States are going to have to sit down and agree a response to Turkey's non-implementation of its Customs Unions obligations.⁵⁰

A compromise deal?

Any compromise deal between Turkey and the EU would need to focus on a trade-off – even if publicly separate – between Turkey opening its ports to Greek Cypriot vessels and the EU making some new opening on northern Cyprus. The EU can and should, irrespective of its negotiations with Turkey, act to reduce the isolation of northern Cyprus (and so does not need to accept directly the linkage Turkey makes between the two issues).

With goodwill on all sides, it ought to be possible to find a way, for example, to open Famagusta port in northern Cyprus under UN or EU supervision, if necessary with a joint management team below that of Greek and Turkish Cypriots – without either side looking to make some larger (and more contentious) deal involving wider objectives (whether the return of Varosha to the Greek Cypriots or the opening of Ercan airport in the north). There is little sign of that degree of political will to compromise between the two Cypriot communities.

The EU could, and should, also look at other ways to integrate northern Cyprus more firmly into the Union. The financial aid package must be pushed through this year to ensure the funds are not lost and that the Turkish Cypriots start to see some benefits of EU membership. Trade across the Green Line needs to see bureaucratic and other hurdles diminished. The EU should urgently take action to give the Turkish Cypriots some form of political voice and observer status within the Union, including considering making Turkish an official language of the EU.

⁵⁰ One compromise idea some are trying to float to Turkey is that it opens one or two ports on a temporary basis, say for 12 months, while it sees if there is then some movement on north Cypriot isolation. Ankara is unlikely to move without some movement on Cyprus this autumn – the Turkish argument is that they already made a large policy shift on Cyprus (in accepting the Annan Plan) but to no reward or response.

A combination of initiatives – on aid and on political voice – could offer a new route to a compromise deal, giving the Turkish government room to manoeuvre and open its ports as promised, and so allow the EU to avoid the train crash.

While many in the EU would like to see a compromise of some sort, time is short and any action on northern Cyprus that needs unanimity at 25 will be likely to run into difficulties.

Possible responses to Turkish failure to meet its Customs Union obligations

Although formal discussions of the EU's response will not start until the European Commission issues its annual report on Turkey at the end of October (or start of November), diplomats expect 'corridor' discussions of what to do to start in September. It is likely, given the wide range of views across the Member States, that a final decision on an EU response to Turkish non-implementation will go through to the EU's December summit.⁵¹ This will be an 'enlargement summit', since it will discuss not only Turkey, but will also debate a report on the absorption capacity of the EU – with Austria pushing for absorption to be a new formal criteria (even though it has always been a part of the 'Copenhagen' enlargement criteria)⁵² – and will give the go ahead for Bulgaria and Romania to join the Union in 2007, while also assessing Croatia's progress in negotiations and the prospects for the other western Balkan countries. There may also be some discussion on defining the EU's future borders.

At their most recent June 2006 summit, the EU's leaders reiterated their position of the previous autumn, emphasising that the pace of negotiations depends on Turkey's progress in fulfilling the requirements set out then in the negotiating framework including implementation of the Additional Protocol (on the Customs Union).⁵³ The leaders went on to emphasise they will assess 'full

⁵¹ EU public opinion is also currently less than positive on Turkey's prospective membership, with 48% opposed to 39% in favour. Attitudes vary considerably by Member State: Austria has the highest level of opposition at 81% followed by Germany (69% against), Luxemburg (69%), Cyprus (68%) and Greece (67%). Those publics most in favour include: Sweden (60% in favour), Netherlands (55%) and Poland (51%). Special Eurobarometer 255, July 2006.

⁵² Impact studies have regularly been carried out in recent enlargements by the European Commission and many outside analysts (see, for example, European Commission (2004) 'Issues arising from Turkey's Membership Perspective' Commission Staff Working Document, SEC (2004) 1202). If the Union did not consider it could cope with the impact of an enlargement, even with appropriate policy and budgetary adjustments, it would be unlikely to start negotiations. To introduce a new criteria, so that at some late stage in the negotiations the EU has to agree at unanimity whether absorption criteria have been met (rather than agreeing on budgetary and policy adjustments) is a transparent and inappropriate way to attempt to block Turkish or any other accession.

⁵³ Presidency Conclusions 15/16 June 2006.

implementation' of the issues set out in their September 2005 declaration which includes progress on normalisation of bilateral relations with all Member States.

There is no pre-determined response set out anywhere as to how the Union should respond to Turkey failing to implement its commitment on opening ports and airports. The negotiating framework refers to an impact on the pace of negotiations, while the 21 September 2005 declaration also states that 'opening of the negotiations on the relevant chapters' will also depend on Turkey meeting its commitments.

The reference to 'relevant chapters' suggests one route could simply be to halt negotiations on those chapters deemed to relate to the Customs Union (out of 35 chapters covering the entire EU acquis). The reference to an effect on the pace of negotiations leave a wide political space open for the EU's response – the pace could be slowed to a halt i.e. a total suspension of negotiations, or the pace could be slowed in some much gentler way – perhaps through simply stopping negotiations on a small number of relevant chapters, or anything in between.

Many EU Member States will only come to a firm decision on their position as they get an idea both of other Member States' views and the likely position of the European Commission.

There is concern both among Member States and in the Presidency and the Commission that it may be very difficult to find a consensus across the 25, as it is clear that sharply differing views exist already. Particularly tough noises can be heard not only, predictably, from the Greek Cypriots, but also from France with suggestions that France may back a call for total suspension of negotiations. At the other end of the spectrum, the UK may argue for suspending a small number of chapters related to Customs Unions issues (whether this is 3, 6 or a larger number is one of the issues that is likely to occupy diplomats' time this autumn).

There will be much posturing and brinkmanship in these debates, but while any agreed decision needs to be taken at unanimity, if there is no agreement among the 25 (which would be very damaging politically for the EU), any country or set of countries can block opening and closing of individual chapters and so effectively suspend negotiations unilaterally.⁵⁴ Greek Cypriot Foreign Minister George Lillikas is already taking a tough public stance: 'Now

⁵⁴ There is one paragraph in the Negotiating Framework which allows for suspension of negotiations, with a decision based on a qualified majority vote, but this is in the case of a serious breach of human rights and democracy – a paragraph designed to deal for example with a setback as severe as a military coup rather than non-fulfilment of Customs Unions obligations.

we ask for fulfilment [of Turkey's obligations] before any negotiation on any chapter – including the implementation of the Ankara Protocol [on ports] among others.’ Asked if this means freezing negotiations from now on, he responds: ‘I don’t know how this will be interpreted but it is up to the Turks...they have enough time to October/November to ratify [the protocol] and open port and airports...they decide if it will move forward or stop. If they want to stop, it will be stopped.’⁵⁵

Much brainstorming on how to achieve a consensus on the EU's response is, and will continue, to take place especially within the European Commission and the Finnish Presidency. The European Commission is likely to make an initial recommendation of how to respond in its autumn progress report or strategy paper but subsequent debates will be managed by the Presidency in the Council. Possible responses, assuming no compromise package on ports has been hammered out, could include the following:

- **Dispute settlement mechanism**

Since the Customs Union agreement between Turkey and the EU allows for a legal dispute settlement mechanism, in theory this could be used since Turkey argues that extending the Customs Union agreement does not include opening ports (something the European Commission and previous European Court of Justice judgements does not support). This would be seen as a rather transparent means of postponing the problem (presumably to the other side of Turkey's elections) and is unlikely to go ahead.

- **Freezing negotiations on Customs Union related chapters**

This seems likely to be at least one part of the EU's response. Directly related chapters such as the Customs Union chapter itself, transport, free movement of goods will certainly be included but there are a number of others that could also end up on the list, such as free movement of capital and of people.

- **Slowdown of negotiations across the board**

This could be achieved in a variety of ways: by slowing down the production of screening reports (a necessary precursor to the EU opening any chapter negotiations), setting opening benchmarks but then not proceeding with negotiations on chapters, or opening negotiations but not closing them.

⁵⁵ Interview with the author, and see a fuller report on BBC 9 August 2006 ‘Glimmer of Light on Cyprus’ (www.bbc.co.uk/news).

- **A 'Rendez-Vous' Clause**

Such a clause could be combined with a slowdown and block on some chapters and state that the Council will revisit the issue in 6, 12 or 18 months time. Alternatively, it could be formulated in a much stronger way, threatening a full suspension of negotiations by a certain date (something that would not prompt a positive Turkish response in the middle of an election year).

- **Suspension of pre-accession aid**

Turkey is due to get increased pre-accession aid from 2007 and so partial or full suspension of this aid could send a strong signal (some of Poland's aid was suspended at one point during its negotiations).

- **Full suspension of negotiations**

This would mean stopping all negotiations until Turkey implements its Additional Protocol commitments – perhaps with a date to revisit the issue. The Council may find a form of words to avoid the actual 'suspension' word but essentially negotiations would stop (even if discussions with Commission officials might well be scheduled to continue on Turkish preparations for accession). One key question here would then also be the procedure for deciding to restart negotiations – a decision by the Commission (soft approach) or a decision at unanimity by the Council (hard approach)?

- **Stalemate and cumulative blocking of chapters**

If there is no agreement among the EU 25, then one or more Member States could block all subsequent chapter openings. A procedural 'fix' to avoid this becoming directly equivalent to full suspension could be to encourage the European Commission to slow drastically its production of screening reports (otherwise expected to be produced this year) and so limit the number of chapter openings that come on the table, and so that could be blocked (again a means of buying political time). Here also there would be a question of who decides, and how, when to speed negotiations back up again.

All these seven options focus on a response to the non-opening of ports by Turkey. The Greek Cypriot government will certainly also argue that penalties should be imposed due to a failure to move towards normalisation of bilateral relations – this does not necessarily mean full recognition but for instance, an end to the Turkish veto on Cypriot participation in various international organisations. On top of this, if negotiations do continue (or even if Turkey suddenly opened its ports) the issue of overall lack of recognition would continue to be raised in almost all chapters by the Greek Cypriots.

Positions of Member States

Member States' positions will become clearer during the autumn, but no Member State is likely to argue that there should be no penalty if Turkey is in violation of its commitments. So the focus will be on what sort of penalty.

The four most 'hard-line' Member States are seen as being Austria, France, Greece and the Republic of Cyprus. It is widely accepted that Austria and France are likely to back a tough response not because of a new-found interest in Cyprus (despite French suggestions of more military cooperation with the Republic)⁵⁶ but because of underlying political and public hostility to Turkish EU membership. President Jacques Chirac has in recent years been a crucial voice at the European Council backing Turkish membership but the dynamics of the forthcoming French elections in 2007 are likely to push him to a harder stance (even though he personally will not be standing in the elections).

Various EU diplomats confirm that in the Council working group on enlargement, it is already France and Austria, along with Greece and the Greek Cypriots, who are taking the toughest stance in the negotiations (with France, for example, pushing unsuccessfully, for now, for the addition of political criteria into the opening benchmarks of the education and culture chapter).

The four 'hardliners' do not necessarily have identical interests. While Austria and France may be keen to see a breakdown in negotiations, it is not in Greek or Greek Cypriot strategic interests that there is a complete rupture in EU-Turkey relations – and the Greek Cypriot strategy of using EU-Turkey negotiations to achieve maximum leverage and concessions from Turkey on Cyprus obviously disappears if negotiations are suspended.

Some diplomats doubt whether Cyprus's President Tassos Papadopoulos will focus on longer-run strategic interests in the heat of the short-run battle, and also suggest that he may be playing with fire in linking his position too closely to the French. If France, for instance, decides not to back down if it makes a call for total suspension, then the Greek Cypriots may find that their room for manoeuvre becomes very limited. Some hope that Greece will act as a moderating influence, with some Greek voices suggesting there is no interest in pushing for total suspension. Others caution that Greek public opinion will not support a too moderate position (and sceptics argue that Greece pushed (unsuccessfully) for a hard reference to formal recognition in this June's Council conclusions (hardly a moderate position)).

⁵⁶ A suggestion that has alarmed Turkey, see The New Anatolian 'Turkey uneasy with France seeking base in Cyprus' 3/08/2006.

In the case of Austria, Chancellor Schüssel has made publicly clear his own disagreement with the European Council's unanimous decision to start negotiations, that he signed up to 18 months ago. While Austria went for strong brinkmanship in advance of the start of negotiations on 3rd October 2005 (in an unsuccessful attempt to remove the commitment to membership as the goal of negotiations), it is doubtful that Austria would act alone to veto the continuation of negotiations.

At the other end of the spectrum, as one diplomat puts it: 'Friends of Turkey are a bit thin on the ground.' The UK is seen perhaps as Turkey's strongest 'friend' – but this is a somewhat dubious honour, as many other Member States see UK support for Turkey's candidacy as being either a typical British strategy of supporting enlargement to weaken EU political integration and/or a proxy for US strategic goals. Greek Cypriot hostility to the UK as the former colonial power does not help.

The US is said to be lobbying already for Turkey's membership of the European Union – an effort that may prove more than a little counter-productive given EU Member States sensitivity to interference in what they consider their internal affairs.

Other countries seen as relatively positive towards Turkey and not likely to be pushing for too strong a penalty include Finland, Spain, Sweden, and Poland – and possibly also Ireland and Portugal. Italy, while previously fairly supportive under Berlusconi, may be less so under Prodi given the latter's support for a highly integrated political EU. Other countries who may verge towards the tough end of the spectrum include Belgium, Luxemburg, and the Netherlands. While some suggest various of the newer Member States, especially the smaller ones, are sympathetic to the Greek Cypriots, others argue that these countries are mostly indifferent rather than hostile.

Germany's position is likely to prove highly influential in the autumn's discussions. Though Chancellor Merkel is known to be sympathetic to the idea of a privileged partnership for Turkey, so far Germany has kept to the European Council commitment to membership negotiations. It is unlikely that Germany will prove as actively or strongly hostile to Turkey as the French position looks likely to be, but enlargement 'fatigue' if not hostility is spreading rapidly in Germany. If Germany tilts towards a tougher penalty, this could be decisive in where the final outcome lies. Some say Germany will not want a Turkey crisis on its hands as it takes over the EU presidency at the start of 2007 (when it wants to focus on reviving the constitution), but if the crisis has already happened at the December summit then there may be little for Germany to do on this in its presidency.

Off the rails?

There are four main outcomes that could be envisaged this autumn, depending which (combination of) the several options for penalties on Turkey set out above are adopted:

FULL STEAM AHEAD: A compromise package is found that gives Turkey enough room for manoeuvre to open its ports.

MINOR DERAILMENT: A small number of chapters, directly related to Customs Union issues are frozen.

INTO A SIDING: A substantial slowdown of negotiations, possibly combined with a (tougher or milder) 'rendez-vous' clause.

MAJOR TRAIN CRASH: A full suspension of negotiations or a blocking of negotiations chapter by chapter.

Given current positions of the main players, the most likely outcome looks likely to be either the third or fourth options. While the Finnish presidency is likely to push for damage limitation – getting consensus round a tough but not too tough response – there is an open question of how Turkey, in a pre-electoral period, would respond to a tough and strongly-worded penalty by the Union, even if this fell short of full suspension of negotiations.

It is quite possible that, in the face of a tough EU penalty or a virtual suspension (through a slowing down to avoid individual Member States blocking chapters), Turkey itself could simply walk away from negotiations, demanding that the EU act on its promises to end northern Cyprus's isolation.

5. FUTURE PROSPECTS FOR EU-TURKEY RELATIONS

On current prospects, EU-Turkey relations look set to take a tumble this autumn. If the EU imposed a relatively minor penalty on Turkey for non-fulfilment of its ports requirements, then damage would be minor. If the EU response is fairly or very tough, then bleaker scenarios come into play.

FULL STEAM AHEAD OR MINOR DERAILMENT?

Even if a major crisis is avoided this autumn, both sides need to consider how they are handling this strategic relationship, and the membership negotiations.

As far as the Cyprus issue is concerned, *'full steam ahead'* implies Turkey has complied with its commitments on opening ports (probably through some compromise whereby the EU does move on the isolation of northern Cyprus), whereas in the *'minor derailment'* case, the stand-off over Cyprus will remain. Even in the most positive scenario, the lack of a comprehensive settlement in Cyprus will remain a problem for the EU, and a recurring problem in EU-Turkey negotiations. There needs to be a determined political effort by the EU's Member States to push all parties in the dispute to a comprehensive settlement under UN auspices, together with EU moves to end northern Cypriot isolation, and, critically, a determined political push inside the Union to insist that Cyprus cannot and should not be the dominating issue in the much broader domain of EU-Turkey accession negotiations.

Looking at the accession process more broadly, on the Turkish side, all political actors and civil society groups with positive interests in the EU process – and not only the government – need to consider how to strengthen and then maintain a pro-EU consensus that will take Turkey through inevitably tough years of negotiations ahead. This would include much more serious and consistent attention to a domestic communication strategy on the EU than hitherto. It would also require different political players showing a much greater willingness than now to stick to a pro-EU position rather than downgrading or changing position according to the ebbs and flows of domestic politics. A much subtler and more active political and diplomatic strategy is also needed towards the EU – both at political and public level.

Turkey needs to ask if it is going to walk away and give in in the face of ongoing hostility from countries such as France and Austria, or if it will work consistently and with sophistication to overcome that opposition and to create facts on the ground that over time will make accession increasingly likely.

On the EU side, both EU institutions and Member States have to ask themselves if they are going to follow through actively the commitment they have made to accession negotiations. It cannot be in the Union's interests –

either in terms of its relations with Turkey or its wider foreign policy credibility – to allow the accession negotiations to be consistently questioned and undermined by Member States that have notionally signed up to the process, or to be obsessively dominated by the unresolved problems of one Member State. If a more positive approach is to be forthcoming, EU leaders will need to reiterate both in political statements and in communication strategies for the wider public, the positive benefits to the Union of a stable, democratic Turkey as a future Member State. If this does not happen, then the Union risks abdicating the process to nationalists on all sides – in Turkey, the EU and in Cyprus.

MAJOR TRAIN CRASH

If there is a breakdown in EU-Turkey relations this autumn, with something close to, or an actual, suspension of negotiations, then there are possibly wide-ranging implications of this.

In terms of the proximate cause of such a train crash, Cyprus, a breakdown of negotiations on EU accession will seriously damage such prospects as there are for reunification of the island. It is hard to see any new UN discussions, if they start this autumn, surviving such a rupture. Nationalist voices are likely to grow stronger at that point in both Turkey and northern Cyprus for a formal partition of the island – and if recognition of the north is not forthcoming, for some sort of *Taiwanisation* of the north. Given that the whole island is in the EU, this problem will land squarely in its lap, however much it looks to the UN to find a way out. The EU will also face an ongoing problem that Turkey has not extended the Customs Union to Cyprus.

In Turkey itself, a serious rupture in EU-Turkey relations would certainly strengthen nationalist voices and perhaps encourage nationalist parties over the 10% barrier in the forthcoming elections. How Erdoğan and his AK party would be affected is unclear – he may get some immediate kudos from standing up to the EU, but if Turkey's EU ambitions take a serious tumble combined with rising nationalism, then this is unlikely to strengthen the AK party in the medium-term.

Many in Turkey worry that a serious train crash could lead to a short-term economic crisis, with an outflow of portfolio capital and a rapid falling-off in foreign direct investment.

Five years ago, a falling-out with the EU might have been predicted to strengthen Turkey-US relations, but whether this would happen when they are currently at such a low ebb is open to question. Certainly a period of political uncertainty and substantial debate on Turkey's foreign policy options would be opened. Some more nationalist voices already talk of how Turkey can have an independent foreign policy just as Ukraine, or Russia does. Whether

Turkey would move far from its western orientation is uncertain – NATO membership would remain – but there will be much debate on options.

Turkey's geostrategic position – bordering the Middle East, the Black Sea, and the Caucuses through to Central Asia – is of obvious importance to the EU. A stable, friendly, democratic Turkey aligned with EU foreign policy interests can and already does play a positive role in many ways in EU relations with these different regions. How easy it would be to maintain a positive, cooperative relationship between the EU as a whole and Turkey after a major political falling-out is open to question. Various Turkish commentators suggest that, in such an eventuality, Turkey would focus on key bilateral relations (and that bilateral relations with those seen as contributing to the breakdown could become fractious).

Energy security is another area where Turkey is an important player for Europe. It is unlikely that Turkey would suddenly turn off the taps for energy supply and transit but any discussions of such issues with the EU would certainly not become easier, and new initiatives such as the recently announced Nabucco gas pipeline project (between Turkey, Austria, Bulgaria, Hungary and Romania) could come into question.

Wider regional stability in the eastern Mediterranean will not be helped either by an aggravation of the Cyprus problem or by any deterioration in Greece-Turkey relations that could result from a suspension of accession negotiations – just as the region is reverberating, and hopefully recovering, from the Israeli-Hizbollah-Lebanon conflict. Wider global politics will not be helped by the EU being seen to turn away from talks with a country with a Muslim population. The EU's overall foreign policy credibility risks serious damage.

The EU has already stated that whether accession negotiations fail or succeed it is important that there is a 'European anchor' for Turkey. It may be pertinent to ask those Member States most keen to see a shift to a 'privileged partnership' not membership as the basis for the EU-Turkey relationship, how they would intend to repair relations with Turkey in the event of a major train crash and ensure that Turkey remained well-disposed towards the Union and 'fully anchored' in European structures.

INTO A SIDING

If, as is perhaps most likely, the EU and Turkey find a middle way through this crisis – slower negotiations and a rather damaged but not ruptured EU-Turkey relationship – then neither side may be in the mood for major damage repair, not least while various key elections take place (in Turkey and France in 2007, in Cyprus in 2008).

If irritation and loss of energy on both sides feeds into a simmering low-level crisis – with in this scenario the stand-off over Cyprus not resolved – then some of the implications of the worst-case scenario could start to develop.

It will be up to sober and strategic voices on both sides to push for action and repair or risk face the deteriorating politics of neglect.

In this scenario, accession negotiations would continue in some form but at a greatly reduced pace and with a significant number of chapters frozen indefinitely (until Turkey complies with its Customs Union obligations). The same issues on Cyprus will remain: whether there is any hope for a comprehensive settlement, whether the EU progresses on ending northern Cypriot isolation, whether Cyprus continues to dominate other issues in the accession negotiations. If the mood has soured between the EU and Turkey because of Cyprus, hopes for momentum towards a new breakthrough may dim rapidly.

Just as in scenario one, both sides will need to take a broad and serious look at their overall commitment to, and strategic behaviour towards, the Turkey membership process. With the accession process wounded but still alive, those Member States and political groups on both sides who are keen to see the process completely killed off would have an incentive to exploit the loss of energy and ill-feeling on both sides. An accession process that would be challenging even with good will all round will risk becoming ever more contested, in ways that may damage political developments both in the Union and in Turkey. Those politicians on both sides who remain genuinely committed to the negotiations will need to have the political strength and strategic skill to take a strong lead at this point if the process is to recover and move forward effectively.

CONCLUSION

Turkey's accession negotiations are heading towards a major – and widely predicted – crisis this autumn. As with so many political stand-offs, a serious crisis or train crash could rather easily be avoided with enough political will on all sides. While 2004 saw substantial political good will on both sides, which set off a remarkable Turkey-EU virtuous circle leading to agreement at the end of 2004 to start accession negotiations, the mood music and political dynamics in the EU, in Turkey, and in Cyprus are now simultaneously distinctly negative.

The most positive scenario – of substantial new political reforms this September in Turkey, including on freedom of speech, combined with both sides finding a way to a compromise deal (however notionally separated) over opening Turkey ports to Greek Cypriot vessels, and northern Cypriot ports to direct trade (or some other substantial move on the north) – looks for now the least likely (even if some new political reforms do go through).

The best route to this most positive scenario would be either for the EU to find some way to a compromise between the Greek and Turkish Cypriots on opening Famagusta port under EU or UN supervision, or for the EU (as well as ensuring all the financial aid for northern Cyprus does go through this autumn) to find a route to end the political isolation of northern Cyprus, giving Turkish Cypriots legal observer status in Council and Parliament and making Turkish an official EU language. In the face of such a set of moves, Turkey would have no reasonable excuse left to refuse to open ports.

Perhaps, more likely, the EU and Turkey, in typical European fashion, will muddle through to a partial derailment rather than a major train crash, but even a partial derailment risks considerable damage to EU-Turkey relations that could worsen over time.

Both sides need to see how they can contribute to a positive resolution of the Cyprus problem rather than letting it rumble on for many more years. Equally, both sides have an interest too in shifting the spotlight away from Cyprus so that it remains one element, but does not continue to dominate, the EU-Turkey relationship.

More generally, both the EU and Turkey need to face up to some serious questions about their own internal political dynamics, their commitments to each other and their overall strategic relationship, if it is not all to end in tears. It cannot be in Turkey's interests to stand at a distance from the EU, and it cannot be in the EU's interests to have a fractious relationship with Turkey in the years ahead.

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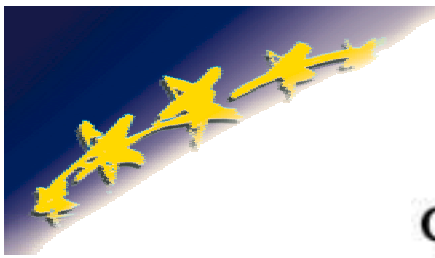
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