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**ON THE EUROPEAN UNION AND T.R.N.C.**

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# EUROPEAN UNION AND T.R.N.C.

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## 1. INTRODUCTION

The first link between Cyprus and the European Union (EU) is the association agreement with the European Community (EC), which entered into force on July 1, 1973. This agreement did not provide for membership in the EC, but excludes discrimination between Cypriot or Community nationals and contains arrangements on trade and on financial and technical cooperation which are to be applied for the benefit of the entire population of the island.

Its main objective concerns the establishment of a customs union in two stages. The second phase, from 1997 to 2002, provides for the free and unrestricted movement of industrial and agricultural products and the adoption of the accompanying policies required for completion of the customs union, including, in principle, the abolition of the origin rules applicable to manufactured products.

The customs union agreement covers 82% of all trade between Cyprus and the Community. The current situation is as follows:

- 1) the Community has entirely eliminated the last remaining restrictions on imports into the Community of industrial products, clothing and processed agricultural products not falling under Annex II of the EEC Treaty;



2) by 1<sup>st</sup> January 1993. The Republic of Cyprus had already reduced duties by 64,25% by comparison with the rates applied to the Community in 1973 . However, the dismantling of tariffs in the North of the island has not kept pace with the timetable fixed in the Association Agreement and Community exports attract duty at rates which are usually far higher than those applied in the South.

-Cyprus submitted its application to join the EU on June 3th 1990 almost three years after Turkey's application .

The EC Commission delivered a positive opinion about the Cyprus application on June 30 th 1993, confirmed by the Council on October 4<sup>th</sup> 1993.

The European Council meeting in Corfu in June 1994 acknowledged the progress of the accession preparations by deciding that Cyprus would be included in the next enlargement negotiations of the EU. This decision was once more confirmed by the European Council meeting in Essen in December 1994.

-The Council of the EU Foreign Ministers decided on March 6<sup>th</sup> 1995 after Greece withdrew its veto against the establishment of a customs union between Turkey and EU , to start the accession negotiations with

Cyprus six months after the conclusion of the Intergovernmental Conference.

- The problem of Cyprus ' accession is of a political nature . There are no insurmountable economic hurdles . Cyprus is a competitive partner for the EU, the Republic of Cyprus has an even sounder economy than a number of EU Member States.

## **2. EUROPEAN UNION**

The European Union has become the central concept on which public discussions on the future shape of Europe hinge. It is a typical case of a possibly useful ambiguity which has accompanied and coloured the process of integration of ( western) Europe from the very beginning . The concepts surrounding the idea of European unity were always moulded into aims and forms of European integration policy by a variety of completely different models (models for European integration ).

**2.1 History of the term : constructive ambiguity** The term " European Union" was formulated by the Heads of State or Government as a goal at the Paris summit in 1972, where they set themselves the major objective of transforming... with the fullest respect for the treaties already signed, the whole complex of the relations of Member States into a European Union. This notion was repeated in the preamble to the Single European

Act but omitted in the Treaty on European Union. Article A of the Treaty on European Union states instead that this "Treaty marks a new stage in the process of creating an ever closer union among the peoples of Europe, in which decisions are taken as closely as possible to the citizen:.". In the process the Union should organize relations among its peoples demonstrating cohesion and solidarity.

Attempts both from political and academic circles to define this concept more closely have met with only limited success. Scientific attempts to arrive at a greater degree of precision by examining the concept of " Union" or mutually - held aims and objectives have not produced a political consensus . In both the Stuttgart Declaration of 1983 and the preamble to the Single European Act of 1987 only general objectives for such a European Union were listed, such as the principles of democracy and respect for the law and human rights . Both texts outline a two- pronged strategy for the development of the European Union which is still recognizable today , namely that the Member States are resolved "to implement this European Union on the basis ., firstly of the Communities operating in accordance with their own rules and, secondly, of European cooperation among the signatory States... and to invest this Union with the necessary means of action". These formulations express the notion of a development of the Community system defining the existing forms of integration and cooperation as essential elements of a European Union . A similar formulation can be found in Article A of the



Maastricht Treaty: "The Union shall be founded on the European Communities, supplemented by the policies and forms established by this Treaty".

Other political conceptions of European Union centre on notions of federalism. In its draft Treaty establishing the European Union of 1984 (often known as the Spinelli draft), the European Parliament lent a federal touch to its formulation of the principles, aims and institutional definitions of a European Union. However, this clear suggestion has yet to become a binding model.

Since the signing of the Maastricht Treaty and the subsequent arguments about its ratification there has been a great deal of criticism levelled at the concept of federalism. The characterisation of the European Union as an association of States by the German Constitutional Court in its Maastricht judgement of October 1993 provoked a wide range of reactions but did not introduce a new concept into the debate, the depths and scope of which still have to be sounded out. It remains to be seen whether the choice of a new vocabulary will enrich, and thus revitalise the discussion or whether old conflicts about direction of integration will flare up in a new guise.

## **2.2 The need for reform: the European Union is an ongoing process**

While the ratification debate was in full swing crucial aspects of the Treaty

were transformed into battle grounds. One of the major controversies still concerns the relationship between the European Union as set out in the Maastricht Treaty and the constitutional Nation-State. Fears of a far-reaching shift in the balance of powers from the national to the European level, and resistance to the idea, became all too evident, the move being often depicted as a threat to nationhood and as a danger for the comprehensive guarantee of basic rights. In the eyes of some citizens and parties the European Union was transformed from a model into an enemy. As a consequence, immediately after the signing of the Maastricht Treaty, it became clear that finishing touches still had to be applied. So, in autumn 1992, the Heads of State or Government agreed a package of guidelines and measures intended to increase the transparency of the structures and procedures of the European Union.

One strategy aims to “widen without deepening” the European Union, for example the number of Member States is to be increased while a status quo should be maintained as far as political and institutional aspects are concerned. In contrast the “deeper before wider” option requires the Union to take further step towards integration before admitting new Member States which would then join a reformed EU. The “wider and deeper” strategy favours both processes as running in a parallel and reinforcing each other. The strategy of “widening to weaken” the integration process would be a greater reduction of the **acquis communautaire et politique** and the EU would be less and less able to



build up momentum for integration. The phased integration option proposes limited and phased steps towards integration takes at first only by certain Member States, whereby new Members would be offered the chance to catch up step by step. The overall objectives would, however, be commonly held and remain binding for all Member States. The Europe @ la Carte option favours ad hoc problem solving in individual fields by the European states involved in each particular instance. This alternative would make it impossible to maintain a uniform direction for general development. The “ hard core “ strategy is based on a relatively small group of States achieving a comparatively high degree of integration. In doing so, however, they would automatically distance themselves from the other Member States.

Both the nature and the form of the European Union are becoming increasingly controversial. The direction being taken would appear to be that of a more marked differentiation of the integration process. This will lead in future to increased tension between the acceptance of different groups of participants and the desire to maintain a uniform institutional framework and a guiding and binding model.

**2.3 Objectives of the Union and subsidiary principle** The overall objectives of the Union serve to set out the range of fields which are to be dealt with in the uniform institutional framework, as described above .

Article B of the Treaty on European Union states that the Union sets out “to promote economic and social progress which is balanced and sustainable, in particular through the creation of an area without internal frontiers, through the strengthening of economic and social cohesion and through the establishment of economic and monetary union, ultimately including a single currency”. The second major objective of the Union, as set out in Article B and J of the Treaty on European Union, is to assert its identity on the international scene, in particular through the implementation of a common foreign and security policy including the eventual framing of a common defence policy. Thirdly, Article B outlines the aim of strengthening the protection of the rights and interests of the nationals of the Member States by introducing citizenship of Union. Consequently, under Articles B and K the Member States aim to develop close cooperation in matters relating to justice and home affairs.

Although the Union can concern itself with nearly all public political issues, it does not have exclusive competence on matters of detail. In fact, the allocation of degrees of competence is determined in many different ways. In some areas of activity the notion of a “common policy” is used, for example in the case of .... transport policy; in other areas reference is made only to “policy” such as.....environmental policy and..... social policy. In yet other areas (energy, civil protection, tourism) promotion or “measures” are the terms used without there being any provision for harmonisation of legislation or administrative action on the

part of the Member States . The legal and institutional frame work of the “ common “ foreign and security policy is such that it cannot be compared with “ common “ agricultural policy.

The subsidiarity principle aims to prevent the EC from acquiring “ too much “ influence. In accordance with this principle in “ areas which do not fall within its exclusive competence, the Community shall take action... only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale or effects of the proposed action, be better achieved by the Community”.

#### **2.4 The Maastricht Treaty on European Union**

In 1991, at the Maastricht summit, the notions of a European Union were formally laid down in a new Treaty , which came into force on 1 November 1993, thus providing students of post - war European history with a new date to memorize . “ Maastricht” is short for a stepping stone in the process of integration and its actual meaning and implications are the subject of fierce debate.

The text which was approved by the ---- European Council is basically a amalgamation of several elements from different legal areas and, as such , can be difficult to get to grips with. It is perhaps easiest to understand if it is compared with a temple.



The basic elements contained in the Treaty on European Union are :

1. common provisions;
2. amendments to the EEC Treaty to set up the European Community,  
including..... economic and monetary union and citizenship of the  
Union;
3. common foreign and security policy ( CFSP ) ;
4. Cooperation on matters of justice and home affairs ;
5. final provisions ,
6. protocols, of which the most important relate to economic and social  
cohesion and ... social policy , as well as explanations regarding CFSP  
and texts produced by the Member States of the Western European  
Union (WEU) on the role of the WEU.

### **3. COUNCIL OF THE EUROPEAN UNION**

The Council of the Union is the organ, which represents the Member States. It does, however, perform the role of a legislative chamber and also has executive powers. Although it was originally intonated to carry out its role without an administrative staff of its own, a rapid increase, both quantitatively and qualitatively, in the activities of the European Community led to the Council becoming overburdened and to a multiplication of the sectors in which a ministerial council was established - there are now over 20. As early as 1958, the Permanent Representatives

Committee ( Coreper ) began its support work for the Council . Subordinate to the Coreper , working parties of national officials were established and there are now some 200 of these. Together with the Council's General Secretariat , the Permanent Representatives Committee and the working parties make up the considerably expanded administrative structure of the Council.

Until the Treaty on European Union came into force on 1 november 1993 the history of the Council had been profoundly marked by a lack of decision - making capacity, especially during the 1970-85 period . The failure to make use of the option of qualified majority voting in a number of fields , as offered by the EEC Treaty , the enlargement of the EC in 1973 and the inability of the Member States to move forward to other common objectives after the completion of the ..... single market, left the Council in a "decision-making trap " . The establishment of the ..... European Council of Heads of State or Government(1974), which institutionalized the earlier irregular summit meetings, was an attempt to create a political authority which could ease the work of the Council of Ministers and the other Community bodies by setting clear priorities and guidelines . In reality, the Council became even less capable of taking decisions once the European Council was created , since it became the practice to leave important decisions to the Heads of State or Government.

More dynamic decision - making within the Council of Ministers was brought about by the 1986 Single European Act and, in particular , the objective- shared by all Member States - of completing the single market. Rather than tackling head- on the problem of Member States' refusal to apply the principle of majority voting, the SEA deftly linked the majority principle with the decisions needed to complete the single market. Since about 1986, decision-making in the Council has in practice accelerated and decisions taken on a majority basis are quite normal occurrences.

The Treaty on European Union abolished the distinction , still drawn in the Single European Act, between the EC Council of Ministers and meetings of Ministers in the framework of... external relations . It is the Council which is competent for the.....common foreign and security policy (CFSP) and for cooperation in the fields of .....justice and home affairs: in the case of the CFSP, there is even the option in special circumstances of taking decisions on the basis of a qualified majority. The cohesion of the three pillars of the ..... European Union is now apparent in the official title " Council of the European Union "

**3.1 Functions and institutional position** The main function of the Council is to represent the interests of the Member States at EU level. The fact that the Council at the same time possesses general decision-making powers demonstrates that the interests of the Member States are the major factor determining the policy of the EU and that these take



priority over the Community interest as embodied by the ..... European Commission and..... European parliament.

In the beginning , the Council had sole decision - making powers in all EC policy fields. Executive powers were also predominantly held by the Council. Although there has been no fundamental change to the position of the Council within the institutional system, it has in the mean time been required to delegate its executive powers to the Commission and to share its decision - making powers with the European Parliament in connection with the .... budget and association policies, and also in the matter of accession treaties. The introduction by the SEA of the " cooperation procedure " by the Single European Act , and of the " co- decision procedure " by the Treaty on European Union , has involved a gradual and significant increase in the influence exerted by the European Parliament on EC /EU legislation. In the field of....economic and monetary union , the Council is responsible, on the recommendation of the Commission, for the coordination and multilateral monitoring of national budget policies.

The continued dominant position of the Council within the institutional system is limited in particular by the fact that, with some minor exceptions, it can act in fields of common EU policy only on the basis of a proposal submitted by the Commission . Every meeting of the Council, or of its subordinate bodies, is attended by representatives of the

Commission who are entitled at any time to amend or withdraw the Commission's proposal. Given that the Council must act unanimously to amend a Commission proposal but in many cases can adopt the Commission's text with a qualified majority, it is very rare for the Council to take a decision without the agreement of the Commission. In the case of the common foreign and security policy, by contrast, proposals may be submitted to the Council by either the Commission or by Member States, whereas cooperation in the fields of justice and home affairs accords the right to initiate proposals predominantly to the Member States.

**3.2 Voting system** There is no central voting system in the Council; rather, there are individual prescriptions in the EC Treaty which set out how the individual bodies are involved in the ... decision-making process and what voting system is to be employed in each case. The Treaties allow for voting by simple majority in the Council when no other system is stipulated. A vote requiring a particular majority ("qualified majority") or even unanimity is, however, the rule. Certain decisions of constitutional importance require not only a unanimous decision in the Council but also ratification by the Member States in accordance with their constitutional provisions.

Where provision is made for a qualified majority, the votes of the Member States are weighted in accordance as follows: Germany, France, United Kingdom and Italy each 10, Spain 8, Belgium,

Greece , Netherlands and Portugal each 5, Austria and Sweden each 4, Denmark , Finland , and Ireland each 3, Luxembourg 2.

A qualified majority is obtained when at least 62 of the total of 87 votes support the decision; 26 ( 29%) of the votes then comprising the “ qualified minority”.

The EEC Treaty envisaged a transitional period, after which certain decisions would be taken by qualified majority . When this transition was due to be effected in 1965, France opposed the move and withdrew its representative from Council meetings( “the empty chair policy “). For the next nine months , the Council was unable to take decisions until, on 18 January 1966, the so - called “ Luxembourg compromise “ was reached. Issues involving a “ vital national interest “ of a Member State henceforth required that the search for a compromise should continue until the Member State concerned was able to support the joint agreement. In practise , this compromise meant that with very few exceptions majority voting in the Council between 1966and 1985 was restricted to budgetary matters. The implicit acceptance by the Member States that the Luxembourg compromise should be interpreted as a right to veto any decision a Member State disliked, resulted in a constant attempt to achieve unanimity and meant that a single Member State could delay a Council decision for years even block it entirely.



**3.3 Operation : a consensus - seeking machine** Irrespective of the voting procedure to be used in any particular case, the operation of the Council is that of a machine designed to find common ground between the Member States . Within this machinery, decisions are taken at three different levels. The many working parties of national officials have in particular the task of discussing the technical aspects of the proposals drawn up by the Commission. The working parties send the texts they have examined to the Permanent Representatives Committee as a second “clearing” house. At this , already political , level an attempt is made to smooth out the remaining clashes between the interests of the Member States and to produce a decision which in specific cases may require only a qualified majority for adoption . At each of these levels, the meetings are chaired by the representative of the Member State holding the presidency of the Council. The close intermeshing of the Member States’ administrations and the EU is apparent from the fact that these working parties primarily comprise the same national officials as are on the bodies consulted by the Commission during the preparatory phase of its decisions. The permanent representations to the EU are the most important junction between the Member States and the Union ; they are in constant close contact with the Commission and the permanent representations of the other Member States.

Council meetings are major events : the Ministers are accompanied by specialist advisers and over a hundred people may be involved.

Accordingly, the various ministerial councils meet increasingly often in so - called " informal" sessions attended by the Ministers alone. In order to tackle particularly serious problems, so - called " Jumbo - Council meetings" - attended by two or more ministers from each Member State - are sometimes held. As a result of the openness debate set in train by Maastricht, the first public meetings of the Council took place in 1993.

**3. 4 PROSPECTS**      The question with regard to the future of the Council is whether it will develop further in the direction of a European Upper House or Senate. It is , however, only realistic to expect that the Council will adhere to its past practice of only gradually sharing its responsibilities with other EU bodies , in particular the European Parliament. More strongly than in classical federations, the European Union will continue in the future to be marked by the double legitimacy of the Member States in the Council and the elected representatives of the people in the European Parliament . It should be noted that the Council has comprehensive responsibilities under the existing Community treaties and in the non - community fields of the common foreign and security policy and cooperation in matters of justice and home affairs. It is accordingly responsible for coherence in the activities carried out under the various pillars of the Union.

#### **4. CYPRUS - EU RELATIONS**

#### 4.1 Application for Membership in 1962

Since the establishment of the Republic of Cyprus in 16 August 1960, United Kingdom (UK) had been applying preferential tariffs to imports from Cyprus. When UK applied for membership to the European Community (EC) on 1 August 1961, Cyprus in fear of losing the UK market, in line with the article 288 of the Rome Treaty, also applied for membership to the EC in 1962. It is important to note that the decision for application was taken with the consent of both communities on the island as by then Turkish Cypriots were in the Cyprus Government.

When the discussions for an Association Agreement started, in spite of all the efforts, no Turkish Cypriot were included in such discussions as the Turkish Cypriots were thrown out of the Government by force in 1963. Thus, the Association Agreement which was put into force on 1 January 1973 was signed on 19 December 1972 between the EC on one side and so called "Cyprus Government" on the other side (Necatigil, Z., 1989: 299-301)

Although there had never been referred to the Turkish Cypriots' views, the Association Agreement was to apply to the whole Cyprus without - any discrimination between the two communities on the Island. This was clearly expressed in the article 5 of the Agreement as "the rules governing trade between the Contracting Parties may not give rise to any



discrimination between the Member States, or between nationals or companies of these states, nor nationals or companies of Cyprus" (Commission of the EC, 1972: 3). Nevertheless, it is hard to say that this rule has ever been applied properly.

#### **4.2 Association and Customs Union Agreement in 1972 and 1987**

The Association Agreement which was put into effect on 1 January 1973 was favoring two periods each 5 years, by the end of which a customs union would be achieved between Cyprus and the EC. First 5 year period ended on 30 Jun 1977, and the Association Agreement continued with annual renewals until 1987 rather than starting the second five years period, because of the political situation on the island. After signing the Association Agreement in 1973, EC reduced the customs duties on industrial products originating from Cyprus by 70% and abolished quota restrictions. The Greek Cypriots reduced the customs duties on imports from the EC by 35% while the Turkish Cypriots reduced by 15%. Besides, the industrial products exported from Cyprus to the EC had to obey the principle of the "rules of origin".

During Greece's Presidency, the Council of Ministers referring to the article 2(3) of the Association Agreement, decided to start the negotiations with "Cyprus Government for a customs union with the EC. Turkish Cypriots also wanted to participate in the negotiations, but they could only succeed to have informal meetings with the EC officials.

Customs Union Agreement was finalized on 22 May 1987 and put into force on 1 January 1988. It laid down the conditions and procedures for the transition to the second stage of the Cyprus - EC Association Agreement. This stage involves two phases, the first one being ten years (1988-1997) and the second one being four to five years (1998-2002) at the end of which Customs Union will be achieved. Transition from the first to the second phase would not be automatic, but it would be decided by the Association Council. In the second phase, the conditions and procedures determining the free movement of all agricultural products would be decided and Cyprus would adopt the mechanisms of the common agricultural policy for the agricultural products which would be covered by the Customs Union. The application of the Turkish Cypriots to have a representative in the "Trade and Economic Co-operation Committee" established by the Customs Union Agreement was also turned down. The Turkish Cypriots were not represented in any of the negotiations for the arrangements of financial co-operation within the framework of financial protocols.

#### **4.3 Application for Full Membership in 1990**

On 3 July 1990, "the Government of the Republic of Cyprus" submitted an

application for membership to the European Communities. The Council of Ministers in their meetings on 17 September 1990 noted the application and sent it to the European Commission asking for their opinion (avis). European Commission presented its opinion to the Council of Ministers in its meeting on 19/20 July 1993.

The Council welcomed the positive message contained in the opinion as regarding to the eligibility of Cyprus to be part of the European Union and concluded the following main points:

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

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



this illegal and invalid application by the Greek Cypriots and the decisions of the Council of Ministers (Mendelson, M.,1997) and sent a detailed Memorandum Addressed to the Council of Ministers explaining why the application of the "Republic of Cyprus" was not valid, could not be accepted by the Turkish Cypriots and could not be binding on the TRNC. These points are as follows:

1. EC accepted the application for the whole of Cyprus and considered the Greek Cypriot Administration (GCA) as the "Government of Cyprus". GCA did not represent the Turkish Cypriots and could not apply for membership for the whole island.
2. Any form of union, economic or political, of part or the whole of Cyprus to any organization where both Greece and Turkey are not members, was prevented by the Constitution of Cyprus and the Treaty of Guarantees. Thus, the application to the EU was violating the International Laws.
3. The Commission in its report asked that the fundamental freedoms of the Rome Treaty i.e. freedom of movement and settlement, right of establishment etc. should be integrated into the solution of the Cyprus problem. This was against the Turkish Cypriot-Greek Cypriot high level agreements signed between Denktas and Makarios (1977) and Denktas and Kyprianu (1979) which favored a bicomunal and bi-zonal federal solution.

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

5. If the application of the Greek Cypriots succeeds, it would partition the island as Turkish North and Greek South. Such a membership would be a half ENOSIS and definitely this could not be accepted by the Turkish Cypriots.

#### **4.4 Financial Protocols**

In order to increase the productive capacity and contribute to the economic development of Cyprus, EC agreed to give financial aid to Cyprus within the financial protocols. First Financial Protocol was signed on 15 July 1977 and was put into force on 1 January 1978. EC in this Protocol agreed to finance the projects which would be beneficial to both communities and contributed 30 m. ECU for a period of 5 years. In spite of the "bi-communality" requirement, all the projects financed were in the South Cyprus (except the part of Nicosia Sewerage project without which the part in South would not work) contributing to the economic development of the Greek Cypriot economy. Projects given by the Turkish Cypriots were rejected by the EC on the grounds that they were not "bi-communal".

The money given in the First Financial Protocol was spent on (I) Vassilikos-Pendaskinos Irrigation Project (ii) Electric Power Station Project in Dhekelia (iii) Nicosia Sewage Project. The first two projects were totally in

South Cyprus and were directly aiming to increase the productive capacity of South Cyprus economy. Major portion of the Nicosia sewerage project was also in the South Cyprus. Thus, the total amount of financial aid (30 m ECU) was shared between the two communities and the Greek Cypriots received a greater portion, 24 m ECU:

## **5. RECENT DEVELOPMENTS IN CYPRUS - EU RELATIONS**

### **5.1 The Customs Union Agreement of Turkey**

The Customs Union Agreement between Turkey and European Union, which was finally agreed on 6 March 1993 based on the Ankara Agreement ( 1963, article 5), marked a turning point in the Cyprus-EU relations. Its impact on Cyprus-EU relations was so much that the recent developments on Cyprus-EU relations 'could be analyzed from this date onwards.

In order to get the Customs Union Agreement signed, Turkey not only gave direct concessions (6 th of March Council Decision taken simultaneously concerning Cyprus EU relations) to the Greek Cypriots, but also indirect concessions contained in the Customs Union Agreement.

Len article 16, Turkey accepted to align itself progressively with the preferential customs regimes of the Community within five years. This alignment would include both the autonomous regions and preferential



agreements with third countries. In the appendix of the Treaty, the names of these countries were listed and the list included Bulgaria, Hungary, Poland, Romania, Slovak, the Czech Republic etc., as well as Cyprus. None expected that Turkey would have any trade agreement with South Cyprus, but having the "Republic of Cyprus" in the list and accepting to have trade with the "Republic of Cyprus" on paper would mean a serious setback from Turkey's foreign policy towards South Cyprus.

Article 64 expressed that during the application of the Customs Union Agreement, in cases of unmatched interpretations, the problem would be resolved by referring to the previous Court of Justice decisions. The previous decisions and interpretations of the Court of Justice would be taken as precedents to solve such problems. This article immediately brought to minds the 5 July 1994 decision of the Court of Justice that put restrictions on North Cyprus exports to the EU. The question was whether Turkey was bounded by the decision of the Court of Justice and would apply trade restrictions to North Cyprus or would ignore it. There were mixed views on the implementation of the article by Turkey.

## **5.2 6th of March Decision**

On the 6th of March 1995, as the Customs Union Agreement was signed with Turkey, a decision concerning the Cyprus-EU relations was taken simultaneously by the Council of Ministers. It was with this decision that a

direct concession was given to the Greek Cypriots. This was not surprising as otherwise Greece would not sign that Customs Union Agreement of Turkey which required the signature of all the EU member states.

The decision of the Council of Ministers on Cyprus -EU relations was the result of "an overall compromise" between Greece and Greek Cypriots on one side and Turkey on the other. The main points of the decision are:

1. The eligibility of Cyprus for the EU membership was reaffirmed and EU promised to consider Cyprus in the next round of enlargement.
2. The accession negotiations would start 6 months after the end of Inter-government Conference (IGC), considering the results of the Conference.
3. The EU called for more contacts with the Turkish Cypriot community, in consultation with the Cyprus Government in order to enlighten them about the prospects of the EU.
4. The EU Commission would assist the "Cyprus Government" in adopting the Acquis Communautaire, as part of the preparations for membership.
5. A structured dialogue would be established between the two sides at very high levels (more to be found below) which constituted the main element of the pre-accession strategy of Cyprus into the EU.

The Customs Union Agreement of Turkey and the 6th of March decision giving all of the above concessions to the Greek Cypriots could be an overall

compromise among Greece and Greek Cypriots and Turkey. When these negotiations were carried out Turkish Cypriots were totally excluded and neither their views were taken nor their interests were considered. Thus, the 6th of March decisions could not be accepted by the Turkish Cypriots and are not binding on them.

### **5.3 16th ACM, Structured Dialogue**

Structured dialogue forms part of the so-called pre-accession strategy of Cyprus to EU. The elements and details of it were further agreed upon in the 16th Association Council Meeting held on 12 June 1995. The main elements of the structured dialogue are as follows:

1. It was agreed that the Commission would establish the necessary contacts with the Turkish Cypriot community, in consultation with the Cyprus Government, and that Cyprus Government would be the sole interlocutor in the conduct of the structured dialogue.

2. Cyprus Government would attend the European Council Meetings and have meetings at the ministerial level on foreign and security policy, justice and home affairs as well as in other areas of common interest, i.e. environment and tourism.

3. In the framework of the structured dialogue a political dialogue would be established. It included the meetings of political directors, cooperation



within international organizations and talks between Cyprus-EU diplomats in 3<sup>rd</sup> countries.

4. Apart from the structured dialogue a specific strategy to prepare Cyprus for accession was drawn, and it provided the harmonization of Cypriot legislation with Aqueous Communautaire, participation of Cyprus in community programs and cooperation between EUROSTAT and Cyprus STAT.

The purpose of all these strategies and agreements was to prepare "Cyprus" for the EU membership in the earliest round of enlargement. Of course, all these arrangements were carried out in South Cyprus and practically had no relation with North Cyprus (Turkish Cypriots), as the so-called "Cyprus Government" could only represent the Greek Cypriots and control only South Cyprus.

#### **5.4 17th ACM, An Evaluation**

The 17th Association Council Meeting held on 15 May 1996 was another step forward in the relations of GCA with the EU.

The EU in this meeting once again confirmed the start of the negotiations for membership of the Greek Cypriots in 6 months time after the end of IGC.

Furthermore, it was concluded that the structured dialogue had been successfully carried out for the last 12 months and a new program was to be

made with the Irish and Dutch presidencies for the next 12 months. A new important development in Cyprus-EU relations was the 4th financial protocol which was put into force. The Association Council evaluated the political dialogue as satisfactory and welcomed the better mutual understanding and increasingly convergent views between the "Republic of Cyprus Government" and the EU.

A further evaluation of the Cyprus-EU relations was made by the Commissioner Hans Van den Brook in the Council meeting. During the first year of the structured dialogue, 20 meetings took place in ministerial, experts or officials level between the "Republic of Cyprus" and the EU. The EU and the Commission had organized a series of courses in adopting the aqueous communaitaire, and Cyprus bad participated in many Community and Mediterranean programs. When all tangible benefits were given to the Greek Cypriots Hans Van den Brook mentioned his appreciation for a number of conferences given in North Cyprus increasing the awareness of Turkish Cypriots towards the EU membership (Brook, H.V.,1996).

The purpose of all these strategies and agreements was to prepare "Cyprus" for the EU membership in the earliest round of enlargement. Of course, all these arrangements were carried out in South Cyprus and practically had no relation with North Cyprus (Turkish Cypriots), as the so-called "Cyprus Government" could only represent the Greek Cypriots and eontrol only South Cyprus.

6- SHOULD TRNC JOIN THE EU:

IN MY OPINION, TRNC SHOULD REACH AN EVER LASTING . SOLUTION WITH THE GREEK CYPRIOT GOVERNMENT IN ORDER TO JOIN THE EU WITH ITS GREEK COUNTER -PART CONCOMMITANTLY . AS TRNC IS NOT RECOGNIZED OFFICIALY BY UNITED NATIONS IT IS ALMOST IMPOSSIBLE TO JOIN THE EU AS AN INDIVIDUAL GOVERNMENT . ON THE OTHER HAND, SHOULD TURKEY JOINS THE EU . TRNC'S POSIBILTY TO JOIN THE EU TOGETHER WITH TURKEY SEEMS MUCH HIGHER . LETS HOPE THAT TURKEY BECOMES ONE OF THE CANDITATE STATES OF THE EU'S NEW AN LARGEMENT POLICY, IN THE NEAR FUTURE, ENABLING TRNC TO BE IN A MORE STRONG POSITION TO JOINS THE EU . SHOULD TRNC JOIN THE ECONOMIC UNION OF EUROPE, INTEGRATION TO NEW GLOBAL AND A VERY HIGH STANDART OF LIVING WILL BE ONLY SOME OF THE BENEFITS IT WILL GET.



## **7. CONCLUSION**

The attitude of the EU to the Cyprus question is not neutral , it is not balanced and it is not just. Recognizing the Greek Cypriot Administration as the legitimate Government of Cyprus is not realistic as the Greek Cypriots do not represent the Turkish Cypriots and do not have any control over the North Cyprus . Presence of Greece among the EU members, and the increasing political cooperation among the members are the main explanations for the unjust attitude of the EU to the Cyprus question . Such behavior inevitably contradicts the principles of democracy , human rights, and justice.

It is quite evident that this unjust attitude of the EU does not contribute to the solution of the Cyprus question. Recognizing the GCA as the legitimate Government of Cyprus does not leave any incentive to the Greek Cypriots to compromise for a solution. Additionally, the decision to start accession negotiations appears to be causing a deadlock in the negotiations between the two communities .

In all discussions, people concentrate on political aspects of the Cyprus question and forget about the importance of the economic aspects. With such an economic imbalance between the two economies, a political solution can not be viable and long lasting . The economic disparity between the North and South should be solved before a political solution is reached . Economic embargoes on North Cyprus do not contribute to a solution .

The EU rather than restricting the exports of North Cyprus to EU should allocate its financial aid between the two communities with respect to the need for a convergence between the two economies.

The question of accepting EU membership before or after a solution by the Turkish Cypriots is not the relevant question . One should ask whether the Turkish Cypriots would like to get into the EU in which Greece is a member and Turkey is not . Actually , this is prevented by the Treaties Establishing the Republic of Cyprus, as it would provide an advantageous position to Greece. In order to get the right answer from the Turkish Cypriots , one should ask right question . It is much safer for the Turkish Cypriots to be member of the EU simultaneously with Turkey , or at least when a date is decided for the membership of Turkey.

The discriminatory attitude of the EU does not leave any options to the Turkish Cypriots but to have economic integration with Turkey for their economic development. This should not be viewed as a reactionary policy , but a rational and sensible economic policy . Steps are being carried to have economic and

partial political integration with Turkey. Developments in this respect are expected to follow the same pace as the integration of South Cyprus with the EU.

Priority for the Turkish Cypriots is their security and sovereignty in a bi-zonal , bi-communal federal solution . Economic well- being and security are the two items in the welfare maximizing function of the Turkish Cypriots, which are not substitutable . Turkish Cypriots are not prepared to trade their security with any amount of increase in their material well - beings.



## **8. APPENDIX**

### **CYPRUS - EUROPEAN UNION RELATIONS.**

**1962 -1995**

The 1955-59 liberating struggle in Cyprus, forced out of the island the British who had it under their occupation since 1878. So in 1960 a new Republic was formed. The republic of Cyprus with first president Archbishop Makarios the third.

The island's economy was already cooperating with many economies of the Western Europe and especially

Great Britain's due to the participation of Cyprus in the Commonwealth as it has been under British sovereignty. After the liberation Cyprus government wished to continue the cooperation with Europe and in 1962 Cyprus submitted an application in order to contract an agreement for cooperation with the European Union.

The first application was not successful and a second one followed in August 1970. In contrast to the first application this one, was accepted and as a result, negotiations seeking for an agreement started in March 1971. These first negotiations were quite long lasting as they lasted for 21 months. Result of

these negotiations was the Cyprus - European Union (European Economic Community as it was named then) Association Agreement. The agreement provided the gradual abolition of trade taxes and restrictions by both sides. Ultimately the agreement was going to lead to a Customs Union, through two subsequent stages.

The first stage was put into practice on 1 June 1973. According to the agreements provisions during this stage European Union had to:

Reduce the taxes on industry products, imported from Cyprus to the countries, members, by 70% Reduce the taxes on hesperids imported from Cyprus by 40%. Cyprus according to the agreement was obliged to reduce taxes on products imported from the European Union as follows:

- 15% from 1 June 1973.
- 25% at the beginning of the third year after the agreement had been put into practice.
- 35% at the beginning of the fifth year after the agreement had been put into practice.

Also the agreement concerning the first stage provided conditions affecting the Cyprus Balance of Payments, in order to assure the stabilization of the economy.

The Turkish Invasion in Cyprus on 20 July 1974 and the still going on occupation of the Northern part of the island, became a restraining factor for Cyprus march to the European Union.

European Union expressed its condemnation about the Turkish Invasion and tried to help finding a solution about the Cyprus problem. Due to the problem European Union expressed the intention not to continue with the Association Agreement until a solution was found. All the efforts seeking for a solution had NA result and in 1977 European Union decided that the agreement had to go on despite the political problem in the island.

On 16 May 1977 negotiations started in order to have an agreement about the second stage of the Association. The result of these negotiations was an not agreement about the second stage but a prolongation of the first stage until the end of 1979. Also this new agreement had the following provisions:

- Abolition of trade taxes almost for all Cyprus industry products exported to European Union.
- 24 millions ECU as a loan and 6 millions ECU as a donation from European Union to Cyprus.

Just before the end of the prolongation Cyprus and the European Union started negotiations concerning the second stage. Mainly due to political reasons and disagreements raised during the negotiations, the whole



procedure lasted until 1987. During these lag period of negotiations, supplementary protocols determining the course of the Cyprus - European Union relations were signed.

On 19 October 1987 the agreement for the second stage was signed in Luxembourg. According to the agreement this stage will last 15 years and will be divided in the two following phases:

#### The July 20 Joint Statement

During consultations between TRNC President Rauf Denktas, officials and members of the Turkish delegation visiting for the July 20 anniversary, the two sides evaluated the UN-sponsored direct talks held in New York between July 9 and 12 the announcement contained in the "Agenda 2000" report of the European Union (EU) that accession negotiations with the Greek Cypriot administration of South Cyprus would commence, in contravention of the 1960 Treaties of Cyprus. The two sides agreed that the stance displayed by the EU would render useless the resumed process of negotiations between the Turkish Cypriot and Greek Cypriot leaders, making it very difficult for the talks to reach a positive outcome.

In view of this, both sides expressed their determination to further deepen and strengthen existing cooperation within the framework of the January 20, 1997, Joint Declaration by the President of Turkey and the TRNC. They also

emphasised the increasing importance of the TRNC for the security of Turkey -while Turkey continued to provide an effective guarantee for the TRNC- since the massive build-up of arms and the support given to terrorism in South Cyprus had reached a level which constituted a threat to Turkey.

As a result these considerations, the two countries -within the framework of the Joint Declaration of their Presidents and the resolution adopted by the Turkish Grand National Assembly on January 21, 1997- deemed it necessary to implement, step by step, and in parallel to the full membership process between the Greek Cypriot administration of South Cyprus and the EU, the following measures towards economic and financial integration, as well as partial integration via partnership in security, defence and foreign policy:

1. The TRNC will continue to exist as an independent state. However, until the TRNC is officially recognised by the international community and takes its rightful place in the family of nations as an independent and democratic state, a special relationship will be established between the two states for the purpose of protecting the interests of the TRNC in the sphere of foreign policy. In all international meetings concerning Cyprus in which the Turkish Cypriot side is denied the right to be heard, TRNC representatives will be included in the delegations of the Republic of Turkey. Towards this end, a framework agreement will be concluded between the two states and the functional and structural Cooperation between the two Foreign Ministries will be established by a Protocol.

2. Any attack on the TRNC will be considered as an attack on the Republic of Turkey. In this context, a joint defence concept will be established between the Republic of Turkey and the TRNC.

3. An Association Council will be created between the two states with the participation of the two Parliaments and the relevant ministries.

4. An economic and financial union will be formed between the Republic of Turkey and the TRNC, in order to counter the effects of the unjust embargoes and restrictions on the TRNC economy. Meanwhile, the TRNC will be included in Turkey's priority regional development macro-economic master plans. The TRNC will benefit from the support and incentives provided for Turkey's priority regions for development.

5. An important trade and industrial centre will be established in the Eastern Mediterranean by integrating the free-zones of the Republic of Turkey and the TRNC.

6. Transportation facilities to the TRNC via Turkey will be improved.

7. Facilities provided by TÜRKSAT satellite will be utilised to enable Bayrak Radio and Television (BRT) broadcasts to reach the regions receiving Turkish television broadcasts.

8. The water requirements of the TRNC will be met by Turkey at the earliest possible time.

9. In addition to the above, every structural cooperation and harmonisation measure to be initiated between the Greek Cypriot administration of Southern Cyprus and the EU, will be similarly implemented between the TRNC and Turkey.



The aim of the above undertakings and steps is to reach an agreement on the island which would provide for the continuation of peace and guarantees, maintain the balance in relation to Cyprus between Turkey and Greece, acknowledge the equality and sovereignty of the two sides, and prevent the hegemony of one side over the other. July 20, 1997"

### **CYPRUS - EUROPEAN UNION**

- Phase One from 1988 to 1998. This phase provides.
- Gradual abolition of trade taxes in products imported in Cyprus from European Union.
- Adaptation by Cyprus of the European Union's Customs Policy to third countries.
- Phase Two which will last from 1998 to 2003 and during it all the necessary actions needed for the Customs Union will be done.

Except the major agreement concerning the Customs Union, periodically some other agreements and protocols were signed. The signed agreements and protocols refer to financial matters (Loans from European Union to Cyprus) and other matters settling the Customs Union as good as possible.

Furthermore on 4 July 1990 Cyprus government made an application for enrollment of Cyprus in The European Union. Feedback from the European Union concerning the enrollment of Cyprus is quite encouraging, as in October 1993 European Union confirmed that Cyprus will be member of the European Union as soon as possible.

Early this year the Cyprus application was reexamined and the decision was that negotiations for enrollment of the Cyprus Republic in the European Union will start 6 months after the scheduled meeting of the European Union members in 1996.

The present government of Cyprus estimates the enrollment of the Cyprus Republic in the European Union in 1999 or 2000.

**Remarks by Dick Spring, TD (former Foreign Minister, Ireland) on the occasion of the Dinner opening the Meeting "In Economic Cooperation Lies Mutual Benefit", Conrad International Hotel, Brussels, Thursday, November 13 at 7.30 p.m.**

The theme of our meeting here in Brussels is "In Economic Cooperation Lies Mutual Benefit" It is a proposition which I strongly support, and one which has been amply supported by our own historical experiences in Ireland. I thought that it might be useful to share some of our experiences with you this evening.

In the early years of our existence as a separate State, Ireland, along with many other countries in Europe, adopted a protectionist policy on international trade. In the circumstances prevailing in the country at the time, this was understandable. At independence, we inherited an economy which was heavily dependent on agricultural production and where there had only been a limited amount of industrialisation, largely confined to some of our main cities.

Our first reaction to the situation was in tune with the prevailing economic mood of the period, namely to build up local industries behind high tariff walls ~ essentially keeping out foreign competition and protecting the home market for Irish-based companies. It was a policy of economic independence or relying on "ourselves alone" - and of course it matched a political mood, in which freedom and sovereignty were inextricably linked to a psychological need to express and assert our independence from our nearest neighbour. It was diametrically opposed to the proposition under discussion here this weekend.

While the policy had some individual successes in the early stages, at the macro economic level it failed our people over time. Jonathan Swift, the great Irish writer, has defined a patriot as one who can make two ears of corn grow where one grew before. By that standard, our patriots were not hugely successful. Despite the well-intentioned efforts of successive Irish



Governments, we experienced a long period of low economic growth and consequently high levels of emigration from our country. The "emigrants' remittance" - the practice of sending home small amounts of money from work procured on building sites in Britain and America - was the mainstay of many Irish families throughout that period. And to this day, there is hardly a family in Ireland which has not been broken up by enforced emigration.

It was only in the 1960s that we started to change our outlook. At that time we began to open up the rest of the world by actively seeking to expand our trade links and by trying to attract international investment. This change of policy was the point when our economic position began to take a decided turn for the better.

Arising out of our earlier experiences, by the mid-1960s, the people of Ireland were avid converts to the doctrine that for countries such as ours, economic co-operation and interdependence was the only way forward. Therefore, when the possibility of joining the interdependent way forward United Kingdom and Denmark

The European Economic Community arose in 1973, along with the United Kingdom and Denmark proposal was enthusiastically and overwhelmingly endorsed by the Irish electorate in a referendum where 83% of the population said yes.

The European Economic Community, or the European Union as it has become, has been, and remains the most tangible and constraint example for

Ireland of working together in close economic co - operation with other countries. I think that it is fair to say that the bulk of the Irish people today would support me assertion that our experience within the union has been highly beneficial one, both from the economic and political view points and also from the point of view of our self confidence as a people.

Ireland, since joining in the closest economic and social group of countries of anywhere in the World, has undoubtedly prospered economically. This did not come about automotically or easily but required huge changes in how we conducted our own business affairs. Many old established companies and enterprises went under to outside competition but in there place vew vigarorus industries grew and prospered. Many of these new companies were the result of international inward investment.

Today we have the strongest economic growth in the European Union and have reversed the traditional outward migration pattern with a sizeable level of net inward migration. Nobody has to convince the people of Ireland about the benefit of international economic cooperation they can see it every day around them in what can only be described as a transformed country. We have achieved this by adopting best practices from abroad and by being open to international influences and supporting economic cooperation.

Arid it has also been achieved by developing and extending the concept of partnership to many of our internal affairs.

For a number of years now, employers, trade unions, sectoral interests and the Government of Ireland have worked together on a series of agreements and understandings that have underpinned Government strategy. These agreements have covered areas from public service pay to personal taxation, from job creation strategies to issues of marginalisation.

The overall result of them has been a high level of economic and social co-operation, which has led to greater predictability for business, moderate income increases that have gone hand in hand with improved public services, lower inflation despite higher growth, and a high degree of consensus about economic and social policy analysis and strategies. It has been particularly vital that this degree of consensus has been maintained around such issues as the targets set by the Maastricht Treaty.

Perhaps one might say that the co-operation we have experienced through economic membership of Europe has been mirrored in our internal experience and practice. However, it is not just economic issues that has made the European Union so popular in Ireland. We fully supported the political motivation behind its foundation and we are still in the forefront of efforts to carry the process forward towards greater European cooperation and integration.



As we all know, the foundation stone of the edifice, which is today the European Union, was laid in the European Coal and Steel agreement between Germany and France in the early 1950s. And we all know too that there were, of course, strong economic arguments for this agreement - but there were also political implications in the early moves towards European economic cooperation. It was clearly and rightly realised at the time that war and conflict are incompatible not only with democratic values, but also with economic integration and interdependence. The mechanism of bringing these two major European countries together may have been economic, but clearly the motivation was political and humanitarian.

Countries, which for centuries had been sworn enemies and which twice within one generation have devastated the cities and towns of our continent, signalled in that agreement that they were prepared to sit down together and pool their strategic natural resources. The Coal and Steel agreement demonstrated that trust, interdependence and economic cooperation had replaced the age-old rivalries.

For Ireland, as an independent sovereign country, membership of the Union has been an enriching experience. Far from losing our identity as a nation within the Union, I believe that we have, in fact, grown considerably as a people both in confidence and maturity.

Our participation in the various Institutions of the Union has brought us into much greater contact with our European neighbours. We have rediscovered many old friendships and alliances which had faded from our consciousness. As European integration proceeds further, barriers that divided us in the past from those European neighbours and seemed so daunting, appear increasingly irrelevant. Today, we regard ourselves as being back at the heart of Europe.

And I would go further still. The experience of running the Presidency, for instance, has been an exhilarating one for a small country like Ireland. At the most basic level, we have been able to demonstrate that you don't have to be a big country to be able to display professionalism, good judgement, and leadership.

It is possible for smaller countries like ours to have the self confidence to host the world - and to play a part in addressing serious problems when they arise. The success of Ireland's last Presidency has been much commented on outside our country - but inside, it has added considerably to national self confidence, and has proved to be yet another way in which a willingness to co-operate can bring significant rewards, in terms of self image and esteem.

The psychological impact of working together in the European Institutions has led to a much healthier relationship between Ireland and our immediate neighbour, the United Kingdom. It raised our bilateral relationship above the claustrophobic level on which we had often operated in the past. After the two

countries accession to the European Economic Community, we found ourselves operating in a new context and cooperating on a whole series of issues where our interests coincided and where our historical differences did not impinge.

It allowed both countries to move away from a historical single issue agenda to a more multifaceted relationship.

As many have found in the past, and hopefully many others will in the future, it was simply not possible to work closely together for long periods with people and sustain old prejudices and antagonisms which were, in fact, often based on historic suspicion and myth.

This new and more mature relationship between Britain and Ireland also found expression in our bilateral dealings on Northern Ireland. Under successive Governments our two countries have, in recent years, worked closely together in a very constructive manner. The central strategy behind our agreed determination to end the conflict on the island of Ireland is a simple one. First, we are two sovereign Governments determined to work together and to solve any difficulties between us. Second, we are determined to ensure that every section of the community in Northern Ireland is fully represented as a partner at the negotiating table - the only requirement is the end of any use of force or violence.



Our efforts to reach an agreed political accommodation continue during the current multi - party talks taking place in Belfast. The rules under-pinning those talks stress the whole idea of mutual benefit through co-operation, and especially through political and economic co - operation. In all of the models we have developed over the years, we have placed the idea of North/South economic co-operation, on a mutually acceptable and beneficial basis, at the heart of discussion.

We have also tried to put it into practice. The two Governments, Irish and British, have for the last number of years been supporting the concept of a single all-island economy in Ireland and promoting cross-border economic cooperation. During my time in office, we encouraged the main business organisations, North and South, in conjunction with the Governments, to cooperate with each other in the creation of a true single market.

While the primary motivation for increasing economic cooperation was of course commercial, it was the strong belief of the two Governments that these efforts would also have other beneficial effects. While the everyday work of the business community, North and South, takes place independently of politics, cooperation can make an important contribution to the development of goodwill and reconciliation among Irish people of all traditions.

Clearly, economic co-operation between the two parts of Ireland cannot develop unless firms first get to know and trust each other, and the most

natural way for them to do that is through ordinary trading contacts. So cross-border trade has that extra dimension of developing reconciliation.



We have invested in communities, in infrastructure, in facilities and amenities that have a cross-border dimension. We want to demonstrate between us that there is nothing to fear from co-operation and everything to gain. Thus, for example, one of the most successful tourist initiatives of recent years in Ireland has been the re-opening of a long-disused canal, that has always run through the most beautiful countryside but fell into disuse because of border security problems. Thousands of families are now exploring those waters every year, and exploring the traditions and culture of their neighbouring, but "foreign" community in the process. On the international stage, we continue to search for a political settlement in Cyprus.

Obviously, Turkey has a major role to play in this regard. There is a need for the Union to strengthen its economic relations with Turkey. The completion of the Customs Union between the EU and Turkey at the beginning of last year represents, in my view, a considerable development and a significant deepening of our economic relationship with that country.

Turkey is a key player in the Middle East, standing as a physical link between the countries of Europe and the Islamic countries. It is a large country of enormous economic potential with a population of over 60 million people and one with which it is vital for the European Union to strengthen our economic

cooperation. Greater economic cooperation between the member States of the Union and Turkey can be a strong force for stability in the eastern Mediterranean as well as bringing commercial benefits to both sides.

It will, I think, be clear from everything I have said that I believe that greater economic prosperity is much more likely to be achieved through mutual economic cooperation than by adopting stand alone policies. I believe that growing internationalisation and economic interdependence is making violent conflict between countries increasingly unlikely and, hopefully in the end, impossible. It is, therefore, my conviction that economic cooperation is a powerful force for good in international politics. I hope that our experience, as a small country, with an open economy and increasingly confident sense of nationhood, proves that co-operation can bring benefits that isolation never will.



## **9. RESOURCES**

- 1. Jauquet BOUNRENT**  
**The Cyprus problem : It is solution and the day after 1997**  
**Nicosia –Cyprus**
- 2- Hans van den brouk**  
**By cominical cooperation: the path and reconselitation**  
**Nicosia- Cyprus**
- 3- Hasan ALİ BIÇAK**  
**Could the ending their solution for Cyprus 1997**
- 4- From A to Z guide to integration 1997 – Belgium**
- 5- Haluk KABAALİOĞLU**  
**7 Tepe Universitesi yayınları – Avrupa Birliği ve Kıbrıs sorunları**