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**The Socialist Truth In Cyprus –London Bureaux**

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## Middle East

# Divided we fall

**Cyprus** An exasperated local politician once said that the late Greek Cypriot President, Archbishop Makarios, had made the island a super-nuisance rather than a superpower. It has been living up to this reputation ever since, erupting out of its eastern Mediterranean obscurity about once a decade – usually in unpleasant ways.

In the mid-1950s it was the struggle for *enosis* – union with Greece – against the British colonial power; in 1964 the breakdown of the 1960 independence constitution started more killings between the Greek and Turkish communities.

In 1974 the removal of Makarios in a coup engineered from the mainland by the Greek junta led to indiscriminate slaughter of Turkish Cypriots by the junta's puppet government, an invasion by the Turkish army and reprisals by the Turks. More than 200,000 Cypriots became refugees in their own divided country.

The Turkish army continues to occupy a third of the island north of a line through the capital, Nicosia, with a UN force keeping the sides apart.

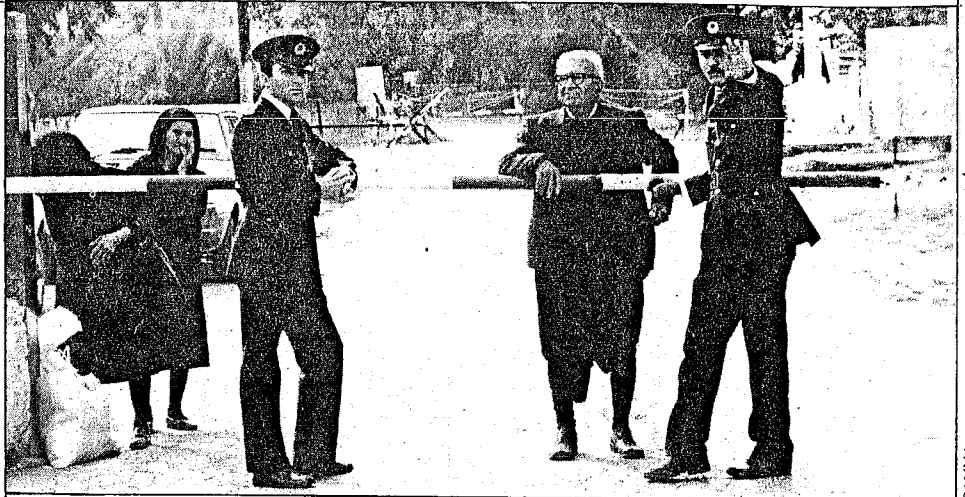
The gulf between the communities has widened and positions hardened since the declaration in 1983 of the self-styled Turkish Republic of Northern Cyprus, recognised only by Turkey. Underlining this, hopes of a solution crashed earlier this year with the Greek side's rejection of UN Secretary-General Javier Pérez de Cuéllar's settlement plan.

Under pressure from Washington, New York and London, the Greek Cypriots have dug in their heels. Turkish Cypriot leader Rauf Denktaş, basking in the warmth of the changing international climate and the reflected virtue of his "yes" to the Secretary-General's plan, was saying that his "only option" was "to go for recognition" even before the Greek Cypriot "no" had reached de Cuéllar's desk.

Provocative moves by Ankara and the intransigence of Athens have aggravated the problem. Wrangling between these two Nato allies and their relations with the EEC – Greece is a member, while Turkey aspires to be – means European and US involvement. The solution to a relatively simple internal problem is being lost in a much bigger game.

The Greek side recognises the dangers in the present stalemate, namely the possibility of irreversible partition leading to instability and external manipulation. On both sides fears of another externally imposed solution fuel suspicions that Cyprus will again be sacrificed to the interests of foreign powers.

Privately, politicians on both sides say



Toeing the line: at the demarcation barrier between Greek and Turkish zones in Cyprus

Greece and Turkey have often added to their problems. The nationalist passions that have split the island stem from the traditional enmity between Greece and Turkey, used first by the British and more recently by the superpowers. However, leaders of both communities continue to manipulate such passions, inflaming the old fears of *enosis* on the one side and *taksim* – partition – on the other.

**T**he strategic importance of Cyprus has always been overplayed. "Throughout history the dominating power in the eastern Mediterranean has held Cyprus," says Sir David Hunt, a former British high commissioner in Cyprus, "It is not a necessary deduction that it is of value itself."

Since the Iranian revolution and the collapse of US strategy in the Middle East, Cyprus once again seems crucial, largely as an adjunct to the US view of Turkey as "the new front line of the Middle East."

But to Ankara and its allies, the strategic value of Cyprus seems real. It is the last, and potentially the most important, link in a chain of Greek islands that ring much of Turkey's coastline and are the subject of acrimonious dispute with Athens. Turkish Prime Minister Turgut Özal recently described Cyprus as "the dagger pointing at the soft underbelly of Turkey".

Throughout the 1960s and early 1970s, the US was preoccupied with the containment of communism and the need to keep the balance between two Nato allies on the alliance's southern flank. While Turkey had always been seen as more important than Greece, perceptions changed with the arrival of a violently anti-communist junta in Athens in 1967 – when Turkey was showing increasing signs of rapprochement with the USSR.

Despite the communal bloodshed of 1964 and 1967, no effort was made to reintegrate the Turkish Cypriots into the economic and social life of the island, and no restraints put on the junta's rekindling of virulent Greek nationalism in Cyprus.

The US let it be known that it might not be averse to a partition of the independent state of Cyprus, with the lion's share going to the junta. Washington saw this as a way to reward its most enthusiastic ally, and to solve the Makarios problem.

The British saw the charismatic and flamboyant Makarios as a meddlesome priest. To the US, he was the "Castro of the Mediterranean" – independent, non-aligned and a friend of troublemakers. The prospect of a shift to the left by a united Cyprus, already at loggerheads with the Greek junta, was not on the US agenda.

Many on the Greek side say cynical manipulation by the US has been one of the biggest factors in the island's problems. Other observers say little has changed in the US perception of Cyprus – only now the Turks must be appeased.

"The US may not be against partition", a UN official said recently. "It would prevent any chance of a united Cyprus eventually going to the left."

Akel, the pro-Moscow communist party on the Greek Cypriot side, regularly wins more than 30 per cent of the vote, though it has never governed. Like the left-wing PEO trade union, it has maintained links with the left in the Turkish area.

The return of the Soviet Union to the scene, with a proposal for an international conference on the problem, has been welcomed by the Greek Cypriots. However, it has complicated the backdrop to the UN Secretary-General's efforts.

The first plan proposed by de Cuéllar, in January 1985, was accepted by the Turkish side, but rejected by President Spyros Kyprianou on the grounds that it failed to give priority to the withdrawal of Turkish troops and guarantees that all Cypriots would be allowed to move, settle and own property throughout the island.

By April 1985 the Secretary-General had come up with a second plan. This demanded agreement on the issues preoccupying the Greek Cypriots ahead of a handover to a new transitional federal government. It was rejected by the Turkish side.

The third plan appears to backtrack on this and, according to the Cypriot government, includes constitutional proposals which would weaken central government.

The Greek side believes de Cuéllar has tilted to the Turkish side for reasons of superpower realpolitik, ignoring UN resolutions which call for the "speedy withdrawal" of all foreign troops, an end to foreign interference and the return of refugees to their homes.

The main opposition parties, Glavkos Clerides's Democratic Rally and Akel, went along with Kyprianou's rejection of the package, but criticised him for giving the advantage to the Turkish Cypriots.

There are fundamental differences too, in the Greek Cypriot camp. Clerides, a veteran on the negotiating scene, has felt a sense of urgency since the Turkish declaration of independence. He urges greater compromise with the Turkish Cypriots.

A consistent supporter of Nato, Clerides also argues the long-term strategic value of Cyprus to the West should the region as a whole be overtaken by an Iranian-style Islamic upsurge.

Like Clerides, Akel leaders also urge dialogue, welcome the Soviet initiative and, to get things moving, endorse the call for parallel talks on internal and international issues.

Amid renewed suspicions of US intentions, and rightly sensing a shift to the Turkish side, the Greek Cypriots are wary of Denktash's intentions. They are particularly apprehensive of his bid for international recognition.

The same lack of trust colours the Turkish Cypriot view. As they see it, the problem predates what they call the Turkish liberation of northern Cyprus, and stems from the Greek efforts to exclude Turkish Cypriots from the role they were given under the 1960 constitution.

While the Turkish Cypriots sought to capitalise on their rights under the constitution, Makarios was still bent on union with Greece and on reducing the Turkish Cypriots to minority status.

When the 1960 arrangement broke down over "budgetary matters", as Denktash puts it, Makarios abandoned the constitution and set about excluding the Turkish Cypriots, assuming sole authority.

International recognition of the Greek Cypriot government as the sole and legitimate government of the island rankles with Denktash and the Turkish Cypriots.

Denktash sees the shift in the international climate, but says it has not gone far enough: "It needs derecognition of the Greek side to bring enough pressure and lead to results." He sees his own unilateral declaration of independence as applying this sort of pressure.

On the withdrawal of the Turkish army, Denktash is adamant. The troops came to stop the slaughter of Turkish Cypriots, and their presence is required to stop any

repetition, he says. "There can be no withdrawal until all aspects of the Cyprus problem have been settled . . . until the Greek Cypriot administration is replaced by the transitional federal government."

The Turkish Cypriots also insist on Turkey as a guarantor of any settlement, though the Greek side would be happy with guarantors who had no direct interest in the island.

Bitter experiences may explain why a less than whole-hearted effort is being made by either side to reach a settlement.

**B**ut while Denktash waits for international recognition and the Greek side reflects on its mistakes, the battle continues, further afield. Greece's shrill opposition to Turkey's rapprochement with Europe and EEC membership is matched by Özal's noisy rhetoric.

Özal's much publicised July visit to northern Cyprus was meant to bolster Denktash's position, but it may have backfired. Denktash's partners in his coalition government resigned in protest at the package of austerity measures imposed on northern Cyprus by Ankara. And Turkish Cypriot businessmen are unenthusiastic about Özal's promise to make the area a vast offshore zone for the benefit of Turkish entrepreneurs.

The community's growing sense of being Cypriot rather than Turkish, strengthened by what some see as Ankara's attempts to colonise the north, is most clearly expressed in the resentment directed at the 40,000 or more settlers who have arrived from the mainland. This could yet prove troublesome for Denktash, though the Turkish army is said to be more worried about the emergence of radical or leftist forces.

With important elections approaching in Turkey, Özal's stand on Cyprus could have more to do with domestic politics than with Cyprus itself. It is a popular issue which will refurbish his populist image – and a useful card to play during his meetings with the EEC in September, when he will be seeking to unfreeze EEC aid.

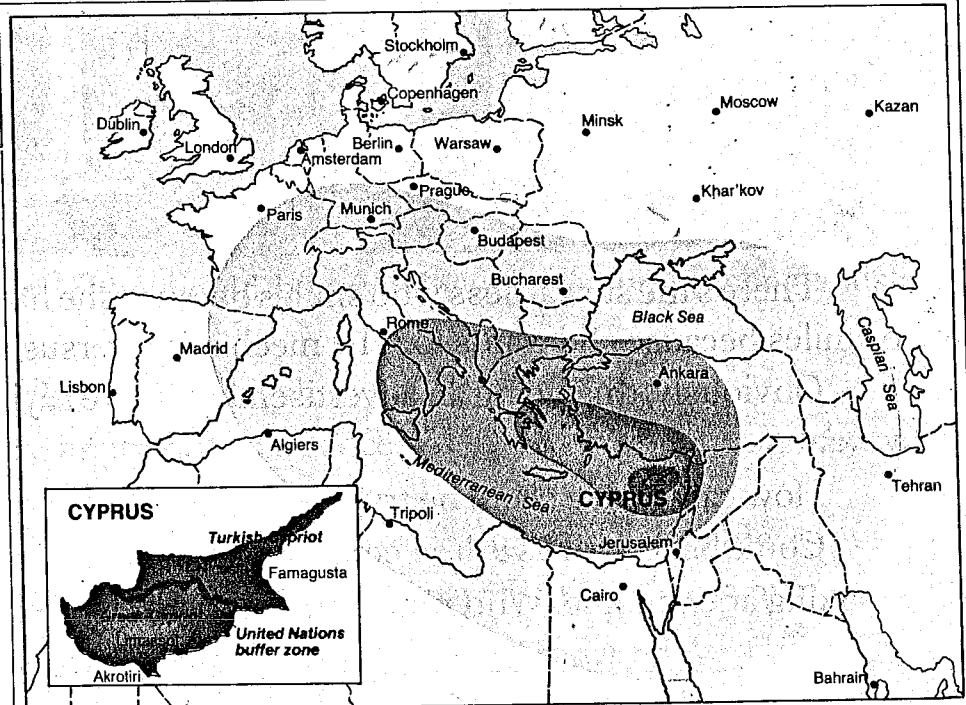
On recognition for the Turkish Republic of Northern Cyprus, Özal is probably more of a realist than Denktash. Recognition would still leave the Turkish Cypriots heavily dependent on Ankara for years to come. And there are too many countries, Turkey included, with enough secessionist troubles of their own to risk endorsing Denktash. But approaches have begun and the first trial run could well be at the Islamic Conference Organisation summit in January 1987.

The Cypriot government will present its case at the September summit of the Non-Aligned Movement, hoping to rally support for the UN resolutions on Cyprus.

The UN Secretary-General is in a bind. The intransigence of the Greek Cypriots when they were in a position to make concessions, contributed to the growth of Turkish Cypriot nationalism. Few Greek Cypriots would deny that the Greek-inspired coup and the excesses that accompanied it led to the Turkish army's intervention in 1974.

Parallel negotiations of the kind urged by Clerides and Akel may offer a way forward. Short of this, negotiating the withdrawal of the bulk of the 20,000 Turkish troops is the only basis for a lasting settlement on the island, the stability of Nato's southern flank and the removal of a potential source of conflict in the region. □

**Judith Vidal-Hall in Cyprus**



# For richer, for poorer

**Cyprus** When Mike Landos's father opened a one-man sandwich stand on Fig Tree Bay 20 years ago to serve local fishermen, it stood alone on a barren beach, 15km southeast of Famagusta, Cyprus's main port and tourist centre.

Today, Fig Tree Bay is a flourishing Greek Cypriot resort with several hotels, discotheques and pubs, all built since the 1974 Turkish invasion of northern Cyprus, and Mike Landos and his two elder brothers have turned the stand into a huge outdoor restaurant and cafe popular with the daily hundreds of US, European and Arab visitors.

The Landos brothers are among many Greek Cypriot entrepreneurs who have climbed back on their feet and rebuilt an economy shattered by the intervention, which annexed some of the island's best resorts, agricultural land, factories and ports, including Famagusta. Nearly 200,000 Greek Cypriots were forced to flee the Turkish northern part. About 50,000 Turkish Cypriots were expelled from the south (*South September*).

"From full employment, we went to massive unemployment overnight," says Symeon Matisis, director of planning at the Cyprus planning bureau. "The Turkish invasion created poverty among Greek Cypriots. Our people became dependent on the state for survival."

The government achieved economic recovery and sustained growth by investing 30 per cent of gross domestic product over the last 12 years, in infrastructure, construction and tourism. It also benefited from international relief funds and heavy foreign bank borrowing.

The island has reaped dividends from an aggressive offshore policy and an influx of capital from the Middle East: 4,000 foreign companies are registered or have offices in southern Cyprus, and more than US\$250-

## North Cyprus Factfile

**Population:** 163,000 (1986 estimate).  
**GDP:** US\$206-million (1982, current prices). Agriculture 20 per cent, industry 10, tourism 30, services 24.

**GDP per capita:** US\$1,346 (1982).

**Unemployment:** 3 per cent officially in 1983.

**Budget:** expenditure US\$66.7-million (1985); revenue US\$66.7-million (1985).

**Foreign trade:** imports US\$143.2-million (1985); exports US\$45.4-million (1985).

**Inflation rate:** 3 per cent in 1983.

**Exchange rate:** US\$1=TL160 (1982), TL440 (1984), TL688 (1986).

Sources: Office of the London representative of the Turkish Republic of Northern Cyprus, Europa Yearbook 1986.



High and dry: deserted tourist beach at Märach, Northern Cyprus

million has flowed in from offshore investment. The collapse of Beirut and the continuing instability amid the Gulf war has attracted many companies to the cheaper, safer environment.

Other factors helped the economic turnaround. The communist-controlled trade unions agreed to an unprecedented temporary 25 per cent wage cut in 1974, and the government cashed in on the booming Middle East markets.

By 1985, Greek Cypriot exports totalled US\$581-million, nearly a five-fold increase on 1973's level. Most exports went to nearby oil-producing Muslim countries. And Greek Cypriots earned US\$590-million from 813,607 tourists last year – a 10-fold increase since 1973. Unemployment is running at 3.4 per cent.

By contrast to all this, the three-year-old breakaway Turkish Republic of Northern Cyprus has attracted little foreign investment, aside from the Saudi-owned Faisal Bank and the UK-Turkish Cypriot company Polly Peck. Per capita income among Greek Cypriots is US\$4,000 a year – three times higher than that of Turkish Cypriots – and the gap is widening.

Although the Turkish Cypriots control 70 per cent of the island's wealth, their economy has made insufficient progress to satisfy Turkey, which subsidises the north heavily. Devaluations of the Turkish lira, the official currency, have boosted inflation. Turkish Prime Minister Turgut Özal, on a visit to Northern Cyprus in July, told the government it would have to impose a free market economic plan to achieve self-sufficiency.

The main reason for the relative poverty of Turkish Cypriots is the lack of international recognition for their breakaway state – which inhibits trade and tourism. About 100,000 foreign tourists spent US\$41-million in northern Cyprus last year, most of them from the Turkish mainland. In addition, Greek Cyprus gets all the major development loans. None of these filter down to the Turkish Cypriots.

On the plus side, the Turkish Cypriot community has begun to pry open the Greek Cypriot economic stranglehold since the Turkish invasion in 1974. Northern

Cyprus traded with 60 countries in 1985, with exports totalling US\$45-million and imports US\$143-million.

"Between 1963 and 1974, the Turkish Cypriot community did not get its share of the Cyprus economy. If it hadn't been for Turkey, we would not have survived," says Onur Borman, under-secretary of the Northern Cyprus finance ministry.

Reunification of Cyprus might benefit both communities only if the plural character of the island is preserved and if Turkish Cypriots are accorded the same economic rights, benefits and privileges enjoyed by the south, Turkish officials say. A peace settlement would allow the two communities to pool their resources, rather than duplicate efforts.

A settlement would also relieve pressure on the tourist industry in the south, rapidly reaching saturation point. In the north, beaches are deserted and hotels more than 50 per cent empty. The beautiful Kyrenia coast would provide the space for further development of the island's largest potential foreign exchange earner. □

Metin Demirsar in Fig Tree Bay

## South Cyprus Factfile

**Population:** 665,200.

**Annual growth:** 0.5 per cent (1985 estimate).

**GDP:** US\$2,561-billion (1985, current prices). Agriculture 10 per cent, manufacturing 18, construction 13, financial services 13, wholesale/retail 15, tourism 10.

**GDP per capita:** US\$3,850 (1985).

**Unemployment:** 3.5 per cent in 1985.

**Budget:** expenditure US\$635.5-million; revenue US\$534.8-million (1984).

**External debt:** public US\$594-million (1985); private US\$367-million (1985).

**Foreign trade:** imports US\$1.36-billion (1984); exports US\$574-million (1984).

**Current account deficit:** US\$204-million (1984).

**Inflation rate:** 4.3 per cent in 1985.

**Exchange rate:** US\$1=C£0.64 (1984); C£0.55 (1985), C£0.50 (1986).

Sources: Lloyds Bank Economic Report 1986, Europa Yearbook 1986, Central Bank of Cyprus, IMF International Financial Statistics.