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**The European Union's Next Mediterranean Enlargement
Challenges and Uncertainties**

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Four years ago John Redmond wrote an aptly titled book "The Next Mediterranean Enlargement of the European Community: Turkey, Cyprus and Malta?" [\(1\)](#) in which he discussed the prospects and pitfalls of each country in its quest to join the European Community. The book appeared just before the European Commission had published its separate opinions on the applications launched three years earlier, in July 1990, by Malta and Cyprus to join the Community, which event symbolically occurred during Italy's turn at the Presidency of the Union. As such therefore Redmond's book could not take into account the Commission's appraisal of the Maltese and Cypriot applications, however the analysis was quite on the mark and it appeared then that the author had neatly summed up all the major points on the question of the next Mediterranean enlargement. Briefly his conclusions were that:

(a) Turkey would not be admitted into the Community in the foreseeable future but would have to content itself with an enhanced Association Agreement, something which actually came about through the EU-Turkey Customs Union Agreement signed in 1995.

(b) As for Cyprus and Malta, though no serious economic obstacles to their joining the Community were envisaged, both posed the problem of "smallness" and the difficulties this raised as regards the effectiveness of the Union's institutions. With regard to Cyprus there was the additional problem presented by the *de facto* division of the island. Malta's neutral status could also present difficulties while it was hard to envisage the Community accepting Malta's membership while denying it to Cyprus. The two applications were thus being linked.

Since then, much water has passed under the bridge as it were. After concluding the Customs Union agreement with the Union, Turkey has become even more assertive in its demands for membership and has said time and again that it would not tolerate Cyprus's membership of the Union (2). Former Turkish Prime Minister and current Foreign Minister Mrs Ciller has been even more specific. Just before the start of the Dublin summit she said that there are three reasons why Turkey is taking part in the next enlargement of the Union: "...we are the first country to have signed an agreement that provides for enlargement, we are the only applicant that is a member of NATO, we are the only country that has achieved a degree of integration (with the EU) represented by the customs union that came into force just one year ago" (3). Speaking at a dinner in Dublin, Mrs Ciller repeated Turkey's desire to join the EU in the next enlargement adding that if the EU had good relations with Turkey, the Cypriot problem could be settled more easily (4). These comments and some sharp criticism against Greece, drew a mild rebuke from Greece's foreign minister Theodoros Pangalos while his deputy, George Papandreou said that Europe expects a sincere effort from her (5). It remains to be seen how much longer will the EU be able to resist the relentless Turkish pressure that has been going on for some time and whether Turkey is ready for some new diplomatic initiative at finally resolving the Cyprus issue in return for a place in the Union.

In another development, the European Union has accepted that negotiations with Cyprus and Malta would begin six months after the end of the Intergovernmental Conference. However, the Cyprus Problem is still considered by many member states, though of course not officially, as a very serious obstacle to Cypriot membership. Meanwhile, following the change in government in October 1996, Malta has indicated that for the foreseeable future it is no longer interested in membership but wants instead to conclude a free trade agreement with the Union accompanied by a security protocol, providing guarantees for Malta's security. Malta was not represented at the Dublin summit with the other applicant countries. European Commission President, Jacques Santer, replying to a question by a journalist said that since the change in government, Malta was no longer a candidate for membership (6). The official position in Malta is that the application is frozen, not retracted. All these developments indicate that suddenly there is fresh momentum as well as uncertainty about the direction which the next Mediterranean enlargement will take and the question posed by Redmond in 1993 looks like needing a fresh and closer examination once again.

This paper will seek first of all to show the developments that have occurred in the EU's relations with the Mediterranean applicants in the 1990s. Following that, the analysis will focus on the main implications for the Union of the next Mediterranean enlargement and its likely impact on the applicant states. The last part of the paper will take the form of a discussion of the possible path which the next Mediterranean enlargement will follow.

From the Launching of the Applications to the Present

The first country from the Mediterranean group to launch its application was Turkey, which did so on the 14th of April 1987. The Commission's Opinion on Turkey's application came out at the end 1989 (7). Turkey's relations with the European Community date back to 1963 when it became the second Mediterranean country after Greece to sign an Association Agreement with the Community. As a key member of the North Atlantic Treaty Organisation (NATO) and other

western European security arrangements and due to its strategic position at the head of the Dardanells and facing the Caucasus, during the cold war close links with the Community were considered as helping to achieve the political and strategic aims of strengthening Nato's southern flank by stabilising Turkey's internal economic and social situation. The end of the cold war diminished Turkey's traditional importance for the West, though strong arguments can still be made about the West's interest in Turkey as a key country on the doorstep of the turbulent Middle East and Central Asia, not to mention the importance of supporting and upholding the Turkish secular state as a model for the newly independent Moslem states of central Asia. Indeed one can argue, Turkey's role in this sense will be akin to that of a surrogate power of the West, a position which Turkey will not accept without some compensatory favour from Europe. By gaining greater influence among the Turkic former Soviet Republics after the vacuum created by the collapse of the Soviet Union, it will counter Iranian influence and ambitions in the region. All these arguments however have not been enough to tip the balance in favour of Turkey's EC application when put against the background of her comparatively low level of economic development, its rapidly growing population (with the added consideration that as a member of the Union, Turkey could in a short time span become one of the most populous countries of the Community) and the impact which such a large underdeveloped, agrarian country would have on the Community's structural funds, agricultural policy and budget - not to mention migration (8). In the background of course there is the Greek factor or the way Greece uses its EU membership to condition Turkish behaviour in general and block her membership. In its 1989 Opinion on the Turkish application, the Commission had not recommended the start of negotiations with Turkey on the excuse that at that particular moment the Community was still putting in place the single market, was about to embark on economic and monetary union and moreover was involved in the task of *"improving its institutions and thereby reconciling enlargement and consolidation"*. The Commission held that on the basis of these considerations alone *"it would be unwise, with regard both to the candidate countries and to the Member States, to envisage the Community becoming involved in new accession negotiations before 1993 at the earliest, except in exceptional cases"* (9). The "exceptional case" was soon invoked in the case of the European Free Trade Area (EFTA) applicants while Turkey's application, whose Association Agreement (10) envisaged eventual EU membership, though not automatically, was put on the back burners as happened to the applications of Cyprus and Malta launched in 1990.

The EU's treatment of Turkey is symptomatic of its changing international priorities, not least those in the Mediterranean region. Since the late sixties and early seventies, soon after the Community had more or less concluded the first phase of its internal integration, taking due account of the cold war tensions and the Middle East Problem, in the latter case most emphatically in the wake of the first and second oil shocks, the Community had regarded the Mediterranean as a zone of instability whose problems could spillover into Europe itself. While military threats and the overall strategic balance in the region could be countered by the presence of the American sixth fleet, the Community used economic statecraft, especially discriminatory trading preferences under the aegis of the Global Mediterranean Policy, in an effort to enhance stability in the region, essentially by trying to alleviate the non-military threats to security. The inclusion of Greece(1981), Spain and Portugal (1986) in the EC was a means of consolidating the new democratic process which began in each of these states in the first half of the seventies. In the late eighties, at the time of Turkey's application, no such prerogatives existed which would have presented the Community with the strong motivation to include her in its fold.

Meanwhile the focus of the EU had shifted markedly to internal consolidation, while externally it became preoccupied with two main issues: first to bring to a successful conclusion the consolidation of Western European integration by admitting the EFTA countries and secondly by events in Central and Eastern Europe. Moreover the emerging problems and priorities in the Mediterranean region, to which the EU was rather slow to react, characterised by population growth, migratory pressures on Europe, terrorism, illicit drug trafficking and the spread of Islamic fundamentalism lessened Turkey's attractiveness, the perception being that Turkey could possibly aggravate, rather than diminish these pressures. Then there was Turkish intransigence on Cyprus and its dismal human rights record. Turkey missed the boat when Greece joined in 1981 and it appears that it will have to struggle to reverse this setback.

In the case of Cyprus and Malta, the situation was different. Both island states had initially become interested in forging an Association Agreement with the Community in 1961, following Britain's first application to join. Both concluded an Association Agreement with the Community in the early seventies (11). In contrast with Turkey, their level of economic development compares favourably if not better than that of other southern EU member states. With a population of 0.4 million and 0.7 million respectively, Malta and Cyprus are unimportant for the EU both when considered as a market outlet for the Union's exports as well as regards their impact on the Community's finances and other main economic policies in the membership scenario (12). This was more or less confirmed by the Commission's Opinions (13) on their applications published in 1993, which nevertheless indicated a number of economic sectors each applicant had to seek to modernise in preparation for membership. On the basis of these observations, a "Structured Dialogue" commenced between the Union and each of the applicants to usher in the priority reforms. This dialogue is still going on, though doubts have been cast as to whether it will continue with Malta, given the latter's decision to effectively freeze its membership application.

Since both applicants are "micro-states", in its opinions, the Commission referred to the additional difficulty common to both concerning the impact of their membership on the Union's institutions (14). At the Lisbon European Council of June 1992, the Benelux countries submitted a memorandum urging the Community to tackle the institutional issue in a way that would not be detrimental to smaller countries. The Benelux trio made it clear that on the basis of the considerations they submitted, membership should be open to the EFTA countries but not to the Mediterranean applicants (15). This killed any hope there might have been of an early entry in the Union of one or both of the Mediterranean applicants. Since the Community always insisted that each application should be treated on its merits, the Maltese authorities (16) had hoped for an early accession with the EFTA group without having to wait for Cyprus basing their judgement on the relatively unproblematic nature of Malta's application (17). As for Cyprus, the Commission declared that there is a link between the question of enlargement and the problem which results from the de facto separation of the island into two entities (18). Thus the general view was that Cypriot membership would take a long time to materialise and Malta's bid should not be held back on its account. When presenting its application, the Cypriot Government did so on behalf of the whole island. In line with the relevant UN resolutions, the EU recognises only the Government of the Republic of Cyprus and not the administration of the Northern Turkish part, the so called Turkish Republic of Northern Cyprus (TRNC). This move was severely criticised by the Turkish-Cypriot authorities, basing their legal position on the Geneva Treaty of

Guarantee and the 1960 Cypriot Constitution (19), accordingly to which the President and Vice President of Cyprus, in the latter case (and constitutionally) a Turkish Cypriot, each had a veto over any foreign policy decision, particularly on any decision on joining an international organisation or alliance that does not count both Greece and Turkey among its members (20). In its Opinion on the Cypriot application, the Commission, came out strongly against the prospect of the Union "internalising" the Cyprus Problem, reiterating clearly that accession negotiations with Cyprus could only begin after a solution to the problem had been found (21). However, should the inter communal talks between the Greek and Turkish Cypriots not lead anywhere, the Commission proposed that the situation should be reassessed and the question of Cyprus's accession to the Community be reconsidered in January 1995 (22). No doubt the latter provision was intended in order not to give Turkey and the Turkish-Cypriots complete leverage in the inter communal negotiations with the Greek-Cypriots.

In Malta's case, the Commission's main observation, apart from those already indicated, was that although the Maltese Government had affirmed that it is in Malta's interest to subscribe to the Common Foreign and Security Policy, this did not alter the fact that it might be necessary to amend the constitution which incorporates Malta's status of neutrality based on non-alignment (23). Such an amendment requires a two thirds majority in Parliament. The Maltese Government consistently maintained that Malta's neutrality was *sui generis* and that just as other neutral states were participating in the EU, Malta would have no difficulties doing the same with its special brand of neutrality (24). However, the Labour Party has continuously maintained that membership could have a detrimental effect on the maintenance of stability in the Mediterranean.

On the insistence of Greece, the European Council held in Corfu in June 1994 established that the next enlargement will include Cyprus and Malta (25). At the end of the summit, Greek Minister Theodoros Pangalos noted that the Council's decision meant that *"the question of the admission of Cyprus, was disassociated from the political problem of Cyprus"* (26). In the first half of 1995, Greece blocked progress on the EU-Turkey Customs Union agreement and the transfer of EC financial aid to Turkey in order to force the latter to drop its opposition to Cyprus joining the EU before the Cyprus Question had been resolved. Concurrently, Greece pushed its EU partners to fix a date for the opening of negotiations with Malta and Cyprus. After a decision reached within the general affairs Council in April, the Cannes European Council of June 1995 reaffirmed that negotiations with Cyprus and Malta would begin six months after the end of the Intergovernmental Conference (IGC), taking into account the outcome of the conference (27). The implication is that if the IGC is concluded in the first half of 1997, negotiations with Malta and Cyprus could begin towards the end of 1997.

The Impact of the Next Mediterranean Enlargement on the European Union and on the Mediterranean Applicants

One of the ways of discussing the impact of EU membership on the Mediterranean applicants is to frame the argument in the context of the "costs of non-membership", something which will be attempted in this section. The EU's reluctance to include the Mediterranean applicants together with the EFTA group, couched in terms of the negative impact that this would have on the Union's institutions was a screen behind which the Union said no to Turkey because it was too big and underdeveloped, no to Cyprus because of the Cyprus Problem and no to Malta because it

could not say yes to her while saying no to Cyprus. The question of institutional reform, specifically that of reducing the democratic deficit and making them more effective, is a crucial issue especially in the context of enlargement. Concurrently and paradoxically it was the EU itself which gave the impression that in effect the question of the reform of the institutions was a "non-issue" as an obstacle to membership when it temporarily waived the need for institutional reform prior to enlargement in the case of the EFTA applicants, with of course the proper safeguards that the matter would be discussed fully and without reservations at the IGC. The same provisions which were included in the Accession Treaties concluded with the EFTA countries, safeguarding future institutional reforms, could certainly be made binding for the Mediterranean applicants (28). When the Mediterranean applicants eventually join the EU, the matter will by then hopefully have been settled. Turkey's size would however make it the biggest member state and hence the most important one in all the Union's institutions. On the other hand, one lingering doubt is whether the smaller Mediterranean applicants will be able to handle their participation in the institutions as efficiently as would be required of them, given their obvious limited supply of human and other resources and the widening breath and depth of decision-making in the EU both as concerns its internal development as well as its external relations. In reply, reference is made to the way in which Luxembourg has successfully acquitted itself in such situations so far. However, this is not a sufficient answer to such doubts.

The economic impact on the Community of the next Mediterranean enlargement is expected to be negligible in the case of Cyprus and Malta. In the case of Turkey the Union will gain access to a large market which in population terms would be larger than that incorporated in the Union with the first Mediterranean enlargement. Turkey's population being relatively young and growing may produce migratory pressures on the rest of Europe which however, for exactly contrary demographic developments should find this positive rather than negative. It is also important to note that the Turkish economy has been expanding faster than the OECD average in recent years and for the next three years, growth is expected to reach three times the forecast OECD average. Unemployment, currently at 6.8 per cent and falling compares favourably with most OECD economies. These indicators show that migratory flows resulting from economic pressures may become less intense. The most serious challenge of enlargement will be felt in the Union's finances and especially the Structural Funds. Again in this regard, the entry of Cyprus and Malta is unimportant for the EU, however the three applicants' level of development entitles them on the basis of present rules, for each to be considered as a single *Objective One* region, which taking into account Turkey's population size would entitle it to about six times the current transfers to Greece. Considering the aid from the structural funds, membership is a definite positive advantage for the applicants and a headache for the Union, which, since it will also have to tackle the challenges of integrating the Central and Eastern European countries, will need to overhaul its finances. This will not be an easy matter. The issue promises to be a very divisive one and while some countries wish it to be discussed at the IGC, others think that given its magnitude and the fact that the present financial perspective ends in 1999, the IGC should not be overburdened with it. Meanwhile there is the usual conflict of interests between net recipients and net contributors. The former do not wish their position to be undermined by enlargement. Thus, in an initial document submitted in January 1995 to the IGC, Greece emphasised the importance of economic and social cohesion and of transfers from the structural funds to the poorer regions of the Community. It proposed that enlargement will require a greater budgetary effort. By contrast, Germany a net contributor to the Community's own resources has declared

that the actual distribution of burdens was no longer acceptable to it and wants the matter discussed at the IGC (29). There is yet another aspect: in the second Delors package approved by the Edinburgh European Council, funds allocated to the structural programmes were doubled while at the same time agriculture expenditure is expected to decline from 51 to 46 per cent of the financial resources by 1999. Given these trends as well as developments in the World Trade Organisation regarding the regulation of world trade in agricultural goods and further reforms of the CAP (30), this shift may be expected to continue. However, it may not result in more funds flowing to the Mediterranean backward regions of the Union, given that a substantial part of the present transfers occur under the aegis of the Common Agricultural Policy. The most important question does not only concern the division of the Community budget, though this cannot be ignored, but the quantum by which the Community's own resources will increase to allow it to meet all the challenges. One possible way of lessening the pressure on the Community's budget is to deny agricultural support to new members from here onwards. EU Agriculture Commissioner Franz Fischler recently indicated this approach as a plausible way forward: *"...we see no reason why the compensatory payments we make to our farmers should also apply to the countries of central and eastern Europe, where there is actually nothing to be compensated for and the farmers will benefit from the rise of prices after enlargement"* (31). The same reasons could be applied to the Mediterranean applicants. Indeed, Turkey's agricultural sector could benefit from membership simply from the price differential between the pre-accession price level in Turkey and the higher EU prices upon membership. However, the general price level of food products in Turkey will also increase. Symmetrical developments in Cyprus and Malta are doubtful or less critical. The basic difficulty in ushering in such a system of support as proposed by Fischler is to determine the criteria on who will and who will not receive agricultural subsidies.

The theoretical and practical debate on the effect of the structural funds on economic growth and regional convergence is essential not only for the Union as it approaches enlargement but also for the applicant countries. In a very interesting study, Leonardi (32) has shown how between 1950 and 1991, there has been a significant reduction in the cohesion gap between core and periphery regions in the Union and how EC allocations from the structural funds made a substantial contribution to economic growth in Spain and Portugal after joining the Community in 1986 (33). Greece of course was singled out as a special case since for various supply-side considerations it was unable to obtain the same positive results following membership. The fifth periodic report prepared by the Commission on the social and economic situation and development of the regions of the Community showed that although the gap between core and periphery remains significant and while concurrently the performance of the lagging regions varies from one to the other, there is an overall trend towards gradual convergence (34). This trend is supported by the structural funds and the initial estimate made by the Commission as regards the effect of the structural funds over the period 1994-99 shows that in regions eligible for aid, growth is expected to be higher than would have been the case without Community aid by 2.5 per cent in Spain and 3.0 per cent in the case of Portugal and Greece (35). These results are an added reason why the Mediterranean applicants should find membership of the EU more attractive. In so far as they are unable to mobilise financial resources - whether originating domestically or externally - to achieve similar results, the Mediterranean countries remain comparatively disadvantaged vis a vis their direct competitors in the Union, namely the

Mediterranean backward regions and the countries of central and eastern Europe (if they join before the Mediterranean applicants), as long as they remain out of the Community.

The above considerations are what one may summarise as the static effects of membership. Due consideration must also be given to the dynamic effects of integration, especially to the impact of the single market. A recent study by the European Commission on the effects of the Single Market Programme for the period 1987-93 shows that an additional 300,000 to 900,000 jobs were created in the EU than would have existed in the absence of the single market. This was accompanied by an extra increase in EU income of 1.1 to 1.5 per cent, a lowering of the inflation rate of between 1.0 and 1.5 per cent and an increase in economic convergence and cohesion between the regions (36). These trends may be reinforced by the successful launching of the third and final stage of monetary union and the introduction of the single currency. While they remain out of the Union, the Mediterranean applicants cannot benefit from these developments. Moreover, the alternative of maintaining the present status of their links with the EU - a customs union in the case of Cyprus and Turkey and a future free trade area in industrial products in the case of Malta - is unattractive because it entails that the Mediterranean trio will have to adapt a substantive part of the Community's *acquis* without the benefit of representation in the Union's institutions or financial aid from the structural funds. Customs union and free trade area agreements between the EU and third countries are taking on a different aspect to what they were in the past and not only do they include the traditional dismantling of tariff barriers and quantitative restrictions but also the removal of non-tariff barriers to trade and the approximation of laws such as those covering the protection of intellectual, industrial and commercial property; competition rules to ensure fair competition; rules governing public procurement and harmonisation of taxation. For example, the Commission has recently published a draft common position to be adopted by Council with a view to an EU-Turkey Association Council decision, listing the Community instruments which Turkey will have to adopt in order to remove technical barriers to trade. The list, some hundred odd pages of legislative headings excluding texts, represents well over a thousand pieces of legislation (37). In the case of a customs union there is the additional requirement for non-members of adopting the Union's external commercial policy without having a say in its implementation. Further, Cyprus and Malta, whose economies are becoming more service-oriented may also wish for the additional requirement of free movement of services to get more advantage of a closer association with the Union. Agricultural trade with third countries, even with those enjoying preferential access in the Community, will continue to be restricted in the foreseeable future affecting Turkey and Cyprus most particularly and to a lesser extent Malta while they remain out of the EU. Hence, while membership requires adaptation effort on the part of the applicants, the costs of non-membership appear to be worse.

There is also the question of Foreign Direct Investment (FDI). In this regard the choice between membership and non-membership is not neutral. The applicant countries in central and eastern Europe will exercise a strong gravitational pull on FDI to the comparative detriment of the Mediterranean applicants should these opt to stay out of the EU. Mediterranean backward regions of the EU which receive aid from the Structural Funds are also direct competitors of non-member states for FDI.

Finally consideration must be given to the bargaining strength of the applicant countries outside membership. As applicants engaged in the "structured dialogue" with the Community, Cyprus

and Malta have not only taken on the challenge of economic and legal reforms (38), but are also being involved in a continuous dialogue and joint decision-making on the priority reforms with a status of quasi membership. Of course the relationship was not devoid of problems. In the case of Malta one gets the impression that little negotiating took place with the Community on the reform schedule. However, outside the Community the applicant countries will still have to negotiate bilaterally with a vastly superior Union and according to the momentum dictated by the latter.

On the Union's side there is the question of the Mediterranean applicants' readiness to join the last stage of EMU. Following the Lisbon European summit of June 1992, the EU has adopted the stance that in enlargement negotiations, the requirements of membership are to be based on the Treaty on European Union. Therefore applicant countries are to make parallel progress on achieving both membership as well as in ushering in the changes needed to integrate fully in the new Union. Both Cyprus (39) and Malta claim that they are within easy reach of achieving the so called Maastricht nominal convergence criteria and therefore their membership may not present problems to the Union in this regard. Indeed, Cyprus and Malta have enjoyed very rapid and high economic growth achieving full-employment conditions (Cyprus has even had to import Labour to overcome a shortage which has developed) and comparatively low inflation hovering around 4 per cent in both cases. Cyprus is closer to achieving a fiscal deficit of around 3.0 per cent of GDP, one of the main Maastricht convergence criteria, than is Malta, whose deficit presently stands at around 9.3 per cent of GDP. For Cyprus and Malta, achieving the Maastricht criteria is not a painless task and though the authorities in both applicant countries are optimistic, more sanguine appraisals of the situation in both countries have been aired. As regards Cyprus, Theophanous (40) has argued that in the case of one of the criteria, i.e. public debt, if due consideration is taken of intragovernment debt, total public debt would amount to 88.7 per cent of GDP. In the case of Malta, Cordina (41) pointed to a number of difficulties but primarily to the ones connected with establishing the real size of public debt, problems with controlling inflation and long-term interest rates and lastly problems with determining the exchange rate of the Malta lira, presently established by the Central Bank on the basis of a formula of a basket of currencies. Since the weight of the ECU in the basket is around two thirds, it is not surprising that the Malta lira has been so stable against the ECU. Turkey's case is worse. Traditionally a high inflation country, the general price level peaked at 107.0 per cent in 1994 but started declining there after. Present estimates show that it would go down to 65.0 per cent in 1998 (42). No doubt the effects of the customs union and liberalisation will exercise a downward pressure on prices in the long run, however in the short to medium term the effects will be more mixed. Pressures are already being felt on Turkey's current account balance as a result of the customs union with the EU. Longer-term interest rates remain high. The Government's financial deficit as a percentage of GDP is not being contained and nor is public borrowing. All indicators are that Turkey will need a very long time to achieve the criteria for the final stage of EMU.

The last consideration concerns the applicants' participation in the Common Foreign and Security Policy (CFSP) of the EU. In this respect, Turkey is the least problematic being a full member of NATO and an Associate member of the Western European Union (WEU). In international politics Cyprus has been a co-founder of the non-aligned movement (NAM) and an active participant in it since. Malta joined the NAM much later. The NAM has enabled both applicants to forge more links with the developing countries, though this does not appear to have

translated into trade opportunities which remain directed towards geographically proximate regions. Further, as Commonwealth countries, they already enjoy close relations with a number of former colonies of Great Britain, most of them linked to the EU by the Lome Convention. These links may serve the EU well when Cyprus and Malta eventually join the Union. They have actively participated in the Conference on Security and Co-operation in Europe (CSCE, now OSCE) and have worked closely with the neutral states which are now members of the EU. Thus they are not complete novices to the problems of European security and as micro-states they view the Union as a "security community". Cyprus has special relations with its Arab neighbours in the Mashrek, Malta has links with most Arab countries. As micro-states they lack power in the international system and hence are feared by no one and so they can serve as trustworthy interlocutors between the Mediterranean non-member states and the Union. They will certainly add to the Mediterranean dimension of the EU which is in danger of being submerged in the predominantly central and northern European nature of the Union and more so in the Union-to-be. Their traditional weakness in terms of overall power in the international system coupled with their neutrality and non-alignment when added to the influence already exercised by the current EU neutrals, will serve as a mitigating and moderating influence in deliberations on foreign and security policy within the EU. Being on the edges of the EU's security sphere, the accession of Cyprus and Malta will potentially make the core countries more sensitive (sensitise them) to the problems of the Union's southern periphery. However, the Labour Party has expressed fears of Malta being transformed into a fortress on the European frontier guarding against the Arab world and vice-versa [\(43\)](#).

Of course the neutral leanings of Cyprus and Malta alarm those member states who want an active and effective common foreign and security policy in an EU which will act, rather than react. Many fear that the addition of Cyprus and Malta will water down the EU's effectiveness in international affairs, will raise the possibility of greater internal discord on policy among the member states and consequently render decision-making more cumbersome. In the case of Cyprus there is the well-founded fear that it will use its membership of the EU institutions to team up with Greece against Turkey, especially as long as the latter remains outside the EU, thus souring the Union's relations with Turkey and further fomenting discord within NATO. This is one reason why the Union would probably be better off if the Cyprus Question is resolved before Cyprus joins the Union. Yet, Cyprus would argue that it is membership which will help resolve the problem, not vice versa.

The effect of the accession of Cyprus and Malta in the EU on its foreign and security policy will depend on the shape of the CFSP and its decision-making institutions which will emerge at the end of the IGC, in other words how much will the security element and the WEU be integrated in the EU and what scope will the Union have in these areas of policy? Will there be a European foreign policy? The other consideration is what sort of institutional set-up will be established? Will the neutral and pacifist leaning member states be allowed to maintain the position adopted by Denmark [\(44\)](#), which is permitted to have an observer status in the WEU and not to participate in joint actions which have defence implications as well as the freedom to renounce its right to exercise the Presidency of the Union in each case involving the elaboration and the implementation of decisions and actions which have defence implications? Denmark's status differs markedly from that which the EFTA applicants had to undertake as a precondition for entry, namely that they would be able to participate in the CFSP from day one and to take on the

entirety of objectives of the treaty and Title V there of [45](#). One suggestion put forward by the "Reflection Group" on the IGC is that in the CFSP, some member states may be permitted not to participate in defence actions so long as their abstention will not prevent a consensus from forming and provided they show financial and political solidarity. The progress achieved in this regard up to the Dublin European summit is that decision-making procedures will be improved in two ways: first, where unanimity will still apply, it would be possible for member states who so wish to make a declaration of constructive obstruction. In such a situation the member state which makes such a declaration would not be obliged to apply the decision. The second, is that qualified majority voting would be introduced for all decisions under the CFSP, except those involving joint actions and those with military/defence implications. In the latter case, no vote would be taken if a member state declared its intention to oppose the adoption of a decision for stated reasons of national policy. In such eventualities, a qualified majority could ask to have the issue referred to the Council of Heads of State or Government for decision by unanimity [\(46\)](#).

Such an arrangement would suit Malta's participation in an enlarged EU (and probably also a demilitarised Cyprus) because it would permit it to maintain its neutral status as defined in the Constitution, by not joining a military alliance and by not having foreign military bases on its soil while allowing her to participate fully in the EU's foreign policy-making. However, even such a limited obligation would not placate the wider questions related to the concept of neutrality and the way this safeguards or otherwise Malta's security. As Calvocoressi has observed such a status would impair the would-be neutral's claim to neutrality in the event of war and to accept it implies, therefore, a certain view of European affairs - a view of Europe in which there will be no overriding case for claiming neutrality in order to preserve the state's integrity and existence [\(47\)](#). On the other hand, the Maltese government holds that in the present setting in the Mediterranean region neutrality serves towards safeguarding Malta's security and identity in the event of a plausible north/south conflict. This argument is reasonably valid if not for the consideration that since Malta is unable to safeguard its own security, it has to seek military guarantees from neighbouring powers and thus becomes indirectly involved in regional military arrangements. The previous Maltese government (the Nationalist Administration 1987-96) had declared that in the post-cold war era, neutrality had lost most if not all of its meaning and that neutral countries were rethinking their international status. Presently Malta's security is guaranteed by Italy, however the latter's intervention is not automatic and there is the possibility it would choose not to act if wider interests prevail. Further, as a micro-state with extremely limited military capabilities, Malta could eventually see its strategic reliance on Italy, already accompanied by an economic dependence which has resulted from the financial and economic aid which Italy has transferred to Malta over the past 15 years and still continues to, transformed into a hegemonic relationship. By contrast, membership of the EU, which obviously is not a military alliance but a security community, holds lesser risks all round.

What Will the Next Mediterranean Enlargement Be Like?

To answer this question, the case of each Mediterranean applicant will be discussed on its own by reference to the specific case and problems of each.

(A)

Malta

Up to Florence European summit many would have considered Malta's application as leading the pack of some eleven aspirants to EU membership. The October 1996, general election returned the Labour Party to power in Valletta after an absence of nine years. The Labour Party had campaigned against membership of the EU, proposing instead a free trade area agreement in industrial goods over a reasonable transitional period. The Party reiterated that neutrality was still important for Malta and that it was against membership of NATO's "Partnership for Peace" (PfP) programme. The Party also proposed co-operation with the EU in matters related to security and foreign policy (48). Some days before the election, the party's leader Dr Alfred Sant said that Malta's membership of the EU would harm Mediterranean stability and that Malta's security could best be safeguarded by maintaining a position where it will pose a threat to no one, from the north or from the south (49). Shortly after the election, Malta announced that it would not be attending the Dublin European summit while immediate action was taken in the first days to pull Malta out of the PfP. The latter move was considered by some as the first sign of a return to the previous anti-western and pro-Libyan policies. The Foreign Minister, Dr George Vella, met the local heads of mission of the NATO countries and explained that the move was *"not a political measure aimed at distancing Malta from Europe"* (50). Speaking a few days later, the Foreign Minister said that Malta was not turning its back on Europe and that in contrast with what had happened in the case of the PfP, there was no need for a formal withdrawal of the EU membership application. The Labour Party had strongly campaigned in favour of pulling Malta out of the PfP on the grounds that membership was unconstitutional. He added that Malta would be continuing where the previous government had left off, taking on board what had already been agreed and is good and hopefully building on it (51). Speaking to the Chamber of Commerce, the new Prime Minister Dr Alfred Sant said that *"for the foreseeable future we are ruling out the prospect of Maltese membership of the EU in the full belief that on a net basis, such membership would not be in the interest neither of Malta nor of Europe"* (52). Membership was not ruled out completely and the government is laying emphasis on the fact that such a policy is for the "foreseeable future". The Federation of Industry (FOI) and the Chamber of Commerce maintain that it is in Malta's interest to join the European Union. In representations to the political parties just before the election, the FOI warned that *"it does not make sense for Malta to stand alone in splendid isolation when its competitors...are uniting under the aegis of different regional economic blocs"* (53). Following the election, the FOI said in a meeting with the newly appointed Minister for Industry, that uncertainty over Malta's relations with the EU would harm investment (54). In another development a member of the COREPER in Brussels was reported to have said that there was no point in continuing the Structured Dialogue with Malta once it was no longer interested in membership (55). The government's position on relations with the EU is amply clear, though some confusion has been created in Brussels over what to do with the Structured Dialogue once Malta was making it abundantly clear that it was not interested in pursuing the membership option. To clarify this "confusion", the Government circulated an *aide memoire* (56) to all EU member states, explaining its position and reiterating that Malta's foreign policy will remain oriented towards Europe while at the same time cultivating a complimentary Mediterranean policy to it. The foreign Minister visited Brussels and addressed the General Affairs Council explaining the new policy, adding that the membership application had been put "on hold" while stating that Malta was fundamentally in favour of European integration, though the present government did not see any role for Malta in it for the foreseeable future. The Council instructed the Commission to begin consultations with

Malta with a view of eventually starting negotiations aimed at establishing a new agreement with her (57). With the same aim of clarifying Malta's new policy the Prime Minister met his Italian and Irish counterparts. Italy expressed disappointment at Malta's change of policy, but promised that it would help Malta achieve its aim of a closer relationship with the EU. Interviewed by a Maltese journalist during the Irish European Summit, Italian Prime Minister Romano Prodi was reported to have said that Italy regarded the Mediterranean expansion as being very important because the Union could not be an association of only Northern European countries. He added that Italy would always be close to Malta, but the latter's change of policy over Europe meant that they would be less close. He reiterated the hope that Malta would eventually change its stance once again on the issue (58). The Italian Government's support of Malta's EU membership is also shared by the Italian opposition, Forza Italia.

The above indicates clearly that Malta's membership of the EU appears to be off for the foreseeable future and the Government of Malta has the full popular mandate for this radical change in policy. Much remains to be seen whether Malta's proposed alternative is achievable. It will be uncharacteristic of the Community, given past experiences that it will conclude a new agreement with Malta within the short and medium term. One example is the delay in concluding the EC-Cyprus customs union agreement which got entangled in the labyrinth of negotiations leading to the first Mediterranean enlargement, drastically slowing down the momentum of progress in the negotiations despite the protestations of Cyprus. Given the present EU priorities - concluding the IGC and the ratification process, embarking on the final stage of EMU and the enlargement negotiations with the countries which are willing to go on with the process - negotiations with Malta will be treated in the same manner as those with other Mediterranean countries and possibly they will be delayed. It will also be difficult for Malta to negotiate a *sui generis* relationship with the Union, first of all because the Brussels bureaucracy will find it difficult to place Malta anywhere else than in an already existing pigeon box - in other words a Mediterranean Partnership Agreement, a "Europe Agreement" or an EEA, EFTA-type one. Moreover, the political will may be lacking on the part of the EU: in forging a relationship with Malta, the EU may find it difficult to part from the beaten track for this will raise serious precedents in its relations with other non-member countries. There is a historic negative precedent as well: Malta's 1981 request for a "special relationship" with the EC, proposed by Dom Mintoff, had also been rejected by the Community and bilateral relations entered a very difficult period.

Economically, Malta may be unable to maintain the momentum of economic development it has sustained over the past decade outside the EU. Some allusions to this have already been made above, however one important question is whether Malta can sustain a sufficient level of economic growth by means of state mobilised finance. For how long can the state, already running a deficit of 9.3 per cent of GDP continue to accelerate the economic development process? A drastic policy of retrenchment of government spending to lower levels may decelerate the process. Membership on the other hand will provide access to the structural funds which will enable the present rate of economic development process to be continued.

On the political front, the EU has so far not concluded a defence pact with any third country such as the one being requested by Malta. Even in this case the Union is being asked to traverse new,

uncharted ground at a time when it has still not developed its foreign and security policy and the instruments to deal with such problems.

The sort of package which Malta expects from EU membership is more or less known while the outcome of the IGC up to the Dublin summit indicates clearly that some of Malta's hesitations - for example that as a micro-state it will be submerged in a Union of much larger states - will not materialise. These considerations may still lead the government to request a fresh mandate by putting the question to the people in a referendum. Public opinion has not been properly consulted so far on the issue. Lack of foresight on all sides has led to the question of EU membership being treated more as a bipartisan issue than as a national one. In a small highly politicised society such as Malta's, both main political parties which have alternated in power since independence have shown extreme reluctance in properly informing the public or in sponsoring a real national debate.

The final consideration is about Malta's security in and outside the Union. Malta's membership of the EU will not affect the Union either way. However, the reverse is not the case. The analysis of the security question is related to the regional context, the threats arising therefrom and the sort of threats which Malta perceives. Today there is *quasi* unanimous consensus (59) that the major threats to security in the Mediterranean are of a non-military nature. Most of the states of the southern Mediterranean littoral are concerned with internal security issues widely related to the possibility of state collapse because of the deteriorating economic situation and the protest against the leading political elites in each country, probably for convenience under the banner of Islam. There is even sufficient reasons to doubt whether an "international Islam" has emerged to challenge the status quo even though it is known that Iran and Sudan have been aiding Islamic movements in neighbouring states. Then there are the classical flash points such as the Middle East, Cyprus and the situation in the Aegean (to mention a few) which could erupt from time to time. However, these remain by and large circumscribed to a sub-region of the Mediterranean. Another source of potential conflict comes from unresolved border issues and the demarcation of the continental shelves. Malta is implicated in such disputes with its neighbours. The gradual pacification of the Middle East problem is removing one of the unifying factors of the Arab world. The states of the northern littoral are not perceived as a threat by those of the south - in any case not a military threat (except in Tripoli) but an essential partner whose intrusive presence is not feared but rather its lack of interest (60). This view is collaborated by Wohlfeld who claims that though the southern states view the development of security and defence capabilities of the northern Mediterranean states with suspicion, still broadly misinterpreting WEU/NATO activities in the Mediterranean region, such as military exercises and the possibility of humanitarian operations, on the other hand they are concerned that the western organisations' increased interest in central and eastern Europe may develop at their expense (61). The Maltese Government's premises on foreign policy appear flawed in at least this important respect judging from the Labour Party's pronouncements, namely that "*...when one considers the problems of our region and the rift and tension which exists between the North and South, have paradoxically escalated since the end of the cold war*"(62). Indeed, the rift seems to have diminished. The consensus in most of the countries of the Mediterranean region, appears to form around the need of greater economic integration as well as more dialogue and collaboration in the field of security especially in peace-keeping. That is why a security dialogue was inserted in the Euro-Mediterranean Partnership commenced in Barcelona in 1995. By leaving the PpP and by

declaring that it will not participate in the military actions of peace-keeping within the framework of the OSCE, Malta is marginalising itself from developments and consequently diminishing its influence.

The general perception about Malta's security - shared by all political parties - is that any threat to its security will not be of a military nature. Given this consideration and if the acute North-South adversarial relationship which Malta perceives in the Mediterranean region is non-existent, then there are also implications for its neutrality, namely that carried to extremes such as staying out of the PFP, the EU or OSCE operations is unwarranted and does not appear to be conducive towards achieving the other stated goal of maintaining stability in the Mediterranean region. One view of the problem is that a policy of adhering to the sui generis meaning of neutrality, that of not having military bases on Malta's soil, but participating as a full member of the EU viewed as a security community as well as in other peace-keeping structures, gives Malta greater relevance and permits it to be in the core of the decision-making processes that most concern the regional environment in which it has to live and survive.

Given all these considerations, a rethinking of present policies is not a farfetched assumption and this is an added reason why the present approach to Malta's future relations with the EU may yet be reconsidered.

(B) Cyprus

The main obstacle to the membership of Cyprus is the "Cyprus Problem". The rudiments of this problem are the following [\(63\)](#):

(i) If Cyprus joins the EU, without a solution to the Cyprus problem, Turkey has repeatedly promised annexation of the Northern Republic of Cyprus in the shortest possible time. It will mean that Turkey, an applicant for future membership, with a customs union agreement with the EU will have annexed a part of the Community's territory. It will also mean that part of the Community's territory will be under the military occupation of a third country. This will ensure that the issue will be a permanent feature of the European Council. However, much depends on whether the EU member states would allow Turkey to get away with this and block Cyprus's membership. British Secretary of State for Foreign and Commonwealth Affairs, Malcolm Rifkind, has stated that no third party would have a veto on whether Cyprus would join the European Union, though if a solution was found to the Cyprus Problem, it would make negotiations easier [\(64\)](#).

(ii) Turkey claims that Cypriot constitution prohibits the entry of Cyprus in the EU without the consent of the three guarantors. This appears to be a true legal obstacle to membership. However, by virtue of another development, following the signing of the customs union agreement with the EU, Turkey should be banning exports from the TRNC since on the basis of a European Court decision [\(65\)](#) of July 5th 1994, exports of citrus fruits and potatoes from Cyprus should not be admitted in the EC's customs territory unless accompanied by the proper certification issued by the competent (in this case Greek Cypriot) authorities [\(66\)](#). Turkey's position is thus weakened because it cannot stress one legal point while ignoring the other.

(iii) Cyprus claims that membership of the EU will help resolve the Cyprus Problem while the attitude of the Turkish Cypriots and Turkey, appears to confirm that in fact the membership issue is making both sides more intransigent. In order to lessen the intransigence on both sides, the European Commission's opinion had made the solution of the Cyprus problem a precondition of membership while giving a two-year breathing space after which (i.e. in January 1995) it would re-evaluate the whole issue. The latter step was intended to mitigate Turkish-Cypriot intransigence. In December 1993, the EU appointed its observer to the UN-sponsored peace talks, a move opposed by both Turkey and the Turkish Cypriots.

However, by that time, the inter communal talks had reached stalemate and the Security Council of the UN blamed this on the military balance between the two sides. As a way of breaking out of the impasse, the Cypriot President Clerides wrote to UN Secretary General Boutros Boutros Ghali, in 1993 proposing the demilitarisation of Cyprus. The Greek Cypriots claimed that the Turkish military presence in Cyprus meant that Cyprus had to purchase more arms and request Greece to include her in the Greek defensive plans. However, Cyprus was ready to achieve demilitarisation of the island on the following basis: (a) disbandment of the national guard; (b) maintenance of the police force of the republic at its present numerical level and armed with light arms; (c) undertake the total cost of a substantially increased UN peace-keeping force; (d) the UN peace-keeping force will have the right of inspection to ensure compliance; (e) agree that the National Guard heavy armour vehicles be used to patrol the buffer zone by the UN; (f) deposit with the UN the difference between the money saved from disbanding the National Guard and the money used to pay for the increased UN force. The proposal included that for their part, the Turkish army had to withdraw from Cyprus while the Turkish Cypriots were to disband their own forces in line with what the Greek Cypriots proposed to do. Cyprus affirmed that if these proposals were not accepted, it would be incumbent on it to *"increase the defensive capabilities of the Republic and to enter into arrangements with Greece regarding a common defensive plan"* (67). In early 1994, both Cypriot communities showed readiness to embark on confidence building measures (CBMs) suggested by the UN Secretary General way back in 1992 (68). However, when the EU observer visited the island in February, the Turkish-Cypriot leader Denktash refused to meet him. The first round of "proximity talks" to implement the CBMs between leaders of the two communities took place in Nicosia on March 1st, 1994. Both the UN Security Council (69) and the EU urged that the talks should not be protracted and that they should be concluded by the end of March. In a report to the Security Council released on April 5th, 1994, the UN Secretary General showed that the talks were deadlocked and a month later he pronounced them dead due largely to Turkish Cypriot intransigence (70), something confirmed by Lord Finsberg's report to the General Assembly of the Council of Europe (71). This setback was followed in June by the decision of the Corfu summit that Malta and Cyprus would be included in the next enlargement and then by the July 5th European Court decision curtailing Turkish-Cypriot imports of citrus fruits and potatoes in the EU (72). At this point Greece and Cyprus began to co-ordinate their efforts more closely on the Cypriot EU application packaging it in the assertion that membership would facilitate the resolution of the Cyprus problem and in fact benefit both Cypriot communities. By early 1995, Greece's efforts and most especially its blocking of further progress on the EU-Turkey customs union agreement yielded the desired result with the decision that the EU would begin accession negotiations with Cyprus and Malta six months after the end of the IGC. This move met a Turkish warning, previously repeated on a

number of occasions, that in the event of Cypriot membership of the EU, Northern Cyprus would be annexed by Turkey.

In the meantime, the stalemate in the intercommunal talks meant that neither the CBMs nor the Greek Cypriot offer of demilitarisation stood a chance of becoming a reality and the arms race on the island was intensified with Cyprus acquiring the French MM-40 surface-to-surface Exocet missiles. Co-operation between Greece and Cyprus under the aegis of the 1994 Joint Defence Agreement was intensified pledging a *"joint struggle against all adversaries"* (73). In June 1995 UN Secretary General proposed Turkish troop reductions in Cyprus and in return a freeze in defence spending by the Greek Cypriots. Again Cyprus reiterated its call for demilitarisation (74). In the meantime work started on the construction of an air base on the island for the permanent deployment of Greek military aircraft while on the diplomatic front the USA and the EU continued with several unsuccessful efforts to find a solution to the impasse. In May 1996, Greek Foreign Minister, Theodoros Pangalos, described the Cyprus Problem as the only factor preventing Greco-Turkish trust (75). In June 1996, the situation in Cyprus nearly flared up again when Turkish soldiers killed a Greek Cypriot National Guardsman as he entered unarmed in the UN buffer zone. This incident was followed by another more serious incident in August when scuffles broke out in the buffer zone between Greek and Turkish Cypriots, leaving two unarmed Greek Cypriots dead, one of them shot by a Turkish soldier as he climbed up a flag pole to remove the Turkish flag. In a resolution approved by the European Parliament in September 1996, these acts were condemned. The Community was called upon to stop financial aid to Turkey while the latter was strongly asked to clarify its position on four issues: human rights, democratisation, the Cyprus question and the Kurdish problem (76). Further diplomatic efforts ended the year on a very optimistic note that direct negotiations between the Greek and Turkish Cypriots could begin in the first half of 1997. However, 1997 commenced with tension heating up again between Cyprus, Greece and Turkey over plans by Cyprus to purchase a missile system from Russia. After a meeting with Cypriot President Glafcos Clerides, in Nicosia on Sunday 12th, January, US mediator Carey Cavanaugh said that the former had assured him that no part of the surface-to-air missiles Cyprus had ordered from Russia would be delivered before 16 months. *"I believe this should diffuse the crisis"*, he said, adding that he had not at all asked Cyprus to cancel the order. Beforehand, Moscow had strongly criticised Turkish Foreign Minister Tansu Ciller, who had said that her country was ready to "strike" were the Russian missiles deployed in Cyprus (77).

The situation in Cyprus is reaching a dangerous pitch and bringing about immense discord between Turkey and Greece, something which is detrimental to the unity of NATO presently entering a very crucial stage in its existence. The aim of the arms race embarked upon by Greece and Cyprus may have two main aims in mind: to raise the costs of the Turkish occupation in northern Cyprus and to heighten tension to a pitch so as not to allow the international diplomatic effort at a solution of the Cyprus problem from relaxing. This has elicited efforts from various quarters but notably from the United States, the EU and the United Kingdom (the other guarantor of the Cypriot constitution) to try and find a solution to the problem. It is not likely though that Greece and Cyprus are serious about a military solution to the Cyprus problem. At the same time, although Turkey insists that Cyprus cannot become a member of the EU without its consent, the EU cannot accept this for it makes the Turkish Cypriots more intransigent in the inter communal talks and would entail that the EU accepts that a third country can effectively

veto an applicant's membership. Hence it is reasonable to expect that the EU accession negotiations with Cyprus will commence on time and Cyprus will become a member of the EU, while Turkish threats are ignored. The integration or annexation of the Turkish Republic of Cyprus with Turkey may then happen or not happen at all. Turkey will be loathe to sacrifice its stronger position in the EU following the conclusion of the EU-Turkey customs union for the sake of Northern Cyprus and in all likelihood would fall short of the drastic step of annexation. In such a scenario, TRNC will have a comparable position of that of East Germany before German unification: when a solution is eventually found to the Cyprus Problem the TRNC will be assimilated.

In the first half of 1997 direct inter communal talks between the Greek and Turkish Cypriots are expected to start. Time is running out for the TRNC which will have to decide its future soon. International isolation has meant that it has become an economic back water. Not only has this isolation hampered it from developing a manufacturing base and tourism, but it has also led to a situation in which the TRNC could not exploit the immense agricultural potential left behind by the fleeing Greek Cypriots. Besides, it has refused financial aid under the EC-Cyprus Financial Protocols earmarked for joint Greek-Turkish Cypriot projects because it does not want to submit project proposals through the Cypriot Government. It has also been isolated from the economic forces of modernisation unleashed in the south by the legal and economic restructuring in preparation for EU membership.

The north-south gap in Cyprus will continue to widen if the TRNC does not form part of the EU territory. Agriculture in Northern Cyprus will also benefit considerably from EU membership. On the other hand there are justifiable fears on the part of the Turkish Cypriots that if proper safeguards are not put in place, the whole of the poorer Turkish-Cypriot economy as well as land and property in the northern part of the island will be taken over by Greek Cypriot business concerns. Then there is the traditional fear regarding the safety of the Turkish Community in a unified republic. None of these problems are insurmountable, given an acceptable time frame and proper guarantees. A lot will depend on Turkey's attitude as well. So far Turkey has attempted to use the Cyprus Problem to extract concessions from the Union in a parallel way as Greece and Cyprus have used the question of Turkey's membership in order to squeeze concessions from Turkey on the same problem and other outstanding issues with Greece. Both sides seem to have flogged the horse dead and will have to content themselves with unfulfilled wishes as long as they are intransigent. The prospect for the EU and for NATO of the persistence of the Cyprus Problem is such that untold efforts will no doubt be made during 1997 to resolve the issue. It remains to be seen what Turkey will manage to extract from all this.

(c) Turkey

Turkey's membership of the EU poses two kinds of problems - economic and political. The economic problems are related to Turkey's size and the level of its economic development, given that this is about a fifth of the poorest EU Mediterranean member state. The economic dynamism which has been exhibited by the Turkish economy in recent years will not obliterate this reality. The political problems are related to its relations with Greece, the Cyprus Problem and internally the human rights situation.

Turkey exhibits enormous haste in joining the EU. However, this has not always been the case. For a long stretch of time covering around two decades following the signing of the Ankara Agreement in 1963, due to a number of internal political and economic problems, Turkey showed extreme reluctance at hurrying the momentum of achieving closer integration with the Community. The disenchantment with the whole relationship was clear when the Turkish Foreign Minister said in 1974 that his country did not share Greece's urgency in joining the EC. Again, during those years Turkey constantly complained with the Community that it was biased towards Greece in the Aegean dispute (78). Relations with the Community were worsened by the 1974 invasion of Cyprus. Further difficulties in the EC-Turkey relationship were introduced by the intervention of the Turkish military in domestic politics and the general deterioration in the human rights situation.

Human rights have always played an important role in the Union's dealings with the Mediterranean associates. The agreement with Greece had been frozen after the colonels coup in 1967 while Spain's request for an Association Agreement based on article 238 were rebuffed pending substantial progress in democratisation. It was only after Franco's death that relations between the EC and Spain were normalised. The respect for human rights is a binding feature of the Europe Agreements and the Euro-Mediterranean Partnership Agreements. Given this emphasis, when the European Parliament's statutory approval was sought for the EU-Turkey customs union agreement and the financial protocol in December 1995, Turkey's Human rights record came under attack in the Parliament with the leader of the socialist group stating most emphatically that the majority of her group were voting in favour of ratification "*...in sorrow, with heavy hearts and without enthusiasm*" (79). The agreement provided for the establishment of a Customs Union Joint Committee (CUJC) to approve acts. It also means that Turkey will have to conclude bilateral trading arrangements with third countries which have preferential trading arrangements with the EU, a process which is planned to last no more than five years. The coming into force of the agreement coincided with a sharp rise in the EU's exports to Turkey and a deterioration in Turkey's balance of payments. The Turks were quick to blame this on the customs union agreement and to demand that the EU release promised financial aid blocked by Greece. The Commission's appraisal is that much of the imbalance may have been more due to overheating of the economy (80). The customs union agreement was accompanied by a financial aid package made up of ECU 375 million in budgetary aid and ECU 750 million in EIB loans. However, following the events of January 1996 around Imia island in the Aegean, this aid was blocked on the insistence of Greece. In July, the European Council issued a declaration (81) on relations between the EU and Turkey making reference to the Imia islet incident and calling for the avoidance of any action liable to increase tensions and specifically against the use of force. Turkey was asked whether it would commit itself to the principles stated in the declaration, but no reply was forthcoming. The Commission has also referred to the lack of legislative initiative in Turkey, which has resulted in no progress being made on democratic reforms and fundamental human rights. Turkey has pleaded that it is going through an awkward time in its history when it has to fight the "terrorist" movement of the Khurds (PKK) which has criminal connections. The EU's reply is that the fight against terrorism must be carried out within the respect of human rights. All indicators are that the human rights situation will not easily be normalised in Turkey while internal politics are becoming more turbulent, impinging upon economic decision-making, most especially retarding Turkey's ability to regain macro economic balance. On the external front there appears to be the usual Turkish intransigence on

issues related to the Aegean and Cyprus. These are of serious concern to the unity of NATO and present a major obstacle to Turkey's aspirations to join the Community. More than the Cyprus question, the biggest obstacle to Turkey's membership is the process of democratisation and respect for human rights - not to mention the need of establishing the internal social consensus over which direction Turkey wants to embark on its external relations (82). Of course the situation is also exasperated by Greek intransigence.

Given the above economic and political considerations, it will be very unlikely that the EU will change its position on Turkey's membership in the foreseeable future. The most that Turkey may hope to extract from the present situation is the release of blocked EU financial aid promised to her with the customs union agreement.

Conclusion

It is not the aim of this paper to foretell the future, but to examine present trends and developments in order to try and map out the direction in which events will develop. It appears that the Mediterranean enlargement will follow this course: Cyprus is the most likely candidate to be in the next intake, probably around 1999 (most optimistic and perhaps not realistic scenario) if all goes smoothly with the IGC and the ratification process. It is much likelier that membership will come after that date. The basic assumption in this case is that although Cyprus's application is problematic, Greece will manage to push it through. Malta certainly intends to stay out, though there is the likely possibility that it will have a last minute change of mind. Turkey will definitely not make it in the next Mediterranean enlargement. The most important obstacle Turkey faces in its relations with Europe is the process of democratisation and respect for human rights as well as relations with Greece, already an EU member. These are not issues which will be resolved easily, and hence on present considerations it can be said with a degree of certainty that Turkey will not be in the next enlargement.

• NOTES

(1) Redmond J., *"The Next Mediterranean Enlargement of the European Community: Turkey, Cyprus and Malta ?"*, Darmouth, 1993. [Back to \(1\)](#)

(2) Turkey's Prime Minister Necmettin Erbakan told journalists in Ankara that "The south of Cyprus cannot join the EU without the permission of Turkey...if it does so, the integration of the Turkish Republic of Cyprus into Turkey will be carried out as quickly as possible." *Europe News Bulletin*, No 6882, Brussels, December 24th, 1996. [Back to \(2\)](#)

(3) *Europe News Bulletin*, No 6874, Brussels, December 14th, 1996, page 4 bis. [Back to \(3\)](#)

(4) *Europe News Bulletin*, No 6876, Brussels, December 16th, 1996, point 002. [Back to \(4\)](#)

(5) *Europe News Bulletin*, No 6877, Brussels, December 18th, 1996, point 006. [Back to \(5\)](#)

(6) *Europe News Bulletin*, No 6876, Brussels, December 16th, 1996, point 012. [Back to \(6\)](#)

(7) *Commission Opinion on Turkey's Request For Accession To the Community, SEC (89) 2290 final/2, Brussels, December 20th, 1989.* [Back to \(7\)](#)

(8) *ibid., Commission's Opinion on Turkey's application point 8, "Economic Context, as well as relevant annexes.* [Back to \(8\)](#)

(9) *ibid., Commission's Opinion on Turkey's application, point 4.* [Back to \(9\)](#)

(10) *Article 28 of the EC-Turkey Association Agreement specified that "As soon as the operation of this agreement has advanced far enough to justify envisaging full acceptance by Turkey of the obligations arising out of the Treaty establishing the Community, the Contracting Parties shall examine the possibility of the accession of Turkey to the Community", Collection of Agreements concluded by the European Communities, Brussels, 1978, Volume 3, page 553.* [Back to \(10\)](#)

(11) *Malta in 1970, Cyprus in 1971.* [Back to \(11\)](#)

(12) *In a document entitled "Europe and the Challenge of Enlargement", presented by the Commission to the European Council in Lisbon in June, 1992, it was stated that "... the integration of Cyprus and Malta into the Community system would not pose insurmountable problems of an economic nature", Bulletin of the European Communities, Supplement 3/92, Brussels, 1992, page 13.* [Back to \(12\)](#)

(13) *Commission Opinion on Malta's Application for Membership, Com (93) 312 final, Brussels, 30th June, 1993; Commission's Opinion on the Application by the Republic of Cyprus for Membership, Com (93) 313 final, Brussels, 30th June, 1993.* [Back to \(13\)](#)

(14) *ibid., Commission's Report "Europe and the Challenge of Enlargement", point 31, page 17-18.* [Back to \(14\)](#)

(15) *See the Benelux Memorandum submitted to the European Council of Lisbon (26 and 27 June, 1992) in which it was stated that "As for other applicants for accession (Turkey, Malta and Cyprus), the Commission could be asked to make proposals designed to give substance to 'strengthened Association Agreements'", Europe Documents No 1789, Agence Europe, Brussels, June 1978.* [Back to \(15\)](#)

(16) *In its 1992 Electoral Manifesto, the Nationalist Party had declared that it was confident that Malta would join the European Union with the first group of countries. See, "Solidarjeta, Dejjem...Kulimkien", Partit Nazzjonalista, 1992, page 91.* [Back to \(16\)](#)

(17) *This was encouraged by such pronouncements as that by Commission President, Jacques Delors in an interview with the French newspaper "Liberation" of September 14th, 1992: "There is a country one sometimes forgets which is very important as a symbol: Malta. We must not displace Europe too much towards the North while forgetting the south: we risk losing our sensitivity to the Mediterranean world which is our world, but which at present cumulates danger for the future of all of us".* [Back to \(17\)](#)

(18) *ibid.*, point 30, page 17.[Back to \(18\)](#)

(19) *Draft Constitution of Cyprus, Cmnd. 1093, July 1960, article 50, page 112: "The President and Vice-President of the Republic, separately or conjointly, shall have the right of final veto on any law or decision of the House of Representatives or any part thereof concerning: (a) foreign affairs, except the participation of the Republic in international organisations and pacts of alliance in which the Kingdom of Greece and the Republic of Turkey both participate".*[Back to \(19\)](#)

(20) Point 8, page 4, *Commission's Opinion on the Application of Cyprus.*[Back to \(20\)](#)

(21) *ibid.*, Point 47, page 23.[Back to \(21\)](#)

(22) *ibid.*, Point 51, page 24.[Back to \(22\)](#)

(23) Points 17-19, pages 9-10, *Commission's Opinion on Malta's Application.*[Back to \(23\)](#)

(24) *For a brief discussion of the issues involved, see Pace R., "Assessing Malta's Bid to Join The European Union: The Case In Favour", University of Reading Discussion Paper in European and International Social Science Research, No 54, July 1995.*[Back to \(24\)](#)

(25) *Conclusions of the Presidency, Corfu European Summit, 24th and 25th June 1994, Doc. SN 150/94 page 14.*[Back to \(25\)](#)

(26) *Reported in "Europe", Special Edition No 6260, Agence Europe, Brussels, 26th June, 1994, p 4.*[Back to \(26\)](#)

(27) *Conclusions of the Presidency, Cannes European Summit.*[Back to \(27\)](#)

(28) *See for example the Joint Declaration on the Institutional Procedures of the Accession Treaties with the EFTA applicants: "In adopting the institutional provisions of the Accession Treaty, Member states and the applicant countries agree that, as well as examining the legislative role of the European Parliament and other matters envisaged in the Treaty on European Union, the Intergovernmental Conference to be convened in 1996 will consider the questions relating to the number of members of the European Commission and the weighting of the votes of the Member states in Council. It will also consider any measures deemed necessary to facilitate the work of the institutions and guarantee their effective operation", OJ C 241, Volume 37, of 29th August, 1994, page 383.*[Back to \(28\)](#)

(29) *Briefings on the IGC, Volume III, part one, European Parliament, IGC Task Force, July 1996, page 312.*[Back to \(29\)](#)

(30) *EU Agriculture Commissioner Franz Fischler has indicated a number of key Mediterranean agricultural products such as olive oil and Tobacco as well as the milk and beef sectors.*[Back to \(30\)](#)

(31) Quoted in *Eur-Op News*, Volume 5, No 4, Winter 1996. [Back to \(31\)](#)

(32) Leonardi Robert, "Convergence, Cohesion and Integration in the European Union", St Martin's Press, 1995, pages 86 forward. [Back to \(32\)](#)

(33) *ibid.*, page 133. [Back to \(33\)](#)

(34) *Fifth Periodic Report on the Social and Economic Situation and Development of the Regions of the Community*, Com (94) 322 final of 19th July, 1994. [Back to \(34\)](#)

(35) *The Structural Funds in 1994*, VI Annual Report, European Commission, Luxembourg 1996, pages 20-36. [Back to \(35\)](#)

(36) "The Impact and Effectiveness of the Single Market", Communication from the Commission to the European Parliament and Council, Com (96), 520 final, 30th October, 1996. [Back to \(36\)](#)

(37) Proposal for a common Community position within the EC-Turkey Association Council establishing the list of Community instruments abolishing technical barriers to trade and the conditions and arrangements governing their implementation by Turkey, Brussels, Com (96) 677 final of 16th December, 1996. [Back to \(37\)](#)

(38) A short analysis of these reforms is to be found in Xuereb P.G. and Pace R., "On the Threshold of the European Union: A Political, Economic and Legal Perspective on The Adhesion of Malta and Cyprus", Third ECSA-World Conference, Brussels, 19-20 September, 1996. [Back to \(38\)](#)

(39) Cypriot Finance Minister, Christodoulos Christodolou was reported to have told a seminar that Cyprus had managed to achieve all five Maastricht nominal convergence criteria. *Cyprus Bulletin*, Vol XXXIV, No 3, February 6th, 1996. [Back to \(39\)](#)

(40) See for example Theophanous A., "Cyprus and The European Union: From Customs Union to Membership", *The Cyprus Review*, Vol 7, No 2, Fall 1995, pp 74 ff. [Back to \(40\)](#)

(41) Cordina Gordon, "Malta and EMU: Prospects For Sustainable Convergence" in Xuereb P.G. and Pace R., "The European Union, the IGC and The Mediterranean", EDRC, University of Malta, 1996, page 205 ff. [Back to \(41\)](#)

(42) *OECD Economic Outlook*, No 60, Paris, December 1996, Annex Table 14, GDP Deflators. [Back to \(42\)](#)

(43) Malta Labour Party, "Foreign Policy Document" (undated but probably 1995-96) page 3. [Back to \(43\)](#)

(44) Declarations adopted by the European Council in Edinburgh, December, 1992, OJ C 348, 31st December, 1992. [Back to \(44\)](#)

(45) *Joint Declaration on Common Foreign and Security Policy, attached to the treaties of accession signed between the EU and the EFTA applicants. OJ C 241, Volume 37, 29th August, 1994, page 381.*[Back to \(45\)](#)

(46) *"The EU Today and Tomorrow: Adapting The EU for The Benefit of Its Peoples and Preparing it For the Future - A General Outline For a Draft Revision of The Treaties", CONF 2500/96, Brussels, December 5th, 1996. Document submitted by the COREPER, summing up the progress that has been achieved so far in the IGC, to the Dublin European summit. Vide Ch.10, page 76.*[Back to \(46\)](#)

(47) *Calvocoressi P., "Neutrality Now" in Harden S. (ed.), "Neutral States and The European Community", Brassey's, 1994, page 156.*[Back to \(47\)](#)

(48) *Electoral Programme of the Malta Labour Party entitled "Ic-Cittadin l-Ewwel: Vizjoni ghal Malta Moderna", October 1996, page 2.*[Back to \(48\)](#)

(49) *The Times (of Malta), October 15th, 1996.*[Back to \(49\)](#)

(50) *The Times (of Malta), November 1st, 1996.*[Back to \(50\)](#)

(51) *The Times (of Malta), November 9th, 1996.*[Back to \(51\)](#)

(52) *Honourable Dr Alfred Sant (Prime Minister), "Malta's Modern Way Forward", Department of Information, Valletta, December 11th, 1996, page 5.*[Back to \(52\)](#)

(53) *The FOI memorandum was published in The Times of October 17th, 1996.*[Back to \(53\)](#)

(54) *The Times (of Malta), November 12th, 1996.*[Back to \(54\)](#)

(55) *The Times (of Malta), November 19th, 1996.*[Back to \(55\)](#)

(56) *The aide memoire was published by the Department of Information, Valletta, on the 23rd November, 1996.*[Back to \(56\)](#)

(57) *The Times (of Malta), November 26th, 1996.*[Back to \(57\)](#)

(58) *The Sunday Times (of Malta), December 15th, 1996.*[Back to \(58\)](#)

(59) *For a comprehensive assessment of the situation in the Mediterranean region see for example, "NATO's Southern Flank: Report Together With the Proceedings of the Committee Relating to The Report, Minutes of Evidence and Memorandum", Defence Committee, third report, House of Commons, HMSO, March 13th, 1996.*[Back to \(59\)](#)

(60) *Vasconcelos Alvaro, "Security in Northern Africa: Ambiguity and Reality - General Framework and Concepts" in Vasconcelos A. and Faria F. (ed) "Security in Northern Africa:*

Ambiguity and Reality", Chaillot Papers No 25, Institute for Security Studies, WEU, September 1996, page 14. [Back to \(60\)](#)

(61) Wohlfeld Monika, "A Survey of Strategic Interests of the Countries of the European Security Space" in Lenzi G. and Martin L. (ed) "The European Security Space", Working Paper of the European Strategy Group and the Institute of Security Studies of the WEU, December 1996, page 14. [Back to \(61\)](#)

(62) *ibid.*, Foreign Policy Document of the MLP, *op.cit.*, (undated) page 3. [Back to \(62\)](#)

(63) For a comprehensive treatment of the various initiatives taken on the Cyprus Problem, reference to which will be made in this part of the paper, see the "Report on the Situation in Cyprus: Recent Political Developments", Parliamentary Assembly of the Council of Europe, Doc 7206, December 15th, 1994. Rapporteur: Lord Finsberg. An earlier draft of this report had been criticised by the Greek Cypriots. [Back to \(63\)](#)

(64) Reported in the Cyprus Bulletin, Vol XXXIV, No 9, April 29th, 1996. [Back to \(64\)](#)

(65) Case C-432/92 the Court ruled: "The agreement of 19th December, 1972 establishing an Association between the European Economic Community and the Republic of Cyprus, annexed to Council Regulation No 1246/73 of 14th May, 1973 and Council Directive 77/93/EEC of December 21, 1976 on protective measures against the introduction into member states of organisms harmful to plants or plant products must be interpreted as precluding acceptance by national authorities of a Member state, when citrus fruit and potatoes are imported from the part of Cyprus to the North of the UN buffer zone, of movement and phytosanitary certificates issues by authorities other than the competent authorities of the Republic of Cyprus". [Back to \(65\)](#)

(66) Dodd C.H., "The Cyprus Issue: A Current Perspective", 2nd edition, Eothen Press, 1995, page 19. Dodd quoted former Turkish Prime Minister Bulent Ecevit saying that for this reason, "the Cyprus file should be closed". [Back to \(66\)](#)

(67) Cyprus Bulletin, Press and Information Office, Nicosia, Vol XXXII, No 1, January 5th, 1994. [Back to \(67\)](#)

(68) One of the suggested CBMs involved placing Varosha, now a ghost town surrounded by Turkish occupied territory, under UN administration and chambers of commerce of both sides would decide on, develop and promote joint projects. Greek and Turkish Cypriots would be free to enter the area while foreigners would enjoy freedom of movement. [Back to \(68\)](#)

(69) UN Security Council Resolution No 902/1994. [Back to \(69\)](#)

(70) Document S/1994/629 of May 31st, 1994. [Back to \(70\)](#)

(71) See points 96 and 98 of the Finsberg report, *op.cit.*. [Back to \(71\)](#)

(72) *The ECJ's decision was reinforced by a British High Court decision of November 11th, 1994.* [Back to \(72\)](#)

(73) *Words used to sum up the meeting between the Cypriot National Council headed by Mr Clerides and Greek Prime Minister, Papandreou, held in Athens on May 4th, 1995. Cyprus Bulletin, Vol XXXIII, No 10, May 15th, 1995.* [Back to \(73\)](#)

(74) *Cyprus Bulletin, Vol XXXIII, No 13, June 26th, 1995.* [Back to \(74\)](#)

(75) *Reported in the Cyprus Bulletin, Vol XXXIV, No 10, May 13th, 1996.* [Back to \(75\)](#)

(76) *EP Resolution on the Political Situation in Turkey, September 19th, 1996, OJ C 320 of 28th October, 1996, pages 187 - 189.* [Back to \(76\)](#)

(77) *Europe News Bulletin, No. 6891, 14 January 1997.* [Back to \(77\)](#)

(78) *Van Praag N., "European Political Co-operation and the Southern Periphery", in The Mediterranean Challenge I, Sussex European Research Centre, 1978, pp 72-73.* [Back to \(78\)](#)

(79) *Pauline Green, European Socialists, Debates of the European Parliament, OJ Annex No 4-472, 13th December, 1995, page 144.* [Back to \(79\)](#)

(80) *"Report on Developments in Relations With Turkey Since Entry Into Force of the Customs Union", Com (96) 491 final, Brussels, 30.10.1996, page 2.* [Back to \(80\)](#)

(81) *The Council's Declaration was published in the Bulletin of the European Communities, No 7/8, Brussels 1996, point 1.4.27, pp 97-98.* [Back to \(81\)](#)

(82) *See for example Muftuler-Bac M., "Turkey's Predicament in The Post Cold-war Era", Futures, Vol 28, No 3, Pergamon Press, 1996, pp 255-268.* [Back to \(82\)](#)

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