

EU AS CYPRUS'S GEOSTRATEGIC CONTEXT: A COMPARISON WITH ICELAND

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Political considerations, that is, the survival and continuity of the Cypriot state compelled the Cypriot government in July 1990 to apply for full membership to the European Union. Fearful of the future survival prospects due to the Turkish political intransigence for a lasting and a viable settlement the Cypriot state decided to anchor the island and integrate it into the European Union. Olafsson (1998) utilizes the theory of small states (which is based on the concepts of weakness and strength) in his attempt to answer questions "on small state security and political vulnerability" (Olafsson, 1998, p. 63). As he points out "small states have no significant armed forces and lack political and economic power" since "they are ... sub-optimal from the point of view of security" (Olafsson, 1998, p. 63). Olafsson cites the case of Iceland, a small island state, situated in the North Atlantic Ocean, 520 miles north of Britain, as a successful solution that combines a secure military position by being a member of NATO and a high level of economic development.

Iceland which is a founding member of NATO entered the alliance on the explicit understanding that the island, which has never had armed forces, would not be expected to establish a national force. Iceland's main contribution to the common defence effort has been her generous provision for rent-free NATO and American military installations in Keflavik, up until 2006, although the agreement is still in force.

As Olafsson (1998) notes: "Iceland has sought a solution to the security problem of small states by entering a defence alliance" (Olafsson, 1998, p. 62). But most importantly Iceland has been a free rider in security matters receiving considerable economic benefits (Olafsson, 1998, p. 62). Why do I draw these lines? Mainly to underline the historical inadequacy and political incompetence of the power bloc at the time (to this day still) of Cypriot independence from British colonial rule in 1960, i.e. the church, the nationalists and the Left. These attributes led to the following paradox. Whereas the Republic of Cyprus soon after its independence entered the non-aligned movement, on the other hand the Treaty of Establishment (which has been incorporated in the 1960 constitution) recognized as its guarantor powers Greece, Turkey and the U.K., all members of NATO. Greece and Turkey were entitled to a permanent military presence (of one military regiment each), whereas Britain has maintained sovereign rights in its two military installations. But most importantly each guarantor power has the right for unilateral intervention to restore the constitutional order if need be, a right which Turkey used in 1974 and invaded the island.

Given the ethnic and cultural cleavages between the Greek majority and the Turkish minority, the Greek – Cypriot leadership sought to revise the constitution to its favour, in 1963, three years after its independence. As Hirst and Thompson (1996) argue “Bitterly divided communities cannot accept the logic of majority rule or tolerate the rights of minorities” (Hirst and Thompson, 1995, p. 173). And as they further add “the concept of a culturally homogeneous and therefore, legitimately sovereign territory could justify both the formation and the break up of states” (Hirst and Thompson, 1996, p. 173). Indeed the above statement is very instructive for the case of Cyprus. Since 1974 the geopolitical context of Cyprus as well as its internal political environment, exhibit the inability of the Cypriot state to exercise its legal, political and administrative jurisdiction over its territory. Furthermore, it is confronted with the de-facto partition of the island because of the Turkish occupation. By contrast, although Iceland is remarkably homogeneous it sought to safeguard its security needs not only through NATO but with a specific military agreement with the United States. Compared to Cyprus, Iceland enjoys a much less complex geostrategic environment. Cyprus has always been living with a high border pressure, and it has failed to consolidate strategic security alliances. One probable explanation for this failure could be attributed to the excesses of Greek – Cypriot nationalism which in turn has fed Turkish – Cypriots’ nationalistic sentiments. Hirst and Thompson (1996) argue that “nationalism is in essence a claim that political power should reflect cultural homogeneity, according to some common set of historically specific political understandings of the content of the nation” (p. 172). This observation describes quite precisely the socio- psychological predicament that prevails in the two major ethnic groups in Cyprus.

In contrast to Iceland’s enlightened strategy of addressing its security needs, Cyprus has sought, *post-festum*, a way out to address its strategic vulnerability by seeking accession to the European Union. Through its integration to the EU in 2004, it hopes to restore its territorial integrity. Although the Cypriot state holds the view that being a full member of the EU safeguards itself as a legal and a political entity, one should not lose sight of the fact that foreign policy and defence issues are divisive matters among member states. Prospects for the institutionalization of a common foreign and defence policy in the EU have a long way to go before they reach their final destination. The Ukrainian crisis is a vivid testament to this. The EU as it currently stands, offers what I call a cluster of soft security.

The small states (according to Olafsson’s classification, those with population less than a million) apart from the political imperative to tackle issues that relate to their geostrategic security, economic concerns for their future development are of equal importance. The fact remains that the geostrategic environment conditions economic growth and development and influences processes and forms of economic association with the international economy.

Iceland has solved successfully the problem of its security needs. Cyprus aspires to manage this strategic concern, by being a full member of the EU. From what I have discussed so far, a cautious observation could be made: the historical specificity of each island imposes a different path of politico-economic adjustment to the international economy. The strategic causal texture of each island conditions the development of different political contexts, within which specific political and economic responses emerge to address prospects and opportunities of regional integration. Iceland in February 2014 abandoned EU membership negotiations, (initiated in 2010) much to the disappointment of EU commissars. Yet it enjoys an extensive participation in major international organizations e.g. NATO, OECD, EEA, EFTA, WTO, etc. This participation permits Iceland to explore opportunities and possibilities that open up a wide-range of strategic decisions and which enhance its international political standing and prestige. This in the final analysis facilitates the best possible approach to its national interests. For Iceland being a member of the EU it could bring more problems than opportunities. With all certainty it will affect its marine resources and its Exclusive Economic Zone which within its 200 miles of fishery limits gives Iceland an economic area of 758,000 Km². Iceland by joining the EU, would lose its political jurisdiction over this vast area of marine resources. Iceland enjoys real political independence. It has managed to expand its system capacity by being a member of NATO, in addition to its strategic military agreement with the U.S. Iceland under the agreement of the European Economic Area (EEA) which came into effect on January 1, 1994, enjoys free movement of capital, labour and goods and services between it, Norway and the EU. Becoming a full member of the EU a portion of its sovereignty will be transferred to Brussels. That implies also EU-imposed institutional restrictions on fiscal and monetary policies. Being small, Iceland would run the risk of becoming a region within the European bloc. And given the current political pressures that the large states apply on smaller states in the EU, its political weight would weaken further. Hence for Iceland, its economic interests can best be secured within the EEA framework and multilateralism in general. Not to mention the pivotal importance its economic sovereignty has played in addressing successfully its banking crisis.

By contrast, Cyprus is still battling hard to regain its conditional sovereignty. Being a full member of the EU, offers the political possibility for a more stable regional framework within which it could hope of a better safeguard of its national security. Of course one should not lose sight of the fact of the soft cluster of security of the EU. Thus, for Cyprus the political aspect of regional integration carries greater strategic significance than economic considerations, which nevertheless are by no means less important. For Cyprus transferring a portion of its already conditional independence and hence operational political inequality to Brussels is not considered a heavy price to be paid at all, given its geostrategic predicament. Actually the application to become a full EU

member was viewed as a long term strategic decision to safeguard its international and legal standing as a sovereign member of the international community.

The Scandinavian type of the Icelandic economy with an extensive welfare system and a comparatively even distribution of income might stand to lose more than gain by being a full EU member. Iceland did not sacrifice it in order to manage its recent financial crisis. It sacrificed the banks, the creator of the crisis.

Although "integration into the global economic system helps a small state to overcome the disadvantages [that result] from a sub-optimal domestic market and increase system capacity as well" (Olafsson, 1998, p. 138) yet this does not imply that a "small state obtains larger economic gains from regional integration than from free trade on the World Market" (Olafsson, 1998, p. 138). And as Olafsson points out further: "In the case of Iceland joining the EU it might become a peripheral region in Europe ... Iceland is unlikely to gain much economically than what it has already achieved through the EEA agreement" (Olafsson, 1998, p. 140 and p. 152).

The EEA treaty provides free trade in manufactures, free trade in services and free mobility of capital and labour. By joining the EEA, Iceland has removed as far as possible man-made restrictions on the size of its home market

(Olafsson, 1998, pp. 150-151)

Olafsson is quite explicit of the type of gains small states can achieve by regional integration. "A small state may try to increase its system capacity by regional integration. Economic gains from integration are probably less important than in the case of large states.." (Olafsson, 1998, p. 152).

Olafsson's observations above provide a lead to the logic behind Cypriot integration to the EU, which nevertheless implies many more things. Most importantly however, it calls for politico-economic harmonization with the corresponding institutions in the EU. Although political gains could accrue and should not be underestimated, the question remains: Socio-economic readjustment is not without social cost. And who incurs the cost from the readjustment process cannot be politically marginalised. Iceland deciding against full membership to the EU enhances its political cushion against pressures to restrict its extensive social welfare regime and preserves its strategic economic orientation. Thus it safeguards its social fabric. On the other hand, Cyprus with a residual welfare system, the threat for the further curtailment of the socio-economic standing of labour as a strategy by the state and capital, is quite apparent. Before long, four years after accession in 2008, the politico-economic establishment guided extensively by this selfish urge, if not entirely, dumps the strong and stable pound and along with that its national economic sovereignty. A small state

overwhelmed by maximalist aspirations, became the 15th member of the Eurozone. Widespread corrupt interlocking politico-economic directorates, that do not leave unaffected even the Presidential Palace, supported by the EU's inherent democratic deficit and the Eurozone's economic totalitarianism, has brought Cyprus to the brink of a national catastrophe, as this is currently, i.e. 2014, manifested by economic memoranda and massive pauperization. Overall, the cost of adjustment of the collapse of the financial sector, with the Eurogroup being a major contributor along with domestic political incompetence, is exclusively socialized. Ten years as a full member of the EU and the island's economic sustainability and geostrategic security have been derailed.

References:

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