

GREEK-TURKISH RAPPROCHEMENT: RHETORIC OR REALITY?

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Greek-Turkish relations in the modern era have been characterized by cycles of improvement and worsening of bilateral relations.¹ Historically three distinct phases of rapprochement could be identified between the two countries. The first phase of détente in Greek-Turkish relations followed the Treaty of Friendship signed between Kemal Atatürk and the Greek Prime Minister Eleftherios Venizelos in 1930. This process carried into the post-War period and continued well into the early 1950s as both countries became NATO members and assumed important geo-strategic roles in the Cold War context. From 1955 onwards, however, the détente has effectively collapsed under the pressure of the Cyprus dispute and its adverse impact on the Greek minority in Istanbul, Gökçeada (Imvros) and Bozcaada (Tenedos), and the Ecumenical Patriarchate. The relationship has deteriorated and reached its lowest point following the Turkish intervention in Cyprus in 1974.

The second major phase of rapprochement occurred in the wake of Turkey's application for full membership of the EC in 1987 through an initiative engineered by the Turkish Prime Minister Turgut Özal known as the Davos Process.² Following a serious escalation in tensions in the Aegean in 1987, Özal met with his colleague Andreas Papandreu at the World Economic Forum in Davos in January 1988. The Davos Process did not involve an attempt to tackle the grand problems relating to the Cyprus and the Aegean disputes. Nevertheless, it was clearly a step forward in that it involved confidence-building, tension-reduction and good neighborliness measures. The second phase of détente, however, proved

to be of even shorter duration than the second and collapsed by the end of 1989 due to a combination of factors which included Andreas Papandreou's lack of willingness and the political scandals resulting in his electoral defeat (June 1989), Özal's isolation at home following the electoral setbacks in the municipal elections (March 1989) and his election to the Presidency and, finally, the rejection of Turkey's membership by the European Community (December 1989).³ Although the Davos Process proved to be short-lived, it was in a sense the fore-runner of the more recent rapprochement between the two countries in that it involved not only the participation of state actors, but also civil society and NGO initiatives. In retrospect, the failure of the Davos process also illustrated the crucial significance of EC/EU signals. It was quite clear that without positive signals for Turkish membership from the EC/EU, the incentives facing particularly the state actors to engineer a radical breakthrough in bilateral relations would be quite limited. Consequently, these two periods of enhancement in bilateral relations can be categorized as a fragile *détente* due to their extremely limited scope and ephemeral nature.

In this respect, this article argues that the third phase of the Greek-Turkish rapprochement which has been initiated since the middle of the 1990s, promises to be a far more sustainable enhancement rather than simply the upturn of the cycle in an otherwise troubled and conflictual history of the two countries. Certainly, the context in which the rapprochement has been taking place is quite different from the earlier phases in the sense that the European Union, through its mix of conditions and incentives, has emerged as an active promoter of this approach. Indeed, there has been enormous progress in the post-1999 period during which Turkish membership of the EU has become a concrete possibility as opposed to an abstract ideal. Moreover, there has been a dramatic easing of tensions on both sides, which has been reflected through far-reaching improvements in the economic relations between the two

countries in the areas of trade, investment and tourism. Similarly, there has been a dramatic increase in both diplomatic and civil initiatives which has brought the two countries closer than ever before with multiple actors at multiple levels supporting the process of sustainable rapprochement. At the same time, however, we have reached a situation where the incrementalist logic underlying the rapprochement, particularly voiced by prominent scholars such as Theodore Coulombis or Thanos Veremis on the Greek side, which has been significantly helpful during the early stages of the rapprochement, has reached a certain impasse.⁴ The basic logic of the gradualist approach is that the two countries should direct their attention on building co-operation from below by focusing on “micro” or “low politics” issues such as trade and tourism as well as cultural and civil society interactions, leaving the macro or “high politics” issues such as the Cyprus and the Aegean problems (namely territorial waters, continental-shelf, airspace, militarization of the eastern Greek islands, flight information region, and the “grey areas dispute” due to lack of clear demarcation) to the future.⁵

This paper acknowledges that the gradualist approach has provided the basis of a good start and, indeed, we have reached a point where the tensions between the two countries have eased considerably. Nevertheless, this kind of incrementalist logic which is based on a low expectations scenario is unlikely to transform the rapprochement from a negative security-oriented scenario into a durable partnership. Stated somewhat differently, the achievement of such a durable partnership with a considerable potential for co-operation from the Balkans to the Eastern Mediterranean will not be possible without a more pro-active approach on both sides towards the core issues of conflict. Another important point to highlight in this context is that the EU has played a paradoxical role in the process of restructuring Greek-Turkish relations in the recent era. Its role in providing the context and the incentives for the initial

rapprochement process has been quite striking. At the same time, however, the EU has effectively limited the transition from the rapprochement to a durable partnership because of the asymmetric incentives that it has provided to the key actors involved.⁶ At the wake of the historic European Council decision on October 3, 2005 initiating the accession negotiation process of Turkey, the intricate dynamics of Turkish-Greek rapprochement will play a critical role for Turkey's European integration, as well as serving as a litmus test for the extent of Europeanization of Greek foreign policy.

Delicate Dynamics of Greek-Turkish Rapprochement: A Multilayered Process

Greek-Turkish rapprochement is a complex process with multiple layers and has been shaped by multiple critical domestic and international factors and actors. In a renowned article, J. David Singer had presented the idea of levels of analysis, discussing two broad categories (1) internal (or domestic) factors; and (2) external factors arising from the dynamics of international system. Singer argued that the international system level is the most comprehensive level of analysis that examines the overall global patterns of relations among the states and the extent of interdependence among them. This level permits us to examine the distribution of capabilities, resources and status among the actors in question. The state level of analysis complements the first level by enabling a far more detailed investigation into the conditions and processes within states that affect foreign policy decisions.⁷ Robert D. Putnam's landmark work on the logic of two-level games approaching the entanglement of diplomacy and domestic politics through an analytical perspective has further developed this two-level approach and provides a valuable theoretical framework applicable to the case of Turkish-Greek rapprochement.⁸ It is very critical to underline that when it comes to Turkish-Greek rapprochement and particularly to highly sensitive issues like Cyprus neither the

Turkish nor the Greek political scene should be perceived as a monolith. The domestic bargaining process among various actors such as government, bureaucratic establishment, and the army has a very strong impact on the political actors' ability to maneuver in the international context.⁹

For a genuine comprehension of Turkish-Greek rapprochement, an analysis at multiple levels is essential. At the international system level, the bilateral tensions of the two countries in a bipolar world assumed a new context with the end of the Cold War, which presented new challenges and incentives for collaboration for both sides. The unsettling effect of extreme nationalism and erupting ethnic conflicts in the Balkans and Eurasia in the post-Cold war era, gave way to a reassessment of security threats for both sides. In this period, while Greece still perceived Turkey as its major security threat, it experienced a proliferation of security risks and significant turmoil and uncertainty in her northern borders. Particularly, Yugoslavia's disintegration and the ensuing civil war unleashed a plethora of explosive ethnic, political, social and economic tensions in the Balkans, causing serious concern in Athens. Turkey also increasingly experienced adverse effects of an extremely volatile neighborhood bordering countries like Iraq and Iran, as well as the Balkans. The newly emerging security threats in the post-Cold war context, provided a window of opportunity for initiatives by pro-reconciliation factions in both governments.

In this respect, during the first part of 1999, particularly the Kosovo crisis provided such an opportunity for the new pro-rapprochement Greek foreign minister, George Papandreou, who succeeded hard-liner Pangalos following the Öcalan crisis. The relations had deteriorated with the capture of Abdulah Öcalan, the leader of the ethnic-separatist Kurdish Workers' Party (PKK), at the Nairobi Airport in February 1999

after a brief stay at the Greek ambassadorial residence in Kenya. The common concern that southeastern Europe confronted destabilization once again within a decade and the apprehension towards its spill-over effects for the wider region, provided an opportunity for the new Greek foreign minister to mend the ties with Ankara and increased the contacts and the desire for collaboration between the two pro-rapprochement foreign ministers.¹⁰

While there have been more isolated and short-lived attempts in the past by some leading pro-rapprochement intellectuals, journalists, retired diplomats, and artists, until 1999 these initiatives were not sustainable in face of an adverse political climate, limited social contacts, high level of biases, and sensationalist press. Three important developments at three different levels turned the tide in 1999, giving impetus and legitimacy to the activities of pro-rapprochement groups and NGOs on both sides and enabling the governments and societies to finally start to reach beyond the populist nationalist mainstream rhetoric. First, at the inter-governmental level, the political dialogue process initiated by Turkish and Greek foreign ministers Ismail Cem and George Papandreou and numerous agreements that were signed, ranging from combating crime (especially terrorism) and illegal immigration to cooperation on environmental protection and cultural exchanges, prepared a conducive environment for increased cooperation.¹¹ These bilateral agreements were also very significant, since they provided a rather comprehensive legal framework on issues related to low politics for the first time in the history of troublesome neighbors.

Another important development at the inter-governmental level would take place within a year with the adoption of a series of Confidence Building Measures (CBMs). After a number of official meetings between the Ministers of Foreign Affairs of the two countries, they agreed to concentrate on three categories of CBMs: (1) Measures

within the framework of the 1988 Papoulias-Yılmaz memorandum of Understanding,¹² (2) Tension Reduction Measures; (3) Measures of Good Neighborliness (concerning the Evros/Meriç river border). So far Greece and Turkey have agreed on a number of CBMs, including the prior notification of their scheduled annual NATO exercises to prevent escalation of tensions due to overlaps and the establishment of a direct red phone line between the two foreign ministers.¹³ Since the key tension-laden issues, particularly Cyprus and Aegean problems related to high-politics remain unsolved, however, the parties are still far from the establishment of a “comprehensive security regime,” in which all major security issues are covered.¹⁴ Nevertheless, CBMs paved the way for the establishment of a “limited” or “transparent” security regime enabling the parties to achieve crisis stability and relative arms race stability through avoiding the escalation of conflicts and they significantly contributed to the improvement of relations at the state-to-state level.¹⁵

The breakthrough at the societal level, however, came with the devastating earthquakes in Turkey and Greece respectively in August and September 1999. Greek and Turkish rescue teams, humanitarian workers, and doctors worked together in a very emotional environment bridging the societal fault-lines of the Aegean. Ironically, these tragic events and widely publicized scenes of human suffering served an unintended cause by creating social empathy and enabling the political leaders to push for wider cooperation with a popular mandate particularly through Track-Two diplomacy. More thorny issues, which could invoke nationalist sentiments, were aptly avoided at this stage.

Finally, at the supranational level when during the Helsinki European Council in 1999, Turkey was granted EU candidacy status, Greek-Turkish relations also gained a European context. As pointed out by numerous Greek and Turkish policy makers and civil society

leaders, “the EU has facilitated and promoted Greek-Turkish cooperation in two main ways. First, the EU as an economic power, has provided funding for many civil society activities. Secondly, the EU, as a symbol and a model, has legitimized the pursuit of Greek-Turkish cooperation both at the governmental and civil society level.”¹⁶ Thus, the EU has empowered pro-rapprochement initiatives at the state and societal level on both sides by providing them financial support and most importantly a normative setting through the goal of joint membership to a common economic, political and security community.

The developments concerning Turkey’s integration to the Union have important repercussions for the Cyprus issue and Turkish-Greek disputes over the Aegean, as well as Turkey’s role in the Euro-Mediterranean security in general. However, in the aftermath of the rejection of the EU constitution both in France and the Netherlands and the collapse of the June 16-17 Luxemburg Summit over budgetary issues, the prospects of Turkish membership and the path ahead seem ever more ambiguous and complicated. Moreover, the deepening transatlantic rift in the aftermath of the Iraq war places Turkey in an even more difficult situation. Hence, both the transatlantic and the EU fault-lines constitute a major challenge for Turkey. Nevertheless, for the enhancement of European security, Mediterranean cooperation, and bilateral relations between Turkey and Greece, Turkey’s integration to the Union play a critical role and the EU context will continue to significantly affect the future trajectory of the Turkish-Greek rapprochement.

Moving from Rhetoric to Reality: Concrete Achievements to Date

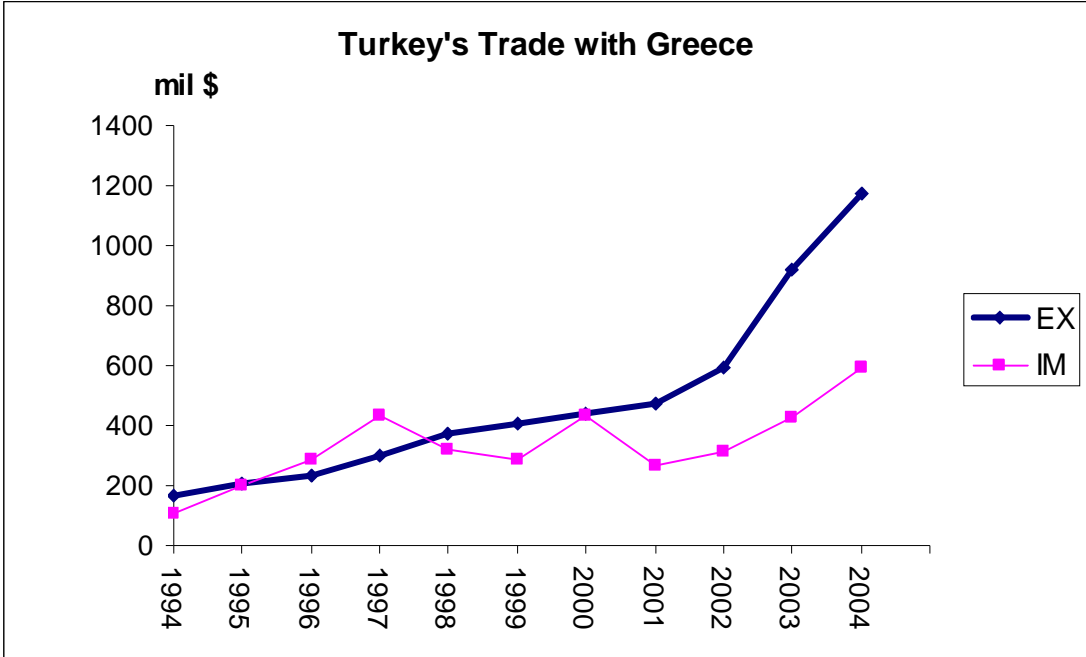
In parallel with the enhancement of relations at multiple levels, there has been considerable progress in Turkish-Greek relations particularly in areas concerning “low politics.” Turkey’s EU candidacy after the Helsinki Summit of 1999 also strengthened pro-rapprochement

domestic actors on both sides and gave impetus to bilateral initiatives through legitimizing cooperative activities within the EU context. The concrete achievements to date can be examined under three categories: (i) bilateral economic relations and trade; (ii) tourism; and (iii) civil society initiatives. Another critical area, which has been constantly in the spotlight, is the issue of mutual reductions in defense expenditures. While the improvements in this area remain more limited, such reductions have the potential to provide a significant peace dividend for both sides.

The troublesome relations and political tensions between the two neighbors traditionally had a very adverse effect on economic relations. Hence, despite the proximity, trade and business interactions remained rather limited. In 1998, there was an attempt by businessmen from both countries to revitalize the Turkish-Greek and Greek-Turkish business councils, an ephemeral mechanism which had emerged in 1988 within the short-lived Davos process. However, the political climate was not conducive yet for the success of such an attempt. The improvement of commercial and economic relations between Turkey and Greece took place in parallel with the political dialogue that was initiated by the Foreign Ministers Cem and Papandreu and gained momentum in the aftermath of the earthquakes.¹⁷ Until 2000, the last major agreement signed between the two countries was the “Agreement on International Land Transportation” in 1970. So, after three decades of dormancy, the signing of 25 new agreements and protocols in the 2000-2004 period relating to economic, social and cultural relations, which provided the legal framework for enhanced interaction, has been a very significant development.¹⁸

Among these agreements, a particularly significant one has been the “Economic Cooperation Agreement” of February 4, 2000, which facilitated the formation of the Turkish-Greek Joint Economic Council. The signing of the “Prevention of the Double Taxation Treaty” on

December 2, 2003 also enabled the resolution of a long-lasting problem hindering economic relations. Starting with the second half of 1999, the joint business councils in each country became more active by organizing trade fairs, business meetings, and providing a vocal support for political rapprochement. The favorable political environment and the improvements in the legal framework soon found its resonance in trade relations.



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With the exception of 2001, during which Turkey experienced a major economic crisis, Turkish-Greek trade volume has been consistently on the rise since 1999. The trade volume has been \$694 million in 1999. Despite the brief setback in 2001, once the Turkish economy started to recover from the crisis, in 2003 the trade volume had a steep rise of 47 per cent since the previous year reaching \$1,3 million. Greece is one of the few countries in the European Union with which Turkey has a favorable trade balance and it's the second most important trading partner for Turkey in the Balkans after Bulgaria. While Turkish exports to Greece was \$ 407 million in 1999, in 2003 they increased by 121 per cent to \$903 million. In 2004, the Turkish exports were already more than \$1 billion reaching a record high. Turkish

imports from Greece have also been on the rise. While in 1999 Turkish imports from Greece were \$ 288 million, in 2003 it reached \$425 million.¹⁹

Turkey mainly exports iron-steel products, cloth, textiles, fruits and vegetables, and fish to Greece. In return, Turkey's imports from Greece display a more limited product variety and are mainly comprised of cotton, petroleum products, plastic materials, and unprocessed leather. Despite the significant expansion in recent years, trade volume is still at low levels and has more potential for growth. Bilateral trade takes mainly an inter-industry character with a high concentration of Turkish exports to Greece in capital-intensive industrial sectors, while the Greek exports to Turkey encompass resource-intensive sectors in general. In that respect, there is a similarity between Greek-Turkish trade relations and Greek-EU ones in terms of its inter-industry character.²⁰ The low level of trade in agricultural products, despite the high potential of both countries, is caused by the exclusion of this sector from the Custom Union. Nevertheless, the bilateral trade, which gained an initial boost with the implementation of the Customs Union between Turkey and the EU, has started to display a persistent upward trend since 2001 due to the improvements in the political and economic climate. Due to the geographical proximity and the complementarities in the import-export profiles of the two countries, there is significant potential for growth particularly in bilateral trade.

Despite the substantial increase in trade volume, the advances in the area of foreign direct investments (FDI) remained more limited. As of 2004, there were 76 Greek companies investing more than \$ 60 million in Turkey. The Greek investments concentrate mainly in the field of information technology, but the Greek companies also operate in agricultural, plastic, pharmaceutical, fishing and tourism sectors. The Turkish investments in Greece remain insignificant with only 4 companies investing a total of \$ 487.000 mainly in the land

transportation, information technology and services sectors.²¹ Despite the climate of improvement in political and economic relations, relatively small size of the Greek market and high production costs have continued to adversely affect the choices of Turkish investors. While the mutual foreign direct investments remain quite limited, there also emerging opportunities for joint investments in third countries particularly in the Balkans, the Black Sea and the Mediterranean regions. However, the attempts in this respect, particularly within the Black Sea Economic Cooperation framework had so far been rather limited. With the unprecedented opening of the Turkish economy to FDI during the 2003-2005 era, if it maintains its momentum in the years ahead, by attracting Greek capital it will mean that the Greek economic players will become important stakeholders in the Turkish economy, thus making Greek foreign policy vis-à-vis Turkey more pro-active in a positive direction.

In addition to increased bilateral economic activity and trade volume, there has also been considerable improvement in the area of tourism. Although Turkey and Greece are neighbors and have strong tourism industries, in the past political tensions have marred societal interaction and Greeks and Turks were quite reluctant to visit their troublesome neighbors. Since tourism provides an important venue for the societal level of interaction, it is very important in dispelling the biases concerning “the other” in each country. While the number of Greeks, who visited Turkey were only 197 258 in 2001, there was a striking 42 per cent increase in 2002 with the number of Greek visitors reaching to 280 033. The upward trend also continued in 2003, with a further increase of 40.5 per cent, and within one year 393 517 Greeks visited Turkey. Tourist visits from Turkey to Greece also increased since 2001. For instance, while the number of Turkish visitors to Greece remained around 114 354 people in 2001, this number increased by 22 per cent reaching 139 018 in 2002.²² Although the

numbers of visits have significantly increased on both sides, there is still a great potential to be tapped also through joint tourism initiatives particularly along the shores of the Aegean.

The civil society initiatives and activities of NGOs constitute another very effective factor at the societal level. These initiatives, which brought the societies together, were essential for starting to reverse the process of demonizing “the other” and for dispelling the long-lasting biases which had been aggravated by a nationalist rhetoric and sensationalist press on both sides. The EU context proved to be significantly helpful, since it provided legitimacy and funding for joint civil society initiatives. For instance, the European Commission has allocated two major forms of funding to be directly used for Turkish-Greek civic collaboration. The first one is the Civil Society Development Program initiated in 2002 with a budget of 8 million euros for two years to enhance Greek-Turkish civic dialogue at the grassroots level and to empower the NGOs in Turkey. The Greek-Turkish Civic Dialogue program has granted a number of macro and micro-grants for a wide array of activities including bilateral meetings of journalists, joint production of radio and television documentaries, youth exchanges, peace education, protection of women’s rights and promotion of their social status, agro-tourism, and environment.²³

One example of Turkish-Greek Civic Dialogue Micro Projects with EU funding is the Mediterranean Monk Seal Joint Project on a critical environmental issue in the Aegean. SAD-AFAG Underwater Research Society in Turkey and the Hellenic Society for the Study and Protection of the Monk Seal (MOM) works together for the protection of the Mediterranean Monk Seal, which is one of the most endangered species in the world.²⁴ The second European Commission fund is a 35 million euro package (approved on February 2004) to promote cross-border cooperation between Greece and Turkey during 2004-2006. This

financial assistance package is to be financed by INTERREG 3 and pre-accession funding for Turkey.²⁵ Hence, the EU through its funds enables more joint civil society activities to take place and also requires them to be carried out more effectively and professionally.²⁶ In addition to the funding opportunities, the public perception in Turkey that good relations with Greece would strengthen Turkey's EU membership prospects and among the Greek public that Turkey as an EU member would be less of a security threat for Greeks, provide more legitimacy and support to the activities of NGOs. Hence, the success of the EU as a security community equips the pro-rapprochement civil society initiatives with a normative leverage in support of their activities promoting Greek-Turkish cooperation.

Paradoxical Role of the European Union: Facilitator of Dialogue and Perpetuator of Conflict

There is no doubt that the EU has been the key reference point for the recent rapprochement between the two countries. Without the pressures for change emanating from the EU it was likely that the stalemate characterizing the relations between the two countries, especially concerning grand disputes centering on Cyprus and the Aegean would continue for many years to come. In retrospect, the EU has created powerful pressures for change through the following channels.

The Europeanization process of Greece has contributed to a process of democratic deepening which also led to a shift in foreign policy behavior from a hard-line nationalistic stance towards an approach based on negotiation and compromise. Consequently, Greece has been converted from a negative veto power to a country which increasingly realized that it could achieve its national objectives through a process of dialogue with Turkey and most of

important all, by promoting Turkey's quest for full EU membership.²⁷ However, this change in foreign policy behavior, which was drafted by Simitis/Papandreou/Kranidiotis and accepted in principle by Karamanlis, has come under considerable pressure during the current government. Particularly since the nationalist line of the Greek Cypriot leader Papadopoulos seems to appeal to the more conservative part of the Greek public opinion, which the current government would not like to alienate.²⁸

A similar process of "Europeanization" in the economic, political and the foreign policy realms has been occurring in Turkey during the more recent era following the formal recognition of Turkey's candidate country status in the EU's Helsinki Summit in December 1999. Although the reform process had started prior to the Helsinki decision, there is no doubt that the Helsinki decision provided a more powerful set of conditions and incentives compared with the earlier arrangement involving a Customs Union Agreement without the prospect of full-membership. Consequently, the momentum of the reform process accelerated in the post-1999 era. The coalition government in 2002, and the subsequent AKP government following the November 2002 elections have been responsible for an important set of democratization reforms helping to move the country from a kind of representative, procedural democracy which has been present for several decades towards "substantive democracy" with significant improvements in the realm of civil and human rights, with the qualification that Turkey's democratic deepening is very much an on-going process.²⁹

The democratization process and the emergence of a sizable pro-EU/pro-reform coalition in Turkey both within the state and the society at large have also precipitated a shift from a hard-line nationalistic stance. This change was clearly reflected in the approach towards the resolution of the Cyprus dispute. It was the AKP government which for the first time in the

Turkish context recognized the need for an internationally acceptable solution to the Cyprus dispute along the lines of the “Annan Plan”.³⁰ It is quite clear that the mix of incentives and conditions provided by the EU regarding the resolution of the Cyprus dispute led to a *reconstruction of what national interest means* in the minds of the key actors involved. The fact that Turkish membership was *conditional* on the resolution of the Cyprus dispute combined with *the perceived benefits of full membership* have clearly helped to create a new context within which a compromise solution was seen as a necessary step towards progress. It is quite interesting that even the military-security elites which have often been associated with a hard-line nationalistic stance in the past have been rather subdued and have not blocked the path of a solution along the lines of the Annan Plan although they have expressed their skepticism concerning key elements of the Plan. What also interesting is that the Cyprus issue which was a taboo subject in Turkey for many years has become an important issue for public debate since 2002.

Finally, the pressures for change promoted by the EU involving both the immediate prospect for membership for the Republic of Cyprus and the more distant prospect of membership for Turkey have helped to generate a process of intense debate in Northern Cyprus. The impact of this was clearly reflected in the general elections of 2003 and in the dramatic outcome of the referendum in April 2004 in which 75 percent of the public in the North supported the reunification of the island along the lines of the UN Plan and the accession of the united island as a full member of the EU as of May 1, 2004. Hence, the *voice of the citizens* in the North became an important factor to take into account. For the first time, there was realization in Turkish public opinion as well that there was a distinct Turkish Cypriot Community in the island with a distinct set of interests and concerns about their own future. Cyprus could no

longer be seen as simply an extension of mainland Turkey and its own national interests and security concerns in the Eastern Mediterranean.

Although the United Nations was directly involved and the United States and Britain have been active promoters of the Annan Plan in the first place, there is no doubt that the EU has provided the very context within which the approach of the key state and non-state actors have been undergoing a process of profound change in recent years.³¹ Yet, although the deadlock has been broken and a powerful process of change is under way, the Cyprus dispute is still far from being resolved and it is our contention that the EU must bear a significant part of the blame for this state of affairs.³²

Firstly, approaching the problem from a historical perspective, the EU has been instrumental in delaying the process of a mutually acceptable solution to the Cyprus dispute by making a sharp distinction between Greece as a *natural insider* and Turkey as an *important outsider* throughout the 1980s and the 1990s. Only after accepting Turkey as a *potential insider* in December 1999 the EU was positioned to make a substantive impact on the Cyprus dispute. Secondly, by offering *asymmetric incentives* to the South which involved its relatively smooth progression towards full-membership without any conditions attached to the resolution of the Cyprus dispute, it helped to render an equitable solution to the dispute increasingly more difficult.³³ Certainly, there was no pressure or incentive on the South to vote in support of the Annan Plan and this was clearly reflected in the outcome of the referendum in April 2004 in which an overwhelming majority of the Greek Cypriots voted against re-unification along the lines of the Annan Plan.³⁴

Indeed, since the Republic of Cyprus joined the Union as the sole representative of the island and the given the decision making structure of the Community, it will be even more difficult to achieve an equitable and mutually satisfying solution to the Cyprus dilemma. Although the Greek Cypriots have not exercised its veto power in December 2004 to bloc the opening up of accession negotiations with Turkey, there is no doubt that they remain a significant potential veto player, replacing in a way the role that Greece had played in the past as a key element of the powerful anti-Turkey bloc within the EU. Finally, the EU has failed to implement its promises towards the Turkish community in the North following the favorable outcome of the referendum. Promises that have been made in the direction of partial recognition of the North involving direct flights as well as access for Northern products to the EU markets are yet to be translated into concrete practice. There is no doubt that the EU's decision-making structure with the Republic of Cyprus as an active decision-maker is, in part, responsible for lack of progress on this issue.³⁵

Looking back and considering the current state of affairs regarding the Cyprus issue, one is in a position to highlight both the positive role and the transformational capacity of the EU as well as, rather paradoxically, its inherent limitations concerning its ability to resolve disputes when both insiders and outsiders are involved, even though as in the Turkish case the outsider involved is a potential insider. It is quite clear that one of the major limitations of the EU in this respect has been its failure to make any kind of impact on public opinion in the South. There has been no incentive and very limited pressure on the South, once the immediate membership option has been guaranteed, to move in the direction of the Annan Plan.³⁶ More recently, the limits of the EU's approach concerning this particular dispute has become even more evident by the fact that it has been trying to relieve itself from active responsibility or

commitment for resolving this dispute by claiming that resolving such disputes is primary responsibility of the UN rather than the EU.³⁷

The Limits of Greek-Turkish Rapprochement: Unresolved Issues and Tensions

There are two elements which illustrate the possible limits of the recent rapprochement process: the nature of the public opinion in the two countries and the state of defense expenditures.

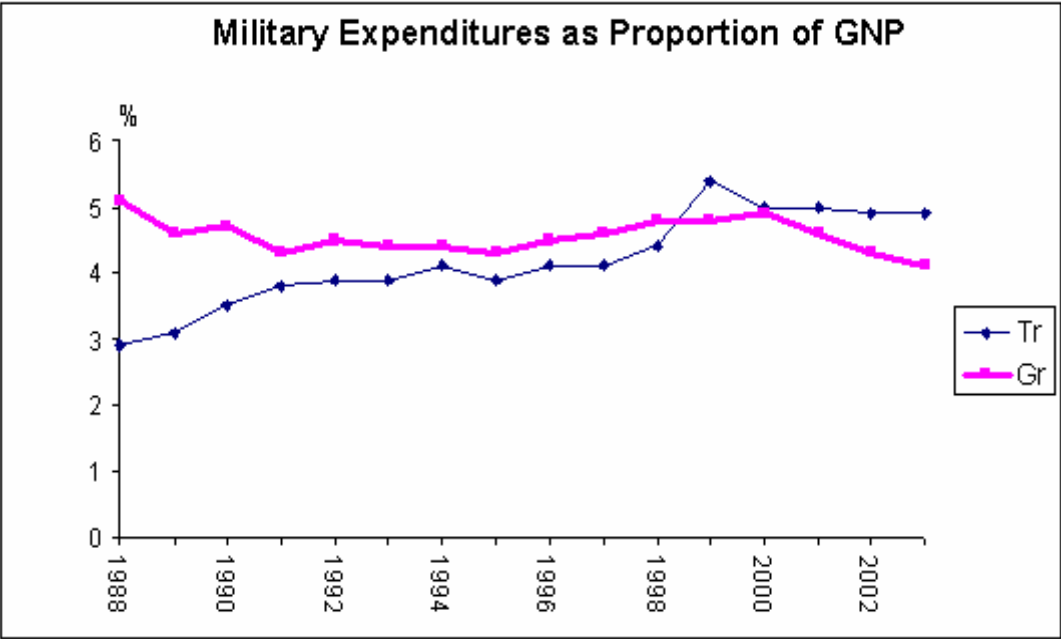
Public opinion surveys suggest that in spite of the dramatic improvement in bilateral relations over the past few years there is considerable lack of mutual trust at the level of the individual citizens. It is striking to observe that even in Turkey where relations with Greece constitute one of the major and not the single overriding element of concern for foreign policy, popular sentiments which reflect the attitudes of large segments of the population tend to be quite negative. A recent public opinion survey, for example, illustrates that public opinion is broadly in support of solving conflicts through negotiations and diplomatic processes. At the same time, the surveys clearly indicate that the Greeks, in general, tend to occupy a relatively low standing in the evaluations of Turks. Perhaps surprisingly, Turks tend to believe that if a military attack were to originate from anywhere it would come from Greece.³⁸ There is no doubt that similar sentiments continue to prevail on the side of the Aegean Sea perhaps in a more intense form.

Clearly, the nature of public opinion in the two countries constitutes an important obstacle to further progress. It is also clear that public opinion cannot be easily changed overnight given

that it is a product of long historical process of misperceptions and prejudices built over the years. In line with the logic of Robert Putnam's *two level games framework* domestic politics is an important determinant of foreign policy behavior. Key political actors in the two countries are severely constrained by their respective public opinions in terms of developing and implementing more ambitious strategies designed to deepen the rapprochement process. The media in the respective countries has also often played a negative role in terms of aggravating tensions and capitalizing on the negative popular sentiments concerning "the other". On a more optimistic note, however, we should underline that public opinion is something which is not totally impervious to change. The fact that the Turkish serial "Love without Borders" (*Yabancı Damat*) has been obtaining top ratings on Greek television during the Summer of 2005 is a clear testimony to the fact that the media can play a productive role in breaking down mutual prejudices and helping to bring the two societies closer.³⁹ Public opinion can be shaped and, indeed, has been changing in both countries in a positive direction in the recent era with a clear shift of preference in favor of diplomatic solutions. Clearly, there is room for political leadership as well as in further civil society initiatives to improve the mutual perceptions concerning the other in both societies which is after all a crucial ingredient of any attempt to forge a durable rapprochement or partnership.

The second limitation of the recent era concerns the fact that in both countries defense expenditures continue to prevail at high levels. Greece and Turkey have been the only two NATO countries that have increased military expenditures in the Post-Cold War era.⁴⁰ There is some evidence that military expenditures in the two countries as a share of GNP have stabilized and have been displaying a slight downward trend in recent years (Graph 2). This might possibly be interpreted as a sign of the positive impact of the observed improvement in bilateral relations. A more plausible interpretation is that economic constraints are creating a

possible downward bias in military expenditures. In the case of Greece, the pressures come from the tight fiscal targets associated with the European Monetary Union and the transition to Euro.⁴¹ In the Turkish case, similar pressures have been evident as the military have tried to cut down on new expenditures in line with the broader pressures for fiscal discipline in the aftermath of the severe economic crisis that Turkey experienced in February 2001.⁴²



http://first.sipri.org/non_first/result_milex.php?send

The fact that military expenditures as a proportion of GNP are persistently high, in spite of a slight downturn in the recent era, embodies two major implications for our analysis. Firstly, it reflects that the rapprochement process has not gone deep enough and the mutual perceptions of significant security threat continue in the minds of the military elites. Second, both countries can derive a considerable “peace dividend” from reallocating resources released through military expenditures to key areas such as education, the promotion of research and development, and health expenditures with considerable positive spin-offs on the performance of the real economy. Indeed, the peace dividend is likely to be particularly likely for Turkey

with its large population and lower per capita income.⁴³ We have to be careful, however, in interpreting the figures for Turkey in the sense that security concerns vis-à-vis Greece is not the only determinant of high military expenditures considering that Turkey is in a highly volatile neighborhood with Iran and Iraq as neighbors. With this qualification in mind, one can still make the case that a further deepening of relations with Greece is likely to have a considerable impact on overall military expenditures in Turkey with its positive repercussions on civilian expenditures and the real economy.⁴⁴

From Fragile Détente to Sustainable Rapprochement to Durable Partnership

The extent of the improvement in Turkish-Greek relations can be examined under three categories based on the nature, content, and duration of the enhancement in the relations: (i) fragile détente; (ii) sustainable rapprochement; and (iii) durable partnership. The first category, fragile détente, often takes place only at one level, which is mostly the intergovernmental one. Moreover, there is no consensus among the key players in the domestic context as to the necessity and the durability of the détente and the impact of this fragile détente fails to permeate into the non-governmental and societal level. In terms of the content, it is limited in scope being merely based on either international context or the personal initiatives of the political leaders. The core problematic issues particularly as it relates to hard-security remains unresolved, there are limited contacts, mutual confidence levels are quite low and the “zero-sum game” mentality on critical issues still persists. Hence, the fragile detente often does not go beyond some mutual good will gestures and remarks. Since the rhetoric is not substantiated with real acts of improvement in the relations, the détente remains ephemeral and is doomed to failure in case of escalation of tensions. Turkish-

Greek détente in the 1930s and in early 1950s, as well as the short-lived Davos process present very good cases in this category.

Sustainable rapprochement is not just limited to one level and improvements at one-level are supplemented by enhancement of relations at other levels. So, the positive developments at the inter-governmental level are supported by enhancement in the relations among non-state actors such as the business community, NGOs and an overall improvement at the societal level. The international context also needs to be conducive by providing convergent interests in order to provide legitimacy to the rapprochement process and to break the resistance of anti-rapprochement domestic actors. At the stage of sustainable rapprochement, while there is not a total consensus among domestic actors in favor of the specifics of the rapprochement process, majority of the critical domestic and international actors support it in general terms. In terms of the content, the scope is much broader with efforts to tackle hard-security issues supplemented by initiatives in track-two diplomacy. At this stage, while some or majority of the hard-security issues still persists, the likelihood of escalation of tensions to military conflicts is considerably reduced, since there are more contacts at multiple levels, increased level of trust, and a significant change in the zero-sum mentality with the realization of the mutual benefits of a sustainable rapprochement. Hence, at this stage rhetoric is substantiated with real initiatives at multiple levels by critical actors. While the rapprochement process is still vulnerable to internal and external challenges, it is increasingly assuming a medium to long-term sustainable nature. The possibility of its reversal, meaning a return to the pre-1999 era, is highly unlikely. Hence, the current state of relations between Turkey and Greece can be classified as having reached the stage in which the parties are in the process of establishing a sustainable rapprochement.

The final stage in the enhancement of relations would be to achieve a durable partnership. The durable partnership requires development in the relations at all levels and all the critical actors at the domestic and international level, as well as the public opinion should also be supportive of this process. The scope is very comprehensive and particularly the core conflicts relating to hard security issues need to be resolved. There is intensive interaction at the governmental and societal levels resulting in high-levels of trust. Consequently, both at the bilateral and regional level, the durable partnership is perceived by both sides as a “win-win” scenario, not just through avoiding conflict but also through creating synergy for joint political and economic initiatives enhancing the regional and even the global stance of each party. In this respect, it is critical that the parties are provided with relatively symmetric incentives during this process and there should not be a wide gap in the perceived benefits for each party. Consequently, a comprehensive change in political discourse concomitantly takes place and is mutually reinforced by a pro-active and constructive approach on core issues by both sides. As a result, the parties are able to overcome deep-rooted animosities and would be able to accomplish a long-term durable partnership. While there is significant improvement, Turkish-Greek relations are still quite far from reaching this final stage, especially since the core issues of conflict regarding the Aegean and Cyprus remains unresolved. Once the two countries can tackle these thorny issues, a durable partnership could be very fruitful for both sides through increased political, security, and economic cooperation and benefits within the Euro-Mediterranean, Balkan, and Eurasian context.

There is no doubt that the recent rapprochement is qualitatively different from the earlier episodes of fragile détente in the twentieth century. Furthermore, it is unlikely to be reversed given that the depth of the democratization accomplished in both countries and the external EU anchor enhance its sustainability. Our central conjecture, however, is that to move

beyond the plateau reached and convert the on-going rapprochement process to a more ambitious project of durable partnership requires pro-active behavior on the part of all the key actors involved. Certainly, the EU signals for Turkey's full-membership will be critical in this context. Turkey-EU relations, like Greek-Turkey relations, have tended to move in terms of cycles with each cycle bringing Turkey closer to the EU. The EU's decision to open up accession negotiations in October 2005 represents a major step forward in terms of realizing Turkey's membership aspirations. Nevertheless, the issue of Turkish membership is qualitatively different from earlier cases of enlargement generating deep internal divisions concerning the Union's borders, identity and its status as a global actor.⁴⁵ In spite of our optimism concerning the future trajectory of Turkey towards full-membership, Turkey's path is not likely to be a smooth, linear process. Ambiguous signals, from the EU, in turn are likely to generate waves of Euro-skepticism and nationalist backlashes which could to exert a counter-productive influence over Turkey's bilateral relations with Greece and the ability to resolve grand disputes like Cyprus through a mutually satisfying negotiation process.

The deepening of the rapprochement process requires a more pro-active approach on the part of Greece than has recently been the case. Greek policy towards Turkey has been characterized by a commitment towards Turkey's EU membership goal since 1999 and this has become part of a national policy transcending party lines. Whilst there is an element of continuity in Greek policy after the fall of the PASOK government, the Greek stance has been somewhat more passive and subdued under the New Democracy government of Prime Minister Karamanlis compared with the degree of enthusiasm and commitment displayed by the former Foreign Minister of the PASOK Administration, George Papandreou.

At a popular level, acts of mutual friendship and respect displayed by Turkish Prime Minister Tayyip Erdoğan and Karamanlis appear to be quite reminiscent of the earlier pioneering relationship involving Papandreou and Cem. In terms of substance, however, one can detect a more passive, wait and see approach on the part of Karamanlis which may be a reflection of the constraints imposed by his more conservative base of popular support.⁴⁶ Certainly, he has failed to exert any kind of significant pressure on the Greek Cypriot Papadopoulos Administration in the direction of accepting the Annan Plan. Even if one accepts the point that the leverage of mainland Greece on Southern Cyprus may not be as strong as the link between mainland Turkey and Northern Cyprus, the close ties between the two countries and their capacity for mutual influence cannot be discarded. It is also striking that Karamanlis has not been pro-active in terms of bringing a revised version of the Annan Plan on the table as a further step towards the resolution of the Cyprus dispute after the failure of the referendum process. Increasingly, the perception of the Karamanlis government even by the more liberal, progressive elements in Turkey is that of a government which conceives of the rapprochement process simply in instrumental terms. Hence, it uses the EU mechanism as a means of imposing Greece's own set of preferences in the long-run as opposed to achieving mutually satisfying and equitable solutions to the long-standing disputes involving the two countries.

Last, but not the least, the key actor which is likely to benefit from pro-active behavior is Turkey. At the same time, the room available for Turkish policy-makers to adopt a pro-active stance is fairly limited due to severe political constraints on the domestic front. Certainly, one element of pro-active behavior could be partial withdrawal of troops from Northern Cyprus, although effort should be made that any credit for this does not go to Papadopoulos and his policy. This line of action, which is likely to exert a significant psychological impact on the key actors involved including Greece, Republic of Cyprus and the EU, at the same time would

have positive repercussions on relations with all these entities. Clearly, this is a risky strategy to follow in the sense that the withdrawal of troops may fail to exert a sufficient pressure neither on public opinion in Southern Cyprus and Greece nor the EU to be able to break the existing stalemate. Yet another line of pro-active action could be the reopening of the Greek Orthodox Halki (Heybeliada) Seminary which has been closed since 1971. The opening up of the school for the education of Christian clergy in Istanbul is again a move that could help to generate widespread positive sentiments both in Greece and the rest of the Christian Europe. In addition, the removal of the ban over the public use of the ecclesiastical title of the Ecumenical Patriarch and the elimination of various restrictions over the employment and appointment of non-Turkish Christian clergy constitute the sorts of measures which can be accomplished in the current political environment of Turkey.⁴⁷ These kinds of action embody the potential to strengthen the claim that secular Turkey is a genuinely multi-cultural country which can play an important role in shaping the future of multi-cultural Europe. Unfortunately, however, these kinds of pro-active behavior are extremely risky for incumbent government since they tend to generate widespread nationalist sentiments. Such nationalist sentiments tend to increase further when signals from the EU or Greece become lukewarm or downright negative.

Having said this, Turkey has much more to lose from failure to adopt a pro-active line of action compared with the other key actors involved. Already key mistakes have been made in the era prior to the accession of the Republic of Cyprus to full EU membership in May 2004. The failure on the part of the new Turkish government formed by the AKP to resolve the Cyprus issue along the lines of the Annan Plan during the Copenhagen Summit of 2002 has rendered the job of an equitable solution to the Cyprus dispute increasingly more difficult, particularly once the Republic has become an insider within the EU. Clearly, the new

government lacked the kind of political mandate to be able to make such a major decision at the time. What is important in the present context is that failure to adopt a pro-active stance on the part of Turkish governments pushing the agenda into the future is likely to have costly consequences in the sense that the final outcome on disputes such as Cyprus could be highly sub-optimal requiring more concessions than necessary assuming that Turkey would be unwilling to give up its basic objective of full EU membership.

Concluding Observations

As Richard Clogg has observed Turkish-Greek relations have progressed in terms of cycles. Periods of detente have been accompanied by long periods of conflict and tension between the two countries. The recent rapprochement, however, contains the ingredients of a real breakthrough in Turkish-Greek relations. A benign interpretation suggests that the old cycle has finally been broken following a period of striking improvement in bilateral relations, a process in which both state and non-state actors have been heavily involved. Given the degrees of democratic deepening and the parallel shifts in foreign policy behavior achieved both in Greece and more recently in Turkey, even the most cynical observer would find it hard to believe that a crisis similar to the Imia-Kardak crisis of January 1996 would take place in the current context. The immediate security threat underlying the relationship between the two countries has largely subsided. The fact that relations with Turkey has not been the overriding item in Greek national elections in recent years demonstrates the strength of the detente, which makes it radically different from the earlier experiments in the 1930s and the 1990s. Support of Turkey's EU membership has become national policy and Greece has been transformed from a veto player to a key supporter of Turkish membership of the EU.

There is no doubt that through multiple channels the European Union has played a critical role in the recent rapprochement process. However, the EU through its actions, notably through its endorsement of the accession of the Republic of Cyprus to full membership without any conditions attached to the resolution of the Cyprus dispute has placed a major constraint on the possibility of an equitable settlement to the Cyprus dispute. It is highly probable that the Republic of Cyprus in the Community since May 2004 may play the role of a veto player, which Greece had played in the past with negative repercussions on Turkey during the 1981-1996 era. Indeed, we have already seen signs of this in the recent period. It is also quite striking that the EU has not been able to fulfill its promises to Northern Cyprus, which were made following the referendum in April 2004 that could have placed additional pressures on the Greek-Cypriot side for a re-unification of the island along the lines of the Annan Plan. Perhaps this is not so striking given the institutional structure of the EU and the powers of the member states. It is quite likely that Southern Cyprus will be a key member of the anti-Turkey coalition in the EU together with France and German Christian Democrats and it will be increasingly in a position to use its veto power to frustrate attempts aimed at a mutually satisfying compromise solution to the Cyprus dispute. Hence, the analysis of the rapprochement process illustrates quite nicely both the potential and the limits of the EU as a security community and its capacity to resolve tensions between countries enjoying unequal status between full and potential membership.

Among the actors involved Turkey has the greatest incentive to adopt a pro-active behavior rather than a passive, wait and see attitude. Pro-active behavior such as the partial withdrawal of troops from Northern Cyprus especially given the mixed signals from the EU may be politically difficult for any government in the Turkish context. Nevertheless, the potential costs of a more pro-active approach should be weighed up against the danger that the longer

the solution of the big, macro-issues like Cyprus are delayed during the process of accession negotiations with the EU, the more likely that the final outcome would be a less equitable one from the Turkish point of view.

The achievements of the recent rapprochement process are considerable and it is extremely unlikely, given the depth of democratization and the Europeanization of foreign policy in Turkey in recent years and a similar process which has taken place in Greece over a longer time span that these achievements will be reversed. At the same time, an important point that emerges from our analysis is that a more pro-active approach addressing the core issues of conflict is needed from all the key actors involved in order to convert the recent process of establishing a sustainable rapprochement into a durable partnership.

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¹ See in this context Richard Clogg, “ Troubled Alliance: Greece and Turkey,” in Richard Clogg, (ed.), *Greece in the 1980s*, New York: St. Martin’s Press, 1983, pp. 123-149 and *A Concise History of Modern Greece*, New York: Cambridge University Press, 1992.

² Another very brief period of rapprochement was experienced during the early years of the Greek junta regime in 1967-1968, when there was a meeting on the Evros-Meriç border, as a consequence of which the Greek division from Cyprus has been withdrawn.

³ For a comprehensive discussion of the Davos Process, see Gilles Bertrand, “Greek-Turkish Relations: from Cold War to Rapprochement,” *Observatory of European Foreign Policy Paper*, available at http://selene.uab.es/_cs_iuee/catala/obs/dossier_turquia/tk_analisis/eutr_05_2003bertrand.pdf.

⁴ Theodore Couloumbis, “The Future of the Greek-Turkish Rapprochement”, Seminar in International Relations Department, Koç University, Istanbul, February 2000 ; Thanos Veremis, “Greece, Turkey and the EU Triangle,” Seminar jointly organized by Istanbul Bilgi University and the Greek Consulate in Istanbul, June 2005.

⁵ For a discussion of basic areas of major dispute, see Süha Bölükbaşı, “The Turco-Greek Dispute: Issues, Policies, and Prospects,” in Clement H. Dodd (ed.), *Turkish Foreign Policy: New Prospects*, Cambridgeshire: The Eothen Press, 1992, pp. 28-51; Panayotis, J. Tsakonas and Thanos Dakos, “Greek-Turkish Relations in the Early Twenty-first Century,” in Leonore Martin and Dimitris Keridis, (eds.), *The Future of Turkish Foreign Policy*, Cambridge: MIT Press, 2004, pp. 101-125. For a Greek perspective on the Aegean Problems, also see Theodore Couloumbis and Kostas Infantis, “Altering the Security Dilemma in the Aegean: Greek Strategic Options and Structural Constraints- A realist Approach,” *Review of International Affairs*, vol.2, no.2, winter 2002, pp.1-25. For a penetrating analysis of the history and the earlier mediation efforts for the Cyprus dispute see, Oliver P. Richmond, *Mediating in Cyprus: The Cypriot Communities and the United Nations*, London: Frank Cass, 1998.

⁶ A balanced assessment, however, needs to take into account the failure of the Turkish-Turkish Cypriot side to agree on a settlement in December 2002 when the Republic of Cyprus became an EU member. Clerides was ready to sign the Annan Plan, and the two issues, EU membership and solution could be coupled in the later referendum, so that the chances of a “No” vote would be minimal. Thus, the Turkish side gave Greek Cypriots a bargaining chip, which has been used by the new openly nationalistic Papadopoulos administration.

⁷ J.David Singer, “The Level-of-Analysis Problem in International Relations,” in Klaus Knorr and Sidney Verba (eds.), *The International System: Theoretical Essays* , Princeton, NJ.: Princeton University Press, 1961, pp. 77-92. For a critique of Singer see also William B. Moul, “The Level of Analysis Problem Revisited,” *Canadian Journal of Political Science*, vol.6, 1973, pp. 494-513.

⁸ Robert D. Putnam, “Diplomacy and Domestic Politics: The Logic of Two-Level Games,” *International Organizations*, vol. 42, no.3, Summer 1988, pp. 427-460.

⁹ In the case of Cyprus dispute, since the Turkish and Greek Cypriot sides with their own internal dynamics also enter into the picture, the bargaining process gets even more complicated.

¹⁰ Letter from Mr. George Papandreu, Foreign Minister of the Republic of Greece, to Mr. Ismail Cem, Foreign Minister of the Republic of Turkey, (www.greekturkishforum.org); Alexis Heraklides, “Détente: A Preliminary Evaluation,” *Review of International Affairs*, vol.1, no.3, Spring 2002, pp. 19-22.

¹¹ Ismail Cem, *Türkiye, Avrupa, Avrasya [Turkey, Europe, Eurasia]*, Istanbul: Bilgi Üniversitesi Yayınları, 2004, pp. 119-161. A number of these agreements, however, require a lot of technical committee work before they can be fully implemented.

¹² Papoulias-Yılmaz Memorandum of Understanding has been signed in Athens on 27 May, 1988 and it is comprised of five military CBMs, including a reduction of the number, size, and scope of their exercises in the high seas of the Aegean on the basis of reciprocity.

¹³ One important decision with practical implications has been the agreement reached in April 2001 (on the basis of the 1997 Ottawa Convention) regarding the prohibition of the use, stockpiling, production and transfer of anti-personnel landmines and their destruction. This agreement has immediate implications for the dismantling and destroying of the Turkish and Greek mines along the river Evros-Meriç border between the two neighbors. *Joint Statement by Mr. Ismail Cem, The Minister of Foreign Affairs of the Republic of Turkey, and Mr. George Papandreu, the Minister of Foreign Affairs of the Republic of Greece on Anti-personnel Landmines*, (Ankara, 6 April, 2001).

¹⁴ For the notion of “comprehensive security regimes,” see Gordon A. Craig and Alexander L/ George, *Force and Statecraft*, 2nd ed., New York: Oxford University Press, 1990, pp. 264-265.

¹⁵ For a more detailed discussion, also see Thanos P. Dokos and Panayotidis J. Tsakonas, “Greek-Turkish Relations in the Post-Cold War Era,” in Christos Kollias and Gulay Gunluk-Senesen, (eds.), *Greece and Turkey in the 21st Century: Conflict or Cooperation*, New York: Nova Science Publishers, Inc., 2003, pp. 9-35.

¹⁶ Bahar Rumelili, “Civil Society and the Europeanization of Greek-Turkish Cooperation”, *South European Society & Politics*, vol.10, no.1, March 2005, p.47

¹⁷ Ismail Cem, *Türkiye, Avrupa, Avrasya [Turkey, Europe, Eurasia]*, pp. 119-161.

¹⁸ T.C. Başbakanlık Dış Ticaret Müsteşarlığı, Anlaşmalar Genel Müdürlüğü, “Türkiye-Yunanistan Ticari İlişkileri,” [Turkey-Greece Trade Relations], December 2004.

¹⁹ Ibid.

²⁰ Angelos Kotios and George Petrakos, “The Industrial and Trade Structure of the Greek and Turkish Economies: Possibilities for Cooperation,” in Christos Kollias and Gulay Gunluk-Senesen, (eds.), *Greece and Turkey in the 21st Century: Conflict or Cooperation*, pp. 102-115.

²¹ T.C. Başbakanlık Dış Ticaret Müsteşarlığı, Anlaşmalar Genel Müdürlüğü, “Türkiye-Yunanistan Ticari İlişkileri,” [Turkey-Greece Trade Relations], December 2004. For a more extensive analysis of Turkish- Greek economic relations and possibilities for cooperation, also see Panagiotis Liargovas, “Greek-Turkish Economic Relations,” in Christos Kollias and Gulay Gunluk-Senesen, (eds.), *Greece and Turkey in the 21st Century: Conflict or Cooperation*, pp.133-148; A. Yavuz Ege, “Old Adversaries, New Partners? A New Perspective for Greek-Turkish Economic Relations,” in Christos Kollias and Gulay Gunluk-Senesen, (eds.), *Greece and Turkey in the 21st Century: Conflict or Cooperation*, pp. 117-132.

²² Dış Ekonomik İlişkiler Kurulu (DEİK) [Foreign Economic Relations Board], “Türkiye-Yunanistan İkili Ekonomik İlişkiler,” [Turkey-Greece Bilateral Economic Relations], May 2004, p. 6.

²³ [http/ www.stgp.org/greek/docs](http://www.stgp.org/greek/docs).

²⁴ Yalçın Savaş, “Turkish-Greek Civic Dialogue Micro Projects: Recent Activities,” *Turkish-Greek Civic Dialogue*, vol. 1, no. 3, July-September 2004, p.4.

²⁵ Bahar Rumelili, “Civil Society and the Europeanization of Greek-Turkish Cooperation”, *South European Society & Politics*, p.48.

²⁶ The rather bureaucratic nature of the application and access for the EU funds, however, causes a certain level of elitism of the organizations benefiting from these funds.

²⁷ On the Europeanization process in Greece, see Kevin Featherstone and Georgios Kazamias, “Europeanization and Southern Periphery”, London:Frank Cass, 2001; On the importance of the “democratic peace” argument for understanding the recent detente in Greek-Turkish relations, see Kemal Kirişçi, “The Enduring Rivalry Between Greece and Turkey: Can Democratic Peace Break It?”, *Alternatives*, 2002,vol.1, no.1, pp.1-13; also see Dimitris Keridis, “Domestic Developments and Foreign Policy” in Dimitris Keridis and Dimitris Triantaphylou (eds.), *Greek Turkish Conflict in the Era of Globalization*, Dulles: Brasey’s, 2001.

²⁸ In some ways, this is quite similar to the impact that Denктаş has enjoyed in Turkish politics.

²⁹ On Turkey’s recent Europeanization process, see the collection of essays by Ali Çarkoğlu and Barry Rubin, “Turkey and the European Union: Domestic Politics, Economic Integration and International Dynamics”, Portland:Frank Cass, 2003 and Mehmet Uğur and Nergis Canefe, “Turkey and the European Integration: Prospects and Issues in the post-Helsinki Era” London: Routledge, 2004. For a detailed survey of democratization reforms, see Fuat Keyman and Senem Aydın, CEPS, EU-Turkey Working Papers, “European Integration and the Transformation of Turkish Democracy,” 2004, no.2.

³⁰ UN Plan for Cyprus Settlement, popularly referred as the Annan Plan, constituted a critical turning point in attempts to resolve the Cyprus conflict in the sense that it offered a more balanced set of incentives for the resolution of the Cyprus dispute than what the EU itself had offered in the past. The proposed settlement satisfied the basic aspirations of the Turkish Community by offering them political equality with the Greek Cypriots. The Annan Plan envisages the formation of a common state composed of politically equal component states enjoying legal equality and exercising sovereign powers in their respective spheres of jurisdiction. The solution suggested allows for the continuation of the Turkish military presence on the island, although in reduced numbers. The Greek side also gains through the re-unification of the island by obtaining control over a larger proportion of the island's territory. The details of the UN Plan on Cyprus are available at <http://www.mfa.gov.tr/grupa/ad/annan.doc>

³¹ For a comprehensive and insightful analysis on the role of the EU in helping to resolve the Cyprus dispute, see Thomas Diez, (ed.) "The European Union and the Cyprus Conflict: Modern Conflict, Postmodern Union", Manchester: Manchester University Press, 2002.

³² One can argue that the EU was misled by Papadopoulos, who before his infamous address of April 2004, did not openly object to the Annan Plan, giving the impression that he would continue the Clerides line, which favored a solution on the basis of the plan. It was Turkey/Turkish Cypriots which allowed the Republic of Cyprus to join the Union, without prior commitment for a solution based on the Annan Plan. After joining the Union, Greek Cypriots obtained certain institutional and legal advantages, which -Papadopoulos thinks- can be used to impose a solution upon Turkey more favorable for Greek Cypriots. Enforcing a "European" and not a "UN" solution on the Cyprus issue is a common catchword for Greek nationalists, who suddenly became advocates of European integration and common foreign policy. In other words, while liberal approaches of Greek-Turkish relations grow in popularity in Turkey, there has been a countervailing realist trend on the Greek side promoted by Papadopoulos and some elements of the Karamanlis government and diplomatic bureaucracy.

³³ See in this context Nathalie Tocci, "Cyprus and the European Union: Catalyzing Crisis or Settlement?", *Turkish Studies*, vol.3, no.2, 2002, pp.104-137 as well as Ziya Öniş, "Greek-Turkish Relations and the European Union: A Critical Perspective," *Mediterranean Politics*, vol.6, no.3, 2001, pp.31-45.

³⁴ While supportive of the plan, one should not hesitate to criticize some of its provisions such as the lack of clarity on who will pay the cost of the deal. Also the final rejection of the demilitarization of the island helped Greek Cypriot conservatives to play up the fear of a new Turkish invasion to occupy the whole of Cyprus.

³⁵ It is the legal nature of the EU decision making (e.g. there is a European Court decision supporting the embargo against the North which the Greek Cypriots now stick to) and the rule of unanimity which gave Greek Cypriots the advantage of blocking any EU efforts in the direction of supporting the North.

³⁶ Verheugen attempted to address the Greek Cypriot public through an interview before the referendum to explain the benefits of a “yes” vote. However, he was effectively blocked by Papadopoulos.

³⁷ Office of the Prime Minister, Director General of Press and Information, *Turkish Press Review*, 26. 01. 2005, p.2, www.byegm.gov.tr.

³⁸ Ali Çarkoğlu and Kemal Kirişçi, “Ali Çarkoğlu and Kemal Kirişçi, The View from Turkey: Perceptions of Greeks and Greek-Turkish Rapprochement by the Turkish Mass Public,” *Turkish Studies*, vol.5, no.1, 2004, pp.111-137.

³⁹ The Turkish serial “Love Without Borders” which is centered around the love between Greek Nicos and Turkish Nazlı and tries to highlight the prejudices and misperceptions underlying Greek-Turkish relations in everyday life has generated enormous popularity in Greece, being shown twice a day on the Mega Channel during the summer of 2005.

⁴⁰ See the table on military expenditures of countries in the years 1985, 2001 and 2002 from *The Military Balance*, vol. 102, no. 1, October 2002 from the website: <http://journalonline.tandf.co.uk/app/home/journal.asp?wasp=76726d81fbda4a2a9cd79377cf98690b&referrer=searchresults&id=111407&backto=searcharticlesresults.1.1000>. The only exception on this table besides Turkey and Greece is Portugal with a low increase in military expenditures. For more detailed analysis of military expenditures of NATO countries in post-Cold War era, see Brian Ardy, “NATO Military Expenditure in the Post Cold War Era,” *Hellenic Atlantic Treaty Organization Review*, 1995 from the website: <http://www.hatareview.org/ardy.html>.

⁴¹ We owe this point to our colleague Christos Kollias.

⁴² It is interesting to observe how the decision to cancel military orders in one country has an immediate impact on the other. In March 2001, Greece announced its first defence spending cut in decades by postponing a 5 billion Euro deal to purchase 60 Eurofighter jets by at least four years. By mid-April, the defense downsizing move was reciprocated by Turkey, which announced a postponement in procurements for 32 projects worth 23 billion Euros. The information is drawn from GreeceNow: Direct Appeal available at: <http://www1.greece.gr/POLITICS/SouthEastEurope/directappeal.stm>.

⁴³ For a detailed discussion on this issue, see Ziya Öniş, “Domestic Politics versus Global Dynamics: Towards a Political Economy of the 2000 and 2001 Financial Crises in Turkey”, *Turkish Studies*, vol. 4, no.2, 2003, pp.1-30.

⁴⁴ To a lesser extent the same is valid for Greece in the case of Balkans. Structure of military forces is also important, e.g. the existence of the Aegean Army, which has full operational capacity, is always used by anti-rapprochement circles in Greece as an example of Turkish aggressiveness.

⁴⁵ For a detailed discussion, see Ziya Öniş “Turkey’s Encounters with the New Europe: Multiple Transformations, Inherent Dilemmas and the Challenges Ahead” paper to be presented at UACES Conference, Zagreb, Croatia, September 5-7,2005.

⁴⁶ Although Karamanlis is not willing to undo the rapprochement process, he is not ready to pay the political cost of it, especially since a large part of his voters are still very skeptical against Turkey’s EU membership and Greek-Turkish rapprochement. One needs to distinguish between different trends within the government party. Nationalist bureaucrats recovered their position in the Foreign Ministry under the new government. The Foreign Minister Petros Molyviatis is an old diplomat, who essentially still views Greek-Turkish relations in the colors of 1960s and 1970s, although he verbally supports the rapprochement. Those who are more fervent supporters of the rapprochement belong to the latent party opposition, led by the Mayor of Athens Dora Bakoyanni, who has already implicitly expressed her will to replace Molyviatis, who is bound to retire on health reasons. Her appointment would signal that Karamanlis puts more interest in the rapprochement; however this decision will also be a function of domestic political calculations.

⁴⁷ The Patriarch has taken a very costly position by ardently supporting the prospect of Turkey’s EU membership, thus becoming exposed to all kinds of attacks by Greek nationalist circles, including within the Church of Greece. Concerning the Greek Orthodox Seminary, a major question is not only whether, but also under what status the school will operate (university, vocational school, high school). The resolution of this issue would offer great help to the supporters of rapprochement in Greece. The Patriarch also could be instrumental in passing this message to the Greek public opinion.