

**LIMITED RECOGNITION AND LIMITED RELATIONS: TRNC**Asst. Prof. Muhittin Tolga ÖZSAĞLAM \* **ABSTRACT**

*The classical international relations system has been established on the basis of sovereign national states and their territorial integrity since the Peace of Westphalia. However, the system has been challenged since 1960s with the emergence of new actors in international relations system. New states, as the members of the United Nations (UN), emerged from the de-colonization process. Furthermore, non-governmental organizations including secessionist movements had role in shaping of international system.*

*International community has recently witnessed new developments through the emergence of new states; such as TRNC, Abkhazia, Kosova. These states are considered as the limited recognized states which do not have membership to the UN.*

*This study is analysing the status of TRNC in international relations system by indicating its economic, social and political-diplomatic affairs with other sovereign states and international institutions. TRNC is a de facto state which is not a member of the UN. However, it establishes economic and political affairs with other actors. The status of the TRNC represents uniqueness due to its social and political order. Its EU citizens and suspended Acquis communautaire also make the state exceptional.*

*Briefly, this study illustrates the social, economic and political affairs of the TRNC through making analytical extractions and referring to the statistical tangible data.*

**Keywords:** Limited Recognition, Cyprus, TRNC, Turkey, European Union.

**JEL Codes:** D74, Q34, F51.

**SINIRLI TANINMA VE SINIRLI İLİŐKİLER: KKTC****ÖZET**

*Vestfalya Barışı'yla birlikte, klasik uluslararası ilişkiler sistemi Vestfalya Barışı'yla birlikte ulusal devletlerin egemenliğı ve toprak bütünlüğü üzerine kurulmuştur. Ancak, sisteme karşı 1960'lı yıllarda uluslararası ilişkiler sisteminde yeni aktörlerin ortaya çıkmasıyla meydan okunmuştur. Yeni*

\* European University of Lefke, Northern Cyprus, Mersin, Turkey, e-mail: [ozsaglam@hotmail.com](mailto:ozsaglam@hotmail.com)

*devletler Birleşmiş Milletler üyeleri olarak sömürgelerden ayrılarak ortaya çıkmışlardır. Ayrıca, hükümet dışı örgütler buna ayrılıkçı hareketler de dâhil yeni uluslararası sistemin şekillenmesine bir role sahip olmuşlardır.*

*Uluslararası toplum yakın bir zamanda yeni devletlerin ortaya çıkmasına tanıklık etmiştir; KKTC, Abhazya, Kosova v.b. Birleşmiş Milletler'e üye olmayan bu devletler sınırlı tanınan devletler olarak dikakte alınmışlardır.*

*Bu çalışma KKTC'nin uluslararası ilişkiler sistemi içerisindeki statüsünü diğer egemen devletlerle ve uluslararası kurumlarla ekonomik, sosyal ve siyasal-diplomatik ilişkilerini ortaya koyarak analiz emektedir. KKTC, BM'ye üye olmayan de facto bir devlet, bu de facto devlet diğer aktörlerle ekonomik ve siyasal ilişkiler kurmaktadır. KKTC sosyal ve siyasal düzen bakımından kendine özgü bir durumu temsil etmektedir. Avrupa Birliği olan vatandaşlarıyla ve AB müktesabatınının askıya alınması devleti istisnai yapmaktadır.*

*Kıscası, bu çalışma KKTC'nin sosyal, ekonomik ve siyasal ilişkilerini analitik yorumlar ve somut verilere gönderme yapmak suretiyle ortaya çıkarmaktadır. .*

**Anahtar Kelimeler;** *Sınırlı Tanınma; Kıbrıs; KKTC; Türkiye; Avrupa Birliği.*

**Jel Kodları:** *D74, Q34, F51.*

## **1. INTRODUCTION**

The aim of this study is to indicate the status and relations of limited recognized state; TRNC (Turkish Republic of North Cyprus) by referring to the tangible economic and political facts within the international relations system. The modern international relations system is established on the basis of Peace of Westphalia which recognized the sovereignty and the borders of the states. Certainly, this classical system has changed crucially, due to the emergence of the new actors in international relations system. The international organizations and multinational corporations have become new actors within the system and so, they changed the nature of the system too. However, the states have continued to play crucial role in international relations system, in spite of losing their classical roles on economic and financial areas.

The contemporary international relations system has two periods which witnessed the emergence of the new states; 1) After the Second World War (Decolonization process) and 2) Post-Cold War Era. It is generally accepted that formation of a new entity requires territory, population and sovereign authority (Akgün, 2010: 7). Akgün referred to Hüseyin Pazarıcı, a well-known scholar on international law, pointed that “qualification of being a “state” in international society, is “recognition of a state” in international law. However, this classical view is challenged by some scholars and “limited recognition” term is used newly for the states, which are not member of the United Nations and they have conflicts with the *de jure* governments and were defined as separatist entities by some of the major

powers (some of the permanent members in the UN Security Council). These states nowadays, have limited recognition, such as Abkhazia and South Ossetia are recognized by Russia, Venezuela, Nicaragua, Vanutu and Syria. Turkish Republic of Northern Cyprus (TRNC) is recognized by only Turkey. Kosova is not a member of the UN, nevertheless it is recognized by many countries. These countries are defined in the category of “limited recognition” by Stanislav Tkachenko. Tkachenko also underlined the importance of Russia and Turkey within the international community which provides protection and economic assistances to these states (Tkachenko, 2012: 27). Limited recognized states have unique characteristics economically, socially and politically. Though, these recognized states have a common feature in which have protecting power or powers. For instance, Kosova, as a small Balkan state, has the support of the European Union and the United States. Abkhazia and South Ossetia have been welcomed to the strategic partnership with Russia Hence Russia has already become protecting power of these two Caucasian republics. The protecting powers (patron states) always give economic, military and political support to the limited recognized states to survive and pursue their own interests as well.

## **2. METHODOLOGY AND FINDINGS**

The study is based on deductive and empirical methodology and dependent variables in where domestic and international actors play crucial roles. The economic and political-diplomatic relations of the TRNC are evaluated on regional and global level as well, therefore this evaluation indicates the status of the TRNC in current international relations system. Hence, economic, social and economic findings will indicate the *sui generis* status of the TRNC within the international relations system. This study also aims to contribute to the literature regarding the concept of “limited recognition” and the characteristics of *de facto-limited recognition* states within the international relations system as well.

## **3. FROM REPUBLIC OF CYPRUS TO TRNC**

Cyprus has become the venue for various civilizations; Lusignans, Venetians, Ottoman Empire and British Empire ruled the island in recent history. As a result, Cyprus has become a very rich venue in the context of human geography. However, the island has witnessed ethnic conflicts in history, due to lack of tolerance to the cultural diversities in the island, which were related with economic interests as well.

Cyprus gained its independency from United Kingdom and the Republic of Cyprus was founded in 1960. Greek Cypriots and Turkish Cypriots became the founders of the republic as the main two communities. Maronites, Armenians and Latins have taken minority status according to the constitution of the Republic. However, these minority groups had chosen to join Greek Cypriot Community due to their religious beliefs.

In 1963<, the president Makarios had proposed to have some amendments in the constitution which was not accepted by the Turkish Cypriot leadership. As a result, the inter-communal conflicts occurred and the United Nations (UN) deployed its forces in 1964. Turkish Cypriot Leadership was not involved in the government anymore due to security reasons. Therefore, Greek Cypriot Leadership has continued to execute as sole at the government and they organized the functions of the Republic. The inter-communal talks started in 1968 in Beirut, however, the conflicting parties could not compromise to find a solution for Cyprus problem until 1974.

Nicos Samson organized a coup *d'état* against Makarios, the president of Cyprus at the time, on 15<sup>th</sup> July 1974 and tried to change the constitutional order by using force. Following his coup *d'état*, Turkey organized military intervention on 20<sup>th</sup> July 1974 and then moved forward with second military operation by referring to the Treaty of Guarantee. Eventually, the coup *d'état* and military intervention resulted in the “de facto” division of the island. The division of the island created new status quo, many people were displaced and Republic of Cyprus has continued its *de jure* status in the southern part of the island which has been governed by only Greek Cypriot leadership and is hellenized. On the other side, Turkish leadership established Turkish Federative State of Cyprus (TFSC) in 1975 to govern the northern part of the island.

The parties have reconsidered the negotiations under the auspices of the UN Secretary and they have aimed to establish bizonal, bicomunal federation on the basis of political equality and reached High Level Agreements in 1977 and 1979. However, the parties could not compromise to find solution for Cyprus Problem until 1983. Hence, Rauf Denktas, Turkish Cypriot leader, has declared the foundation of the Turkish Republic of Northern Cyprus (TRNC) who proclaimed the status of an independent state on 15<sup>th</sup> November 1983. TRNC was established during the rule of junta in Turkey. After the junta, Turkish civilian government has encouraged for the continuation of the negotiations between Greek Cypriot and Turkish Cypriot leadership. However, in spite of the convergences among the parties, they could not reach a solution.

The Annan Plan referendum was a big opportunity for the reunification of Cyprus, but the plan was rejected by the Greek Cypriot Community. The peace talks could not be concluded in Crans Montana in 2017 and the negotiations were suspended. In this paper, we do not focus on or criticize the negotiation processes in Cyprus but aim to set the background for the current situation and international affairs of Turkish Cypriots through the TRNC.

Turkish Cypriot Community has voted “yes” for the United Federal Cyprus in referendum 2004. However, that “yes” was not enough for the re-unification of the island due to the rejection by the Greek Cypriot Community. Therefore, Turkish Cypriots had to survive through TRNC and they did. The declaration of the TRNC was perceived negatively by the international community and the UN Security Council has adopted resolution 541 and warned the member states that the TRNC’s independency is not

legal and valid, which underlined the importance of territorial integrity and non-alignment status of the Republic of Cyprus (UNSC Resolution, 1983). As a result, only Turkey recognized TRNC and established diplomatic relations too. Nevertheless, TRNC has established its relations on economic and cultural areas with other countries as well, without official recognition.

TRNC economy is dependent on tourism, education and agricultural sectors. Therefore, TRNC needs to have close relationship with other parts of the world. Turkish Cypriot Community already had close relationship with Turkey due to historical and cultural ties and also had relations with United Kingdom, which was the ex-colonial power in Cyprus from 1878 to 1960. TRNC has tried to maximize its relations with others by opening its representative offices in several countries.

#### **4. PRESENCE AND REPRESENTATION OF THE TRNC IN THE INTERNATIONAL RELATIONS SYSTEM**

Turkish Cypriot elites have emphasized on protecting the relations with Turkey and United Kingdom and so they continued to pursue diplomatic relations during the inter-communal conflict as well. After 1974, Turkish Cypriot leadership has replaced the diplomatic mission in Ankara of the Republic of Cyprus as TFSC and later as TRNC. Following this, TRNC opened new diplomatic missions in Istanbul, İzmir and Mersin in Turkey. TRNC is represented officially by its diplomatic missions in Turkey and its diplomats have diplomatic immunities and privileges according to the Vienna Convention. However, other representative offices of TRNC have functioned without any diplomatic immunity and privilege in London, New York and Washington D.C. TRNC has improved its relations with Pakistan and Azerbaijan as well, with the support of Turkey and opened its representative missions in these countries by having significant-semi formal status for its diplomatic missions.

After the Annan Plan Referendum, TRNC emphasized improving relations with other countries and international organizations. The European Union (EU) and Council of Europe have become more important for TRNC, due to the membership of the Republic of Cyprus to EU and the legal cases on property issue at the European Court of Human Rights-Council of Europe. Hence, TRNC opened its representative offices in Brussels, Strasbourg and Geneva . TRNC did not limit its involvement with European institutions and tried to indicate its presence in Islamic world too. Therefore, it has become the observer member of the Organization of Islamic Conference (OIC) with the name Turkish Cypriot State in May 2004. OIC Senior Officials referred to Annan Plan and stated that Greek Cypriots rejected Annan Plan, hence Greek Cypriots don't represent Turkish Cypriots and Turkish Cypriots will be represented under the name of 'Turkish Cypriot State' as it is written in the Annan Plan (TRNC MFA, 2018). The foundation of the relations with international organizations can be interpreted as the proceeds of the Annan Plan for Turkish Cypriot Community.

Afterwards, TRNC officials have taken initiative to establish bilateral relations with Islamic countries too with the diplomatic efforts of Turkey. Therefore, TRNC opened new representative offices improve its commercial relations in Abu Dhabi, Doha, Kuwait City, Manama and Muscat. (TRNC MFA, 2018).

On the other hand, TRNC officials, mainly from the Republican Turkish Party (CTP) focused on improving the relations with European institutions. For instance, TRNC got two representatives at the Parliamentary Assembly of the Council of Europe in 2004 where representation was suspended for Turkish Cypriots before. It was another promotion due to the positive attitudes of the Turkish Cypriots in the Annan Plan. The Turkish Cypriots send their representatives to Strasburg from both the ruling and main opposition party. However, the representation is limited, although the parliamentarians can participate in all committee meetings and can give a speech, they don't have voting rights. On the other hand, the Turkish Cypriot parliamentarians participate in the meetings of the European Parliament in Brussels, though they can not have any representation or right to give a speech (KKTC Cumhuriyet Meclisi, 2018). TRNC authorities demand to have similar rights at the European Parliament as in the case of Parliamentary Assembly of the Council of Europe. Eventually, here, the limited representation and recognition of Turkish Cypriot identity can be seen, who have been addressed obviously more by international institutions within the international relations system. TRNC is always willing to participate to meetings of the international institutions within the international relations system which are recognized and connected with the UN. However, TRNC never tried to join Unrepresented Nations and Peoples Organization (UNPO), established in 1991 in which has 44 members, such as Abkhazia, Ossetia, East Turkestan etc. (UNPO, 2018). Because, Turkish Cypriots have oriented more to be part of European institutions due to their European citizenships.

There are few representative offices in the northern part of the island. Turkish Embassy officially functionalizes its diplomatic mission and consular affairs in TRNC as it accomplishes in other countries. United Kingdom has its historical building which has served for a long time to pursue its consular services and cultural affairs in the heart of North Nicosia. United States of America also has representative office in North Cyprus which functionalizes its consular services as well. Some of the EU members use British Consulate for consular services. On the other hand, Russian Federation is dealing with its citizens who live in TRNC by giving consular services at the buffer zone. There is no such example in the world in where UN member state have representative offices in a limited recognition state, which is another unique characteristic of the TRNC.

## **5. TOURISM, NEW SETTLEMENT AND ESTATE SECTOR**

Tourism is a historical and one of the important locomotive sectors of the economy of whole Cyprus. However, the characteristics of tourism sector in North Cyprus has changed since 1998, when casinos and gambling were banned in Turkey. The Turkish Cypriot authorities focused on Casino

tourism and allowed for the facilities of many casinos in the northern part of the island, following of the rejection of the Annan Plan by Greek Cypriots, the big hotels were constructed in Kyrenia and Karpaz peninsula by mostly Turkish investors. The opening of new casinos has played crucial role for the development of the aviation sector too. Such as, the flights of Atlas, Pegasus (Turkish Private Aviation Firms) increased their flights immediately from İstanbul and other cities of Turkey to Ercan-Nicosia Airport in TRNC. Hence, the casinos have made limited contribution to the economic growth, as they did not open new employment opportunities for indigenous people due to low salary rates and lack of qualified labor force in TRNC, hence that resulted in immigration of new labor force from Turkey and other countries of the world to work in the tourism sector.

Certainly, tourism sector is not only dependent on casino sector and gamblers from Turkey. Especially after the Annan Plan the northern part of the island became attractive for citizens of other countries as well. If we look at the statistical data we may say that tourists from Russia, Germany, England, Slovakia have begun to visit North Cyprus through Turkey. However, Turkey-Russia and Turkey- Europe tensions reflected the tourism sector of TRNC too, which decreased the number of tourists through Turkey to TRNC. For instance, 58516 Germans, 56250 British, 14555 Slovakian and 14950 Russians visited TRNC via Turkey in 2015. However, 20439 Germans, 26516 British, 1056 Slovakian and 3955 Russians visited TRNC via Turkey in 2016 (TRNC Ministry of Tourism, 2018). Such statistical data show the importance of Turkey for the TRNC on tourism sector due to the lack of direct flights from Russia and Europe to TRNC. This reality reminds and indicates the limits and the dependency of TRNC on Turkey's contributions.

### **5.1. Contribution to the Estate Sector by Foreigners**

After the Annan Plan, the foreigners felt that TRNC is safer for investment in the estate sector as well as for temporary or permanent residency as foreigners. First of all, the British citizens have intended to buy property in Kyrenia region, afterwards Russians and Turkish citizens focused on buying property from Kyrenia and Iskele (Trikomo). Estate sector is not a sector that can provide sustainable development for such a small island however, it has made a significant contribution to the economic growth of TRNC since 2004. After the referendum, many British citizens have started to live in Kyrenia region permanently, or for a long period of the year. Afterwards, some of the British citizens have begun to sell their properties due to the decision of the European Court of Human Rights (ECHR) regarding the property rights of Greek Cypriots in the northern part of the island and some of the unlawful actions of the construction companies have also given economic damage to the British citizens too. However, foundation of Immovable Property Commission (IPC) in 2005 (operated in 2006) by the initiative of TRNC government (CTP) changed the process, ECHR recognized the jurisdiction of the IPC in 2010 in the case of Demopoulos by underlying the importance of exhaustion of local remedies (Immovable Property Commission, 2018). As a result, that meant the acceptance of exchange, compensation and

return of the property solutions of the IPC. Following, this decision, Turkish Cypriot authorities and investors have oriented towards the new markets to reactivate the estate market.

In 2010s, Russians and Ukrainians have intended to buy the houses and flats from Kyrenia and Trikomo. Today their numbers are around 10.000, they opened their own grocery shops, cinema and they publish their own newspapers too. British and Russian citizens have made contribution to the construction sector and consumer market as well. Some of these people are pensioners or they have revenues in their countries and spend their incomes in North Cyprus, so this is a crucial contribution to the economy of the country. On the other hand, Turkish citizens who preferred to live in northern part of Cyprus, have increasing intentions to buy flats and houses especially in Kyrenia region.

## **5.2. TRNC as the Center of University Education**

The universities are getting as a kind of gateway in opening of the TRNC to the world by accommodating thousands of students from various countries. The Eastern Mediterranean University (EMU) is the first university in the whole Cyprus. Following EMU, Near East University and European University of Lefke were established in the northern part of the island. Afterwards, other private universities were facilitated as well.

In the early years, the students were mostly from Turkey and some from Palestine, Jordan, Pakistan, etc. However, in recent years Turkish students have begun to prefer to study at private universities in Turkey and Eastern-Central European countries. Eventually, Turkish Cypriot education institutions and the universities have begun to collaborate with Turkey and focused on admitting new students from Post-Soviet countries and Africa. Currently, total numbers of students are 93292 in TRNC. 27538 from Third World countries, 52135 from Turkey and 13619 from TRNC according to the statement of Özdemir Berova, the Minister of Education in November 2016 (Ada Basını, 2018). The numbers of the students especially from African countries and ex-Soviet Turkic republics are increasing rapidly. For instance, number of the students at the universities from mostly former colonies of U.K. and former Soviet Republics were 19631 in 2014 and has reached 27538 in 2016 (Ada Basını, 2018). The universities and foreign students make significant contribution to the economy of TRNC and it seems like a kind of education tourism by bringing young dynamic and consumer population to TRNC from various countries. Currently, education is a sector, which provides almost 750 million USD cash circulation in the market and formed the half of the budget of TRNC in 2016, according to the statement of Ödül Muhtaroglu, head of the State Planning Organization of TRNC (Ekonomi Kıbrıs, 2018). Education is also getting a kind of bridge for the communication of the TRNC with other countries and cultures of the world and breaking the isolation too.



### **5.3. Trade Relations**

After the division of the island in 1974, Turkish Cypriot enterprises have continued their trade relations with Turkey and other parts of the world. Turkish Cypriot enterprises have continued their international trade more easily during the period of TFSC. After the declaration of the TRNC, Turkish Cypriot began to face difficulties on exports especially after the decision of the European Court of Justice (ECJ). The Greek Cypriot firms (such as Anasstasiou-Pissouri Ltd) and producers have appealed the ECJ in 1992 to prevent the circulation of the agricultural products of TRNC in Europe (Aran, 2018). According to the decision of the ECJ, TRNC is not a recognized entity so its certificates are not recognized and the products (potato-citrus) can damage the health of the people. Following this decision, the Supreme Court of the United Kingdom has taken a decision by referring to the decision of ECJ. Therefore, Turkish Cypriots have faced obstacles to export their agricultural products to the EU and the United Kingdom. Asil Nadir, Turkish Cypriot origin businessman-British citizen, was the lead organizer of the exports to the United Kingdom from TRNC since the late of 1980s until the mid of 1990s through his firms.

Following the Annan Plan referendum, the EU Commission decided to organize the Green Line Regulation which would facilitate the trade between Turkish Cypriots and Greek Cypriots. The decision of the European Council underlined that the “Green Line” does not imply any different country or institution, and the circulation of the goods are identified inside of the European Union (The Council of the EU, 2004). Before the Annan Plan referendum, there was no free movement of the products of Turkish Cypriots, however after the Annan Plan it became possible. Besides, Turkish Cypriot enterprises and Chamber of Commerce focused on exporting the products to other regions of the world with the contributions of the institutions of the TRNC and Turkey as well.

In spite of some obstacles, the statistical data shows the significant improvement on the export rates of the TRNC since 1974. For instance, TRNC had 25,231,166 USD in 1975, that raised to 42,092,794 USD in 1983 and then increased to 70,320,666 USD in 1996. Following the green line regulation, the circulation of the products to southern part of the island was also included in the export data of the TRNC. However, selling of the goods to South Cyprus made up to 5 million Euros in 2011 (Turkish Chamber of Industry, 2012: 10). This is not a significant portion of the total amount of TRNC’s exports which has reached to 118.078.798 USD in 2015, in spite of the decreasing value of the Turkish Lira (TRNC Trade Office, 2018). The TRNC has established trade relations with several countries to export its products. According to the statistical data, Turkey is the first country to import goods from TRNC, however, Turkey is also acting as a hub to send the goods to other countries, such as Russia, Northern Iraq, etc.

Turkish Cypriot enterprises have focused on importing immediately after 1974, who did not have a chance to import the goods from abroad before 1974, because of the domination of the Greek Cypriot enterprises in the import and export sectors. Turkish Cypriots have benefited from the economic aids of Turkey after 1974 and they have good economic conditions relatively when compared to the other parts of the world. Hence, they have focused on consuming more which has resulted to increasing the amount of import and that created a consumption culture-society.

In 1974, the import was 69,191,692 USD, when the TRNC has been declared, the import was 148,261,939 USD in 1983, that amount has reached to 1,500,577,384 USD in 2015 (TRNC Trade Office, 2018). The data can be interpreted as the increasing of the de facto population, incomes of Turkish Cypriots and consumption rates in the northern part of the island. TRNC provides most of its import from Turkey which is almost 65% in 2015 (TRNC Trade Office, 2018). Following this, EU member countries take second place in source of imported goods to TRNC and then Far East countries have significant place in selling their consumer goods to TRNC (TRNC Trade Office, 2018).

TRNC generally prefers to use Famagusta Port to receive incoming import goods from abroad through Mersin Port of Turkey. Famagusta Port is a legal port which is not forbidden by any international authority, even though Greek Cypriot authorities try to label it as “illegal” (some countries, due to the lobbying of Greek Cypriot authorities, don’t allow the ships carrying their flags to anchor at the Famagusta port ). The scale of economy of TRNC is small, hence the import being carried out through Turkey increases the transportation costs and reflects in the consumer prices. The division of the island’s small economy and lack of recognition cause the emergence of such economic results.

## **6. AIDS OF TURKEY AND THE EUROPEAN UNION**

TRNC has excessive employment at the public sector and it spends almost 80-85% of its budget to pay public officers and pensioners (Bloomberg, 2011). Therefore, it tries to avoid the negative impacts of the budget deficits with foreign aids. Turkey is playing crucial role by supplying financial credits and aids for the budget and infrastructure. Birikim Özgür, the minister of finance of TRNC in 2015, underlying the importance of the aids from Turkey stated that “Turkey’s aids over 1 billion TL (approximately 300 million USD), which contributes to the infrastructure projects, promotions for private sectors and salaries for the public officers”, Özgür also underlined that we take more than 200 million TL for the payment of salaries from Turkey, so the aids of Turkey are necessary” (Karahasan, 2015). Özgür’s statement proves the dependency of TRNC economy on Turkey and makes Turkey a “Protecting State” or “Patron State”. Certainly, Özgür did not try to give a negative meaning however, he just indicated that status quo is not sustainable under such public policies. On the other hand, The Development and Economic Cooperation Office of Turkish Embassy (former name, Aid Committee) provides financial aid to the municipalities for their infrastructure investments and for their social projects too (KEİÖ, 2018). The total contribution of Turkey is around 48 million Turkish Lira, which is

approximately 14 million USD in 2017, but that amount reaches to 126.607 million Turkish Lira with the amount of previous years which amounts to 36 million USD (KEİÖ, 2018). This statistical data also illustrates that municipalities in TRNC cannot accomplish their projects with their own budgets either. Turkish Cypriot Municipalities participates in meetings regularly at the Congress of Local and Regional Authorities of the Council of Europe in Strasbourg and try to adopt the European Charter of Local self-governance (LGC News, 2018). The charter contains the financial and governance features of local governments and increases their local power from the central governments. Here, it is seen obviously that Turkish Cypriot municipalities have close relationship with international institutions and benefit from donations as well, therefore the main reason is not “limited recognition”, the main reason is lack of centralization of local governments, so that increases the costs of the services and investments. Eventually, the local government reform is seen as inevitable. In the general economic picture of TRNC, Turkey plays crucial role in national and local governing bodies with its financial aid to the budget of the TRNC amounting to 600 million Turkish Lira (about 170 million USD) in 2016, where it is aimed to reach 632 million Turkish Lira (about 180 million USD) in the autumn of 2017 (KEİÖ, 2018).

Cyprus is a divided island, however whole of the island is defined as the territory of EU and Turkish Cypriots are the citizens of the EU (Commission of the European Communities, 2004) Following the referenda in 2004, the European Council underlined that Turkish Cypriots expressed that they want to be inside of the EU, it also stated the isolation of Turkish Cypriots had to be ended by encouraging economic development of Turkish Cypriots and providing reunification of the island. EU has facilitated its aid programme since 2006 in the northern part of the island, so allocated more than 450 million EUR for the infrastructure, small enterprises, social-cultural projects and academic studies (EU info point, 2018). The purpose of this aid programme is to provide the economic and social development and sustainability of Turkish Cypriot Community and prepare the community for the united Cyprus under the EU (EU info point, 2018). However, the programs of the EU are not as effective as Turkey’s contributions to the infrastructure projects and the EU could not make the daily life of Turkish Cypriots easier.

Turkish Cypriots have provided economic and limited political relations with the world. However, Turkish Cypriots could not provide sport relations with the community of the world. Before the breakdown of the Republic of Cyprus, Turkish Cypriots had a right to establish their own associations as written in the constitution of the republic (RoC Constituton). Furthermore, before the foundation of the republic, Çetinkaya, Turkish Cypriot Team, was the founder of the Cyprus League with Greek Cypriot teams. After the emergence of the inter-communal conflicts, the league was abandoned and then Turkish Cypriot teams did not participate and they formed their own league. After 1974, Turkish Cypriots emphasized the need to facilitate their own sport activities. Therefore, they formed their own leagues. However, Turkish Cypriots faced the problem of participation in the international games-

organizations. They only had friendly matches until 1983. But, after the declaration of the TRNC, friendly matches with national teams and club teams of Turkey were banned.

Therefore, Turkish Cypriots have taken forward steps after the Annan Plan especially on football, though they could not reach any tangible step in joining to the UEFA and FIFA organizations in spite of the meetings between Turkish Cypriot Football Association and Cyprus Football Association. At the end, TRNC national football team only participates to the organizations of Confederation of Independent Football Associations (CONIFA). CONIFA has been established in 2013 as a non-profit organization which represents the “de-facto nations, regions, minority peoples and sports isolated territories” (CONIFA, 2018). Actually, Turkish Cypriot Football Association prefers to join the leagues or other organizations of the UEFA, however lack of any tangible progress on relations with UEFA pushes Turkish Cypriots to join the tournaments of the CONIFA. We may say that if Turkish Cypriots could have any progress on relations with UEFA as they did with EU and Council of Europe, they would not like to join CONIFA too.

TRNC became the host country with the name of North Cyprus for the organization of the CONIFA European Cup of 2017, and Padania, a region of northern Italy won the cup of the CONIFA in northern part of Nicosia. Turkish Cypriots try to avoid the isolation from sportive activities by joining such organizations or joining sports events through Turkey. For instance, Near East University Woman Basketball Team won the FIBA Euro Cup, first of all Near East has joined the Turkish League, afterwards it represented Turkey in the European Euro Cup and even won the cup. On the other hand, Meliz Redif, Turkish Cypriot woman athlete, has run for Turkey’s national team at the London Olympic Games in 2012. Recently, another Turkish Cypriot Yiğitcan Hekimoğlu represented Turkey at the World Athletics Championships 2017. These tangible samples show that Turkish Cypriots try to avoid the sportive isolation through Turkey. That shows another reality that Greek Cypriot leadership and the attitudes of the sportive associations are pushing Turkish Cypriots to join sportive competitions as members of Turkish leagues and teams. The status quo is strengthened by the attitudes of the Greek Cypriot leadership. If Greek Cypriot leadership would take initiative for the formation of the common associations and on the basis of effective representation of Turkish Cypriots within these associations, it could be a good confidence building measure and make contribution for a federal-united Cyprus in advance by ensuring common identity and aspirations during the international sport games.

## **7. CONCLUSION**

TRNC is not a member of the UN and it is only recognized officially by Turkey. However, other UN members and institutions of the EU have established relations with TRNC unofficially using different means. On the other hand, TRNC functionalizes its foreign affairs on political, economic and social spheres through Turkey or through its recognized institutions (Chamber of Commerce etc.) which were established in the 1950s by the Turkish Cypriot Community.

TRNC is the name of the current status quo and the refers to the de facto situation in the northern part of Cyprus. TRNC shows the characteristics of a “sovereign state” by having its state offices, hospital, education institutions including the state universities and representative offices in several countries too. Lack of any solution in the Cyprus problem strengthens the position of the TRNC under the name of Turkish Cypriot Community in international relations system since 2004.

Nobody can assume what will be in the future, however it is clear that Turkish Cypriots still face many problems and difficulties as a result of lack of an officially recognized state in their living geography-territory. It can be clarified that if there will be a solution on the basis of bi-communal, bi-zonal federation, TRNC will be converted to a constituent state of the United Federal Cyprus.

Eventually, Cyprus problem is a sui generis thing, positions of Turkish Cypriots and TRNC within the international relations system as well. The ambiguity of the status of Turkish Cypriots in RoC and lack of the solution in Cyprus Problem makes the TRNC as an inevitable state organization for Turkish Cypriots and for their daily life and future too. However, it is clear that Turkey will increase its economic, political and social impact over TRNC, due to limited recognition of TRNC. Because, Turkey is only country which has diplomatic relations officially and is a hub for Turkish Cypriots for their access to the world affairs. Furthermore, Turkish Cypriots, as EU citizens keep their relations with the EU institutions and benefit from the donation programmes, scholarships for education of the EU on social and economic spheres. Turkish Cypriots and TRNC represent the uniqueness in international relations system and anomalies as well by holding two or three passports and citizenships (RoC, TRNC, Turkey) (even Turkish Cypriot nationalists hold the passports of Republic of Cyprus and they justify it as their own constitutional rights since 1960). The current status quo in Cyprus is making international relations and security affairs more complicated in the Mediterranean Sea; Flight Information Region, Territorial Sea, Economic Exclusive Zone and Continental Shelf issues are not solved yet due to lack of recognition of TRNC by international community and lack of diplomatic ties among Turkey and RoC. For instance, currently, Turkish State Company is licensed by limited recognized TRNC and the multinational companies which are delegated by RoC to explore the oil around Cyprus and that issue indicates the sui generis status of the TRNC and its impact in the Mediterranean Sea within the international relations system.

Turkish Cypriot elites are willingness to improve the economic, social and sport relations with international community. In economic and political fields Turkish Cypriots prefer to improve their relations with European institutions due to their European Union citizenship and they benefit partially from the programmes of EU and so they did not have any attempt to have any contact with UNPO until now, which is not embraced by EU and other European institutions.

TRNC and other limited recognized states are creating another system within the international relations system and makes the world affairs more complicated and difficult to clarify the international relations system with classical perspectives.

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