AN ANALYSIS OF THE WATER SUPPLY PROJECT WITHIN THE CONTEXT OF WATER POLITICS AND NEOLIBERALISM: THE CASE OF THE TRNC

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ABSTRACT

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The purpose of this study is to examine the Water Supply Project (WSP) within the context of neoliberal transformation in North Cyprus. After the construction process of the WSP, there was a huge discussion about water management between Turkey and the Turkish Republic of Northern Cyprus (TRNC). It is important to analyse the main arguments of each side clearly to understand local justifications of privatisation of water in North Cyprus. At the same time, we have to analyse this project, and disagreements about water management together with the political and economic structure of the country which is in the process of neoliberal transformation. On the other hand, there is a problem related to costs of the imported water which would likely be the biggest problem for the economic structure of the TRNC. In other words, there are problems with both the high prices and the management of water. It is clearly seen that water burns North Cyprus. This research aims to identify characteristics of neoliberalism in North Cyprus with the analysis of the WSP. This case study will investigate the ideas of the nationalist side as the supporters of privatisation and the other side, as the supporters of the municipal (public) water management, regarding the water crisis in neoliberal transformation of the TRNC which mainly depends on “motherland-infant land” approach. It also argues that it is impossible to analyse the WSP without analysing the role of Turkey as both the “motherland” and International Monetary
Fund (IMF) of the TRNC. This case study will aim to analyse the reflections of general justifications about privatization of water on North Cyprus and the main impacts of the WSP for people.

Key words: Neoliberalism, Water Supply Project, Neoliberal Transformation, Water Politics, TRNC
ÖZ

SU TEMİN PROJESİİNİ SU POLITİKALARI VE NEOLİBERALİZM BAĞLAMINDA
ANALİZİ: KKTC ÖRNEĞİ

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Anahtar Kelimeler: Neoliberalizm, Su Temin Projesi, Neoliberal Dönüşüm, KKTC.
To my country...
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LIST OF ABBREVIATIONS

BESKİ TRNC Water and Canalization Enterprises (KKTC Belediyeleri Su ve Kanalizasyon İşletmeleri)

BES Municipal Labour Union (Belediye Emekçileri Sendikası)

BKP United Cyprus Party (Birleşik Kıbrıs Partisi)

CTP Republican Turkish Party (Cumhuriyetçi Türk Partisi)

DP Democrat Party (Demokrat Parti)

DSI State Hydraulic Works (Devlet Su İşleri)

EU European Union (Avrupa Birliği)

IFI International Financial Institutions (Uluslararası Finans Kuruluşları)

IMF International Monetary Fund (Uluslararası Para Fonu)

ISKİ Istanbul Water and Sewerage Administration (İstanbul Su ve Kanalizasyon İşletmeleri)

KTOS Turkish Cypriot Teachers Union ( Kıbrıs Türk Öğretmenler Sendikası)

KTAMS Cyprus Turkish Public Servant Union ( Kıbrıs Türk Amme Memurları Sendikası)

MUSIAD Independent Industrialists and Businessmen Association (Müstakil Sanayici ve İşadamları Derneği)

RoC Republic of Cyprus ( Kıbrıs Cumhuriyeti)

RoT Republic of Turkey (Türkiye Cumhuriyeti)

SAPs Structural Adjustment Programs (Yapısal Uyum Programları)
SID  Royal Irrigation Department (KKTC- Su İşleri Dairesi)

TDP  Communal Democracy Party (Toplumcu Demokrasi Partisi)

TRNC  Turkish Republic of Northern Cyprus (Kuzey Kıbrıs Türk Cumhuriyeti)

TUSIAD Turkish Industrialists and Businessmen’s Association (Türk Sanayicileri ve İş İnsanları Derneği)

TUSKON Turkish Confederation of Businessmen and Industrialists (Türkiye İşadamları ve Sanayicileri Konfederasyonu)

UBP  National Union Party (Ulusal Birlik Partisi)

WB  World Bank (Dünya Bankası)

WSP  Water Supply Project (Su Temin Projesi)

WTO  World Trade Organisation (Dünya Ticaret Örgütü)

YKP  New Cyprus Party (Yeni Kıbrıs Partisi)
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CHAPTER 1

INTRODUCTION

The Turkish Republic of Northern Cyprus (TRNC) in North Cyprus as an unrecognized state or state with a limited recognition was established in 1983 after the division of Cyprus with 1974 Turkish invasion and Turkey is the only country to recognise the TRNC. Since then Turkey, as the “motherland”, has shaped political and economic structure of the TRNC, the “infant land”, by signing protocols between the two states and through the Turkish institutions such as Aid Committee of Republic of Turkey, which was established under the Embassy of Turkey to the TRNC in order to track and coordinate the implementation of economic protocols signed between Turkey and the TRNC.

Within these political and economic conditions, water problem, which is seen as a result of a gap between water demand and supply, is one of the serious problems of the TRNC today. As a solution to this problem, Turkey aimed to transport 165 thousand tones of water per year with tankers, but this project would not be implemented. Secondly, Turkey tried water transportation with balloons in 1998, but this project finished in 2002. Totally two million meter cubes water were transported with balloons. The transportation of water by these methods could not be continued due to the high cost of the selected projects and the difficulties related to their technical dimensions (Sümer, 2015, p.4). Similar to other methods, the Water Supply Project (WSP) is designed to supply water from Turkey, but this

1Technically, Alakopru Dam with its 130.5 million cubic meter reservoir holding capacity is constructed in Anamur. Water is transported from Alakopru Dam to the Anamur Pumping Station which has a connection to the pipeline under the sea in 1 kilometer. 80 kilometers pipeline was constructed under the Mediterranean Sea to transport water from pumping station in Anamur to pumping station in Guzelyali in North Cyprus. In North Cyprus for a part of the project, water is transported from Guzelyali to Gecitköy Dam with a 3 kilometers pipeline. For the distribution of the water in North Cyprus; Nicosia Distribution Line, Kyrenia Distribution Line, Nicosia-Iskele-Magusa Distribution Line and Iskele-Karpasia Distribution Line were constructed.
time, with a pipeline under the Mediterranean Sea. 75 million cubic meter water per year is planned to be transported from Turkey to the TRNC for a time span of 50 years. Out of this, 37.76 million cubic meter water will be used for drinking purposes and 37.24 million cubic meters will be used for irrigational purposes.

However, between October 2015 and June 2016, there was a huge discussion in North Cyprus about the management of the imported water, the efficiency of the water and the water prices. There are two opposite views; one of them is the nationalist view, which included right-wing political parties (National Unity Party-UBP, Democrat Party-DP) and nationalist unions. The nationalist supports privatisation of the water management, analyses the WSP and management of the water as the project of the “motherland” and Turkey supports them. On the other hand, there are supporters of municipal (public) water management. These supporters are Republican Turkish Party (CTP), as center leftist party; Communal Democracy Party (TDP) as social democrat party; United Cyprus Party (BKP) and New Cyprus Party (YKP), as leftist parties; and unions such as Turkish Cypriot Teachers Union (KTOS), Municipal Labour Union (BES), Cyprus Turkish Public Servant Union (KTAMS), Biologist Associations, Basın-Sen and several unions. This group was against the privatisation and formed the Water Platform (Su Platformu).

At that time, the UBP and CTP were in the coalition government and the water crisis became the source of the difference of opinion about water management. In October 2015, the twenty-six municipalities, except Lapta and Yenibogazici, formed the TRNC Water and Canalization Enterprises (BESKİ) as the municipal firm for the management of the imported water. The nationalist side and the UBP were against the management of the water with the hand of the BESKİ. On the other hand, the CTP and other supporters of municipal water management supported the BESKİ. However, the Turkish Embassy organised a meeting in Anamur in September 2015. After the Anamur Meeting, BESKİ started to disintegrate with the leave of nationalist and independent mayors. In the following time period, after the huge
discussions about the management of the water, the coalition partners compromised on public-private partnership for the water management in February 2016. As a result, the Intergovernmental Agreement on Water Supply and Management was signed in Ankara by Ömer Kalyoncu, as the prime minister of the TRNC, and Ahmet Davutoğlu, as the prime minister of Republic of Turkey (RoT) in March 2016 ( Kıbrıs, March 3, 2016, p.22).

After the water crisis in North Cyprus, the WSP resulted in the collapse of the coalition and the formation of the UBP-DP coalition government in April 2016. The new coalition government determined the prices of the imported water as 2.30 per cubic meter for the municipalities. The new price reflected citizens of municipalities higher than the old prices because of the cost of the imported water for the municipalities. Therefore, the costs of the water led to another crisis in North Cyprus. In current conditions, during the transition period, the water is managed still by the municipalities until the tender for a build-operate-transfer will be made and the right to operate will be transferred to a private firm.

In the literature, there were articles about the regional politics, the socio-economic structure of the TRNC and Cyprus negotiations to analyse the WSP between years of 2013-2017 when there were disputes about water management between the sides. For example, “A River Under Mediterranean: Reflections on Turkey’s Water Transfer to Cyprus” (Sümer, 2015) and “Big Step in Interbasin Water Transportation: TRNC Water Supply Project” (Maden, 2013), published by the Center for Middle Eastern Strategic Studies (ORSAM); “Peace River From Turkey to Cyprus: Interstate Water Transportation”, (Yıldız&Çakmak, 2014) published by Hydropolitics Academy; “Turkey-Cyprus Water Supply Project and Strategic Security” (Kavşıracı&Tellioğlu, 2016) published by Turkish Journal of Security Studies. These pro-government organisations evaluate the WSP by ignoring water management and all neoliberal characteristics of the project and extolled the project by arguing that the project will have good results on the economy, politics, and social life of the whole island.
These papers have evaluated the WSP within the context of regional, Eastern Mediterranean politics. Sümer (2015) argued that the water had great importance because of political conflicts between the states in the region. According to him, the WSP will cause transformation in the regional, Eastern Mediterranean politics and the TRNC economy (p.1). Similarly, Yıldız and Çakmak (2014) maintained that regional stability depended on cooperation between countries and the WSP was conducive to a safe environment (p.3). Turkey treats the security issue together with the expenditures and technical issues for the WSP. According to Yıldız and Çakmak (2014), a “rational management” of the imported water is a necessity for the development of socio-economic conditions in the TRNC and the solution to the political instability in the region (p.5-7). This kind of arguments shows “rational management” of water as the condition of socio-economic developments and regional stability.

As hydro-politics affects international relations today, the question of security in regional politics is another issue that is linked to the WSP according to these papers. For them, limited water resources negatively affect the relations between the states in Cyprus. However, according to Kavşıracı and Tellioğlu (2016), the WSP will affect relations positively between the countries in the region, mainly Turkey-TRNC relations through the encouragement of regional cooperation and contributions on security policies (p.115). Yıldız and Çakmak (2014) agree with this by stating that the WSP has a significant importance today for regional peace and stability because “the Peace River” will supply water needs of the whole island (p.14). Moreover, Turkey assumes all the expenditures and the protection measures of the project as the key for regional stability and trust between societies on the island, according to Yıldız and Çakmak. In short, the WSP is considered to bring stability and security to the region, according to those papers. These papers define the WSP as the “Peace Project” while they also point at the fact that the WSP may not bring peace in Cyprus because Greek Cypriots are against the idea. Sümer (2015) argues that Greek Cypriots will
likely be against the WSP because the transported water will lead to the development of agriculture which would cause a decline in prices in the TRNC, which will mean more dependency to Turkey for Greek Cypriots. Turkey’s control over the water fountains is an intolerable situation for many Greek Cypriots, according to Sümer (2015). For Greek Cypriots’ the WSP is Turkey’s way of “maintaining the occupation,” according to Kavşıracı and Tellioğlu (2016), so Greek Cypriots do not support the idea of sharing the transported water. They also say that Greek Cypriots are against the WSP as it will be a permanent solution for the water scarcity, and the developing economy would lead to the rise of the welfare of the Turkish Cypriots (p.124). Despite their arguments about the possible reaction of the Greek Cypriots, these papers, on the whole, maintain the idea that the WSP will improve the relations between the two sides of Cyprus.

Another important feature of these papers is their claims about the economic effects of the WSP. According to Maden (2013), the WSP will develop the economy of the TRNC in mainly agriculture and tourism (p.108). Obviously, they ignore the structural dimensions of the TRNC economy such as the fact that the ratio of agriculture in the economy decreases today as a result of the neoliberal transformation (p.4). Similar to Maden, Ağır Alioğlu (2016) defends that the WSP will bring economic development by raising the number of students in universities, ending “scarcity of water”, increasing the irrigated land and tourism through decreasing water prices, industrial developments and production of electricity (p.351-375). According to Kavşıracı and Tellioğlu (2016), the WSP will lead to a rise in the welfare of Turkish Cypriots and have a positive effect on the environment (p.128).

This thesis argues that the WSP and the crisis over the WSP regarding water management and water prices should be discussed together with the political and economic structure of the country in the process of neoliberal transformation since the 1980s, which is characterised by the neoliberal impositions of the “motherland.” The interaction between political and economic structure of the country and the WSP was neglected in the literature
on the project. Therefore, the motivation behind this thesis is to fill this gap by covering the complicated nature of the political and economic relations between the TRNC and RoT on the WSP. To this end, the main research question of this thesis can be formulated as follows: How does neoliberalism operate in the implementation of the WSP? Sub-questions of the thesis will be: What are the main characteristics of neoliberal transformation in North Cyprus? How does the WSP reflect the neoliberal transformation? What is the role of Turkey in the WSP? How does the TRNC take the role in this project? Is neoliberal transformation possible without internal support and without its acceptance by stakeholders?

The main aim of this thesis is to discuss the WSP regarding the political and economic structure of the TRNC by specifically looking at the privatisation of water management and resources as a case study. To make this possible, the justifications of different sides of the crisis, different arguments about the privatisation and local characteristics of neoliberal transformation as a reflection of Turkish Cypriot neoliberalism will be investigated. As the sides of the crisis, the ideas of the independent mayors and the mayors who are the members of CTP, UBP, TDP and DP and producers and the teachers’ unions will be examined.

In order to investigate the reactions of mayors and social groups to the WSP and privatisation of water management and resources, this thesis resorts to semi-structured interviews held with three representatives of the unions, and eleven mayors, who are the members of the UBP, CTP, TDP, DP, and two independent mayors. The sampling of research selected with deviant case sampling because there are different arguments about the WSP between people and mayors. It is possible to classify those mayors from different ideological lines in three groups: supporters of privatisation, supporters of public-private partnership and supporters of municipal public water management. The United Cyprus Party (BKP) did not participate in my research because the party claimed that Water Platform disintegrated without any results. Similarly, TDP did not make a comeback my offer for the
party to become the participant of my research in 2018, because TDP was in coalition with CTP, DP and People’s Party (HP) at that time. The thesis uses qualitative research methodology because this method enables to see the issue from the point of view of the persons under the study.

This work starts with the hypothesis that the water project in the TRNC can not be analysed without focusing on it in the context of global neoliberalism. However, this thesis accepts that the case of North Cyprus has specific characteristics that need to be analysed with its historical specificity of the links between Turkey and the TRNC. In this respect, the thesis is structured into four chapters. In the second chapter of the thesis, the theoretical framework of the thesis is revealed. In this chapter, some of the main approaches to neoliberalism, privatisation, the role of the state and other internal actors, international financial institutions (IFIs), geopolitics and other concepts will be examined. This chapter, which will pave the way for theoretical analysis of the neoliberal transformation process and the WSP in the TRNC, will provide the framework for the thesis.

In the third chapter, reasons, results, and solutions of water scarcity in the literature will be examined briefly in the global sense to better understand the North Cyprus case. The role of water management in the rise of water scarcity in the literature will help to show the role of the TRNC governments in water problem. Solutions to water scarcity in different countries, including privatization and its effects, will also be examined. Lastly, the water problem in North Cyprus will be discussed in chapter three.

In the fourth chapter of the thesis, the main chapter, the neoliberal transformation of the TRNC which has its roots in Turkish neoliberalism, and the reflections of this neoliberal transformation to the WSP will be discussed. In the fourth chapter, the neoliberal transformation of Turkey and the external influences of the neoliberal transformation of the TRNC will be evaluated, first. Secondly, the internal characteristics of this process will be analysed. By doing so, the neoliberal impositions of Turkey on the TRNC, the role of
Turkish foreign policy and the influence of the “motherland” and “infant land” relations on these impositions and the role of internal actors in the adoption and aftermath of these impositions will be investigated in the fourth chapter.

In the fifth chapter of the thesis, the WSP will be discussed concerning the details in chapters two, three and four. The discourses over the WSP which belong to the term government members, politicians, and different organisations, who neglect the issue of water management, will be analysed under the subheading, “legitimising the WSP” in this chapter. Mainly because this thesis argues that these actors created certain discourses on the WSP purposefully to cover the neoliberal characteristic of the WSP. These discourses also reflect the characteristics of the neoliberal transformation in the “infant land” with the hand of the “motherland.” At the same time, reactions of mayors from different political parties and unions from different sectors and ideological lines will be given in this part to show the local characteristics of neoliberal transformation in the TRNC. Each of these stakeholders has different reasons to support or to oppose the project and privatisation, but at the end of the day “privatisation” was the result. In addition to the stakeholders’ opinions, public-private partnership over the construction of the WSP will be investigated. This chapter will also analyse the political, economic and social results of the WSP. Lastly, the perceptions of stakeholders will be examined to show the reflection of purposeful discourses of politicians on the society and social reactions to the project in this chapter.

In the last chapter, findings of this study will be summarized to reveal a synthesis of the discussions that have been made throughout the thesis and in this respect, to present the neoliberal characteristics of the WSP.
CHAPTER 2
THEORETICAL BACKGROUND

This paper will discuss how neoliberalism operates in the implementation of the WSP, and the discussion will be based on the hypothesis that the WSP has been carried out within the context of neoliberal transformation in North Cyprus. In line with this argument, this chapter will analyse neoliberalism, the role of the state(s), internal and external factors for the neoliberal imposition and the principles (Washington Consensus, Post-Washington Consensus) of neoliberal theory in general. This thesis will show that from states to civil society many actors have important roles in the processes (imposition, legitimizing, adoption) of neoliberal policies in North Cyprus.

The WSP is implemented within the context of neoliberal transformation of both Turkey and the TRNC under the auspices of international organisations such as IMF, WB, and WTO. These organisations have changed their policy orientations in the last two decades due to changes in the nature of the capitalist system and to the failures of the policies to achieve their stated aims. The severe crisis in the world economy has forced such institutions to reconsider their policy orientations; and consequently, there has been a shift from Washington Consensus (WC) to Post-Washington Consensus (PWC), and this shift has had a significant impact on the relationship between Turkey and the TRNC. Inevitably, the WSP has reflected such policy orientation in Turkey under the influence of international capitalist institutions. Therefore, it seems quite important to provide a brief analysis of what is WC and PWC as these two sets of policies are an important determinant of the policy orientation of above-mentioned organisations. Furthermore, such an analysis would shed some light on the background for the nature and consequences of the WSP. As a result, this chapter will look at what is WC and PWC, how these two concepts are reflected on neoliberalism, how
they have forced Turkey to change her policy orientation. This paper argues that without locating the WSP within neoliberal transformations both in Turkey and the TRNC, we can not properly understand water management policies in the TRNC, because such policies obviously had significant implications for both the TRNC and Republic of Cyprus (RoC) as well as some state institutions, farmers and household members.

Neoliberalism is a fairly comprehensive concept which covers many things from working conditions to state relations. This paper will interpret neoliberalism mainly as privatisation and marketization of public services mainly in water management. This is why it will focus on market-state relations and how these relations are formed. In neoliberal theory, the state is accepted as an interest group, which follows its self-interest, which results in rent-seeking and corruption (Şimşek, 2017, p.181). Therefore, neoliberal theory accepts market economy both as an efficient source for delivering public services and the most suitable for individual freedom in this context because state intervention to the economy is accepted as a threat for individual freedom (Munck, 2007, p.115).

Since the 1980s, almost all countries have faced the phenomena of neoliberalism or capitalist restructuring (Kiely, 1964, p.73). However, there are different forms of neoliberalism which are implemented in different countries. According to Bob Jessop (2011), four forms of neoliberalism emerged during the 1970s and 1980s, with only two of which the WSP is only concerned. One of them is called endogenous neoliberal regime shift or liberal market economies which involves a regime shift with the roll-back of policies and institutions. It also depends on mainly deregulation and privatization. The other form of neoliberalism comprises structural adjustment programs, which is described as more exogenous and top-down than neoliberal regime shifts. The third form is neoliberal system transformation, which is accepted as the most radical form by Jessop (2011), and the fourth form comprises of pragmatic and potentially reversible policy adjustments (p.172-173). In many cases, it is possible to identify neoliberalism with both endogenous neoliberal regime
shift and structural adjustment programs. In other words, neoliberal projects are derived from both internal and external factors. This study will argue that neoliberal transformation in North Cyprus is both an internal and external issue. Therefore, it will focus on the internal neoliberal transformation as well as the external impositions of Turkey on the Northern part of the island.

Privatisation is one of the policies most strongly prescribed by the neoliberal theory, and thus it constitutes one of the main focuses of this work. Although, privatisation is one of the main pillars of neoliberal policies promoted by neoliberal theory, there are many obstacles for its implementation. Neoliberal theory cites weak political stability and institutional difficulties as two important impediments for the implementation of privatisation. The neoliberal theory claims that privatisation is restricted in low-income countries because of the existence of weak infrastructure. Bayliss's (2016) arguments are important as they show the difference between the neoliberal theory and practices of privatisation. As opposed to what the theory claims, privatisation of non-profit public services for productivity purposes does not attract investors' attention as there is no profit in this kind of investment. Consequently, the role of the state as the regulator becomes more important, which in turn creates a crucial dilemma because of the fact that the responsibility to fulfill the task of privatisation is given to the state whose privatisation of its enterprises is the result of its poor performance (Bayliss, 2016, p.552). The neoliberal theory aims declining role of the state in the provision of services, on the other hand, it depends on the increasing role of the state in the regulation of those services for private firms.

Another important point Bayliss (2016) raises is that privatisation differs according to the time period. In other words, the privatisation discourse in WC called ‘participation of the private sector’, is different from the one in PWC, called public-private partnership (p.546). According to Bayliss (2016), during the 1990s privatisation as a concept was broadened to encompass every public service or institution that was privatised; and with
PWC, instead of public-private discrimination, a public-private partnership was prioritised. Supporting with empirical data, Bayliss (2016) also evaluates the practices of privatisation. At that point, she demonstrates that for the investors, investing in privatisation operations is limited due to the lack of infrastructure; however, the state can present privatisation as an ideal deal to investors, because in case of privatisation, the state does not leave the investors alone and gives the guarantee to minimize the risks. The agreements (about water and electricity generally) signed for regulating privatisation operations aim to decrease risks for investors, but risks do not disappear, and governments are expected to assume them (Bayliss, 2016, p.565). Bayliss’s arguments will be important in the analysis of the WSP in the neoliberal period together with discussions of the states and their role on privatisation. The privatisation idea of neoliberal understanding is adopted by many stakeholders groups in North Cyprus, including political parties in coalition governments, opposition parties, agricultural producers, unions and society. This paper will analyse the WSP in conjunction with the justifications provided for privatisation by the main stakeholders in North Cyprus.

Harvey (2005), analyses “accumulation by dispossession,” which entails displacement of peasant population, the formation of landless proletariat and privatisation of common property resources, with Marx’s primitive accumulation concept: “All the features of primitive accumulation that Marx mentions has remained powerfully present within capitalism’s historical geography up until now” (p.145-146). Some of the mechanisms of primitive accumulation such as the credit system, finance capital, stock promotions, ponzi schemes, structured asset destruction and distraction of public assets have been playing stronger role now for Harvey, who argues that accumulation by dispossession can occur in a variety of ways because there is much that is both contingent and haphazard about its modus operandi. Also, Harvey (2005) examines accumulation by dispossession as to release a set of assets at very low costs for solving the overaccumulation problem and privatisation is one of the accumulation by dispossession policies (p.149).
Secondly, Harvey (2005) analyses the rise of accumulation by dispossession both with internal and external motivations. “How, when and why does accumulation by dispossession emerge from?” is an important question that is raised by Harvey. The motivations of privatisation can be internally driven or externally imposed; and in most cases, a combination of internal motivation and external pressures lie behind such transformations (p.154). Harvey (2005)’s theory analyses the role of the state in capital accumulation through the market which depends on specific institutional structures of law, private property, contract, and security. All of these are possible with the strong state with armed police, power and a monopoly over the use of violence, which plays an important role in backing and promoting primitive accumulation processes (2005, p.145). The inefficiency of the state in the management of public services is accepted as a reason for privatisation although the state still has an active role in privatisation practices. Harvey’s work is useful to understand this point: the state has an important role in the accumulation of capital. For example, Harvey argues that the state is used to force in the accumulation by dispossession processes against popular will and has opened up fields for overaccumulated capital through privatisation of common assets and the reversion of common property rights (p.148-149).

Harvey also focuses on neoliberal theory to show the shift in the role of the state in this process. Neoliberalism as “an alternative to Keynesian and other more state-centered frameworks for policy-making” is interpreted as transformation of the whole state activity away from the welfare state and towards active support for the supply side conditions of capital accumulation after the general crisis of the overaccumulation in the 1970s by Harvey (p.157). Also, the IMF and the WB changed their policy orientation and privatisation and liberalisation of the market was the mantra of the neoliberal movement. Therefore, assets held by the state were released into the market where over accumulating capital could invest in them, upgrade them and speculate in them. “However, this movement created incredible pressures to find more and more arenas either at home or abroad where privatisation might
be achieved,” Harvey says (p.158). The WSP, as an example of accumulation by dispossession, also has both external and internal motivations. Harvey’s work and the question (How, when, and why does accumulation by dispossession emerge from?) will help to analyse the WSP.

Harvey (2003) evaluates internal and external factors in privatisation as a whole as can be seen from the below quote:

Accumulation by dispossession became increasingly more salient after 1973, in part as compensation for the chronic problems of overaccumulation arising within expanded reproduction. The primary vehicle for this development was financialisation and the orchestration, largely at the behest of the United States, of an international financial system that could, from time to time, visit anything from mild to savage bouts of devaluation and accumulation by dispossession on certain sectors or even whole territories. But the opening up of new territories to capitalist development and capitalistic forms of market behavior also played a role, as did the primitive accumulations accomplished in those countries (such as South Korea, Taiwan, and now, even more dramatically, China) that sought to insert themselves into global capitalism as active players. For all of this to occur required not only financialisation and freer trade but a radically different approach to how state power, always a major player in accumulation by dispossession, should be deployed. The rise of neoliberal theory and its associated politics of privatization symbolized much of what this shift was about. (Harvey, 2003, p.156)

What happened in South Korea and Taiwan, in terms of opening up new terrains for capital, is seen as a solution to the problem caused by capital accumulation, because it generates some pressure to find more areas at home or abroad for privatization, and Harvey (2003) argues that the same pattern of opening up new terrains can be found anywhere that privatization is practiced (p.158-159). The WSP as the part of the neoliberal transformation in North Cyprus can be seen as a reflection of Harvey's example from South Korea and Taiwan because privatisation of public water management is opening new terrains for capital accumulation.

Harvey is a crucial theorist who discusses the privatisation practices with the concept of accumulation by dispossession and the role of the state. “Accumulation by Dispossession” chapter in his book the New Imperialism is essential for examining the privatisation of water in North Cyprus, in regards to the roles of both internal and external
actors and the main logic of privatisation. By the way, it is possible to understand the background of privatisation practices which are shown as part of the economic development under the name of efficiency as a result of inefficiency of the state in North Cyprus. His arguments are useful to examine the rise of privatisation. However, this thesis does not analyse privatisation as one of accumulation by dispossession policies as the solution to the overaccumulation problem of the Turkish capital. Different from Harvey, privatisation of water in North Cyprus is analysed as part of the neoliberal transformation of the country which is highly related to its geopolitical importance for Turkey as the external imposer of neoliberal policies. On the other hand, as discussed in Chapter 4, it would not be wrong to say that these policies aim to open up investment opportunity to Turkish capital in the northern part of Cyprus. As a result, moving from Harvey’s article (2003), this paper will analyse the role of state in the capital accumulation process and dynamics at the background of the privatisation of water as one of the global environmental commons in North Cyprus. The TRNC has the role of the regulatory state for private firms in capital accumulation through privatised water management. RoT has the role of the external imposer of the privatisation. In other words, the WSP will be analysed through “accumulation by dispossession” in two ways: Firstly, it will be analysed through the neoliberal impositions of Turkey on the Turkish Cypriots as the ‘motherland’; and secondly, it will be analysed with the policies of the governments in the TRNC and political party discussions which support neoliberalism and capital owners.

An analysis of the WSP illustrates that the TRNC has mainly three responsibilities within the scope of this project. To legitimise privatised water management, the TRNC needs to come up with positive discourses to convince the public. Secondly, the TRNC guarantees maximum profit for private business partners, and lastly, the TRNC needs to work on the infrastructure and regulations. There are several arguments about the role of the state in the neoliberal era, which will be useful to analyse the responsibilities of the TRNC as
the state in the WSP. This work will utilise mainly the arguments of Şimşek (2017), Colas (2014), Kiely (1964) and Munck (2005) in the interpretation of the role of the TRNC in privatisation of water management as a solution for water scarcity problem.

Şimşek (2017) argues that the state is an active player for imposing global principles of neoliberalism on nation-states according to the demands of global actors and hegemonic states. At the same time, neoliberalism needs the state as the regulator and legislator for the efficiency of the market in privatisation, deregulation, and liberalisation of the economic activities and public institutions of state for global economy according to Şimşek (p.180). On the other hand, neoliberal politics accept state intervention as the new form of governance for absorbing market-based economic structure. The role of the state is to provide security for market conditions and to start the compatibility process of the national economy and supply-side policies) with the transnational economy (Şimşek, p.181).

Şimşek’s arguments are going to be significant here in analysing the neoliberal transformation and privatisation of water management as a result of “motherland” policies of Turkey in North Cyprus. The TRNC Government paved the way for privatisation of the water management defending that the WSP will alleviate water scarcity of North Cyprus. Water scarcity has always been a huge problem according to the public in North Cyprus, which is why at the beginning, the government only focused on the fact that North Cyprus got the water from the “motherland” as promised. Until the agreement which regulates water supply was signed, the government considered disputes over water management as unnecessary because according to the government, the WSP is a great project of “motherland” which will lead to economic development and will have a positive effect on Cyprus negotiations (Kıbrıs, September 16, 2014, p.17).

Similar to Şimşek’s arguments, Colas (2014) argues that although the spread of neoliberalism in third world states was a result of structural adjustment policies (SAP) of international financial institutions, the administrators of these states had also an important
role in the spread of neoliberalism. This is because of these administrators by taking power with the elections that they won decide that following, the policies of financial institutions is a necessity for the common interest (p.137). In other words, both Şimşek (2017) and Colas (2014) defend that, although neoliberal policies are imposed by the international financial institutions, the Third World states are following these policies as they believe they serve for the common interest. The TRNC follows neoliberal impositions of the "motherland," but it is also a willing actor of neoliberal transformation itself. The TRNC government utilises water scarcity as a common problem for the society, and defend that the privatised water management is also a necessity for the common interest. Therefore, the WSP is a product of both neoliberal impositions of the "motherland," as the IMF of the "infant land," and the policies of the TRNC willingly following those impositions.

According to Kiely (1964), the main role of the state is to practice the institutional reforms accompanying the new economic policies (p.74). Kiely also argues that neoliberalism needs a highly interventionist state for carrying out the neoliberal policies (p.164). This view represents a new form of state which is called the "neoliberal state". Similar to Kiely (1964), Macleavy (2010) defends the idea that neoliberalism enforces the state actions. According to Macleavy (2010), the interventionist forms of movement and privatization result in the replacement of the state interventionism with market-guided regulations of the state (p.136-137). Kiely (1964) and Macleavy's (2010) arguments will be embraced to explain the role of the TRNC in the management of imported water. According to the International Agreement between Turkish and the TRNC Governments on Water Supply and Management (2016), the role of the TRNC as the controller of the privatised water management is to make legal and administration regulations, to give purchase guarantee for the private companies and the urgent commodification of the real estates needed for the operations of the private company. This paper will evaluate those movements of the TRNC in water management as interventions of the state on privatised water
management. At the same time, those roles can be classified as market-guided regulations of the TRNC.

An analysis of neoliberal transformation in North Cyprus via privatised water management should also focus on the acceptance of neoliberal policies by society. Internally, neoliberal ideas have been imposed and legitimized by different actors in countries such as the state, neoliberal institutions, right-wing organizations or political parties. This is why it is important to look at the role of the state, intellectuals, political parties and right-wing organisations in the public acceptance of privatised water management as a neoliberal project in North Cyprus.

For Munck (2007), the role of the state in neoliberal policies has changed since the 1990s; namely, the state has become important for the public acceptance of neoliberal policies, and this role is penetration of neoliberalism on social arena through social security reform, punishment policy and shelter demands (p.111). Therefore, we should focus on the transformation of the role of the state because neoliberalism means to marketize the public services, and this can not be done without public acceptance. That is why, in an effort to make it acceptable by the public, the privatisation of water management has been legitimized through the discourses of the government members. As a result, this paper will focus on the roles of the government, political parties, and mayors in public acceptance of the WSP.

Similar to Muck's arguments, Birch and Tickell (2010) focus on the role of intellectuals on the social acceptance of neoliberal policies. Birch and Tickell (2010) explain the role of intellectuals with 'centers of persuasion' and neoliberal think tanks on the rise of the neoliberalism. They argue that centers of persuasion supported by conservative business interests, foundations and individuals, had a role both in spreading the word (neoliberalism) and convincing the public (p.49). Neoliberal think tanks also have similar role according to Birch and Tickell, and political parties are "heavily" reliant on those think tanks. Mainly, working closely with the state policymakers while seeking to influence the general climate,
think tanks help to translate neoliberal precepts into feasible policy proposals” (p.54). From the Gramscian perspective, these think thanks work as centers of persuasion as “organic intellectuals” or “thinking element of fundamental-social class” which play significant roles in capitalist social formations during the crisis periods when they are deputized to provide the direction and medium-term coherence needed by dominant classes (Birch&Tickell, 2010, p.52). The role of intellectuals and centers of persuasion in local meaning will also be part of this paper. It will be argued that there are roles of intellectuals, think tanks and centers of persuasion in translating neoliberal water management to a feasible option for alleviating water problem with the help of the"motherland." While in agreement with these views, this work will also argue that these above-mentioned groups have close ties with the state actors in North Cyprus.

Furthermore, in the understanding of the roles of the political parties in neoliberal transformation of countries Colas’ arguments are highly relevant. According to Colas (2014), the spread of neoliberalism is strongly related not only to the rise of policies of the right-wing parties but also to the defeat of leftist parties which have faced the bitter choice of either “reform” or “defeat” in a political sense during the 1980s (p.135). In all over the world, leftist parties could not defend themselves against the pressure of national and international policies. The WSP, as the project of Turkey, is embraced highly by the right-wing political parties in the TRNC. This is because of the fact that Turkey is seen as the savior and the ethnic affinity of Turkish Cypriots by the right-wing Turkish Cypriot parties and the followers of those parties. If the WSP is considered as the result of Turkey's Cyprus policies aiming at the political and economic dependency of the TRNC to Turkey, the embrace of the WSP by right-wing parties and their supporters should be seen as the reflection of this situation. On the other hand, the CTP, as the leftist party in the government was far from criticising the privatised water management in the discussions between October 2015- May 2016. CTP preferred to mask its embrace rather than criticizing the WSP.
The arguments of CTP as a leftist party about the WSP and water management will be discussed in this work to argue that the CTP’s arguments have an important role in public acceptance of privatised water management and entrenchment of neoliberalism in North Cyprus. An analysis of the ongoing relations between the "motherland" and "infant land" since the establishment of the TRNC concerning the Turkish Foreign Policy (TFP) is important for understanding the significance of the WSP.

There are several reasons behind the right-wing parties’ support for the WSP in the TRNC. Firstly, advocating neoliberal policies are justified in terms of fighting corruption. French (2011) gives examples of this kind of justification from some ex-Soviet countries after the breakdown of the Soviet Union. He argues that the downfall of communism is used for the justification and promotion of neoliberalism. In North Cyprus, public institutions and public services are seen to be corrupted by society; this is why impositions of Turkey towards privatisation of those institutions are supported by mayors who are the members of Nationalist Union Party (UBP) and Democrat Party (DP). Municipal water management is also accepted as inefficient by them who see the privatisation of imported water management as an efficient solution (personal interview, April 19, 2018).

Nationalist characteristic of the WSP was the second reason for right-wing parties to embrace and legitimize the privatisation of water management. According to Harvey (2015), legitimizing the neoliberal project is derived from common sense (social fears, traditional and cultural values) with the works of companies, media, civil society which are supported by governments (p.47), which is indirectly connected to nationalism. For Harvey (2015), nationalism is very important for the acceptance of the neoliberal project by the public (p.87). Nationalism and neoliberalism feed each other because the neoliberal state has to mobilise nationalism for the success in this competitive world, and competition is the source of national pride (Harvey, p.93). In North Cyprus, privatisation of water management is masked with several rhetorical arguments over the flow of the imported water such as "peace
water”, alleviation of water scarcity, the help of "motherland" and a source of development. All of these are strongly related to everyday problems of Turkish Cypriots who wonder about solutions to be brought by Cyprus negotiations, suffer from water scarcity, economic and political isolations and accept Turkey as a savior since 1974. At the same time, according to nationalist groups, the WSP has an important role for the Turkish Cypriots in order to become economically powerful vis a vis the Greek Cypriots. Moving from those approaches, this work will analyse the role of nationalism, nationalist competition and common sense of Turkish Cypriots in legitimizing the process and public acceptance of privatised water management.

An analysis of conditional policies of the global capitalist financial institutions, the IMF and the WB, is important for understanding the rise of neoliberalism, too. Turkey put some conditionalities on the TRNC as the IMF does to many developing countries (Bozkurt, 2014). For this reason, it is important to understand the role of conditional lending of financial institutions in global neoliberal transformation, because this thesis will aim to analyse Turkey’s political impositions towards privatisation of public assets and institutional support of the TRNC Government to private companies for realising their profits. In order to analyse the role of the conditions imposed by Turkey in the neoliberal transformation of the TRNC, it is significant to analyse the economic and political conditions of those institutions and the role of those conditions in the neoliberal transformation process.

The role of those global capitalist institutions is to impose neoliberal policies on developing countries externally. In other words, the WB and IMF play a role of restricting the institutions of the state in the neoliberal era. They have been imposing market-friendly interventions, rule of law, accountability, open government, and good governance to states in the neoliberal era. Development and globalization were two important concepts of financial institutions to justify the conditions for neoliberal transformation. It seems that development and globalisation discourses have an important role in public acceptance of neoliberalism.
According to the global capitalist institutions, "developing" countries can be developed through following (neoliberal) policies of those institutions. In other words, according to the WB and IMF, developing countries could best develop through embracing globalisation through the open and market-friendly economy, i.e. neoliberal policies (Kiely, 1964, p.71).

“Development” is one of the important justifications of Turkey, the "motherland," for imposing its policies on North Cyprus. This thesis will investigate the local meaning of “development” and “globalisation” which are highly similar to development and globalisation concepts of capitalist financial institutions. This is why it is important to comprehend the concepts of development and globalisation of those institutions.

Development of countries was assessed with the historical analysis of long-term sequences of economic changes during the 1950-70s by international financial institutions (Gore, 2003, p.318). The central criterion used to measure performance was the current GDP growth rate, macroeconomic stability, fiscal and external payment balance, and low inflation (Gore, 2003, p.318). However, as of the end of the 1970s, the heavily indebted situation of “developing” countries, high-interest rates and recession in crediting countries led to a shift in development assessment (Thorbecke, 2016, p.142). Also, Oil Crisis in 1973 and Volcker Shock led to change in development assessment, because there was an increase in financial needs of developing countries as a result of these two crises (Wayenberge, 2016, p.312). The new development assessment depended on performance together with the Washington Consensus (WC). This new assessment was defined as ‘a-historical’ performance assessment by critical scholars (Gore, 2003, p.324). However, in the 1980s, together with the rise of criticism about the performance-based assessment, structural adjustment became another criterion in WC. The aim was to improve the performance of the countries through resource efficiency which is measured with GDP growth, macroeconomic stability, and balance of payment.
Similar with Harvey (2016), Stiglitz (2016) and Picciotto (2003), this paper accepts that the development concept represents the interests of the capitalist states and is used for convincing "developing" countries to follow neoliberal impositions of global capitalist institutions. Moreover, this paper analyses development as an artificial concept, because development is measured by the GDP growth, structural adjustment and balance of payments rather than the welfare of the citizens or income equity. This paper claims income equity can not be achieved through demand-centered “poverty reduction” policies of the capitalist institutions. It is important to highlight that structural adjustment means privatisation of public institutions and goods which are owned by the society. In other words, development is an artificial concept, because it means to maximise the interests of capitalist states and profit of several bourgeoisie in those states; and it is used to cover the background elements of exploitation. Waeyenberge (2006) supports this as she argues that development is the highly abstract assumption because the policy prescriptions of the IMF and the World Bank were based are incapable of accommodating country-specific features (p.28).

Similarly, Harvey (2016) argues that capitalist institutions defend the interests of developed states, and internal actors in developing countries also accept to apply those policies (p.106). Stiglitz (2016) agrees with this by saying that "the rules of the game" are determined according to interests of the developed countries rather than developing countries (p.305). Lastly, Picciotto (2003) shows the one-sided character of international financial institutions towards developed countries. According to Piccotto (2003), after the September 11, 2001 attacks, multilateralism as the opposite of cooperation among nations gained, acceptance. Thus, developed countries suddenly realised that they can not be shielded from chaos at the periphery, and they need to pay more attention to the zones of turmoil and development (p.348). As a result, free trade, aid flows and dealing with conflict were moved to domestic policy agendas of the capitalist states. This development reflects the WB agenda of increasing financial assistance, debt reduction programs, poverty reduction strategies...
(Piccotto, 2003, p.348). In other words, development is used for benefiting from the problems of "developing" countries for the interest of the capitalist system. This paper will argue that development evaluations aim to pave the way for following and implementing neoliberal policies.

The WC and PWC are neoliberal policy frameworks designed to promote the interests of the global capitalist institutions. The policies recommended by them are mainstream economic policies that affect many states all over the world. Saad-Filho (2007) argues that WC and PWC have both similarities and differences regarding the reforms, the role of institutions and reform methods (p.199). It is important to note that those policies had an impact on the protocols signed between RoT and the TRNC. This work will attempt to analyse the nature of this impact and argue that the WSP is a good example of this process. Inevitably the analysis will take into consideration the nature of the WC and PWC and the kind of policies promoted by them.

First, the WC was the brainchild of the WB, IMF and the US Treasury (WTO and the Central Bank of Europe were also parts of this consensus) as a recipe for the "developing" countries to follow for development. According to WC, state intervention was the main reason for the backwardness of the developing countries. Therefore, the state should only regulate the institutional arrangements, judicial infrastructure for markets, and negotiate with the social groups for the development of market relations. Additionally, declining state expenditures, disciplining money and financial policies and decreasing regulations alike should be the other policies of states. The WC accepted the imperfect market paradigm\(^2\) and as a solution, suggested a partnership of the state and the private sector. The conditional lending of the WB should depend on policy reforms, and the role of the state should be the efficient usage of the resources according to WC.

\(^2\)According to IFIs, the Asian Crisis must be considered a market failure resulting from the imperfect market information.
The WC encountered serious criticisms at the end of the 1980s. There were mainly three reasons behind these criticisms. First, overall growth in the world economy was lower and more unstable during the neoliberal era compared to the earlier periods (Onis & Senses, 2016, p.352). The second reason was the premature financial and capital account liberalisation, which was defined as the “soft spot” of the WC by Onis and Senses (2016, p.354). Thirdly, many economies in the semi-periphery were vulnerable to the speculative attacks and financial crisis, because those economies found themselves trapped on a highly fragile growth: reliance on debt-led growth without paying attention to the need to increase domestic savings and the need to establish an adequate regulatory framework for their financial sectors rendered such economies vulnerable to crisis (Onis & Senses, 2016, p. 354).

In addition to these three main criticisms, the WC was also criticised because of “pervasive state failure in a large number of cases with corruption in government emerging as a major sphere of concern under neoliberal reforms” (Onis, Senses, 2016, p.355), mainly because neoliberal policies negatively affect the income distribution, trust, and social cohesion. Another criticism was about global institutions’ giving the same recipe to all developing countries while ignoring local conditions of each country. These were also the reasons why WC was criticised as a-historical (Waeyenberge, 2010, p.101). Following this, in 1997, when the crisis occurred in East Asia, the WB was criticised because of loans. As a result, the state became the main actor that encouraged development while the global institutions had come to accept the fact that economies of the countries deteriorated although they followed the WB and IMF policies. Thus, the policies of PWC were declared.

The PWC depended on the expansion of the conditions (accountability, transparency, legal framework) and the encouragement of the adoption of a participant process for determining development priorities. It focused on the institutional structure for the analysis of failure. The development of market-friendly civil society, judicial regulations, financial reforms, political reforms were accepted as a solution for failure. The partnership of civil
society and the state was a significant principle of PWC. According to the PWC, development should be a holistic process rather than aiming only at economic development (Waeyenberge, 2016, p.327). The development could be achieved by the transformation of society through democracy, equality, and sustainability. Moreover, the state should complete the market with regulations, competitive policies, and financial systems. Stiglitz argues that the efficiency of the state could be increased with the market (cited in Onis, Senses, 2016, p.365). The role of the state should be financial regulation and infrastructural investments. The WC promoted economic conditionalities while the PWC emphasized political and institutional conditionalities. The IMF and the World Bank claimed that there was no problem with the structural adjustment policies (economic conditionalities). The problem was that developing countries did not have the enabling social and economic structures to make structural adjustment programs (SAPs) work. Thus the state should be back to ensure the establishment of the legal and political structures to enable SAPs work.

Differing from other neoliberal arguments, the PWC accepted that the institutional change could be necessary (Onis, Senses, 2016, p.366). Waeyenberge (2006), analyses this situation as the rise of pluralistic character of the state as opposite of adequate character:

Furthermore, the renewed preoccupation with poverty aimed to incorporate ‘multidimensional’ or ‘institutional’ aspects of the phenomenon. This implied a set of different propositions regarding the ‘adequate’ role of government. While, with the focus on the poverty of the 1970s, the government had been assigned the central responsibility for the implementation of poverty-reduction programs, now a ‘pluralistic’ approach was advocated. A whole range of organisations was to be drawn upon for implementation of social programs in ‘partnership’ with public agencies. The conception of social policy as professional and/or hierarchical provision of social services was replaced by the idea of the provision by commercial and public interest bodies, with the state playing a regulatory, purchasing and residual provider role. (p.30)

Obviously, Waeyenberge (2006) suggests that institutional change means the new pluralistic character of the state. This new character means public-private partnership in the provision of social services, and the state’s role is a regulator and residual provider. The PWC is a significant concept for this paper because of mainly ‘bringing the state back in’
principle, which is useful to analyse the role of the TRNC in the privatised water management as a regulator institution and a supporter or “residual provider” of the private company through several devices (judicial, legislature) under the name of state-market partnership. Especially, 1997-1998 dated protocol is an important document, which aims to “reduce the share of the public sector in the economy and ensure that the state is taking on a regulatory role” (İsmail, 2001, p.366), shows the neoliberal principles in North Cyprus. It is possible to argue that this protocol was under the influence of PWC. Similar with the PWC principles, the protocol aimed at the market-state complementarity. The governments of the RoT and the TRNC had the responsibilities to make regulations and infrastructural investments this can especially can be seen from the arrangements made in the protocol under sections “Investments and Incentives” and the “Infrastructure”. It is possible to argue that these parts of the protocol show the indirect impact of the PWC on the protocol principles. The protocol also starts with the sentence that: “The governments of the TRNC and RoT take these measures in order to correct the deteriorating macroeconomic balances and to reduce the role of the public sector in the economy in order to realize the structural changes needed in the economy and to ensure that the state only plays a regulatory role and performs budget-tax reforms” (İsmail, 2001, p.366).

Another feature of the global neoliberalism was about the “No Alternative” (TINA) discourse. TINA was the discourse of Margaret Thatcher firstly, but capitalist financial institutions also used this discourse. For Munck (2003), Margaret Thatcher used to dismiss other alternatives to neoliberalism (p.495). Also, the capitalist financial institutions used this discourse to show that the only solution to the crisis at the end of the 1970s was to follow their neoliberal policies. This discourse of global financial institutions might be considered for the WSP which was considered as no alternative to alleviate water problem. This paper will discuss how the WSP has been made “No Alternative” in the following chapters based on the agreement and interviews with mayors.
In addition, the integration of North Cyprus (as the "babyland") to Turkey (as the "motherland") is one of the important concepts of Turkish neoliberalism in the Northern part of Cyprus. This paper will argue that the integration of two states and people of the "babyland" with the "motherland" masks the neoliberal transformation of the TRNC. At this point, geopolitics and geoeconomics are two important concepts to analyse the integration between two states and the role of integration on external influences of the neoliberal transformation of the TRNC.

Cyprus has great geopolitical importance for Turkey. After the Cold War, there were lots of changes in foreign policies of the states all over the world. The Turkish Foreign Policy (TFP) changed in this period too: For instance, while talking about TFP, Davutoğlu (2016) argues that Turkey aims to make long-term strategic plans by taking the geographic and historic responsibilities of her foreign policy into account to become the "rising power" (p.149). In addition to the change in direction to become the rising power, the post-cold war era has created the conjuncture that requires Turkey to place its sea policy on a new strategic axis (p.158). As a result, regionalism, as opposed to globalism, became the main TFP, which can be observed in TRNC and RoT relations. Cyprus is important for Turkey because of both geographical and historical reasons. Those historical reasons are useful to make Turkey’s policies and impositions legitimate, which will be discussed in further chapters. However, at this point, it is essential to understand the geopolitical importance of Cyprus in TFP which is defined as “Turkey’s strategic impasse” by Davutoğlu (p.175) for a better understanding of the external influences of neoliberal transformation of the TRNC.

The concept of “neoliberal geopolitics” (Roberts&Secor&Sparke, 2003) is useful for the discussion of the geopolitical and geostrategic importance of Cyprus in TFP, and it is defined as the long arm of geopolitics which blurs and beautifies mentioned victories and defeats by Scekic, Draskovic, and Delibasic (2016, p.69).
also going to be useful to understand the external influences of the neoliberal transformation of the TRNC. Roberts, Secor, and Sparke (2003) argue that “Neoliberal geopolitics” is connected with neoliberal idealism which is about the virtues of free markets, openness and global economic integration (p.886). At the same time, they point out that after the Cold War, neoliberal geopolitics became the “enforced reconnection” in connection with “one-world vision” (p.889) employing neoliberal ideas and practices such as commitment to market-based solutions, public-private partnerships, and interdependency through free trade. Their arguments over the role geopolitics on neoliberal economic policies are essential for this paper which aims to clarify the reasons behind Turkey’s neoliberal impositions and justifications of these impositions. An analysis of the neoliberal practices as a source of interdependency with the justifications over the one-world vision is useful to examine the relations between Turkey and the TRNC in detail, because this paper argues that neoliberal impositions of Turkey are justified over the integration of two states and that the WSP can be interpreted through neoliberal geopolitics and its effects.

To conclude, North Cyprus is in the process for neoliberal transformation today. This thesis will accept that WSP is one of the important aspects and mechanisms for this transformation. Therefore, moving from the main characteristics of neoliberal transformation in North Cyprus, this thesis will analyse the WSP. What are the main characteristics of neoliberal transformation in North Cyprus? How does the WSP reflect the neoliberal transformation? What is the role of Turkey in the WSP? How does the TRNC take part in this project? Is neoliberal transformation possible without internal support and its acceptance by both the organisations-such as political parties, unions and producer organisations-and the Turkish Cypriot citizens? Moreover, many people do not call it “neoliberalism” because of the successful justifications of neoliberal impositions of the “motherland” over the TFP and nationalism. In fact, Turkey’s geopolitical concerns have been pursued within the context of neoliberalism. This thesis will argue that the TRNC and RoT integration is equal to the
dependency of North Cyprus on Turkey. Therefore, it will analyse both the external neoliberal impositions of Turkey on North Cyprus and the adoption of neoliberalism with the help of internal actors in North Cyprus. For this aim, the concepts of neoliberalism, the role of the state, privatisation, global financial institutions and integration were analysed in this chapter.
CHAPTER 3
WATER POLITICS

The main purpose of this chapter is to analyse water scarcity as a political and economic problem in detail. With this purpose in mind, this chapter will try to find answers to these questions: What are the reasons behind water scarcity? What are the consequences of water scarcity? What are the solutions to the water scarcity problem? What is the situation and dimensions of the water problem in North Cyprus? This chapter will discuss different scholars' debates on these questions in different contexts which will be useful for understanding the general situation in the world facing the water scarcity problem, and also to understand the situation in North Cyprus. Water politics is shaped by the reasons behind water scarcity, the results of water scarcity, and possible solutions, including privatisation. This chapter will be useful to clearly understand the water problem in the TRNC.

3.1 Reasons Behind Water Scarcity

Water scarcity is the source of many problems all over the world. While water consumption is increasing, its availability is predicted to fall. That’s a challenge because there is no alternative to water (Dolatyar & Grey, 2000, p.6). There are different assumptions about the reasons behind the water problem.

Firstly, the failure in water management is accepted as a reason for water scarcity by Dolatyar and Grey (2000). According to them, if water management is handled properly, it can provide the basis for economic growth, improvements in living standards and socio-political stability. However, those benefits are undermined by the poor management of water resources, which is why the worldwide water crisis is on the horizon, as Dolatyar and Grey (2000) state.

Similar with Dolatyar and Grey (2000), when discussing the reasons behind water scarcity, Cech (2005) argues that governments play a big role in water management, and governments must determine the proper allocation methods of water for protecting the water
resources from unacceptable depletion rates and pollution (p.382). According to Cech (2005), water scarcity is highly related to the failure in water management. For Cech (2005), water scarcity is the result of water management, because the government can determine the efficient use of funds for water conservation; and the solution to water scarcity or conservation of water depends on government policies. Governments should manage water effectively, and this should not be done through privatisation mainly because governments should be preventing monopolization of water by private companies.

Secondly, Shiva (2002) defines water scarcity as a result of artificial factors such as industrial forestation, planting eucalyptus for the paper industry, mining and deepwater wells (p.2-12). Governments are responsible for all those artificial reasons behind water scarcity. Shiva (2002) explains the effect of deepwater wells on water scarcity with examples from India. In India, the number of water wells has increased as a part of water privatisation policies. Also, the World Bank (WB) has supported water extraction systems and made them a mechanical process after the 1972 drought. Besides, the WB has provided loans for deep water wells for commercial irrigation. An increasing number of dry wells shows that the mechanical water extraction leads to an ecological crisis (Shiva, p.10-12).

In her discussion against the water management privatisation and other water scarcity alleviation policies, Shiva (2002) bases her arguments on two “conflicting” paradigms to explain the water crisis; the “market paradigm” and the “ecological paradigm” (p.14). On the one hand, the market paradigm explains water scarcity as a crisis resulting from the absence of water trade. In such a case, water is transferred to regions suffering from scarcity and charged high prices, which helps with the conservation of water. On the other hand, Shiva (2002) defines a market paradigm as ‘blind’ because this paradigm is far away from “the ecological limits of the water cycle and the economic limits set by poverty” (p.15). According to Shiva (2002), “The water crisis is an ecological crisis with commercial causes but no market solutions. Market solutions destroy the earth and aggravate inequality” (p.15).
Shiva also defends that water scarcity is an ecological problem, and technological solutions will not serve the purpose well when this is the case (p.14).

Thirdly, Wills (2014) claims that the assumption causes privatization of water to be justified through two discourses: Firstly, the world has faced with water scarcity and water needs to be managed effectively; and secondly, the effective management means the withdrawal of the state from the provision of services, and replacement of the state with private sector (p.189-190). According to neoliberalism that is because the state is the source of the problem. Furthermore, according to Wills neoliberalism regards water as an economic good or commodity and she considers giving water an economic value is the most effective way and conservation manner.

Wills' work is useful to show the opposite of this belief. Her work refutes the arguments which offer privatization as a unique solution for water scarcity without public participation in the decision-making process. Wills talks about a ‘water justice movement’ which she defines as individual movements in each country with its characteristics. However, she says, these movements have one thing in common, which is the fact that they all started in opposition to the privatization of water services and the common commitment to an alternative model of water governance based around the idea of the commons in Bolivia, Panama, Argentina, Uruguay, Brazil, Peru, Indonesia, Pakistan, India, Ghana, South Africa, Poland, Hungary, the U.S, Canada and elsewhere during the 1990s (Wills, 2014, p.192-193). According to the opposition movement, the water crisis is associated with neoliberal capitalism practices such as bottled water, inappropriate irrigation, abuse of water and extractive firms (mainly Nestle, Coca-Cola). During the 1990s, the idea of the right to water became part of the international discourse. Wills (2014) calls this situation as “neoliberalisation of the right to water” (p.199). Wills' work illustrates that water scarcity is an ecological and political problem, but the solution to this problem is not privatisation of
water and its management. As she explains, the privatisation of water is raised as a neoliberal policy under the name of “effective management.”

Finally, Feldman (2017) analyses water scarcity under the name of “water drought as a natural event” which gets worse by human action. According to Feldman (2017), severe, long-lasting droughts have been historically traced. Feldman (2017) defends that the effects of drought are worsened by human actions such as overuse, poor management of scarce water resources together with measures that encourage, rather than suppress, the use of water not appropriate for the climatic conditions (p.102-103). The official discourse in North Cyprus has analysed water scarcity similar to Feldman: Water scarcity is a natural event, and water scarcity deteriorates with human actions.

### 3.2 Water Dependency

During the infrastructural construction process of the WSP, there was a claim that the transported water will be the source for peace between two sides of Cyprus. This is why Turkish politicians called the project as “Peace Water.” However, some scholars believe that water conflicts arise due to water scarcity because water is mainly a security issue, and water scarcity means a security threat because water conflicts and water dependency are two important results of water scarcity. In Chellaney's (2013) word, "The battles of tomorrow are likely to be over water as the most precious resource in a water-scarce world." (p.1). Therefore, it is important to understand the effects of water scarcity.

Firstly, Chellaney (2013) defends that water in the 21st century is accepted as the world's major threat as oil in the 20th century, and sharing waters are accepted as a zero-sum game (p.2-5). In other words, water crisis causes interstate security risks; the struggle for water, which will determine the rise and fall of states, interstate relations and increase the risk for war in this century, is a defining fulcrum of regional politics and security (p.6). The main reason of wars could be gaining access to water resource which was the driver for armed interventions during the 19th-20th centuries when a country’s resource supplies were
blocked by a hostile state (Chellaney, 2013, p.24). Similarly, Dolatyar and Gray (2000) defend that water scarcity will lead to the crisis of the 21st century which would imperil the stability and security of many nations and cause conflicts. Because water is a source of power and the water scarcity is both a critical and strategic issue that affects the social and economic development of nations and undermines their political power (p.15). Also, they defend that water as a common problem in the developing world increases the potential for war. According to Dolatyar and Gray (2000), the water rights of riparian states over shared water basin is a solution for water conflicts. Similar to Chellaney (2013), Dolatyar and Gray (2000), water conflicts are accepted by Feldman (2017) as a result of sharing water resources between states. When water is shared, countries may find themselves in conflict with each other about how water is used, efforts to harness rivers, streams, groundwater and accessing a source of water (p.164). Lastly, Shiva (2002) analyses water conflicts which are raised by water diversions. In other words, dam construction means to divert water from natural drainage of a river, thus shift in water allocation leads to conflict among states (p.69). Shiva (2002) supports her argument about the river diversion with the example of the USA-Mexico dispute over the Colorado River. The USA constructed a dam at Glen Canyon, Lake Mojave, Lake Mavasu for salination against the agreement dated 1944 between the two states which allocated the 1.5 acre-feet of Colorado River water to Mexico. Another dispute was among Turkey, Syria, and Iraq because of the use of the Tigris and Euphrates Rivers.

Water dependency is seen as another result of water scarcity. The reason for water conflicts is water scarcity because water can not be secured through international deals. This is why importing water as a method of alleviating water scarcity of countries has a danger of taking political and financial risks by becoming dependent on other states (Chellaney, 2013, p.7). This is due to the fact that upriver states can unilaterally exploit its riparian advantage through a new water diversion (Chellaney, 2013, p.39). Therefore, water is an important diplomatic tool today, as it builds political leverage between the co-riparian states and is
used as a tool of political bargaining between the rival states (Chellaney, 2013, p.40). Chellaney (2013) calls this situation "fashioning water pipelines for peace"(p.226). He thinks pipelines are politically risky because they may cause water dependency and potential supply disruptions caused by acts of sabotage. According to Dolatyar and Grey (2000), water interdependency or transnational dependencies on shared water in different parts of the world will rise because of water scarcity (p.7). Importing water is accepted as a problematic issue because of the possible harmful actions of the upriver state's riparian advantages.

3.3 Solutions to Water Scarcity

Understanding the different assumptions about water is important for analysing policies followed to alleviate water scarcity. There are five main assumptions about water, according to Dolatyar and Grey (2000). Firstly, water is accepted as a security issue and water-supply systems would become a goal of military conquest. Therefore, water scarcity is a very critical issue which affects the national security and survival of each society. Some writers accept that water is a strategic source, like oil. While the second hypothesis accepts water as an economic commodity, the third hypothesis argues that enabling environment is a prerequisite for the applicability of these economic measures (Dolatyar and Gray, 2000).

Appropriate legislation about water rights is a necessary factor for creating an economic environment. The absence of international agreements concerning the water rights of each state increases the potential for war (Dolatyar&Gray, 2000, p.33). The fourth hypothesis accepts water as a technical issue. There is more than enough water in the world that satisfy all the water needs of humankind, but the problem is related to whether appropriate technology is available or not (p.40). Moreover, the problem is the scarcity of investment rather than scarcity of water. Lastly, water is accepted as an environmental issue. According to this hypothesis, the limits of growth is the reason behind water scarcity and the solution is sustainable development (p.50). Briefly, the solution to the problem of water scarcity is highly related to how water is defined. Although views that see water as a security and
economic issue can be used to legitimise wars or privatisation easily, to see water problem as a legal or environmental issue seems all-inclusive, because it can bring consistent solutions to solve problems regarding water scarcity through changes in human behavior about water usage and protect on nature. Water has various meanings in North Cyprus for different political parties and people. We will now examine different examples and suggestions regarding solutions for water scarcity in Melbourne and Israel for a better understanding of the problem in North Cyprus.

Feldman (2017) gives the example of Melbourne for water scarcity problem and solution for it. Melbourne, where the scarcity of water is seen as an environmental issue and the government solved the problem with legal solutions is an important example. In Melbourne, the government also engaged the citizens in dialogue about the water demand, possible supply options and long-term changes in urban design. A recycled water target was announced in 2002 as 20 percent of sewage inflows by 2010, and in 2005 the government launched two major recycled water schemes that remain in the anchors for the water supply of the region (Feldman, 2017, p.3). The water scarcity in Melbourne reduced flows and increased the salinity of river water, and farmers in Werribee District turned to groundwater until the source was banned by the government which made the use of recycled water attractive and practical. In other words, in Melbourne water scarcity started to become worse because of human actions until the government started to follow proper policies. Feldman (2017) analyses this situation as "Major drought can create windows of opportunity for the decision-makers to engage the public constructively" (p.3). The Melbourne case shows that it is possible to handle water scarcity as a natural problem with other water supply policies that do not harm the ecological balance.

Secondly, in Israel, water is accepted as a legal issue. A major aqueduct system, which was completed in 1964, delivers water from the Sea of Galilee to the population centers. The system faced scarcity beginning in 2000. A committee of the Israeli Knesset
declared that the country not only faced an urgent water shortage, but a political crisis caused by the fragmented bureaucratic responsibility for water management, which includes separate agencies charged with issues of public health, environmental protection and water, and agriculture, and a lack of centralised coordination of overall policy. The committee analysed water scarcity as a result of water management and concluded that "Emergency power was requested to allocate water and oversee new projects, and a recommendation to establish an independent, professional water authority (the Israeli Water Authority), an inter-ministerial committee with superordinate powers in 2007 (Feldman, 2017, p.188). In the following period, the Water Authority has followed policies such as reducing water demands, augmenting water supply, increasing water prices, desalination of the Mediterranean Sea, cutting water quotas for farmers and ending decades of subsidies (p.189). The Israeli case, mentioned in chapter 3, is important because it accepts water scarcity as a result of the mismanagement of water which did not become an issue by the decision-makers in North Cyprus during the construction of the WSP. However, the municipal water management was blamed for water scarcity and used for legitimizing the privatisation of water. The institution similar to the Water Authority in Israel was not formed for managing water properly. In other words, the source of the water scarcity was seen as the mismanagement of water, but the TRNC government tried to solve it through water supply and privatisation rather than public management methods.

Finally, Chellaney (2013) analyses water as a human security issue. Chellaney (2013) defines water scarcity as overexploitation of underground water resources as a result of the gap between water demand and supply (p.xvi). Also, water scarcity or water crisis comes from mismanagement of water resources (p.16). Water pollution, profligate practices, uneven distribution of water resources are other factors that make water scarcity worse and also foster water disputes. In other words, water scarcity causes increasing security risks among the countries and leads to economic and security challenge. Chellaney (2013)
analyses water scarcity as the biggest challenge of all-natural resources because, it has no replacement and it is not internationally traded like oil, gas, and minerals (p.xi). As a solution, governments must rationally tackle the water demands, including the building of new water facilities, tapping non-conventional water sources and water pricing policies.

3.4 Privatisation of Water

The privatisation of water as a solution to water scarcity is raised by both impositions of capitalist financial institutions and policies of national governments all over the world. There are lots of results of privatisation of water such as unemployment, the transformation of the state, the transformation of water from a human right to profit of corporations or investment. The privatisation of water is seen as an effective solution for alleviating water scarcity in North Cyprus without analyzing its possible results. Therefore, it is important to analyse privatisation with the reasons behind it and its results.

According to Cech (2005), privatization is a growing practice by local governments whereby private firms are utilized to deliver public services because privatization reduces the direct costs of providing the basic services (p.384). “Water marketing” is an important concept that shows us the privatization of water. It means to lease the water right in the market-based system according to Cech (2005, p.386). In other words, the water rights of the society are transformed into a sellable commodity in case of privatisation.

Chellaney (2013) analyses privatisation of the water as "commercialization of a resource" (p.5). As water becomes a scarce commodity, there is a growing trend toward its commodification. Chellaney (2013) defends that the commercial push for water's commoditization is gaining traction, even before the water has become a globally traded commodity, and many investors hope the market for water becomes the next big investment opportunity although water resources are still largely owned by governments, not by the private sector (p.125). As a result, politicians are convinced to support the commodification as a way to control wasteful water use and attract investments to upgrade and maintain water
infrastructure. For Chellaney (2013), politicians support privatisation because only the free market can meet the challenges of prudently allocating scarce resources and financing improved infrastructure (p.126). Moreover, according to Chellaney, the market place within a regulatory framework can serve as the most efficient allocation of a finite source, and the market place rather than the state is the best instrument for setting the price of water. Chellaney's opinions are useful to show justification of privatisation of water through water scarcity as a result of the mismanagement or inefficient public management of the water in North Cyprus.

On the other hand, for Shiva (2002), hiding behind the free trade rules and the privatization conditions of the IMF and the WB privatization of water means terrorism because it denies poor people access to water (p.xiv.). Water scarcity is a source of corporate profits. Privatisation of water as part of SAPs, according to Shiva, is a project aiming to support the interests of the capitalist class against the will of the public.

Feldman (2017) shows neoliberal characteristics of privatised water management which depends on public-private partnership. For Feldman (2017), governments rely on private investors or public-corporate partnership to supply water, although privatization of water is accepted as the transformation of water from a public good into a market commodity (p.37).

Water scarcity is also the agenda of capitalist financial institutions. Water scarcity is accepted as an opportunity for the capitalist institutions for emphasizing the inefficiency of states in water management (Shiva, 2002, p.13). In other words, privatization of water is one of the neoliberal policies that are imposed on developing countries by the financial capitalist institutions. The WB and IMF demand water deregulation from states as part of their lending conditions. Shiva (2002) argues that the WB transforms water scarcity into a market opportunity for companies, although it has an important role in the creation of water scarcity and pollution (p.108). For example, Gujarat and Maharashtra states in India were forced by
the WB to privatization as a replacement for its failed-technology-intensive water system from the 1980s. The result of this situation was over-extraction of groundwater. The model for water management as imposed to North Cyprus by Turkey is a local example of neoliberal transformation. The main justification of the sides was "the TRNC has no capacity for management of this water." In other words, the water problem in North Cyprus is an opportunity for Turkey to impose privatisation as a neoliberal policy.

There are important results of privatization of water. Firstly, privatization of water affects both people’s democratic water rights and employment rights of workers who are employed in municipalities and local water-sanitation systems, because five-ten workers are employed per 1000 water connection in the public water system worldwide, but private companies employ two-three workers for the same amount of connections (Shiva, 2002, p.91). Privatization of water is based on the assumption of the poor performance of the public sector and public sector employees are accepted as the excess staff who are responsible for the low productivity of the public water agencies. Thus, a possible result of the WSP will be many unemployed municipal workers as a result of the privatization process.

Secondly, the transformation of the state is an important result of privatisation of water. It is strange that although privatization means disappearing role of the state in water management, increased state intervention in water policy and declining community control over water resources is the result of privatisation. The role of the public in this partnership depends on judicial regulations about rights and construction of infrastructure (Feldman, 2017, p.46). The role of the state in this scenario is to support the interests of private companies and guaranteeing a profit for those companies. Therefore, the water problem of people becomes an opportunity for private firms as a result of the policies of the TRNC and Turkey in North Cyprus.
Another result is treading water within and between nations together with the development of the national market to let water be priced and traded like any other commodity as Turkey does with the WSP. However, when the water has a market price, water resources can get allocated for high-value uses at the expense of other important uses; in other words, water resources can be exploited by the investors to the detriment of the social and environmental interests (Chellaney, 2013, p.135). Water scarcity leads to privatization, commodification, and securitization of water which are reflected as an application of market principles to a resource.

In addition, globalisation leads to a shift in the definition of water from common property to a private good which is traded freely, according to Shiva (2003). This is another result of the privatisation of water. In this sense, private property rights and free markets are seen as an alternative to state ownership and bureaucratic regulation of water resources (p.35). Globalization and privatization of water resources lead to erosion of the people’s right (right to common resources) and transfer a common source to the hands of companies control (p.36).

Ineffective water management of private companies is another result of the privatisation of water. It is a step back in water management and requires to look for alternative sustainable solutions for scarcity. This point specified by Shiva is related to ‘people’s alternative for sustainability’. She argues that, although the water privatization is the policy of governments and global financial institutions, people in India and the world mobilize to conserve water and regain community control over their resources (p.124-125.) Also, Shiva (2002) defends that the most effective alternative to water monopolies is water democracy and solution for the water crisis is people’s energy and solidarity (p.127).

Finally, as a result of ineffective water management of private companies, water scarcity is accepted as the result of the privatization of water by Chellaney (2013). The rise of over-extraction of the water, as a result of privatisation of water, illustrates that water
scarcity has become worse rather than better. For example, the main result of rising water scarcity is “commodification of water,” according to Chellaney (2013, p.125). Although politicians support the commodification of water for controlling wasteful water usage, it attracts investments for maintaining water infrastructure. In other words, neoliberal policies emphasize the advantages of the private sector, free trade, globalization of ownership control of water as a means of promoting efficient, affordable and safe water supplies.

The privatisation of water is not specifically relevant to North Cyprus, because it is the practice in many contexts. Thus, at this point, it is useful to discuss some examples for the privatisation of water practices and the effects of those practices. Firstly, Vicky Walters (2013) analyses the neoliberal discourse of good governance through privatized water governance in India. Walters (2013) argues that there is no evidence supporting the claim that privatized water services provide more efficient and equitable provision than the public sector, but there is evidence that supports the opposite (p.4). Moreover, there was a concern that private companies could exploit their monopoly status by under-supplying water and overcharging, and this is why water should be under public provision (p.4). In the world, there were concerns about water crisis during the 1970s. The UN held a conference about this crisis where water was defined as a common good, and it was acknowledged that every person has right to have a supply of drinking water, sufficient in quality and quantity for meeting their needs. However, one-third of the world’s population had no sufficient water in 1990. Over the same period that water management and universal access to water began receiving international attention, the role of the interventionist state, India in this case, was challenged. By the 1980s, there was a belief that state intervention in the economy was hindering economic growth, and the free market was the most efficient way to organize resources, and neoliberalism had become the dominant political-economic ideology. Over the course of the 1980s, national governments had embarked programs about economic liberalization. At the same time, international financial organizations -which are called
‘international development agencies’ by Walters (p.5)- applied structural adjustment conditions to developing countries which depends on minimizing the state through liberalizing national economies. Although water services were not widely targeted for privatization as part of the 1980s SAPs, neoliberalisation of the water networks was placed on international agenda by early the 1990s. Walter’s work is useful to see the privatisation of water as the impositions of financial institutions to developing countries. Water as the public good and a common good turned to economic good through a movement of international financial organizations’, corporations’ and national governments’ attention. The neoliberal claim of good water governance depends on a capable state for creating an environment for the market, legal frameworks, opening up public utilities to greater competition and private sector participation.

Walter’s example of India case is related to reflections of privatized water as a class conflict. Privatisation or commodifying basic services in developing countries for improving accountability and securing access to services of poor people is elaborated in the World Development Report (WDR): Making Services Work for Poor People (2004), which is the publication of the WB. Walters claims that the key player of water governance reform process was the WB in India (p.45). The main assumption was that there is no guarantee that public services provide basic services to poor citizens and WDR assumes that the best way of the provision is depoliticizing basic services through privatization. However, the regulatory role of the government should be maintaining for well-performing of the services. Another claim is about “market competition.” In a competitive market, poor citizens could easily switch service provider if the provider’s performance was not satisfactory. However, Walters (2013) argues that many contradictions exist in good governance discourse. Accordingly, similar to the liberalism of 19th century, neoliberalism of the 1980s depends on the preserving interest of the capitalist classes and supporting the expansion of the capitalist markets for limiting the democratic channels with citizens can make demands for social and
economic rights (p.162). Walters’ work shows privatization of water as part of SAPs of international financial institutions, and also his work is useful to show the inefficiency of privatization and class structures of society.

Shiva (2002) gives the example of India where self-management system of water suffered when the government took control over water resources during the British era. Thus, collective water rights were undermined by state intervention and the resource control was transferred to external agencies and higher prices of the free market do not lead to conservation of water resources (Shiva, 2002, p.31). Shiva's example about India is important to show that partial privatisation can make water scarcity worse, because “local communities do not conserve water or maintain water systems if external agencies are the only beneficiaries of their efforts and resources.”

Finally, Feldman (2017) gives examples of public water management in the USA and privatized water management in France. Moving from the comparison of those countries, Feldman (2017) defends that there are four main criticisms about private water management: transparency, participation in the decision-making process, preoccupying interests of investors rather than citizens and exploitation of the poor (p.41). Those examples are important for illustrating the results of privatization which will cause new sources of problems such as changing the definition of water, unemployment, affordability and water scarcity rather than solving them.

To sum up, water scarcity and possible water conflicts are accepted as reasons for privatized water management in North Cyprus today. However, an example from other parts of the world and arguments of different scholars show that there are different reasons behind and solutions for water scarcity and water conflicts at the background. Today, governments’ inefficiency is seen as a reason for imposing neoliberal policies similar to the North Cyprus case. However, the evidence does not support the efficiency of the public-private partnership model. Privatization of water would be a source for dependency among states, exploitation
of workers rights, and it brings the state back in water management to make regulations to maximise profits of the private company. Although decision-makers and politicians should be taking decisions carefully about water, they are far from following the best policies for the water issue.

3.5 Water Problem in North Cyprus

In North Cyprus, the official discourse analyses the water problem as a natural problem by simply labeling it “water scarcity.” According to Elkiran and Turkmen (2008), water scarcity problem mainly refers to the difference between water supply and demand in the TRNC today, and this difference between supply and demand of water will continue to rise in the future because of increasing population, effects of global warming and overdrawing of underground water resources (p.425). Salinization of the underground water resources, reduction, and pollution of the water resources are the main problems directly related to “water scarcity,” affecting the usage of water. The TRNC administrations tried to solve this problem with technical measures such as transporting water from Turkey via balloons and tankers during the 1990s, but these methods for alleviating “water scarcity” were far from being effective in solving the problem.

Also, when we look at legal regulations about water, we witnessed that the state regulates mainly the supply of water rather than the water demand of the people. For example, the law about irrigation unions and regions, irrigation committees and agricultural watering was regulated in 1983, 1988 and 2002. The Water Supply Law, which was regulated in 1977, was another law with which drilling water wells became the main issue, and there were lots of details about water well permission and regulations about controlled regions in this law. According to this law, the controlled regions can be defined by the government to protect the water resources if there was lack of water. This law also forbids water drillings, deepening the water wells and drawing water. Another law was regulated in 1988 under the name of Water Department Law whose duties include to satisfy the water
needs of people, benefit from water resources and to construct dams. In short, in the TRNC, the state made regulations mostly about the water usage and protection of water although it is necessary to make regulations about the water demand of people to restrict redundant water usage of the main sectors and in people’s daily life. Therefore, the TRNC governments could not manage the water effectively which eventually led to the privatisation of water management and resources.

In these conditions, the TRNC aims to solve the water problem with another supply centered method, the WSP. However, there was a crisis about the efficiency of this project and the management of the imported water during October 2015- June 2016. While right-wing political parties and unions in the TRNC defend that the WSP will be the most efficient method and should be managed by private firms, the social democrat and leftist parties (YKP, TDP, CTP, BKP) and leftist unions (Biologist Associations, KTÖS, Basın-Sen, BES, Çağ-Sen, DAÜ-SEN, Dev-İş, Güç-Sen, Koop-Sen, KTAMS, KTOEÖS, Tıp-İş, Türk-Sen, Kamu-Sen) insist that water should be publicly managed by the municipalities. Although there were different issues of the crisis, it seems that there were two main views: One of them analyses the WSP as the project of the “motherland” which is why everything related with the water should be discussed together with the “motherland.” For them, water should be privatised. This group of view can be defined as the nationalist side. Also, Turkey supported the nationalist side because according to Turkey the municipalities have no capacity to manage this water so the water should be managed by private companies. On the other side of the crisis, there are Republican Turkish Party (CTP) as a center-leftist party, TDP as a social democrat party, leftist political parties and organisations, unions and environmental organisations that supported municipal water management. Those who supported the municipal water management formed Water Platform (Su Platformu) against the Intergovernmental Agreement on Water Supply and Management signed in 2016. Water Platform was formed against privatisation of the water resources of the island and water
from Turkey, and the use of water as a commercial commodity. The platform has four basic principles: opposing the agreement signed between the TRNC and Turkey, not privatizing the water, determining the water prices from the lowest amount without making a profit and the public operation of the water.

The UBP and the CTP as coalition partners got different views about privatisation: The UBP supported privatisation and the CTP was against privatisation in the beginning. For example, Ozgurgun, the UBP deputy, defended that the WSP is the great project of the “motherland” that only great states can construct, we should thank the “motherland.” According to Ozgurgun, municipalities could not manage the water because they were bankrupt (Kıbrıs, October 13, 2015, p.13). For him, privatisation did not mean selling or “make benefits available”; it meant the reliable and cheap supply of services (Kıbrıs, May 2016, p.17). Similarly, Atun, another UBP deputy, defended that people should not be afraid of privatisation and interpreted the WSP as the investment opportunity for capital owners. Moreover, he makes a call for businessmen to demand their support in water management (Kıbrıs, May 10, 2016, p.18).

On the other hand, the CTP supported municipal water management at the beginning. In other words, the UBP said “We have no capacity to manage the water” (Kıbrıs, October 7, 2015, p.30), and the CTP said “The water should be managed by the Turkish Cypriots with the hand of BESKİ or the municipalities” (Kıbrıs, December 6, 2015, p.33). In the following time period, there were several news about the CTP, because it started to experience problems within the party (as can be clearly seen from the interview held with Barbaros), contradicted with the UBP as the government partner and declined relations with Turkey in 2015 (Kıbrıs, December 29, p.20). Also, it is important to highlight that Ozgurgun said: “The collapse of the coalition is possible because of the water.” (Kıbrıs, October 13, 2015, p.13).

During these discussions about the water management, the Union of Turkish Cypriot Municipalities with the participation of 26 municipalities (excluding Lapta and
Yenibogazici) formed the BESKİ against “We have no capacity” argument (Kıbrıs, October 7, 2015, p.16). They aimed to put a bid in the tender for the management of the transported water. Within the same period of time, October and December 2015, the CTP started to support municipal water management with the hand of the BESKİ (Kıbrıs, December 6, 2015, p.33). On the other hand, the UBP started to argue that the BESKİ was a political formation would not manage water (Kıbrıs, December 30, 2015, p.42) and municipalities could not bid in the tender (Kıbrıs, December 31, 2015, p.18).

At that time, Anamur Meeting was organised by the Turkish Embassy. According to Özuslu (2015), at the meeting, the necessity of privatizing the water was explained and Turkish politicians argued that the BESKİ will not work (Yenidüzen, September 30). Moreover, Turkish politicians said to the participant mayors: “If your government does not sign the protocol that includes privatization and transfer of ownership, we do not intend to open the valve” (Ozuslu, October 9, 2015). Also, RoT politicians asked the participant mayors: “You can not even manage municipalities, how will you manage water?” Moreover, Turkey rejected to sign the 2016-2018 financial protocol during this period, and the 2016-2018 protocols were signed in April 2016. In the following time period, BESKİ gave signs of collapse especially when mayors of Omorfo, Kyrenia, and Çatalköy decided to support the agreement between RoT and the TRNC. Their decision to opt-out was based on the fact that Turkey would not release the water without an agreement on the distribution of the water (Kıbrıs, January 14, 2016, p.13). Meanwhile, Alsancak mayor Fırat Ataser declared that “I demand to suspend my board membership of BESKİ, because it is against my will that they suggest the management of the transported water by only one administration” (Kıbrıs, January 14, 2016, p.13). On the other hand, mayors of Fagamusta, Beyarmudu, Vadili, Paşakoy, İskele, Büyükkonuk and Tatlısu demanded to stop BESKİ’s initiative, because they believed that it was impossible for BESKİ to manage the water as it was already politicised (Kıbrıs, January 14, 2016, p.13). It is necessary to highlight that these
mayors are mostly members of the UBP. It is clear that the collapse of BESKİ was strongly related to the negotiations and disagreements between the UBP and CTP, and Turkey’s interventions.

In February 2016, “public-private partnership” on the water management was declared as the decided model by the ministers of the coalition government ( Kıbrıs, February 10, 2016, p.20), which caused another crisis within the CTP; however, this did not put an end to the threats by the UBP to collapse the government ( Kıbrıs, February 20, 2016, p.11). In the end, Talat as the term general head of the CTP declared that the water would be managed by the public and operated by a private company. At the same time, Talat said that the possibility of BESKİ’s managing the water was rejected because of its financial capacity ( Kıbrıs, February 27, 2016, p.19). It is important to highlight that the coalition of UBP-CTP made regulations against the municipalities which did not want to participate in the system; such as cutting the government support and governmental investments for infrastructure regarding the WSP. Also, Kalyoncu, the term prime minister of the coalition and the CTP, member declared that the municipal assemblies should decide if the municipality would participate in the system or not ( Kıbrıs, February 26, 2016, p.16).

Lastly, in March 2016, the TRNC and Republic of Turkey ( RoT) signed the Intergovernmental Agreement on Water Supply and Management which is based on the 2013-2015 protocol ( article 3). This agreement brought a build-operate-transfer model for the water management because according to article 9: “Rights of potable-use water, wastewater and rainwater enterprise and agricultural irrigation enterprise transferred to operators with Build-Operate-Transfer tenders within the framework of the legislation of the TRNC; gave Turkey the right to sell the water to third countries which can be seen from the article 5: “The right to water from water sales to third countries via Turkey belongs exclusively to the Republic of Turkey and the right to operate the facilities of the Republic of
Turkey, will be transferred to the operator, following the signing of the Implementation Agreement.”

In addition, the agreement gave the TRNC the responsibility to provide the purchase guarantee to the private company - the operator according to the article 12 which regulates the purchase guarantee: “If all the Municipalities do not participate in the system until the tender specifications are finalized, the Government of TRNC gives a Purchase Guarantee” (Article 12). It seems that Turkey accepts water as a commodity that can be traded between states, because according to the agreement “The right to sell water from Turkey to third countries belong exclusively to the RoT” (article 5). Also, “The price of delivered water is calculated according to the amount of water measured by the measuring device to be placed at the entrance of Güzelyali Pumping Station and is paid by the operator to the Republic of Turkey” (article 6). These two articles of the agreement prove that water became a commodity that can be bought and sold and traded with the WSP. Moreover, “Drinking-potable water, wastewater, and rainwater enterprises and agricultural water enterprises rights are transferred to the operators through two Build-Operate-Transfer tenders to be held separately within the framework of TRNC legislation” according to article 9 of the agreement.

Lastly, the agreement makes the WSP “No Alternative” indirectly because the conditions for the municipalities outside the system and the private company were not equal as Harmancı stated (Kibris, March 12, 2016, p.14). According to the agreement (2016): “Operator (private firm) shall benefit from the exemptions and exemptions in the tax laws in force in the TRNC at the date of the signing the agreement. No or new tax or financial obligation shall be imposed on the operator after the date of the signing of the agreement. However, the new arrangements to be made as deductions, exemptions from tax and financial liabilities are also be applied to the operator.” (article 16). On the other hand, “Municipalities not included in the implementation contract may be provided from the
supplied water, provided that the investments within their municipal boundaries are made within the specified period, after the requirement of the Municipalities covered by the Implementation Contract is increased from the amount to determine under the Purchase Guarantee. The cost of this water shall be calculated by deducting the investment cost of the operator and shall be specified in the Implementing Contract. Otherwise, these municipalities will be billed at the same price as the local water supply provided by the local water supply.” Article 12 which regulates the legal responsibilities of the municipalities outside the system and makes also the WSP “No Alternative.” According to this article, the infrastructure investments will not be made by the state in case the municipality is outside the system, 10% contribution will not be provided to these municipalities because “In accordance with article 16, the 10% contribution shall be paid only to the municipalities within the scope of the Implementing Contract.”

After the crisis over the management of the water, the UBP-CTP coalition was collapsed on April 16, 2016, and UBP-DP coalition was established. In this time period, there was a crisis over the water prices which was decided as 2.30 lira in June 2016. However, 2.30 lira was considered expensive compared to 0.25 lira, the previous price of the water. These prices were given for the reservoirs of the municipalities, which means prices would be higher when the water reached people. The CTP criticised the new government because of high prices (Kıbrıs, 2016, p.20). Also, some municipalities such as Gönyeli, Lefke and Girne were opposed to the prices of water (Kıbrıs, 2016, p.23).

It is important to highlight that water is still managed by the municipalities until the Built-Operate-Transfer tenders: “In accordance with the ninth article of this Agreement, starting from Güzelyalı Pumping Station, Geçitkoy Pumping Station, drinking water treatment plant and main distribution pipelines, until the right to operate a build-operate-transfer tender and transfer of operation right, operated by the DSİ to the water reservoirs of the municipalities. The transitional water price, which will be prepared to take into
consideration the future investments, is determined by a protocol to be made between the parties. The amount of water to be calculated according to the third article of the Framework Treaty and the meter at the entrance of the municipal depots is determined by the TRNC Ministry of Finance” (Article 22). The protocol for the management of the water during the transition period was signed between Nazım Çavuşoğlu, as the Natural Resources Minister of the TRNC, and Veysel Eroğlu, as the Ministry of Forest and Water Affairs of the RoT (Kibris, May 20, 2015, p.18).

To sum up, water scarcity and possible water conflicts are accepted as reasons for privatized water management in North Cyprus today. However, an example from other parts of the world and arguments of different scholars show that there are different reasons behind and solutions for water scarcity and water conflicts at the background. Today, governments' inefficiency is seen as a reason for imposing neoliberal policies similar to the North Cyprus case. However, the evidence does not support the efficiency of the public-private partnership model. Privatization of water would be a source for dependency among states, exploitation of workers rights, and it brings the state back in water management to make regulations to maximising profits of the private company. Although decision-makers and politicians should be taking decisions carefully about water, they are far from following the foreseeable policies for the water issue. Also, the role of the government or municipalities is accepted as the source of water scarcity in North Cyprus, and the WSP was shown as a unique solution for water scarcity and prevention of possible water conflict. On the other hand, public participation in the decision-making process is missing in the North Cyprus case. As a result, the Water Platform -whose participants were the opposition political parties, unions, civil society organizations- was formed to oppose the WSP. Moreover, discourses of political parties and unions about peace water has to be investigated because the RoC accepts imported water as a source of dependency of Cyprus on Turkey, rather than peace, and it is against this project. Thus, implying the WSP as a neoliberal policy and as a unique solution
for scarcity will not solve the problem. Furthermore, it will likely be sources of new political, ecological and economic problems because of ideological contradictions about the WSP during the decision making process. Therefore, analyzing economic, social, political conditions, results and background of the privatisation of water in a local sense for North Cyprus case is necessary.
CHAPTER 4

NEOLIBERALISM IN NORTH CYPRUS

The efficient management of services like electricity, airlines, or water has been disputed by politicians and society at large in the TRNC. As a result of these debates, privatisation of public assets and social services is suggested as a necessary alternative. The debates raised by internal policies of local governments of the TRNC, characterised by neoliberal transformation with its own characteristics, which is caused by the impositions of the “motherland” in the TRNC - similar to impositions of international capitalist financial organisations in developing countries. Neoliberal impositions of the capitalist institutions on Turkey are the main cause of the neoliberal transformation in Turkey, and neoliberal transformation of Turkey to a large extent is reflected in the TRNC through financial protocols signed with Turkey. On the basis of similarities in the nature of neoliberal transformation in both countries, first and foremost it is pertinent to analyse the Turkish neoliberal transformation as it is the main driving force behind the neoliberal transformation in North Cyprus.

The WSP from the agreement to its construction has neoliberal characteristics, but it is presented as a nationalist project to resolve the problems of water scarcity. This chapter will examine neoliberalism in the TRNC to better understand the neoliberal characteristic of the WSP. This paper contents, that while the essence of neoliberalism is same globally, its implementation usually has some context-specific features. This is why, in this chapter, neoliberalism in Turkey will be analysed together with the important characteristics such as the role capitalist institutions, the rise of Islamic bourgeoisie, and political support of neoliberalism, first. Then, the Turkish Foreign Policy (TFP) will be investigated for better understanding of the Turkish “Neoliberal Nationalism” (Ozkan, 2014) in her involvement in the TRNC because the "motherland- infant land" relationship between the two countries is
the main source of political and public support for the neoliberal transformation in the TRNC. Lastly, political and economic structures in the TRNC will also be analysed. To this end, the role of the local actors will be discussed for a better understanding of the adoption and rise of neoliberalism in the TRNC. Accordingly, in the first part of the chapter, external determinants and in the second part internal characteristics of neoliberalism in the TRNC will be investigated.

4.1 Turkish Neoliberalism and North Cyprus

As stated above the characteristics of neoliberalism in the TRNC have to be analysed together with the main features of neoliberalism in Turkey. Understanding of Turkish neoliberalism is essential to analyse external characteristics of neoliberal transformation in the TRNC because the neoliberal transformation of the TRNC is shaped in a similar way to Turkey. For this aim, this part of the chapter will evaluate the background of the neoliberal transformation in Turkey, focusing on the impositions of the capitalist institutions, the rise of neoliberalism during the 1980s and 1990s, and the economic and political consolidation of neoliberalism during the AKP era.

Neoliberal transformation of Turkey started with the Decisions of January 24th, 1980, a stability package demanded by the national and international technocrats for a stable economy just before the 1980 coup. Those decisions are accepted as the further integration of the Turkish economy with the neoliberal world order (Cosar, 2014, p.78). They were compatible with the agreements signed with the IMF and the conditions of Structural Adjustment Programs of the WB.

The rise of the ungovernability together with the severe economic crisis by the end of the 1970s led to the neoliberal transformation which made the impositions of international financial institutions like the IMF and the World Bank welcome by the right-wing politicians who saw it as a necessity for Turkey. The Turkish economy depended on export-oriented growth during the 1980s which was fuelled by the funds provided by foreign lenders,
including the International Financial Institutions (IFIs) and private banks. Export-oriented growth was supported by tax rebates, preferential loans, and credits in Turkey. However, the bottleneck generated by high-level indebtedness was exacerbated by high-interest rates, and consequently, Turkey was forced to accept the conditionalities prescribed by the IFIs to further borrow in order to re-schedule the current loans and implement policies that supposedly would generate economic growth and prosperity. The IMF and World Bank imposed Structural Adjustment Policies (SAPs) mainly included Washington Consensus policies such as privatisation, deregulation, fiscal discipline, liberalisation of the import regime, supporting of private investment rather than public investment, reforming the State Economic Enterprises, and decreasing the subsidies to these enterprises (Bekmen, 2014, p.50). The SAPs imposed by the IFIs depended on making prices flexible, removing state control on the economy, which simply means the withdrawal of the state from manufacturing and decreasing role of the state in economy as a whole.

During the 1990s, public expenditures were financed through foreign capital inflow made possible by the high-interest rate in Turkey. In 1994, Turkey faced another economic crisis because of capital outflow which was made possible by the liberalisation of the financial sector in the 1980s. Later, Turkey agreed on a Staff Monitoring Program in 1998 and signed a standby agreement with the IMF in 1999. The program depended on the implementation of ‘second generation neoliberal reforms’ (i.e. Post-Washington Consensus Policies) such as fiscal policy, income policy, tax reform, privatisation, and banking regulation (Ozdemir, 2017, p.184).

Despite the fact that the imposed SAPs were implemented religiously, economic growth was insufficient during these years in Turkey. According to the IMF, deeper reforms and deep-seated institutional changes supporting these reforms were needed. Despite the production and exports, the Turkish economy did not grow, because while there was a decrease in investments and exports, there was an increase in imports, which caused a huge
current account deficit. Together with that, the Asian Crisis in 1997 forced Turkey, suffering from debt and inflation in the same time period, to turn to the IMF, but the IMF prescriptions in the form of SAPs simply led to the economic crisis in 2001 rather than stabilizing Turkey’s economy (Bekmen, p.57). The main problem was that the neoliberal impositions were both the source and the solution to the problem at the same time. The dependency of the economy has led to a dependent economic growth and economic crisis that could be resolved if the conditions imposed by the IFIs were followed.

The 2001 crisis is important to understand the nature of the consolidation of neoliberalism in Turkey which was quasi liberal at the time despite the implementation of neoliberal impositions of capitalist institutions since 1980. Kemal Derviş, the Minister of Economy at that time, was the main actor in the adoption and implementation of the IMF recommended neoliberal policies. Kemal Derviş’s policies were presented as the solutions to the crisis at the time and officially accepted. They included re-regulation of public financing, institutional transition, regulation of energy, and telecommunication sectors by independent institutions who would be faithful to global capitalist rules and principles. His policies depended on the centralisation\(^4\) of the economy through institutions like the Banking Regulation and Supervision Agency (BDDK) operating with the rules of the global capitalism and the centralisation of the domestic financial authority around the Treasury.

Derviş’s neoliberal economic program guaranteed international funds and became the source for the implementation of a more advanced phase of neoliberalism (Ozdemir, p.186). Furthermore, Derviş’s policies led to the further integration of the Turkish economy with global capitalism and the constitution of neoliberal hegemony in Turkey (Bekmen, p.61). His period in Turkey includes policies included in the principles of Post-Washington Consensus (PWC) such as political and institutional conditionalities.

\(^4\)Centralisation means to find institutions of regulation which follow international standards of neoliberalism (Bekmen, p.58).
The agreement that Turkey signed with the IMF in April 2001 included conditionalities such as liberalization of state-dominated markets and cut off government price subsidies. In May 2001, Turkey was the biggest debtor to the IMF in the world. In order to lend further money to Turkey, a stability package was presented by the IFIs, which aimed to replace the semi-liberal economy with a more liberal economy through the introduction of some legislation (Ozdemir, p.186). In other words, the exploitation of Turkey as a developing country by the institutions of the capitalist world economy was accepted as a solution to alleviate the negative effects of the economic crisis under the name of globalisation or “integration with the world economy.”

After these political and economic developments during the 1980s-1990s, in Turkey, Justice and Development Party (AKP) came to power in 2002. The 2002 election became the beginning of a new era because the AKP, as a new political actor, had the duty of “deepening of neoliberalisation” (Bekmen, p.59). Economic policies of the AKP has mainly depended on the commitment to privatisation and rise of prominence of foreign capital (banks, financial groups). The AKP was the follower of the 2001 economic program. Although the Turkish economy recovered after the 2001 crisis, the AKP government signed another agreement with the IMF in 2004. Moreover, AKP was the follower of the neoliberal policies of earlier years, such as WTO agreements, floating exchange rate system, and showed commitment to partial reforms such as privatisation and fiscal discipline. Coşar (2014) argues that AKP governments are the most committed follower of the IMF packages and implementer of the WB programs: “lack of loyalty” of the previous governments ended with AKP’s policies (p. 89). It is possible to argue that the AKP governments and characteristics of their economic policies have had a significant reflection on the TRNC during the construction and decision-making processes about the water management and the financing of the WSP.
In terms of the consolidation of neoliberalism both in political and economic senses the AKP era significantly differs from the previous eras in Turkey. When the AKP came to power, it implemented neoliberal policies uncompromisingly. Thus, it gave a new impetus to neoliberalism which had slowed down in the second half of the 1990s (Ozturk, 2013, p.206). Those policies included the privatisation program, the concessions given to foreign capital in various areas, the commodification of health and education services, the looting of the natural resources, the legalisation of flexible working conditions and social assistance programs for the poverty management. Other characteristics of the economic policy included the tight fiscal policy, anti-inflationary policy for price stability, high-interest rates for the inflow of foreign fund and an export-led growth (Bekmen, 2014, p.60). Noticeable investments of foreign capital and financial groups, especially in the banking sector, can be given as the evidence for the consolidation of neoliberalism as a result of the economic policies of the AKP.

Another indicator of the consolidation of neoliberalism during the AKP period is the growth of Islamic capital, which can be analysed parallel to the raise of the Islamic capital and Islamic politics in Turkey. At the end of the 1950s, the Islamic capital started to rise as a result of late industrialisation and Import Substitution Industrialisation (ISI), but the main rise of Islamic capital was in the 1980s as a result of neoliberal economic policies. Ozturk (2013) gives the examples of Calık, Sanko, Boydak, Toprak and Albayrak Holdings for the new rise of Islamic capital with the neoliberal transformation (p.196). Those capital groups started to grow at the end of the 1990s, and there were close links between the Islamic capital and conservative political parties which evolved during the 1990s. However, the time period when the AKP came to power became the turning point in the growth of Islamic capital in Turkey (Dogan&Durak, 2014, p.223). The rise of the AKP was related to the global rise of the Islamic capital because there was a synthesis between Islam and neoliberalism as a result of AKP policies (p.203). Bekmen (2014) describes this close bond
between the AKP and Islamic capital in these words: “Islamic capital owes “pertinent effect” to its organic ties with the governing Islamist-conservative political movement” (p.63).

The growth of Islamic capital was possible because the AKP governments gave them great opportunities. One of the important missions of the AKP era has always been to increase the number of public tenders for the benefit of the Islamic capital. The AKP has transferred funds to this fraction of capital through privatisation tenders, giant infrastructure projects, public banks, and so on (Hosgor, 2013, p.241). Usually, the transfer of funds through public tenders is practiced under the name of public-private partnership. As a result, the Islamic bourgeoisie has benefited from its state connections for their capital accumulation (Ozturk, 2013, p.183). Private schools, established around religious communities achieved high gains through government grants, especially through grants given for the poor students. Islamic capital has also increased its share in the media sector. For example, some of media companies such as ATV and Sabah which were assigned to Savings Deposit Insurance Fund of Turkey\(^5\) (Tasarruf Mevduatı and Sigortalar Fonu), were transferred to an AKP-based company after Erdoğan’s intervention (Hosgor, 2013, p.241). Another opportunity for the Islamic capital in the AKP’s era has been the flexible labor markets which brought cheap labor and an increasing number of people depend on social assistance as a source of political consolidation of neoliberalism in Turkey.

The policies of the AKP paves the way for privatisation and public-private partnership and provides investment opportunities for the Islamic capital in critical legitimate sectors such as health, education, and transportation. Some of these capital groups also became the winners of the public tenders for the construction of the WSP. It is possible to say that the WSP, as a privatisation policy during the AKP power, has become a great

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\(^5\) TMSF is the governing body concerned with matters of fund management and insurance in the Turkish Banking System.
investment opportunity for these capital groups for the management of the water, same as in Turkey where pro-AKP groups are always the winner of these investments.

In addition, the AKP consolidated neoliberalism politically through conservative and neoliberal social policies. The AKP incorporated masses in their neoliberal project with those policies, which served as a big step for political support in the following times, because social policies are instrumental for mobilisation of unorganized and depoliticized masses under AKP’s government (Ozdemir, 2017, p.196). Social aid programs are important elements of AKP’s social policies, with which the AKP governments assured public acceptance and legitimacy of neoliberal policies. Religion also has a great role in the social aid programs and the public acceptance of neoliberal policies. The rise of the Islamic civil society organisations is important evidence of this situation (Yucesan, 2014, p.123). It is crucial to highlight that the close relationship between the Turkish state and the Islamic civil society organisations is also an indicator of the clientelist character of the social assistance programs of the AKP. Nationalism is also an important element for political consolidation of neoliberalism through obtaining social acceptance of neoliberalism in Turkey because both religion and nationalism are the means in gaining the consent of masses who are discontent because of poverty, unemployment, privatisation of main public services.

Although the AKP promoted neoliberalism through social policies, they also see social policies as the device “to fight against poverty” which, ironically, is the result of neoliberal policies. The local administrations (mainly municipalities) are responsible to follow those policies (Yucesan, 2014, p.131). At this point, it is important to highlight that the Public Administration Reforms which limit the powers of the central government and increase the powers of the local authorities during the AKP era also regulate the balance between the center and local authorities. The duties of the central government are transferred to the local administrations, and financial sources of municipalities are increased (Yucesan, 2014, p.133). When all things considered, the public administration reforms helped the
neoliberal transformation of Turkey. Local administrations are vital for the AKP because localisation helps the integration of poor people in the market, which has been possible thanks to the increase in the amount of social aid supplied by municipalities. Also, municipalities have supplied capital for the pro-AKP capital fractions, because as Yucесan (2014) argues, municipal plans regulate and re-set to supply capital or financial support for this fraction (p.133). The municipalities obtain financial gains under the name of donation (bağış) through privatisation of public assets and public tenders whose beneficiaries are the Islamic capital. It is possible to argue that municipalities have an important impact on both economic and political consolidation of neoliberalism in Turkey because the main logic is to minimise the state in supplying public services. The changing role of municipalities during the neoliberal era in Turkey during the AKP era is similar to the changing role of the municipalities in the WSP in the TRNC. In both cases, municipalities are the actors of neoliberal transformation, but in a different form compared to the previous periods. For this reason, in the following chapter, the role of municipalities in privatised water management will be analysed for better understanding of Turkish neoliberalism in the TRNC.

Another point related to social policies of the AKP is related to the changing role of the private sector as a result of “marketisation of social services” (Yucesan, 2014,p.138). The prioritised private sector during the AKP era has always been the Islamic capital which has become the supplier of social services through helping poor people via aids like free coal and free electricity. The Islamic capital, as the benefiter of neoliberalism, also began to solve the shelter problems of low-income families (Hosgor, 2014, p.233). This is the indicator of the dual characteristics of AKP’s neoliberalism in which economic, social and political policies feed each other. According to the Islamic capital, their business is important for the national economy, because their interests are parallel to the national interests. According to Dogan and Durak (2014), this situation shows that nationalism is a cover-up for the Islamic capital’s self-interests (p.226). Moreover, this situation leads to “precariousness of the
publicity” by weakening the public character of municipal services that were supposed to be based on the notion of citizenship rights (Dogan&Durak, 2014, p.232). In other words, Islamic bourgeoisie's help to the poor people leads to political support for AKP and thus for neoliberalism. Covering up those activities with nationalism and Islamism help the acceptance of neoliberal policies.

Nationalism plays an important role as much as a religion in legitimating neoliberalism. Especially the Turkish-Islamic synthesis has become effective in political consolidation of neoliberalism for the Turkish middle classes. This synthesis was a useful ideology for politicians to promote a market economy after the 1980 coup (Oztan, 2014, p.78). After November 2002, “neoliberal nationalism,” which was developed by the AKP, became the official nationalism. The main mission of “neoliberal nationalism” is making peace between the neoliberal market economy and masses and to soften the systemic tensions through religious motifs (Oztan, 2014, p.85). The AKP, which aims to consolidate the neoliberal economy, makes nationalism appear compatible with neoliberalism.

To sum up, this part of the chapter has taken neoliberal transformation and consolidation of neoliberalism in Turkey in consideration together with the historical development processes, with their internal and external dynamics. The main reason behind this comprehensive analysis is to discuss the neoliberal transformation of the TRNC because this work assumes that external and internal dynamics of the neoliberal transformation of the TRNC resembles that of Turkey.

4.2 Turkish Foreign Policy and External Influences of Neoliberal Transformation of the TRNC

An analysis of the WSP could not be separated from the “traditional” relations between the TRNC and RoT. The WSP and discourses on the project (especially discourses of nationalist groups) are the part of the relation which depended on “motherland-infantland” rhetoric. Therefore, it is significant to clarify characteristics of relations between the two
states to examine the background of the project. First of all, since 1974 Turkey has been the “patron state” of Turkish Cypriots, and the Cyprus issue is seen as “national cause” by the people in Turkey (Bryant&Hatay, 2015, p.3-4). Mainly, Turkish Cypriots are seen as “brothers” and Cyprus is seen as part of Anatolia. It is important to highlight that the “motherland-infant land” rhetoric was and is still also reproduced by the Turkish Cypriot politicians (Bryant&Hatay, 2015, p.26). Turkey is seen as a protector by the Turkish Cypriots (Bryant&Yakinthou, 2012, p.16).

On the other hand, it is possible to argue that these relations between the two states are dependency relations. Since Turkish Cypriots declared their own state in 1983, the TRNC is recognised by only Turkey and Turkey is also defined as the IMF of the TRNC because Turkey shapes the economy of the TRNC in many ways. Bryant and Yakinthou (2012) analyse the relation between the two states as “paternal protectorate”: “Turkey acts as a protector state for North Cyprus while at the same time claiming to recognise its independence and autonomy” (p.17). After the banking crisis in 2000, the TRNC was affected by Turkey’s policies and there were many investments in the TRNC mostly in the tourism sector and for infrastructural investments (Bryant&Yakinthou, 2012, p.22). Policy changes of Turkey from closed economy to market economy affected North Cyprus. As a result of the isolation of North Cyprus from the world, it became dependent on Turkey. This is why the thesis argues that the economic dependence of Turkish Cypriots on Turkey and the implementation of neoliberal reforms have to be discussed while analysing the WSP. In short, the relation between the two states can be classified as the relation between “the one who gives orders and the one who obeys” (Bryant&Yakinthou, 2012, p.62).

An analysis of neoliberal impositions of Turkey as the “motherland” of the TRNC or the “infant land” necessitates an analysis of the Cyprus issue in Turkish Foreign Policy (TFP). Traditional TFP and TFP under AKP rule give significant importance to Cyprus as it has a strategic position for Turkey (Davutoğlu, 2016, p.176). This work contends that
The geostrategic importance of Cyprus stands at the basis of nationalist neoliberal impositions of the “motherland.” In other words, Cyprus is one of the places where TFP and neoliberalism intertwine and thus, in order to grasp the issues surrounding the WSP it is vital to analyse the neoliberal nationalist character of TFP and its Cyprus policy. For this aim, the role of economy and geopolitics in shaping TFP will be analysed first, and then the geopolitical importance of Cyprus will be examined for a clear understanding of the nature of neoliberal impositions of Turkey on the TRNC. This will be done by specifically looking at the mechanisms through which neoliberal impositions of the “motherland” onto the “infant land” are put into operation.

The increasing role of the economy in foreign policy became a remarkably significant device in TFP in Turkey after 1980, and this gained a specific momentum during the AKP era. Starting with the Ozal period, TFP gave importance to the implementation of neoliberal policies. The AKP held this economy based foreign policy because, according to Demirtaş (2016), the AKP has always desired to create an area of influence in the old-Ottoman geographies (p.208). Neo-Ottomanism⁶, the new foreign policy of the AKP era, depends on common cultural and religious bonds between Turkey and neighboring countries. Oztan (2014), argues that Neo-Ottomanism is also an integral part of “neoliberal nationalism.” Emphasizing those bonds and neoliberal nationalism has always been useful for the public acceptance of the neoliberal policies. In other words, TFP tries to export neoliberal policies to the countries with which Turkey has historical and cultural bonds whenever it is possible. In this case, Cyprus has to be analysed together with the idea that Turkey seeks to play the role of a trading state for transmitting neoliberal values to the Eastern Mediterranean (Mouduros, 2016, p.115-117).

⁶Neo-Ottomanism is the policy which aims to increase Turkey’s influence over the former Ottoman lands with the means provided by neoliberal economic order (Demirtaş, p.210).
Together with the AKP’s Neo-Ottomanism which fed neoliberal nationalism, geopolitics has become a more important concept in TFP. Firstly, the geopolitical location of the countries is the decisive factor in their foreign policies, so the geopolitical location of Turkey is a decisive factor in her foreign policy. Davutoğlu (2016) agrees with this when he says, it is necessary to analyse the geopolitics of the land, sea, and air to understand the development of global military and political strategies and to understand the importance of geography where Turkey stands (p.104). In addition, the geopolitical location of countries as the decisive concern of their foreign policies is subject to changes from time to time. As a result of the changes in Turkey’s geopolitical location, this was an issue for Turkey after the Cold War which led to a shift in global and regional politics: Regionalism rather than globalism became a new focus. As a result of this change, Turkey wanted to take the role of the “regional hegemon.” Therefore, TFP aims to influence politics in the Middle East and play a leading role by creating a state of affairs (Moudouros, 2016, p.115). Turkey’s wish to shape the TRNC politics is a reflection of this change. Accordingly, neoliberal nationalism is one of the basic characteristics of TFP: Turkey usually takes geopolitical realities in consideration in her foreign policy. In the case of Cyprus, there is mutual interaction between the economy and geopolitics, and this is another reason why the TRNC is important for Turkey.

Another essential point concerning geopolitics of Turkey is related to highlighting cultural bonds. The emphasis on common bonds between Turkey and neighboring countries is useful to make the export of neoliberalism acceptable. For Davutoğlu (2016), new geopolitics means consolidation of long-standing cultural, economic and political bonds to create an area of influence in important places (Near Land Basin, Near Sea Basin, Near Continental Basin) (p.118). Davutoğlu (2016) analyses the Cyprus issue with this

7Neoliberal nationalism means the peace with the market economy and its actors, incorporate nationalist symbols and advanced democracy discourse (Ozkan, p.84).
perspective: The desire of Turkish Cypriots to live under the motherland security umbrella has resulted from human mobility caused by the shifts in the Post-Cold War period. According to Davutoğlu (2016), Turkey as the heir to the seven hundred years of experience of the Ottoman Empire is seen as a political center for the people from the land Near Land Basin. These people see Turkey both as a protector and a place where they can take refuge. Therefore, Turkey is given a new regional mission that is directed by history (p.143). Turkey accepts herself as the savior of the Turkish Cypriots and the Turkish Cypriots as the “elements of the Ottoman Empire.” Keeping these roles in the mind, it becomes important to understand the geostrategic importance of Cyprus for a better understanding of the external influences of the neoliberal transformation of the TRNC.

The geostrategic importance of Cyprus for Turkey has shaped TFP in Cyprus at all times. Traditional TFP and TFP under the AKP rule have got similar Cyprus policies, which is why it is necessary to analyse the Cyprus policies of traditional TFP to understand neoliberal impositions during the AKP’s era. 1974 was the year of the division of Cyprus and the beginning for the Turkish impositions in North Cyprus. It was the year when Turkey held the longest military operation in North Cyprus. According to Ecevit (2011) who was the prime minister during the operation, the 1974 operation was not an attack, it was a movement to end an attack, and the aim of the operation was to bring “order and stability” in Cyprus (p.60-61). The geostrategic importance of Cyprus, which is related to the security concerns of Turkey and shapes her regional politics, was at the background of the 1974 operation and Turkey’s interventions. According to Ecevit, Cyprus is a small island, but the importance of Cyprus for the world is much bigger than its size because of the developments in world politics (Ecevit, 2011, p.67).

The 1974 operation led to the division of the island. Ecevit was aware of the fact that this division would lead to a Turkish state which would need Turkey’s support. However, in the following time period, Turkey shaped both economic and political structures of North
Cyprus under the name of integration of the two states. In his book Ecevit (2011) argues that North Cyprus and Turkey are not two separate states; in a way, there is one state. Of course, rules, constitutions separate them from each other, but the Turkish homeland in Cyprus is the extension of the homeland in Turkey, in other words, it is the infant land in its terms. For Ecevit, the continuation of this ‘integration’ is significant for both the security of Turkey and the region; Turkey is the security of Turkish Cypriots and the TRNC is the security of Turkey at the same time (p. 416-418). Ecevit’s emphasis on the security is clear evidence for the geopolitical importance of Cyprus for Turkey, which triggered TFP to shape the economic and political structure of North Cyprus after 1974.

Similar to the traditional TFP, there are two main reasons behind the Cyprus policy of the Turkish state under the AKP rule: historical factors and geopolitics. For Davutoğlu (2016), Cyprus is important for Turkey for the security of the Turkish Muslim society as a result of historical responsibility, because “The security and continuity of the Muslim elements left in the abandoned lands became the main parameter of TFP with the contraction of the Ottoman Empire” (p.178-179). On the other hand, it seems that geostrategic importance of the island is one of the decisive factors of TFP, which can be seen from the arguments of Davutoğlu (2016): “Even though there was not a single Muslim Turkish Cypriot left on the island, Cyprus had to be Turkey’s matter” (p.179). According to Davutoğlu (2016), Cyprus won new strategic importance after the Cold War as a result of shifts in trade roads that made the Mediterranean Sea an interaction basin. Therefore, since then, Turkey has been following new policies in Cyprus, which is “a fixed base and aircraft carrier holding the pulse of waterways” (p.175). As a result, at the background of the economic policies, there are geostrategic and historical factors that can not be neglected for an analysis of impositions, and these factors can not be separated from each other in the analysis of external influences of neoliberal transformation of the TRNC.
As a result of geopolitical reasons, Turkey has begun to shape the Northern Cyprus economy since 1974 through financial and economic protocols. As the non-recognition of the TRNC is an obstacle to the integration of the country with the global economy, neoliberal transformation in the TRNC has occurred with economic programs and protocols of Turkey. In other words, Turkey has become the external financer of the neoliberal transformation of the TRNC. Therefore, the thesis defines Turkey as the IMF of North Cyprus mainly because of aids from Turkey and conditions which are shaped by the protocols signed between the two states which show where and how these aids will be used. These conditions are accepted as a factor to define Turkey as the IMF of the TRNC, because the protocols included the IMF type conditions, reforms, and prerequisites. For example, the 1997 Protocol supports liberalisation attempts, stressing that the speed of the reforms was unsatisfactory. This is why Tahsin (2014) argues that it reflected IMF orthodoxy. As discussed in the following pages, the 1997 Protocol states that there are increasing macroeconomic imbalances and structural programs should be applied for keeping the public expenditures and revenues in balance. In the long term, structural reforms for public finance, regulation in the banking sector and privatisation policies should be implemented according to the 1997 Protocol. Hence, especially after 1997, the most important condition for getting aid became privatisation. In 2006, Turkey made arguments on the necessity of the reforms so that the efficiency of the state and market could be achieved. For example, the 2007 Protocol depended on the implementation of reforms which reminds one of the conditionality principles of the IMF (structural adjustment and stabilisation program that provides credits attached to defined conditions). Mainly after 2006, the neoliberal restructuring of Northern Cyprus came to a new stage with the conditions of the AKP imposed by the protocols, because Ankara used aids as a card under the name of efficiency for imposing its policies. Therefore, it is necessary to discuss these protocols to understand the neoliberal transformation of the TRNC in detail.
Turkey began to finance the economic development of Turkish Cypriot Federated State (TCFS) via Technical Help and Cooperation Protocols and Mixed Economic Commission Assembly Protocols, which financed productive facilities, the consolidation of North Cyprus economy and her economic convergence with Turkey in 1974 (Lisaniler&Eminer, p.153). These protocols aimed to develop trade and economic relations between two states, and regulate the roles of both. As will be shown below, similar kind of protocols continued to be signed between Turkey and the TRNC after the formation of the TRNC. In this context, it is necessary to emphasise that Ozal’s policies about the TRNC aimed to liken the TRNC economy to Turkish economy, and liberalisation of the TRNC economy became Ozal’s main policy (Uzgel, 2004, p.351). The 1986 financial protocol was the most important step for the liberalization of the TRNC economy. The principles of this protocol included free flow of money, reducing tariffs, attracting foreign investments and reducing public expenditures. The protocol also regulated the incentives for tourism and industrial investments (İsmail, 2001, p.57). As a follow up, an agreement was signed between two states on March 30, 1988, to facilitate the flow of foreign investment. Uzgel (2004) argues that Ozal's policies can be handled together with the solution of the Cyprus Problem because “If the Turkish side gets stronger economically, it will not be afraid of being crushed by the economic superiority of the south, and the south will seek ways to establish partnerships and work with the economically strong Turkish side” (p.355).

During the 1990s, liberalisation policies were implemented especially in the education and construction sectors in the TRNC. Although Turkey’s aid decreased during the years of 1988-1992, there was an increase in investment as a result of the previously signed protocols (Tahsin, 2014, p.83). As part of economic programs and protocols, privatisations were the condition for the flow of funds from Turkey to the TRNC (Lisaniler&Eminer, 2014, p.146). The TRNC economy, which depended on Turkey’s economy through protocols, had become more dependent as a result of the international
developments which included the prohibition of Northern Cyprus export to the European Union (EU) countries and the Polly Peck crisis (Tahsin, p.84). After those developments, the macroeconomic conditions were evaluated and reflected on the 1997 protocol, which was signed to realize structural changes that would correct the deteriorating macroeconomic balances of the TRNC economy (İsmail, p.366). With this protocol, the TRNC was given the role of the regulator of the Northern Cyprus economy. The 1997 protocol also covered some policies to reduce the public finance deficit in the TRNC. In addition to privatisation which meant a new investment arena for the Turkish capital, the investments and incentives given by the TRNC to encourage investments were among the policies of this protocol. For Tahsin (2014), committed to liberalisation policies of the 1986 protocol and to IMF orthodoxy, this protocol meant full economic integration of Turkey and the TRNC (p.85). The economic relations between Turkey and the TRNC are still characterised by this protocol which also has an impact on the WSP.

In 1999, at the Helsinki Meeting, there was a debate about the reformation of the 1997 protocol, where TUSIAD defended the need for structural adjustment reforms, emphasising the fact that there were high amounts of public expenditures in North Cyprus (Tahsin, p.85). This point is important as it shows the support of businesspeople for neoliberal impositions of Turkey on the TRNC because those impositions mean opening new investment areas (hotels, education) for them. As a follow-up action, Turkey and the TRNC signed the second additional protocol to the economic cooperation protocol on February 15, 2000. This additional protocol aimed to realise all commitments including privatisation envisaged by the 1997 protocol as soon as possible (İsmail, p.501). Thus, the 2000s are the years of hardened neoliberal transformation in the TRNC.

The banking crisis in 2001 in North Cyprus has an important role in the neoliberal transformation process similar to Turkey. In this process, Turkey followed the policies recommended by Dervis as a solution to the crisis, which led to the consolidation of
neoliberalism. In addition, as mentioned before Turkey had to sign an agreement with the IMF to borrow loans, which came with sanctions. The protocols signed between the TRNC and Turkey at the beginning of the 2000s imposed similar programs that included privatisation in the TRNC (Bozkurt, 2014, p.83). This can be considered as a late neoliberal transformation for the TRNC because the world went through neoliberal transformation via privatisation after 1980. Parallel to this late transformation, the structural adjustment programs and reforms were the conditions brought by Turkey for the TRNC to obtain credits or aid, which speeded up the neoliberal transformation, especially during the 2000s. The late transformation was also a result of the TRNC’s unrecognized political status of the TRNC, due to which the TRNC could not borrow loans from the IMF. To sum up, it was the banking crisis in 2001 that made it a necessity for the TRNC to sign and follow the principles of some protocols with Turkey, and this was the beginning of the hardened neoliberal transformation in the TRNC.

Neoliberal transformation of the TRNC came to a new stage when the AKP came to power in Turkey this was mostly because of the fact that AKP’s neoliberalism represented a new model in the neoliberal transformation process. AKP’s neoliberalism aims to attract foreign investment and the integration of the TRNC economy into the world economy under the name of stability of development, as can be seen from the principles of protocols signed between the two states. Moudouros (2016, p.120) argues that AKP’s North Cyprus policy has established a new status quo in cooperation with many business circles who demand:

1- private sector to become a decisive force;
2- the adoption of a neoliberal free-market model;
3- the role of the public sector and the TRNC government in formulating legislation to diminish;
4- favorable conditions for increased foreign investment in the TRNC.
These are the elements that paved the way for hardened neoliberal efforts in the TRNC during the AKP era, which resulted in the reforms in the social security system, financial markets, and the banking sector. Aids from Turkey becomes the reward for the accomplishment of these reforms in this period (Tahsin, 2014, p.87). This was very similar to the relation between Turkey and the IMF. Therefore, many scholars consider Turkey as the IMF of the TRNC (Bozkurt, 2014; Tahsin, 2014). In this new era, Turkey’s aid is divided into grants and loans, which are distributed in tranches and governed by annually signed protocols by the two countries. These protocols have two crucial characteristics. First, the percentage of the public expenditures in the protocols has always been the same while the reform expenditures as the source for the reform applications and privatisations increased between the years of 2011-2018. The reforms have important roles in neoliberal transformation processes of countries because conditions for privatisations emerge as conditions for reforms (Lisaniler&Eminer, p.152). Second, in these protocols, the financial support of the AKP is mainly on infrastructural investments. This point is important because the increasing number of public infrastructure investment should be handled together with the hand of the private sector, according to 2010-2012 dated protocol. These two characteristics show the similarities with the principles of PWC and the role of Turkish aid in the neoliberal transformation of the TRNC.

An increasing number of privatisation of public institutions through the conditions of SAPs and protocols in the TRNC become the main characteristic of the neoliberal transformation period under the AKP rule. Especially after 2006, many public institutions were privatised in the TRNC. However, the pace of privatisations decreased between the years of 2003-2006 because of political, (mainly due to the Annan Plan) and economic developments in the construction sector (Eminer&Lisaniler, 2014, p.156). In addition to this limitation, tax losses, increased public expenditures, unsustainable public deficit, and unstable economic development were other reasons that led to the signing of 2006-2009,
2010-2012 and 2013-2015 protocols for “the completion of neoliberal transformation of the TRNC” (Eminer&Lisaniler, 2014, p.158). According to Lisaniler and Eminer (2014), these three protocols are the new programs that were signed to realise the completion of the neoliberal transformation of the TRNC. For these reasons, it is necessary to focus on these protocols to understand the neoliberal transformation period of the TRNC between the years of 2006 and 2015.

After 2007, to reduce the role of the state and to encourage the Turkish private businesses to benefit from the new investment opportunities in the TRNC, Turkey’s financial support on infrastructure projects increased. However, it did not work that way; instead, the role of the public sector was enlarged, which is why public reforms and public administrations reforms were emphasised in the 2007-2009 protocol (Tahsin, 2014, p.88). After the 2008 crisis, there was an increase in the amount of the aid and the difference in the distribution of the aid to different sectors (more aid for defense and public expenditures) in the TRNC. As a result, the Aid Committee within the Turkish Embassy was formed to give incentives to encourage investments by the Turkish capital in the TRNC. After 2009, there was a shift in the implementation of the protocols: The Aid Committee became the main actor in managing the socio-economic transformation of the TRNC. This committee has also been responsible for regulating the implementation of the protocols and the distribution of the funds based on the annual performance reports. Following these reports, the Turkish Ambassador as the head of the Aid Committee holds conferences regarding the implementation of the protocols and make recommendations such as reducing government spending and increasing privatisation efforts (Tahsin, 2014, p.89). It is possible to argue that the mission of the Aid Committee is similar to the international capitalist institutions such as the IMF and the World Bank, and the Aid Committee is also the embodiment of a structure representing the intervention of the “motherland” to the “baby land”’s political life.
In the following time period, the 2010-2012 protocol signed between the AKP-UBP with the emphasis on “competitiveness of the private sector and efficiency of the public sector.” Privatisation became the main agenda of the governments, despite the unwillingness of the TRNC. Accordingly, the state is expected to make infrastructural investments for the realisation of development by the private sector (Bozkurt, 2014, p.97). Conditionality and acceleration of privatisations were the main results of the implementation of the 2010-2012 protocol (Lisaniler&Eminer, 2014, p.156). The other result of this protocol was the strengthened presence of Turkish capital, mainly the Islamic capital, in the TRNC making investments in privatised areas -which was the result of deliberate policies of the Turkish government (Moudorous, 2013, p.125). In 2010, the Foreign Investment Advisory Council was formed to strengthen the free market through the implementation of economic protocols, in the TRNC. This council formulated policies for attracting capital, intensifying privatisation and coordination among the TRNC, Turkey and the Turkish private sector. According to Moudorous (2013), this council aimed at restructuring the economy and the transforming of North Cyprus to attract foreign investors and to facilitate privatization and the improvement of cooperation among private sectors of Turkey and the TRNC (p.126-127). The rise of the private sector as the main actor in the development of the TRNC was the main characteristic of the 2010-2012 protocol like the previous ones. As a result, many public institutions and public assets such as Mare Montewere privatised by Merit Hotels, Saray Hotel were privatised by Ceasers Ltd., Dome Hotel were privatised by Dayanışma Ltd. in 2009, Turkish Cypriot Airlines in 2010 were privatised by Ada Aviation and Transportation, Eastern Mediterranean Primary School and College were privatised by Doga Schools in 2011, and Ercan Airport was privatised by T&T in 2012 (Lisaniler&Eminer, p.156)

The 2013-2015 protocol, the main document for The Agreement of Water Supply and Management between Republic of Turkey and TRNC, aims at decreasing the budget
deficit, which means privatisations of public assets and reduction of the role of the state in social services within the scope of a sustainable economy in the TRNC. The main objective of Turkey was to supply funds and technology to make it possible. Turkey came up with regulations to control the TRNC economy regarding the distribution of credits (article 3, close1), changes in the economy of the TRNC (close5) and published program monitoring reports (article 3), which were the other closes of a protocol similar to other protocols. All of these are important for a better understanding of the main justifications provided by the TRNC and Turkey towards privatisation of imported water and the role of the state in privatised water management in the TRNC.

The main product of these protocols was the rise of privatisations which evolved as a result of impositions of financial protocols. The protocols signed after 1986 were different from the previous ones regarding the scope and concept in that they aimed at the integration of the TRNC economy and Turkey. Therefore, the number of privatisations rose up during this period and came to prominence, especially with the 1997 protocol. Privatisations became a part of the development plans in the TRNC after 1997, and the Cyprus Turkish Industrial Enterprises Holding Ltd. was privatised in the same year as a first example (Lisaniler&Eminer, 2014, p.154). As a result of the 2001 crisis in Turkey and conditional release of financial resources which were seen as a solution for the fiscal deficit, privatizations became the priority of economic programs. Although the conditional release of the financial resources was in the scope of 2007-2009 Configuration and Support Program for Development, it was unsuccessful because of the unfulfilled conditions, especially the ones that require privatisation. The 2007-2009 protocol was the main one that prioritised the efficiency of the public and the competitiveness of the private sector as its goals. The 2010-2012 protocol, which sped up privatisations, was a follow up to the 2007-2009 protocol. Then, the Transition to Sustainable Economy Program of 2013-2015 set the goals of decreasing external dependence through a competitive economy and ‘sustainable
development’. The privatisation of public assets and public services became important parts
of Turkish SAPs in the TRNC during this period. As a result, some important public
institutions were privatised: national airlines in 2010, public tourism managements in 2009,
primary schools and the high school of Eastern Mediterranean University as a public
university in 2011.

The existence of Turkish capital in the TRNC economy as a result of privatisations
fed the external influences of the neoliberal transformation of the TRNC. The main reason
for this existence is the protocols which have opened new investment areas in the TRNC
economy for the Turkish capital, mainly the Islamic capital especially after 2004
(Moudouros, 2013, p.114). As a result of this situation, these capital groups have started to
export their representative organisations to the TRNC: the Turkish Industrialists and
Businessmen’s Association (TUSIAD), opened an office in the TRNC in 2011, the Turkish
Confederation of Businessmen and Industrialists (TUSKON) decided to open office in the
TRNC in 2012 and the Independent Industrialists and Businessmen Association (MUSIAD)
established a branch for integrating the trade and industrial production of the TRNC with the
world economy in 2014. It is important to highlight that MUSIAD -as the representative of
the Islamic capital- aims to promote traditional culture and national values with economic
growth (p.121). In the end, the interests of these associations are represented by the financial
protocols that were signed between the two states and sped up external influences for the
neoliberal transformation of the TRNC.

In short, this part of the chapter has analysed the external influences on the
neoliberal transformation of the TRNC connected with the geostrategic importance of
Cyprus for TFP. Since 1974, Turkey has shaped the economic and political structure of the
TRNC with protocols for geopolitical and historical reasons. The neoliberal transformation
in Turkey is reflected in the TRNC with a high degree of similarities, just with one
difference, which is Turkey is taking the role of the IMF in the Cyprus case. There were
several results of these protocols, two of which were the privatisation of public assets and the rise of Turkish capital in the TRNC. Privatisation of the public institutions and services during the AKP era was the main objective of the external influences of the neoliberal transformation of the TRNC after 2001. The WSP was one of the results of this external influences of the neoliberal transformation of the TRNC. In short, it is crucial to comprehend these developments as they will provide the context for the political and economic analysis of the WSP as attempted in chapter 5. However, moving from the external influences of the neoliberal transformation of the TRNC, the next part will analyse the role of internal actors in this process.

4.3 Internal Adoption of Neoliberalism in the TRNC

As emphasized before, this thesis accepts that the neoliberal transformation of the TRNC has two main determinants: the impositions from Turkey and the adoption of those impositions by the TRNC. Internally, administrations of the TRNC simply accept the Turkish impositions via financial protocols, legitimise the impositions as guidance of the “motherland” to the “infant land” and follow similar policies. Although the TRNC is a non-recognized and internationally isolated state, we can still talk about a neoliberal transformation - though incomplete, by pointing out that internal policies are aiming at minimising the role of the state (Bozkurt, 2014, p.85). This part of the chapter evaluates the internal neoliberal transformation of the TRNC.

The institutional restructuring process in the North was started by Denktas and UBP government concomitantly after the declaration of TRNC in 1983. Before the neoliberal transformation of the country, we can talk about the consolidation of the state polices and increasing social welfare through economic reforms. The Mixed Economy Commission, which was founded in 1978, was a product of these reforms. In this context, the Mixed Economy Commission was an important institution to realize the economic cooperation between Turkey and the TRNC, because the decisions made by this commission about the
budget deficit became important for the economic policies of the TRNC (Tahsin, 2014, p.82). In his book, Denktas (2008) emphasized that “I am conveying our thankfulness to the motherland and I pray that they are always there for us” (p.63). Such traditional national discourse of administrations is a crucial part for internal adoption of Turkish impositions in the TRNC. In other words, impositions of Turkey should be considered together with the acceptance of those impositions by the TRNC administrations, which is justified with things like integration, protection, and security against the threat of Greeks. On the other hand, there are internal dynamics of those processes which can be observed in the government programs.

The government programs are important documents to show the internal adoption of neoliberal transformation in the TRNC. There are significantly similar points in the protocols with Turkey and government programs of the TRNC which defines Turkey as the ‘motherland’. For example, the 1983 government program starts with thanks to the “motherland” as the unique political, financial, social and economic supporter of the TRNC: “TRNC will care for adoption and protection of the Turkish culture and will maintain links with Turkey” according to this program (Diler, 2015, p.215). Similarly, the 1986 program of National Unity Party (UBP)-Communal Liberation Party (TKP) government declared that the Turkish Cypriot community was an inseparable part of the Turkish nation and relations with Turkey would develop with solidarity and brotherhood (p.215). Accordingly, the TRNC declared that all restrictive measures between Turkey and the TRNC have to be removed and the government had to start attempts for the integration of Turkey and the TRNC (Denktas, 2008, p.62). Building on this, the protocol signed with the “motherland” accepted Turkey as the unique guarantor of the independence and freedom of the Turkish Cypriots, according to the 1988 program (p.217). Obviously, each government program from 1983 onwards declared that the TRNC gave special importance to the relations with Turkey as the unique supporter and would work for the development of cooperation between two states. Those
programs paved the way for the signing of the protocols and the public acceptance of the impositions brought by the protocols.

The financial protocols with Turkey affect government programs and internal policies of the TRNC. In other words, the external influences on neoliberal transformation have an impact on the internal neoliberal transformation of the TRNC. This is why it has always been 'internal adoption of neoliberalism’ rather than just “implementation via imposition.” For instance, according to the 1997 financial protocol, the state should invest in infrastructure for the development advanced by the private sector, which affected the government program in 1999, when UBP-TKP government program declared the importance of economic cooperation between the two states. According to this program, the TRNC would work for the infrastructure of the Common Economic Area which would develop the economy and trade of the TRNC and deepen the relations with Turkey through cooperation and solidarity (p.221-222).

Similarly, privatisations started firstly in 1997 with the privatisation of 46 businesses operated by Sanayi Holding. In the following years, several protocols were signed with Turkey as a solution to the 2001 Banking Crisis which brought reforms and SAPs as a condition for getting aid or borrowing money. The conditions in structural adjustment reforms have been undermining the role of the state in the TRNC economy as a regulator. In the protocols, privatisation was accepted as a solution for reducing the public deficit. As a follow-up, the TRNC government programs regulated the economic targets along this line. For instance, the 1999 UBP-TKP government program aimed at economic development through free-market economy, which encouraged in economic restructuring program and privatisation. In this case, the role of the state was determined to be the regulator only, encouraging and guiding the private sector. The 2001 crisis, just like it shaped the protocols signed after this year, also affected the 2001 government program which declared to speed up privatisations and decrease the role of the state for an efficient free-market economy.
Between 2001 and 2010, the government programs targeted efficiency by transferring some public services to the private sector in addition to privatisations. In 2010, there was another economic stagnation as a result of the 2008 crisis. The 2010 UBP government program declared that the TRNC can get over the crisis through consultations with Turkey (Diler, 2015, p.230). Accordingly, the private sector was determined to produce services and goods while the state was, once again, declared as the regulator only.

Different from the previous government programs, together with keeping their programs in parallel with the protocols, the 2009 and 2013 government programs also declared that they are going to follow the currently signed protocols with Turkey. For example, the 2009 UBP government decided to follow the measures of the 2010-2012 financial protocol whose objectives were a reduction in the budget deficit, decreasing state intervention in the economy, and increasing areas for privatization. The declared aim of this protocol was to establish an autonomous economy and institutions for a competitive presence in the international system, which, in reality, meant nothing but a neoliberal transformation under the provision of Turkish capital in the TRNC (p.123). Additionally, the 2013 CTP-DP government program aimed at evaluating the 2013-2015 protocol for the revival of the economy. As a result, the Primary and Nursery School of Eastern Mediterranean University (DAİ-DAK) by Doga Schools and National Airlines (KTHY) by Ada Aviation and Transportation were privatised.

To sum up, privatisations evolved as a result of both impositions of Turkey and policies of the TRNC that can be seen from government programs. Although those government programs did not always materialise, there were still some practices in line. For example, parallel to the previously signed protocols, the public institutions and assets were privatised mostly between 2009 and 2011. Therefore, it is possible to argue that the external and internal neoliberal transformation of the TRNC complements each other, and this can be
observed in the government programs of the TRNC shaped by the protocols signed with Turkey.

The water problem in the forms of underground water resources, efficient water usage, fight against salinisation of underground water and legal restructure for water management has also been a part of government programs since 1983. Since 1999, the WSP has been presented as a solution for water scarcity problem in the TRNC (Diler, 2015, p.484-490). Government programs also regulated municipalities/ local administrations which were important actors for public water management and providing social services to society. Between the years of 1983-1999, we witnessed that the TRNC governments aimed at providing social services to society efficiently through municipalities. On the other hand, parallel to the neoliberal transformation, the governments started to encourage cooperation between the private sector and municipalities, especially in infrastructure. The government programs of the 1986 UBP-YDP, 1999 UBP-TKP, 2009 UBP, and 2013 CTP-DP are important documents that show the effect of neoliberal transformation on the role of municipalities. For example, in 1986, the government program declared that the necessary administrative and financial measures would be taken by the government to strengthen the local administrations and to make the necessary infrastructure investments (Diler, 2015, p.428). On the other hand, according to the 1999 government program, the municipalities would cooperate with the private sector in sports, and the government would encourage activities of private companies in sports (p.430). Similar to the 1999 program, in 2009 UBP declared that the Ministry of Interior Affairs would promote cooperation between local administrations and private sector and encourage build-operate-transfer to strengthen the infrastructure of the municipalities (p.431). In 2013, the CTP-DP government program declared that the government aimed at cooperation between the local administrations and private sector through incentives of build-operate-transfer to strengthen, the infrastructure of the municipalities (p.432). The privatisation of water management within the scope of the
WSP was the result of those efforts and an important indicator of the neoliberal transformation of public administrations, which makes them intermediary institutions between the private companies and the society. As a result of the WSP, the role of municipalities in providing services decreased significantly because the WSP requires the transfer of water management and its budgeting and financing to the private sector from municipalities.

In TRNC politics, there are other elements of the internal neoliberal transformation. Those elements are the adoption of political impositions, media and economic structure of the TRNC. It is significant to understand the characteristics of these elements to analyse the internal neoliberal transformation clearly. Firstly, the adoption of impositions, which Bozkurt (2015, p.85-86) calls “imposed democracy”, means Turkey’s intervention to democracy, elections, governments, political parties and the will of the society because of the “umbilical cord” between Turkey and the TRNC. The imposition of Turkey in the traditional meaning, which is discussed in the literature as a socially accepted factor, has an important role in the internal neoliberal transformation of the TRNC. For instance, Sonan (2007) discusses Turkey’s intervention to the presidential election campaign in favor of Denktaş over Erdoğan in 2000. Sonan argues that Erdoğan’s withdrawal from elections coincided with the release of Turkey’s aid; by doing so, Turkey was involved in the elections through economic manipulation to eliminate Erdoğan (Sonan, 2007, p.13). Similarly, in the following time periods, the government had to sign a financial protocol with Turkey to secure 350 million dollars (p.16). Accordingly, it is possible to define Turkey’s intervention to the TRNC politics usually as a condition for financial support, and this has facilitated the neoliberal transformation.

Another element in the internal neoliberal transformation is the media in the TRNC as the representative of businessmen and spokesperson of political parties (p.143). The media has an important role in the acceptance of neoliberal impositions. For example, On
February 27, 2017, Cyprus (Kibris) Newspaper supported the privatization in its chief editorial and argued that the reason for the privatization was the lack of protection of the public institutions by the society and employees. At the same time, Serhat İncirli who was a writer in this newspaper, supported privatisations because the TRNC had collapsed. Also, the articles about the WSP published in Cyprus (Kibris) Newspaper have good examples of defending the privatised water management and acceptance of the WSP as a reliable, unique solution for the water problem.

Lastly, in the TRNC, the economy is mentioned as a problem without a solution because the economy is affected highly by political disputes and populism (Bozkurt, 2015, p.156). The politicised economy of the TRNC is shaped by Turkey’s protocols, reforms, structural adjustments, which show the politicised and dependent characteristics of the TRNC economy. As a result of the government programs and protocols, there are some structural dimensions of the TRNC economy that indicate the neoliberal transformation process clearly. First of all, economy depends on imports and there is a trade deficit -the export/import ratio has decreased from 29,1% in 1978, to 5% in 2008-which is covered up with other sectors such as tourism and education as can be seen from table 2 below (Guryay, 2011, p.82). On the other hand, the share of agriculture and the public sector decreased during the same time period which can be seen from table 1 (Guryay, p.87). Another issue is the budget deficit problem in the TRNC economy. The budget deficit problem is always covered by Turkey’s aid and credits. At the same time, Turkey is the main trade partner of the TRNC. In 2008, the import ratio from Turkey was 69,8% and export ratio of Turkey was 49,9% which be shown in table 3 (Guryay, p.92). These statistical data show that the TRNC economy depends highly on Turkey. The economic dependency of the TRNC to Turkey becomes the source of consent for neoliberal impositions of Turkey. Because Turkey is the major financer of the TRNC and, as Aslim (2014) mentions, if Turkey is late to transfer money, there is a payment problem in the TRNC economy because transferred money is
used for the salaries of the public servants (p.36). In other words, it is possible to argue that Turkey’s financial support is both the reason and result of the external influences of neoliberal transformation of the TRNC as a result of the dependent economy of the TRNC on Turkey.

Table 1: Sectoral Distribution of Fixed Investment in TRNC 1977—2008 (%)

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</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>12.8</td>
<td>8.3</td>
<td>7.8</td>
<td>6.9</td>
<td>6.9</td>
<td>6.1</td>
<td>4.7</td>
<td>3.1</td>
</tr>
<tr>
<td>Industry</td>
<td>16.4</td>
<td>18.8</td>
<td>25.7</td>
<td>12.6</td>
<td>10.0</td>
<td>13.2</td>
<td>13.1</td>
<td>18.8</td>
</tr>
<tr>
<td>Construction</td>
<td>0.8</td>
<td>0.4</td>
<td>1.5</td>
<td>3.1</td>
<td>2.0</td>
<td>2.0</td>
<td>6.7</td>
<td>1.3</td>
</tr>
<tr>
<td>Trade-Tourism</td>
<td>6.7</td>
<td>10.6</td>
<td>11.6</td>
<td>7.3</td>
<td>10.0</td>
<td>8.3</td>
<td>10.7</td>
<td>7.7</td>
</tr>
<tr>
<td>Transport-Communication</td>
<td>18.0</td>
<td>6.3</td>
<td>13.7</td>
<td>27.7</td>
<td>19.8</td>
<td>15.2</td>
<td>13.3</td>
<td>9.2</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td>1.8</td>
<td>0.9</td>
<td>0.2</td>
<td>0.1</td>
<td>1.1</td>
<td>1.0</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Ownership of Dwelling</td>
<td>37.3</td>
<td>48.7</td>
<td>30.7</td>
<td>32.3</td>
<td>38.8</td>
<td>26.2</td>
<td>31.6</td>
<td>45.2</td>
</tr>
<tr>
<td>Business and Personal Services</td>
<td>-</td>
<td>0.2</td>
<td>0.4</td>
<td>3.0</td>
<td>2.9</td>
<td>6.7</td>
<td>4.0</td>
<td>7.4</td>
</tr>
<tr>
<td>Public Services</td>
<td>6.3</td>
<td>5.8</td>
<td>8.4</td>
<td>7.0</td>
<td>8.4</td>
<td>21.3</td>
<td>14.4</td>
<td>5.9</td>
</tr>
<tr>
<td>— Health</td>
<td>2.5</td>
<td>0.9</td>
<td>0.2</td>
<td>1.1</td>
<td>0.7</td>
<td>0.4</td>
<td>0.7</td>
<td>0.9</td>
</tr>
<tr>
<td>— Education</td>
<td>0.7</td>
<td>2.6</td>
<td>1.8</td>
<td>3.2</td>
<td>3.7</td>
<td>9.6</td>
<td>8.4</td>
<td>0.9</td>
</tr>
<tr>
<td>— Others</td>
<td>3.0</td>
<td>2.2</td>
<td>6.4</td>
<td>2.7</td>
<td>3.9</td>
<td>11.4</td>
<td>5.3</td>
<td>4.2</td>
</tr>
</tbody>
</table>

Source: Guryay, 2011, p.88.

Table 2: Main Economic Indicators of TRNC (1977—2008)

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita ($)</td>
<td>$1,444</td>
<td>$1,561</td>
<td>$1,498</td>
<td>$3,447</td>
<td>$4,167</td>
<td>$4,978</td>
<td>$10,567</td>
<td>$16,158</td>
</tr>
<tr>
<td>Inflation (%)</td>
<td>93.0</td>
<td>43.0</td>
<td>69.4</td>
<td>72.2</td>
<td>53.2</td>
<td>2.7</td>
<td>14.5</td>
<td></td>
</tr>
<tr>
<td>Budget Deficit (Million $)</td>
<td>20.0</td>
<td>20.9</td>
<td>23.7</td>
<td>31.9</td>
<td>83.7</td>
<td>136.7</td>
<td>185.3</td>
<td>369.6</td>
</tr>
<tr>
<td>Bank Deposits (Million $)</td>
<td>93.4</td>
<td>45.9</td>
<td>88.2</td>
<td>277.6</td>
<td>499.8</td>
<td>802.7</td>
<td>2,707.4</td>
<td>3,678.6</td>
</tr>
<tr>
<td>Foreign Exchange Reserves (Million $)</td>
<td>2.4</td>
<td>5.7</td>
<td>61.3</td>
<td>118.7</td>
<td>417.8</td>
<td>631.9</td>
<td>1,597.6</td>
<td>1,802.6</td>
</tr>
<tr>
<td>Export (Million $)</td>
<td>23.9</td>
<td>44.5</td>
<td>46.3</td>
<td>65.5</td>
<td>67.3</td>
<td>50.4</td>
<td>68.1</td>
<td>83.7</td>
</tr>
<tr>
<td>Import (Million $)</td>
<td>82.0</td>
<td>94.4</td>
<td>143.0</td>
<td>381.5</td>
<td>366.1</td>
<td>424.9</td>
<td>1,255.1</td>
<td>1,608.7</td>
</tr>
<tr>
<td>Foreign Trade Balance (Million $)</td>
<td>58.1</td>
<td>49.9</td>
<td>96.7</td>
<td>316.0</td>
<td>298.8</td>
<td>374.5</td>
<td>1,187.4</td>
<td>1,597.0</td>
</tr>
<tr>
<td>Export/Import (%)</td>
<td>29.1</td>
<td>47.1</td>
<td>32.4</td>
<td>17.2</td>
<td>18.4</td>
<td>11.9</td>
<td>5.4</td>
<td>5.0</td>
</tr>
<tr>
<td>Tourist Arrivals</td>
<td>113,146</td>
<td>84,511</td>
<td>125,075</td>
<td>300,810</td>
<td>385,759</td>
<td>432,953</td>
<td>652,779</td>
<td>808,682</td>
</tr>
<tr>
<td>Net Tourism Revenue (Million $)</td>
<td>36.2</td>
<td>24.0</td>
<td>47.3</td>
<td>224.8</td>
<td>218.9</td>
<td>198.3</td>
<td>328.8</td>
<td>383.7</td>
</tr>
</tbody>
</table>

Source: Guryay, 2011, p.81.
Table 3: Share of Countries in TRNC’s Foreign Trade ( %)

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>37.7</td>
<td>27.6</td>
<td>69.8</td>
<td>49.9</td>
</tr>
<tr>
<td>Other Countries</td>
<td>62.3</td>
<td>72.4</td>
<td>30.2</td>
<td>50.1</td>
</tr>
<tr>
<td>EU Countries</td>
<td>45.5</td>
<td>64.0</td>
<td>14.1</td>
<td>20.5</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>25.4</td>
<td>49.4</td>
<td>3.5</td>
<td>5.5</td>
</tr>
<tr>
<td>Other EU</td>
<td>20.1</td>
<td>14.6</td>
<td>10.6</td>
<td>15.1</td>
</tr>
<tr>
<td>Middle East Countries</td>
<td>4.1</td>
<td>5.0</td>
<td>2.9</td>
<td>15.2</td>
</tr>
<tr>
<td>Far East Countries</td>
<td>6.2</td>
<td>–</td>
<td>3.5</td>
<td>–</td>
</tr>
<tr>
<td>USA</td>
<td>0.5</td>
<td>0.8</td>
<td>0.7</td>
<td>0.1</td>
</tr>
<tr>
<td>Other Countries</td>
<td>6.0</td>
<td>2.5</td>
<td>9.1</td>
<td>14.2</td>
</tr>
</tbody>
</table>

Source: Guryay, p.96.

In conclusion, the neoliberal transformation of the TRNC has been shaped by both the impositions of Turkey and the internal policies of Turkish Cypriot administrations. External influences of the neoliberal transformation of the TRNC via Turkey’s protocols resembles Turkish neoliberalism shaped by impositions of the IFIs: Turkey imposed similar neoliberal policies such as privatisation and the transformation of the state as the regulator of private investments to the TRNC. At the background of external influences of the neoliberal transformation of the TRNC, there are geopolitical reasons as a result of the geostrategic importance of North Cyprus for Turkey. On the other hand, the TRNC has followed similar policies with Turkey’s protocols which can be seen in the government programs. The media, interventions in democratic processes, and dependent economy are the other elements which are important for the consolidation of neoliberal policies in the TRNC. In short, the external and internal neoliberal transformation of the TRNC led to privatisations of public services and assets and the rise of the private sector via opening new investment terrains. As a result, these are historical, political and economic factors at the background of the WSP. Moving from these points, privatisation of water management via the WSP as the result of the bilateral neoliberal transformation of the TRNC will be analysed in the next chapter.
CHAPTER 5

WATER SUPPLY PROJECT

In this chapter, the WSP will be analysed as a case study to highlight some of the main features of the neoliberal transformation of the TRNC. The chapter will try to answer the following questions: How does the neoliberal transformation in the TRNC affect the WSP? What are the main views of the main stakeholders such as mayors, civil society organisations and trade unions about the WSP? What are the effects of the WSP on the economy, society and politics in the TRNC? How are the traditional Turkey-TRNC relations reflected on the WSP? In an attempt to contextualise the main issues raised above, similarities between the global discourse of neoliberalism and the legitimisation process of privatised water management will also be analysed in this chapter. The ideological controversies that emerged in the discourses of political parties regarding the project will also be discussed in this chapter because of the main role of political parties in the saga of the country.

5.1 Legitimizing the WSP

The TRNC government preferred to solve the water scarcity problem with the WSP, rather than other policies by involving people. The WSP is a highly technological project with the characteristics of its engineering design. From the construction to its completion of the WSP, the TRNC and Turkey focused on several aspects bringing the water at the expense of its management until 2016. During the time period efforts concentrated mainly on the question of legitimizing the WSP, in order to convince the society. The WSP was legitimised mainly by focusing only on the flow of the water without discussing the details about water management. The official discourses in this period called the WSP “the project of the century,” “peace water” and “a great investment.”
Firstly, the UBP and the AKP as the right-wing and conservative political parties of the TRNC and RoT focused on the relations between the “motherland-infant land” in the process of legitimising the WSP. For instance, İrsen Kucuk (2011) the term prime minister of the TRNC from the UBP, referred the WSP as water for peace and the “biggest aid” given by Turkey to the TRNC (Kıbrıs, March 6, 2011, p.11). According to Kucuk this biggest aid from the “motherland” is an indication of how valuable the Turkish Cypriots are for her (Ağıralioğlu, 2016, p.31). For Kucuk (2011), the WSP is essential both for Turkey as a great state and the TRNC economically because irrigation land will rise as a result of the WSP (Kıbrıs, March 24, 2011, p.20).

Similarly, the AKP also considers the WSP as a great project connecting the “motherland” and the “infant land”. The speech made Recep Tayyip Erdogan the president of Turkey from the AKP at the construction ceremony of Alakopru Dam is an important example showing Turkey’s official view about the project. In his remarks, Erdogan defines the WSP as the “project of the century,” which is perfect globally and befitting to the Turkish nation’s dignity. According to Erdoğan, “The relatives and brothers of Turkey are not alone. Turkey satisfies all its neighbors’ needs, starting with the nearest country” (Kıbrıs, October 18, 2011, p.14). Meanwhile, in Cyprus Newspaper, Davutoğlu, the prime minister of RoT from the AKP, said: “Anatolia and the TRNC are brought together again by the sacred WSP. We are constructing a perfect water bridge. We are connecting Kyrenia and Anatolia by means of the water. Water will be the sign for a permanent order in the Mediterranean Sea. Transporting water through peace project is a great success” (October 18, 2015, p.4-5). In these speeches, a nationalist dimension of the WSP is specifically emphasized through the metaphors of the “motherland” to the “infant land”. In this sense the imported water is more than water; it symbolizes the mother-child relationship that has continued for centuries.
The nationalist discourses of the political parties have also had an impact on the nationalist discourse in society. The public column “Your Voice” (Soz Sizin) in Kıbrıs has had many contributions on the water issue contributing to the water issue, including one by the old reeve of Taskinkoy who claimed that “the WSP has proven that the “motherland” has always been stood by the Turkish Cypriots. Due to its scarcity, water is an essential need of the Turkish Cypriots, and thus it is wrong to discuss who will manage the water because the cake should be served by the cake maker” (September 28, 2014, p.16). Moving from this article, it is possible to argue that nationalist discourse brings social support for the WSP. In other words, nationalist speeches are useful to make the WSP socially legitimate.

Although the WSP is extolled officially as "the project of the century" with an emphasis on its technical specifications, engineering and its capability provide water supply to the TRNC, how actually the WSP will affect water scarcity on the island should be questioned. For example, on ecological effects of the WSP in Anamur, the Mersin Environmental Association reports that unfortunately, as one of the most obvious consequences of the damaging effects of hydroelectric plants and the water reservoirs, there is no longer enough rain and the groundwater was salted by being fed by the seawater, which affected farming negatively. Global warming made the situation worse (AnkaraDeğilLefkoşa.org, November 26, 2018). It is important to consider the dimensions of the ecological crisis caused by WSP. According to the data from Turkey’s Meteorology Institute (n.d.), there was a dramatic decrease in the rain in Turkey between 2010-2016: While the rainfall in 2010 was 793.8 mm, it was 637.8 mm in 2016 when the water supply to the TRNC began. Therefore, moving from Shiva's arguments, it is possible to claim that the WSP is far from solving the water problem because it is "far from the ecological limits set by the water cycle" (Shiva, 2002, p.15). Hasan Barbaros (mayor of Akıncilar) and Aziz Kaya (mayor of Lefke) from the CTP defend similar arguments with Shiva about the water scarcity problem. Both Barbaros and Kaya (personal interview, April 27, 2018) argue that
the increasing number of permissions for opening new water wells highly affect water scarcity. Kaya and Barbaros think the decreasing amount of rain leads to problems in underground water as well. Of course, deepwater wells are only one side of the problem. The issue gets bigger when lack of precipitation, commercialisation of agriculture, population growth and water loss due to inefficient infrastructure are considered.

Secondly, the importance of water in agricultural production has a huge role in the public acceptance of the WSP. For example, Beyarmudu (the region for potatoes farming) from the UBP, Güzelyurt (the region for citrus farming) from the UBP and Yeniboğaziçi (the region for artichoke farming) as the independent mayors defend that water scarcity affects agricultural production negatively. At the same time, Turgut Akçın, the head of North Cyprus Citrus Farmers Union, defends that the Turkish water will satisfy agricultural water needs of the Turkish Cypriots, and claims that agricultural farming will rise a hundred percent because of the WSP (personal interview, June 27, 2018). Similar to Akçın, Ahmet Yesilada, the head of Potatoes Farmers Union, defends that the flow of Turkish water affects farming positively, also that the flow of water was late because there was the water crisis (as insufficient water supply) in North Cyprus (personal interview, July 7, 2018). Also, Hasan Barbaros, the mayor of Akıncılar from the CTP (personal interview, April 19, 2018), said: "Animal producers pressurise me to sign the agreement for the flow of Turkish water."

The water problem quite commonly is explained in terms of the aforementioned natural reasons (such as the location of the country and climate conditions) and supply-demand factors without much attempt to include its administration. In the Water, Environment and Agriculture Congress organised by the Engineers and Architects Union of the TRNC in 2014, Turkkan, as the head of the Engineers and Architects Union, argued that the water problem as a result of scarcity of underground resources and effect of global warming had always been on the agenda in the TRNC while accepting the WSP as a
solution to “water scarcity” he pointed out to the gaps in the planning and projecting future needs and the actions to be taken. In the same Congress, Onder Sennaroglu (UBP), the term Minister of the Food, Agriculture and Energy emphasized the severity of the problems of pollution, reduction, and salinization of the water resources which have jeopardised the sustainability of the life and agriculture in the TRNC, which is why, he said, the TRNC, and thus raised the urgency for to develop the water policy in the TRNC. Hamit Bakirci (UBP), the Minister of Environment and Natural Resources at the time, claimed that because of the dry winter season affecting water resources, the Ministry had developed several water policies. The WSP was presented as one of these policies and the project of the century. These discourses show that in 2014, “water scarcity” problem was accepted as the gap between water supply and demand resulting from natural reasons, totally ignoring the hitherto bad water management. Likewise, they also ignored the political dimensions of water scarcity and the WSP as a part of the neoliberal transformation process. The political dimension of water scarcity and the WSP leading to neoliberal transformation will be analysed in the following sections.

Similarly, Saniye Borat, the engineer in Food, Agriculture and Energy Ministry of TRNC, states that: "Our country is located in the semi-arid climate zone; in North, Cyprus precipitation has decreased and temperatures have increased due to global climate change.” (2014, p.39). It is clear that she sees water scarcity as a consequence of natural causes. Her speech is followed by: "The importance of water and irrigation in agriculture increased and the water level decreased due to the misuse of the existing water resources and began to pose a serious risk for the country’s agriculture." Briefly, the Ministry of Food, Agriculture, and Energy claim that the misuse of water made water scarcity even worse. In this sense, the WSP is accepted as the biggest step toward alleviating water scarcity.

The mayors also support the WSP because of the serious water problem. For example, the mayors of Yeniboğaziçi (independent), Gönyeli (CTP), Beyarmudu (UBP), Lapta (UBP)
and Lefkoşa (TDP) defend that there is a water scarcity problem because of the declining water supply and prefer to solve water scarcity with supply-centred methods within municipal borders, such as desalination, pond building to specific places where there is a high amount of rainwater in addition to the WSP, rather than regulating the water demand of society. On the other hand, the mayors of Güzelyurt (UBP), Tatlısu (DP), Magusa (independent), and Karpasia (CTP) argue that those municipalities did not face water scarcity. However, all these mayors support the WSP for protecting underground resources. It is possible to say that mayors, as the heads of municipal water management, accept water as a technical issue that can satisfy the water needs of people with appropriate technological methods such as desalination of seawater. In other words, all mayors defend that municipal water management did not cause water scarcity. But all mayors signed the subscription agreement which depends on the Intergovernmental Agreement between the RoT and TRNC on Water Supply and Management (2016) for the flow of water to reservoirs of municipalities mainly.

On the other hand, there are negative views on the impact of the WSP on water scarcity in the TRNC. For example, "The mill does not rotate forever with carried water" is a common view to make the point that the WSP is not a sustainable solution for water scarcity. Nazen Sansal, who is a Baraka cultural organisation (a TRNC NGO) member defends that "The water transported from Anatolia will have a life span. In addition, it is stated that the life of the pipes that will carry the water is around fifty years," and her statement shows the WSP's limited capacity for eliminating water scarcity. Although fifty years is a long period of time and it is not possible to know how the technology will change in the future, it is still not possible to say that the WSP has brought efficient and safe water. In addition, as already discussed, it will not be affordable either, at least according to public opinion.

Thirdly, interpreting the water that would be brought by as the “peace water” was a crucial step in legitimizing the project which would increase the power of the TRNC vis a
vis the Republic of Cyprus (RoC), because the Turkish Cypriots have been waiting for peace since 1968, the beginning of the negotiations. Therefore, the “Peace Water” argument feeds this belief highly today because it can easily cover concerns about water management and water prices. For example, Hamit Bakirci (UBP) the Minister of Agriculture and Natural Resources at the time clearly stated that the water will affect the negotiation process positively ( Kıbrıs, September 16, 2014, p.17). In the opening ceremony of the WSP, the TRNC prime minister Kalyoncu (CTP) thanked Turkish people for sharing their lives with Turkish Cypriots and stressed the fact that water will be the peace water one day” (Kıbrıs, October 18, 2015, p.5). President Mustafa Akinci (TDP) also accepts Turkish water as a strategic product: "Water will be one of the benefits of a solution to Cyprus problem; the whole island will benefit from the water" ( Kıbrıs, May 15, 2016, p.9). At the same time, term minister of tourism, Faiz Succuoglu (UBP) argues that the transported water will be a strategic advantage for the Turkish Cypriots against Greek Cypriots, and the WSP will help in the negotiations process ( Kıbrıs, October 1, 2015, p.15). The Agriculture, Natural Resources and Food Minister Erkut Şahali (CTP) also said that "I would like to reiterate that we are ready to share the water with South Cyprus as we have always voiced in every opportunity" ( Kıbrıs, November 21, 2015, p.6). Obviously, all political parties from social democrat to nationalist in the TRNC did not consider the management of the imported water, which led to the rise of crisis between Turkey and the TRNC later on.

The WSP is accepted as a source of peace by the nationalists mainly. For example, Hayri Orçan (Democrat Party), as mayor of Tatlısu, defends that “the WSP will contribute to the solution of the Cyprus problem with our "south neighbor" because we [Turkish Cypriots] have such a strategic product” (personal interview, April 19, 2018). Huseyin Ozgurgun, the head of the UBP, analysed water as "the great chance for the whole island whose water resources are scarce" ( Kıbrıs, June 2016, p.32). Also, the official discourse of RoT supports those arguments. In the opening ceremony of the WSP, the Turkish President Recep Tayyip
Erdogan declared that "We are ready to share our water with the Greek side; if they say ‘we want to benefit from this water’ we put the name it as peace water and give them water" (Kıbrıs, October 18, 2015, p.7).

On the other hand, Ahmet Benli (CTP), as the mayor of Gönyeli defends that the capacity of the WSP is restricted for sharing water with the RoC: "This project is limited" (personal interview, April 26, 2018). İlker Edip (UBP), as the mayor of Beyarmudu, which is a village near to the border, argues that "There is no reason for Peace Water. Unfortunately, Greeks do not lean towards to take water from us" (personal interview, May 2, 2018). Moving from the arguments of Benli and Edip, it is possible to say that the "Peace Water" discourse is raised purposefully by the state officials in Turkey and North Cyprus to legitimize the WSP.

It is useful to highlight that declarations of the Turkish and the TRNC political parties regarding the WSP to serve as the “Peace Water” are refuted by the RoC officially and the Greek Cypriots. The Greek Cypriots saw the WSP, which was planned to be finished by July, the month that marks the July 20th, 1974 or invasion's 40th anniversary, as a sinister plan to turn Cyprus into a Turkish dependency (Fox News, December 10, 2015). According to the Ministry of Foreign Affairs of RoC (2015), the WSP is in breach of the international law and the constitution of RoC, because it means the integration of the occupied areas with Turkey, and thus, it is an illegal action that aims the highest level of Turkish control and influence over Cyprus. Moreover, they also argue that Turkey’s premise that water will satisfy the needs of the whole island is not valid (Kıbrıs, October 14, 2015, p.16).

Additionally, Fotis Fotiadis – a Greek Cypriot businessperson- interprets the WSP as a weapon because Mesaria will be the garden and the WSP will bring wealth to Northern Cyprus (Kıbrıs, September 10, 2014, p.29). Lastly, Greek Cypriots interpret the WSP illegal. The Deputy Chairman of the Parliament of RoC claimed that the WSP will lead to complete integration of the TRNC to Turkey (Kıbrıs, October 14, 2015, p.16). Greek political parties
also declared that water agreement between Turkey and the TRNC is not acceptable (Yitmen, March 6, 2016, p.20). All of these statements indicate that the WSP will not bring peace on the island, because Greek Cypriots, as one side of the peace, are quite-skeptical and against the WSP. However, the political parties and organisations in Northern Cyprus and Turkey have kept on making the opposite claim. This is the reason to argue that these discourses of Turkish politicians aim to legitimate the WSP.

To sum up, privatised water management is legitimized by the political parties of Turkey and the TRNC and several organisations through extolling the WSP. The flow of the water is praised under the name of “great investment”, “project of the century”, “development” and “peace project” of the “motherland”. While these interpretations were useful the legitimasing the privatised water management, they simply ignored the problem of water management. In other words, for the above-mentioned stakeholders, there was no need to discuss who would manage the water coming from the “motherland.” In short, the neoliberal dimensions of the project were covered up to convince society.

5.2. Neoliberal Characteristics of the WSP

Although the WSP is accepted as “peace water”, “project of century” and “present from the motherland to the infant land” by political parties and some civil society organisations, this thesis argues that the WSP is a part of the TRNC’s neoliberal transformation due to the public-private partnerships in the construction and the privatised water management and resources. In the beginning, there was a huge dispute about the water management and there were two sides of the dispute: On one side, the AKP in Turkey, the UBP, and producer unions in the TRNC supported the privatised water management with public control under the name of Build-Operate-Transfer. On the other side, CTP, TDP, and several unions supported municipal (public) water management. In the end, water management was privatised by the coalition government of CTP-UBP in March 2016. All
the political disputes from the construction of the WSP to decision making processes about the water management provide evidence about the neoliberal transformation of the TRNC.

The public tenders which led to public-private partnerships for the design and the construction of the dams and distribution lines in the TRNC and Turkey were indicators of one of the neoliberal characteristics of the WSP. It is necessary to reiterate that one feature of neoliberalism is the rise of pro-government capital groups which have benefited from public tenders as a result of the public-private partnership model and the privatisation of public services and assets, especially during AKP’s rule in Turkey.

Both the design of the project and the construction of the dams and distribution lines were put out for tender. The winner firms of the tenders were mostly pro-government capital groups such as DOLSAR for the design project of Alakopru and Gecitkoy Dams. DOLSAR was the construction firm of public projects such as Bafra Business, Export Development Union, and İzmit Bay Crossing Bridge, which was financed by the EU and Republic of Turkey. Also, DOLSAR was the firm which was invited to Turkey-Lebanon Cooperation Opportunities Meeting which was organised by Turkish Lebanon Ambassador for gathering Turkish and Lebanese businessmen (Beyaz Gazete), which is important, because it is another example for the advantages given to pro-government capital groups during the AKP rule.

There were four public tenders during the WSP’s construction period. The winners of public tenders for the construction of the project were Ak-Eli Construction, Bınaş Construction, ASF from Turkey and Tufekci Construction, Korman Construction and Tosun Construction from the TRNC. Ak-Eli Construction, now bankrupt, won the tender for the construction of Alakopru Dam, but they had a bad reputation as they exploited the workers during the dam construction for State Hydraulic Works (DSI) in Kırklareli (SoL, 2017). The partnership of SIGUR ROS SDN BHD, Kalyon Construction and Kutay Construction won the tenders for the construction of the land structures and sea crossing. Sigur Ros is a Malaysian firm that constructs pipelines. Kalyon group was one of the firms that AKP
supplied financial sources through tenders in Turkey. The firm got many tenders as a result of a public-private partnership between the years of 1990 and 2017. In 2017, Kalyon Group won 6,972,000,000 Liras worth public tenders for an airport and water line construction (Bildircin, 2018).

Additionally, Binas was the winner firm of tender for the Cyprus side of the project. Binaş introduces itself as the firm that completed “Many projects from public institutions and municipalities successfully. Ayazoglu brothers (the owners of the firm) still serve for the strong public institutions such as ISKİ (Istanbul Water and Sewerage Administration), DSI and take part in many projects.” (“About Us”, 2014). The tender for construction of the Gecitkoy Dam was won by Ak-Eli Construction; the partnership of ARSAN and MITAS was the winner of the tender for purification of the mainline in Nicosia and Kyrenia. The partnership of BINAS and MERSA was the winner of the tender for purification of distribution line in Famagusta and İskele and ARSAN-MITAS were the winners of the tender for the same construction in Karpasia. Obviously, some of these firms are known for their closed economic relations with the AKP government in Turkey. The results of the design and construction tenders for the WSP provide evidence for the growth of the pro-government firms and capital groups in the TRNC under the name of public-private partnership as a part of neoliberal transformation. At the same time, this situation shows the neoliberal characteristic of AKP’s foreign policy which depends on increasing investments by the Turkish firms in the Middle East and other countries.

The agreement is an important document that shows the neoliberal characteristics of the project. According to the agreement, “Drinking potable water, wastewater and rainwater enterprise shall be operated by the operators who are entitled to the concession through separate tenders.” (article 8). Moving from arguments of Barbaros, it can be said that it is expected that the operator will be a pro-government firm from Turkey. Also, the management of water with the hand of the BESKİ would not be possible. On the other hand,
the role of the TRNC is “To make the legislation that all legal and administrative arrangements required, within the scope of national legislation, immediately in order to ensure the implementation of the provisions of the agreement on matters under its duties and responsibilities.” (article 11). These two articles are good examples show that public-private partnership in regards to water management.

Disputes between Turkey and the TRNC and within the TRNC about the management of the water in 2016, which resulted in the privatisation of the water management, are the situations where the neoliberal transformation of the TRNC can be observed. The nationalist side considered the WSP in terms of relations with the “motherland”, supporting privatisation. Ironically, some of the nationalists do not know the details of the agreement. The left, social democrat parties and the trade unions, on the other hand, were against the privatisation of the water. Disputes around the water management were shadowed by the urgent need for the water due to increasing scarcity. The CTP declared that the party was against the privatisation of the water, which was both imposed by the “motherland” and approved by the governments of the “infantland”, at the beginning of the disputes in 2015. However, ironically, the water management was privatised with the agreement signed by the prime minister from the CTP on behalf of the UBP-CTP coalition government. The CTP’s change of attitude during the disputes is a strong indication of the neoliberal transformation of the TRNC, as the WSP led to the privatisation of the water management rather than water remaining a public asset. The CTP’s change of attitude is mainly related to the dependent economy of the TRNC on Turkey and pressures of producers.

Katip Demir, the independent mayor of Yeniboğaziçi, supports the privatisation of water because public water management means economic burden and politicisation of the water for him. Also, İsmail Arter, the independent mayor of Famagusta supports privatisation if this action can be high quality and sustainable (personal interview, May 14, 2018). Although privatisation of the imported water is seen as an effective management
model and supported by the UBP and CTP coalition partners of the government, the WSP may not bring efficiency to water management. Harmançlı mayor of Nicosia from the TDP gives the example of privatisation of Erkan Airport as the inefficient management of private companies and said: "The Government which says municipalities can not manage this water, have no single success story" (Kıbrıs, 2015, p.14). In other words, Harmançlı criticises the UBP and CTP coalition partners of the government over the inefficiency of other privatised public assets.

The UBP justifies the privatisation of water through the inefficiency of municipal water management. After the reactions of people, the mayors from different political parties and farmer unions to the high prices of imported water, Nazım Cavusoğlu (UBP), the Agriculture, Natural Resources and Food Minister, had declared that: "Municipalities have seen water as financial gain until today. They bought water for 0.25 lira and sold it for 4 lira. They have never invested in infrastructure." (Kıbrıs, June 16, 2016, p.16). According to Cavusoğlu, society was consuming high priced and poor quality water before the WSP, but the high-quality water will be distributed to the society continuously thanks to the WSP. In other words, water definitions of mayors and nationalists in the TRNC are completely different from each other. However, the WSP or privatisation and high priced water, as the one-sided solution of the governments, is acknowledged as a solution to the water scarcity. This situation had important political results for the TRNC that will be analysed in the following parts of the chapter.

The nationalist UBP insists that the water management issues should be decided together with Turkey and the management of water should be privatised. The ministers of the coalition from the UBP also evaluate privatisation of water under the name of effective water management as the TRNC was held responsible for the water scarcity problem due to its ineffective water management. For instance, Tahsin Ertuğruloglu (UBP), the term Transportation Minister of TRNC, said: "We have no capacity for the water management,"
and defended public-private partnership for the management of imported water (Kıbrıs, October 7, 2015, p.30). Similarly, Sunat Atun (UBP), the term minister of the Economy, Industry, and Trade supports privatised water distribution (Kıbrıs, January 13, 2016, p.16), and considers the WSP as a strategic acquisition for the private firms in the TRNC (Kıbrıs, January 29, 2016, p.10). The position of the UBP is also very clear in views of Ozgurgun, the leader of the UBP at that time, who was adamant that water management decision should be a joint one with Turkey (Kıbrıs, October 5, 2015, p.12). Moreover, Ozgurgun defends that the WSP is a great project of the “motherland” that only great states can construct, and municipalities can not manage water because they are bankrupt, so Turkish Cypriots should thank the “motherland” (Kıbrıs, October 13, 2015, p.13). Similarly, Tahsin Ertugruloglu, as the term minister of transportation under the UBP rule, argues that the TRNC has no capacity for water management because of the lack of technical and infrastructural capabilities and thus water should be managed by a public-private partnership (Kıbrıs, October 7, 2015, p.30). Additionally, Sunat Atun as the term Minister of Economy, Industry, and Trade under the UBP rule claimed that because of the indecisive attitude of the CTP about management the water could not be used (Kıbrıs, January 13, 2016, p.16). Atun pointed out that the model for water management is decided by the agreement signed between Turkey and the TRNC, and this model is Build-Operate-Transfer (BOT). Atun, states that the UBP was ready to solve the water management problem through the agreement signed between the two states because the TRNC was suffering from water scarcity. He as well agreed that water management should be privatised and the public should control the private firm (Kıbrıs, February 18, 2016, p.9).

These statements made by the UBP ministers show that the nationalist party worked as a legal approval mechanism in the privatization of water management. All four speeches insisted that as the TRNC and municipalities were not capable of managing the water, it should be privatized. Rather than openly defending it, they chose to use discourses like
“together with the motherland” and “in cooperation with the motherland.” Thus, especially for the nationalist groups of society, the privatization of water became acceptable. However, it was a contradiction for the patriotic nationalists to work for the pursuit of the capital, instead of advocating the ownership of the institutions by the Turkish Cypriot people. On the other hand, these statements show the role of the right-wing political parties in the neoliberal transformation of the country through the discourse of co-operation with the “motherland.”

The discourses of the AKP from Turkey highlight the importance of the cooperation between the UBP and the AKP in the privatization of water as in many other issues. For example, Veysel Eroğlu (AKP) as the term minister of forestry and water affairs of Turkey, argues that Turkey said to the TRNC: “You can not operate this water; a private firm should operate it” (Kıbrıs, January 20, 2016, p.20). Eroğlu supports this idea saying that we have to compromise on the BOT model for water administration and DSI will manage the water during the transition period (Kıbrıs, December 29, 2015, p.18). Similarly, the TRNC Embassy of Turkey declared that the principles about the WSP were decided in the 2011 dated protocol. According to this protocol, the water would be managed with private-public partnership under the name of BOT model and extra investments would be made by the private sector (Kıbrıs, January 8, 2016, p.17). Obviously, the UBP has similar arguments with the AKP government. Therefore, both the conservative groups of the “motherland” and nationalist groups in the “infant land” often resort to demonstrate the decisions about privatization as the ones agreed by legal documents.

On the other hand, the CTP as part of the coalition government with the UBP supported municipal water management at the beginning of the process. The CTP was against the agreement signed in 2011 and defended the amendment of the agreement. As an example, Omer Kalyoncu, as the term Prime Minister under the CTP government, supported municipal water management (Kıbrıs, October 20, 2015, p.18). Mehmet Ali Talat, as the leader of the CTP, said that there was a disagreement between Turkey and the TRNC about
the water management rather than crisis, and a new agreement should be signed (Kıbrıs, December 27, 2015, p.16). However, according to Talat, if Turkey insists on the privatization of the water, it will then cause a crisis between the sides, because, for him, the water should be managed by the municipalities (Kıbrıs, October 10, 2015, p.8).

On the other hand, at the beginning of 2016, there was a group within the CTP who started to support the privatisation under the name of public-private partnership. Erkut Şahali, the term Minister of Agricultural, Food and Natural Resources, was one of them. Şahali declared that water can be managed by a public-private partnership rather than privatisation (Kıbrıs, January 7, 2016, p.12). Similarly, Birikim Özgür, as the term Minister of Finance, supported the public-private partnership for the water management, because for him: “The Turkish Cypriot society deserves the cheapest and quality water. As the minister of finance, I deem the Turkish Cypriot society is worthy of this water. Is there a budget? Should I wait for 40 years for this, or should I collaborate with the private sector? Of course not, is the CTP enemy of the private sector? BOT means that we manage and own” (Kıbrıs, February 17, 2016, p.18). As a follow-up, for example, Birikim Ozgur and Erkut Sahali organised a meeting with the mayors to give them information about the water management, regarding the investments and how it is going to be operated and financed. At the end of this meeting, Harmancı, the mayor of Nicosia, made a statement: “At the end of the day this is privatisation. It is too late. They have already agreed that this is going to be privatisation and at this point, they are just informing us” (Kıbrıs, February 6, 2016, p.19). Then, Talat declared that the water will be managed by the public and operated by a public-private partnership. Talat claimed that, as a result of the negotiations with Turkey, the purchase guarantee, which was given by the TRNC to Turkey, was canceled, and also the withdrawal rights of mayors were regulated in detail (Kıbrıs, February 27, 2016, p.19). In 2016, the Council of Ministers approved the agreement and appointed Kalyoncu, the Prime Minister from the CTP, to sign the agreement with Turkey.
Prior to this radical change of view in the CTP, the party seemed to be opposed to the privatization of the water resources and water management, yet the party approved the privatisation of water. Their explanations for the right of withdrawal of the municipalities and the cancellation of the guaranteed purchase - as understood from the opinions of the mayors, who were the direct addressees of the issue - are unfounded explanations to soften the public acceptance of the water privatization. On the other hand, as can be seen from the above discourses, the CTP claims it not to be a ‘privatisation’ but a ‘public-private partnership.’ As a result of a change of direction within a short period of time, despite the opposition of the mayors of the CTP, the CTP approved the neoliberal imposition of the privatisation of the water with the UBP. The remainder of this chapter will discuss how the project is seen by the mayors and how the management of water by municipalities previously was and still is. This would enable us to have a better understanding of the role coalition parties, at the time of heated debates in the neoliberal transformation of the TRNC.

The ideas of mayors about the WSP, water management, and BESKİ are useful to better understand the political background of the collapse of BESKİ and privatisation of water management. To that end, first of all, the ideas of independent mayors who are close to right-wing political parties and mayors who are the members of UBP and DP will be examined. From the nationalist side of the crisis, I interviewed two independent mayors and four center-rightist (UBP and DP) mayors. I interviewed Fuat Namsoy (Lapta-UBP) who is the supporter of public-private partnership in water management and Katip Demir (Yenibogazici-independent), who is the supporter of privatised water management. Both of them declared that they would not take part in the BESKİ. İlker Edip (Beyarmudu-UBP) as the supporter of public-private partnership and İsmail Arter (Famagusta-independent) as the supporter of privatised water management were the other two mayors whose ideas were resorted in the scope of this thesis. Edip and Arter declared their support for the protocol and separated from the BESKİ, although they had taken part in the BESKİ at the beginning.
Another mayor interviewed is Mahmut Ozcinar (Guzelyurt-UBP) who declared his support of the protocol at the beginning changed his side later to support municipal management of water ( Kıbrıs, January 14, 2016, p.13). Another mayor from the nationalist side of the crisis, I interviewed Ahmet Hayri Orçan (Tatlısu-DP) who supported partial municipal water management and privatised water management.

As the other side of the crisis, I also held interviews with center-leftist (CTP) and social democrat (TDP) mayors. I interviewed Aziz Kaya (Lefke-CTP) as the supporter of municipal water management who argued that there is no need for the imported water; Suphi Coşkun (Karpasia-CTP) who supported municipal water management personally, supported privatisation officially, declared that Karpasia needs this water. As his approach to the issue was different from other CTP member mayors, I also interviewed Hasan Barbaros (Akincilar-CTP) as the supporter of municipal water management with the hand of BESKLİ. What makes him different from the other CTP member mayors is the fact that he is nationalising the water while he declared that he had to sign the agreement because farmers need this water rather than “water from the South” ( Kıbrıs, June 22, 2016, p.23). I interviewed Ahmet Benli (Gönyeli-CTP) who was the head and supporter of BESKLİ. During the water crisis Benli supported that municipalities can manage the water. The last interview was held with Mehmet Harmançı (Nicosia-TDP), because similar to Benli, Harmançı supported water management with the hand of BESKLİ. Moreover, Harmançı is known for his criticisms about the privatisation and withdrawal right of the municipalities. He declared: “We will do our best to stay out of the system” ( Kıbrıs, March 12, 2016, p.14).

Moreover, I interviewed Ahmet Yeşilada as the head of the Potatoes Producer Union and Turgut Akçı as the head of Northern Cyprus Citrus Fruit Producers Union, because both of them openly declared their support for the project, the water from the “motherland.” Lastly, I also carried out another semi-structured interview with Şener Elcil as the head of Turkish Cypriot Teachers Unions (KTÖS) who always criticises neoliberal impositions of
Turkey on the TRNC and collaborative polices of the TRNC governments. Also, KTÖS was a participant of the Water Platform.

Firstly, the ideas of Katip Demir, an independent mayor of Yenibogaziçi, indicate the nationalisation of neoliberalism as an important side effect of the WSP, because his nationalist discourse supports privatised water management which would provide a faster and better quality water distribution (personal interview, April 17, 2018). Another reason for his support of privatised water management is the lack of financial resources in the TRNC. In fact, his view is a good example of the traditional nationalist opinion which is shaped by the neoliberal impositions of Turkey via protocols. In other words, Turkey’s aid and credits were both the source and the result of the neoliberal transformation of the TRNC. As a representative of the nationalist discourse, Demir accepts privatised water management as crucial for the welfare of the country. In this line, he argues that the opposition from the education unions to privatisation is ominous. Moreover, he warns against possible water wars in the future, so the opposition against privatised water management is illogical. Demir expresses thankfulness to the “motherland” for saving the situation like “hızır” (a godsend), as he believes Turkey mainly aims to improve the welfare of the people in the “infant land”. For Demir, the TRNC has no role in the WSP, because Turkey is the supplier of sources in the TRNC. He does not think the WSP minimised the role of municipalities, although he agrees that as a result of the WSP his municipality has faced financial problems, so water management has to be privatised. His ideas include many similarities with the official discourses of legitimizing the WSP. Official discourses and nationalism feed each other, and they are mostly the same. Therefore, it is possible to argue that his ideas show how nationalism makes neoliberalism legitimate.

The ideas of Fuat Namsoy, the mayor of Lapta from the UBP, are useful to understand the background of privatisation of the water management because the Lapta Municipality was not a member of BESKİ. He was opposed to BESKİ, because BESKİ as a
firm wanted to manage the whole water distribution and transfer of water management to other private firms (personal interview, May 9, 2018). In other words, water management by BESKİ was not interpreted as municipal water management by Namsoy. The mayor of Lapta defended that water is a public good and supported partial privatisation of the water, as he believes municipal water management has to continue as it is, from the municipality’s reservoirs to homes. Namsoy says that there are unclear points about the details of the privatised water management, so it is not ethical to comment on possible privatisation. However, every mayor had to sign the agreement because they had no other alternative. The agreement foresees partial privatisation together with DSI. Namsoy argues that he does not know the details of the protocol, but this protocol made use of water from Turkey more attractive than underground water resources for municipalities. For him, the withdrawal from privatisation is not practical either, as the municipalities within the current system are not capable of building the necessary infrastructures. For Namsoy, the WSP is limiting the role of the TRNC, as it is giving the municipalities only the role of mediators for the distribution of the water to homes.

Namsoy’s views are contradictory because he also argues that municipalities should have a role in water distribution, so BESKİ was contrary to this logic and he supported the protocol that led to the complete privatization of water distribution. This contradictory stance and obscurity of the protocol are important as they paved the way for the privatization of the water. Another controversy in his discussion is the fact that he considers the water from Turkey as a more practical option, although he does not know the details of the protocol. Looking at the issue in this way is a good example of how he ignores the political consequences while he still espouses for privatization. At the same time, Namsoy stresses that the withdrawal from the contract was impossible due to the economic picture of the municipalities, and indicates that the conditions provided by the government were doomed to remain on paper, and it was impossible to escape from the project and thus privatization.
Additionally, Namsoy argues that the crisis between the government and municipalities create an agenda. Disputes in the TRNC are relevant to the perceptions about the will and power of Turkish Cypriots on water management. For Namsoy, while Turkish Cypriots cared about the ownership, they ignored the fact that the expenses would be paid by themselves. This view is far from the traditional nationalist view that sees the WSP as a present from the “motherland.” About the effects of the WSP, Namsoy argues that there are some problems of animal breeders resulting from high water prices. His point refutes the economic development argument used in legitimising the WSP. Also, Namsoy considers that municipalities will not sink economically if water continues to be distributed by municipalities. In the political sense, Turkey and the TRNC are connected to each other. The WSP could not be a project of another country but Turkey. Namsoy’s views, which are close to the UBP line, show that despite all the economic and political adversities, what is presented in the showcase is the relations with the “motherland” and the greatness of the “motherland.”

According to Ismail Arter, the independent mayor of Famagusta and a former member of BESKİ, the WSP is perfect as it is going to satisfy the biggest need of the island and provide a real solution to the water scarcity problem. For Arter, water is a public good and privatisation should be conditional upon the guarantee of higher performance by the firm who manages the water (personal interview, May 14, 2018). According to him, BESKİ could manage the water technically, but it was subjected to political disputes. This is why he says Magusa Municipality was not a member of BESKİ anymore. At the same time, Arter supports the argument of Turkey that the TRNC has no capacity for the management of this water. Moreover, he argues that the Turkish Cypriots were responsible in the of Turkey’s argument that the TRNC has no capacity for the management of this water. He supports the WSP, as he believes Turkey brings water as the “motherland” to the “infant land,” by making high expenditures. For him, it is true that the TRNC has no role in the WSP and
infrastructural and technical works should be carried out by Turkey. At the same time, the WSP leads to development in economic life and should not be politicized. Thus, like the two other independent mayors, Arter takes a nationalist stance but at the same time he consistently backs up privatisation. Moreover, Arter indicates that the WSP was a part of the neoliberal transformation process stressing that the costs of the project were paid by Turkey, accepted as the IMF of the TRNC, and specifying the belief that private firms would more effectively and efficiently manage the water. In addition, he does not see the project simply as the privatisation of the water, but as the arrival of water within the “motherland-infant land relations.”

Based on the views of the mayors, which must be considered as representing the will of the local people, it would not be wrong to say that the efforts of the UBP and CTP as the government partners to legitimize the project and the privatization of the water are effective. It is also possible to argue that the mayors, who are the direct representatives of the local people's will on a local issue, such as water management, supporting the views of the right-wing of the government paved the way for the public support for privatisation.

Similarly, Hayri Orçan as the mayor of Tatlısu, who is the member of the Democrat Party (DP), supports public-private partnership for the water management. Hayri Orcan defends that water management can be privatised to the point that it reaches the municipalities’ reservoirs (personal interview, April 19, 2018). However, he does not think privatisation should be the case when it comes to managing the water flow from the reservoirs of municipalities to the public, because it means cutting the connection between the municipality and the society. At the same time, according to him, public water management is healthier and more secure. For example, he thinks water flowing from Alakopru Dam to municipal reservoirs can be privatised under the supervision of Turkey. His views reflect classical neoliberal understanding which depends on public-private partnership. Before the WSP, there was no water problem in Tatlısu, but the underground
resources have restricted capacity, according to Orcan. As a result of the WSP, aquifers are protected against the salination threat, and the WSP is important in negotiations with the Greek side because the TRNC has a strategic resource now. Obviously, water supply is not compulsory for Tatlısu, because the village has its own enough underground water resources. Therefore, there must be political reasons behind him supporting of the WSP.

Orçan does not believe that there was a real water crisis between Turkey and the TRNC. Similar to Demir, Orçan feels thankful to the “motherland” for transporting water to the TRNC which is suffering from scarcity and poor quality of water. For him, disputes in the TRNC were raised between the government and municipalities over the water management. Municipalities had been managing water for two years, and this was an indicator that municipalities had the capacity for water management, according to Orçan. Meanwhile, he highlights that Turkey is concerned about whether the Turkish Cypriots could manage the project like other projects, and supported the privatisation of water as the Turkish Cypriot could not manage the water. However, Orçan says that water, as a strategic good, had to be a public good and managed by the public. Although there were some points in the 2016 Agreement that he did not support, he still signed it for the sake of water supply. Orçan defends that the TRNC could not afford this project both economically and technically and only the “motherland” Turkey could make such type of investment in the TRNC. The collapse of the government in 2016 was related to the deficiencies of the TRNC rather than the project, according to Orcan. He finds this as an expected consequence because traditionally the “motherland” supported the TRNC in all areas from defense to water, and the inefficient usage of the financial sources in the TRNC was the reason for the motherland’s intervention similar to intervention of parents to children (Orcan, personal interview, April 19, 2018). For him, efficient use of sources means following protocols prepared to satisfy our needs rather than impositions. All over the world, financer countries demand the borrowers follow the protocols for the usage of the source, so the TRNC had to
be loyal to the protocols that were signed. Saying so, he is in a way, defining the legal backup for the neoliberal transformation of the TRNC which is regulated with the signed protocols between the two states.

One of the main features of nationalism is to see the project as the project of the “motherland” to solve the water shortage of the “infant land.” Orcan interprets the project as the water supply of the “motherland” and praises the project as the TRNC could not build such a project by herself. Orcan's views also show how neoliberal policies are considered legitimate by nationalists at that time when the crisis was in the offspring and there was no problem with the “motherland”. Management problems could also be solved in accordance with the signed protocols according to him. Following the traditional nationalist opinions, he accepts external influences of the neoliberal transformation as “support” from the “motherland” and by doing so, he ignores political and economic impacts of the neoliberal transformation. Moreover, although public water management is a vital issue for the society, causing the crisis, he disregards the situation saying that it is not worth discussing and covers this by the love of the “motherland”. As a result, the love of the “motherland” is pushing Orçan to side with privatisation, although he thinks that the municipalities, which have already been managing the water for two years, can manage the water.

Another interview is held with Ilker Edip who is the mayor of Beyarmudu from the UBP. For him, water is important for satisfying the needs of people and region and is a public good that the government should manage with the right methods and planning (personal interview, May 2, 2018). For him, the water problem was a result of overdrawing water which was caused by the populist policies of the old administrations. Edip was not opposed to privatisation of the water management, but he warned that this option included risks such as high prices, so municipalities should be part of the water management. Obviously, he is on the side of public-private partnership where municipalities as the public institutions could make regulations. His view supports the partial privatisation of the water
management similar to other right-wing mayors, such as Namsoy and Orçan. According to Edip, the WSP is the one the most correct works, because the TRNC suffered from water problem during this time. For example, before the WSP, Beyarmudu suffered from serious water problem and the WSP solved this problem with no alternative.

The water crisis was a result of the irresponsibility of the TRNC because the flow of the water was planned with the protocol signed before, but the TRNC administrations did nothing about the water management, according to Edip. This is why the crisis occurred between the TRNC and Turkey and the project affected the relations between Turkey and the TRNC negatively. According to Edip, the WSP as “the project of the century” was the biggest project of Turkey for the TRNC and the main actor of the water management was Turkey, and the TRNC had no role in the water management. On the other hand, he does not think that the Turkish Cypriot municipalities can not manage this water and the transported water will be the peace water. It is necessary to highlight that Edip was one of the seven mayors leaving BESKİ in January 2016, requesting the activities of BESKİ to be stopped for a period of time, because its objectives were not brought to the appropriate ground. In his personal interview, Edip argues that BESKİ could not make the investment for water networks because it did not have the financial resources. Investments can be made only with funds from the TRNC or grants from Turkey. Finally, he defends that there was betterment in agricultural production and people’s daily lives as a result of the WSP, and the WSP resulted with development in economy and relations between Turkey and the TRNC.

Edip supports municipal water management, but he was against BESKİ, so he has similar contradictory ideas with other right-wing mayors. Moreover, all municipalities were convicted to privatised water management, although most of them were the supporters of municipal water management at the end of the day. In short, like other mayors who backed privatisation without being in favor of privatisation, Edip gave very vague answers to the
questions about water management, while highlighting other aspects of the project by stating his views on the use of water and how water affects relations with the “motherland.”

Mahmut Özçınar, who is the mayor of Omorfo from the UBP also supports monopolised water management for low priced water, and he thinks the monopol could be the union of municipalities or a private firm (personal interview, July 5, 2018). For him, the alternative of a monopol could be a public-private partnership or public management of water, because water is a public good. According to Özçınar, the WSP was necessary because a water crisis resulted from the scarcity of water and there was no political crisis about the management. He reminds that the water management will be privatised in the future according to the agreement signed between the two states and approved by the TRNC parliament. Similar to Edip, he supports neoliberal transformation based on official documents. Özçınar interprets disputes about water management in the TRNC as unnecessary because municipal water management is not possible in conditions of the TRNC as everyone thinks his/her own interests. Moreover, water management was already an item on the protocol.

At the end of the day, Özçınar, as one of the important representatives of the UBP, agrees that municipalities cannot manage the water. The agreement is “positive”, according to Özçınar. He does not think that the role of the state decreases, but there is no role of the TRNC in the WSP because the TRNC did not have the means to handle this project structurally. It is natural that Turkey as the supplier will gain some benefits. For him, the WSP is the opportunity to solve the problems and has no political effect, because the TRNC needs the water. Different from the other UBP mayors, Özçınar defends that BESKİ can manage the water and this option can be tried.

Different from other nationalist mayors, Özçınar defines water as the public good but supports privatised water management. On the other hand, he argues that municipalities cannot manage the water, but BESKİ as the firm which included many municipalities, can do
Another interesting point is about the role of the TRNC in Özçınar’s opinions. This is mainly because for him, there is no role of the TRNC in the project, but the parliament of the TRNC approved the privatisation of the water as a result of the project. It is clearly seen that the role of the TRNC, as the state, is only at the approval of the neoliberal transformation whose conditions were not determined by herself. At the same time, Özçınar analyses crisis as an ecological issue and disregards the political crisis similar to other nationalist mayors. This was very useful to make the WSP legitimate because they already knew that the “motherland” is sacred for some people in society. To conclude, the nationalist and right-wing mayors had the role of legitimating and supporting the privatisation of water management although they had opposing ideas about water management. It is possible to say that this situation is related to enforcer characteristics of the UBP management which acts in accordance with orders of the “motherland.” This ideological difference about the water management between the UBP administrations and mayors as the members of the party is a good example for the sources of the political disputes around the privatisation. For a better understanding of the privatisation, it is necessary to examine ideas of other mayors who are the members of the CTP and TDP.

Hasan Barbaros who is the mayor of Akıncılar and member of the CTP was against privatisation of the water, but he signed the agreement because of the demands of the animal breeders. Also, he claims that he had no choice but to sign the agreement because he was forced with government legislation about the agreement. Barbaros does not think the WSP is the present from the “motherland” to the “infant land,” and for him, the project means “bleeding infant land” and “Sir [Recep Tayyip Erdogan] wants to transfer the water management to his relatives” (personal interview, April 19, 2018). For him, BESKİ (Water and Sewage Operations of Municipalities in TRNC) could manage water, but intervening with some municipalities, the Aid Committee led to the collapse of BESKİ. According to Barbaros, BESKİ had adequate financial resources for the management of the water, but
Turkey in Anamur Meeting told that BESKİ had no capacity for this kind of investment. Moreover, Barbaros claims that Turkish politicians in Anamur Meeting said: “If you do not accept the protocol, the water will not come to your island.” This shows another source of the political disputes around the privatisation of water management because, at that point, the nationalist mayors started to argue that BESKİ did not have the finances to manage the water, so the right-wing municipalities started to leave BESKİ.

According to Barbaros, there were alternatives to this project, such as purification of the seawater, but the alternatives require a state which works systematically, while the TRNC is not that kind of state. Barbaros, like Orçan, signed the agreement for the supply of water. Disputes were between the municipalities and the government and resulted in the collapse of the government because of the mayors who are the CTP members and BESKİ. He argues that water management could be privatised but under public supervision and control. In short, according to the majority of the mayors, the transported water could be managed by the Turkish Cypriot municipalities if the “motherland” did not intervene and was not supported by the nationalists of the “infant land.”

Another interview was held with Suphi Coşkun, the mayor of Karpasia from the CTP. Coşkun, advocating the public management of water, is a good example to illustrate how the conditions were created within the project to bring people to the point of accepting privatisation although the groundwater resources are rich (personal interview, April 24, 2018). Coşkun considers the project as a trap for the municipalities and states and he was obliged to sign the agreement due to the cost of underground resources. According to Coşkun, the WSP affected the municipalities adversely as he says: “In this way, the project is now bringing municipalities to wreck as we can not control the illegal use of water, which is why every month we lose minimum 30-40 thousand Liras.” For him, the project also resulted in the collapse of the government in April 2016. Coşkun’s ideas are useful to
Aziz Kaya, who is the mayor of Lefke from CTP, defines water as a public good and supports municipal water management (personal interview, April 27, 2018). According to Kaya, the water problem in the TRNC was a result of false policies of administrations, such as drilling permit. For him, the water problem was given as the biggest justification for the WSP, but the agreement caused privatisation of the underground water resources as well. This is why, he defends that the WSP could not solve the water problem in the TRNC, and there could be other methods to solve this problem. However, the WSP was accepted as the solution because of the inefficiencies about infrastructure and it would be useful to transport hydrocarbon gases from the Mediterranean Sea, he claims. The argument of the AKP government about the capacity of the TRNC is artificial, according to Kaya, as BESKİ evidence that municipalities can manage this water, but unfortunately, it collapsed. Kaya claims that this was caused by the grants given by the Republic of Turkey’s Development and Economic Cooperation Office to the municipalities that broke from BESKİ at that time. He does not think that the WSP was a present from the “motherland” because of the high prices of water. At the same time, according to Kaya, the WSP has strategic importance for Turkey, because Turkey aims to raise the prestige of the country. Saying that Kaya also points at the geostrategic role of the project and its neoliberal characteristics for the TFP. In other words, his point is a good example to analyse the relationship between the TFP and geopolitical importance of the WSP.

Although Aziz Kaya was opposed the WSP, he signed the protocol because of public pressure and collapse of BESKİ which he sees as the unique alternative to privatisation. Aziz Kaya thinks that the agreement was the imposition of the government to the municipalities, and the government perception was that “We have signed the agreement, you can do whatever you want.” This is why the project resulted in the collapse of the government. In
current conditions, Kaya argues that many municipalities can go bankrupt because of the project. Moreover, he thinks that the withdrawal right of municipalities from the protocol is not real. He believes that the TRNC is given no role in the WSP as SID (Royal Irrigation Department) had no say and the infrastructural investments were made by the Aid Committee. According to Kaya, the project was a reflection of the traditional relations between the “motherland” and “infant land,” but water crisis is still possible because the water valve is under the control of Turkey all the time.

Moving from his opinions, it possible to argue that there is also an ideological difference among the CTP administration and CTP members. Obviously, Kaya thinks differently about the water scarcity and the solution to scarcity. He accepts water scarcity as a political problem and water supply as not a solution. It is important to highlight that water scarcity was seen as a natural problem by the government members of the UBP and CTP. Moreover, his views prove that the CTP ignored the will of the people and that the right of withdrawal, which was left on the paper, was only put forward to get the social acceptance for privatisation. On the other hand, Kaya, stressing that the project could create a different kind of water crisis caused by Turkey, refutes the arguments of the nationalists legitimising privatisation with an emphasis on good relations with the “motherland.”

Ahmet Benli, the mayor of Gönyeli from CTP, defines water as a public good, and although many goods can be privatised, water as a public good is the basic human need that should not be privatised for profit (personal interview, April 26, 2018). According to Benli, the people suffer from water problem in the TRNC and the WSP, although there were other alternatives (salination), was the “real” solution for this problem. Additionally, Benli thinks that there was no water crisis between Turkey and the TRNC, it was only a partial disagreement. Similar to many other mayors, he also thinks that the municipalities support the management of water by BESKİ as the municipal firm. According to Benli, the collapse of BESKİ was related to the political facts of the country. He said, “The positions of the
parties in the governments and the parties in the opposition must be different.” Moreover, Benli argues that Turkey as a side to the international agreement is financing many projects here, so some mayors -rightly- do not find it right to stand against Turkey. Municipalities can manage the water. However, the agreement with Turkey changes the possibility of municipal water management into privatised water management. As can be seen from the Benli’s views, the discussions on water management and the collapse of BESKİ are directly related to the neoliberal transformation of the country.

Benli does not think that withdrawal from the protocol is possible in practice, but Gönyeli Municipality prefers to withdraw from the privatisation of water deal because for them it leads to competition between public-private. His argument is important to illustrate that the withdrawal right of municipalities is only on the paper, which is why it is possible to say that this right is mentioned on the protocol just for the sake of the acceptance of neoliberal impositions of Turkey. Benli does not think that the supplied water will be “peace water” because of the insufficient capacity of the project. Like other mayors, Benli says he signed the protocol for water supply, although he is opposed to the privatised water management. For him, the TRNC has restricted capacity to make investments and Turkey satisfies water needs of the Turkish Cypriots through the WSP. Benli claims that municipalities can be bankrupt as a result of the WSP. Benli also agrees that the government collapsed in April 2016 because of the WSP and that Turkey and the TRNC have a common ground. On the other hand, for him, the WSP has shown that Turkish Cypriots should be better in taking responsibilities because Turkey’s interventions depend on the irresponsible practices in the TRNC.

Obviously, the weakened public institutions as a result of the neoliberal transformation led to the increase of dependency of the TRNC on Turkey with the WSP as another neoliberal project, and this was even reflected in the views of CTP member mayors who were opposed to the legitimizing efforts. Another important point in the interviews held
with CTP mayors was that they constantly blame Turkey in this regard while they disregard the practices of the CTP-UBP coalition government.

Lastly, the ideas of Mehmet Harmancı, the mayor of Nicosia from TDP, will be analysed. His points are very important to show the role of the media and civil society in the social acceptance of the WSP. Harmancı claims that water is a public right, but nowadays it is a commodity because public access is not free (personal interview, May 23, 2018). Privatisation of water is the worst scenario, according to Harmancı, as he believes private firms aim to obtain profit, so some of the privileges given to the people in need will possibly end. Also, Harmancı has suspicions about the chemical analysis of water by a private firm. According to Harmancı, the WSP is one of the possible solutions for the water problem, but the government did not make a financial analysis. Therefore, Harmancı has question marks about the sustainability of the project and thinks that the WSP is a temporary solution for Turkish Cypriots. Moreover, he believes that the WSP has strategic benefits for Turkey rather than benefiting the welfare of the Turkish Cypriots: Turkey has strategic aims from the WSP which is related with the Middle East, for Harmancı, and this is because the agreement regulates the bilateral rights for the advantage of Turkey (personal interview, June 29, 2018).

Harmancı claims that the water crisis around the WSP was caused by the Aid Committee by cutting the financial sources to pressure the municipalities. For him, the crisis was artificial, created for the acceptance of privatisation by the society; and the sides of the crisis were the government, the media and the mayors supporting the policies of the government. Harmancı believes that the media played a big role in the disputes because the media supports privatisation and helps the rise of the perception that the municipalities can not manage this water. According to Harmancı, the withdrawal right was shown as the doorway by Turkey and the government, but it is meaningless in reality because the agreement does not give equal rights to the municipalities and the private firm ( Kıbrıs,
March 12, 2016, p.14). At the same time, he argues that build-operate-transfer is an artificial concept created to manipulate the perceptions of people; in reality, it means “operate-operate.” In other words, Harmancı thinks that water management will be under the responsibility of the private firm and the state will have no role in the future. He believes that BESKİ had financial sources to manage the water and the collapse of BESKİ was related to the connections of some municipalities with Turkey and the EU. The agreement was a death warrant, according to Harmancı, because it gives the rights all together to a private firm and ends SID’s and Turkish Cypriots functions in the water management. Harmancı also says that he signed the agreement although he does not support it, because Nicosia has no other option, adding that “I have no declaration of intention towards privatisation of water.”

Additionally, Harmancı argues that in Turkey, the WSP has been an issue for bureaucrats who aim at privatization right from the beginning. Similar to Barbaros, Harmancı defends that Turkey is a country where pro-government firms walk with the government. He claims that there were civil society and media organisations in the TRNC that support Turkey’s policy and pressure the municipalities. For example, the Turkish Resistance Organisation (TMT) and Mujahedeen Association declared that the decision of the Nicosia municipal assembly means blocking Nicosia’s people’s access to clean water (Kıbrıs, June 10, 2016, p.24,) when the municipal assembly of Nicosia decided not to transport the water from Turkey because of high prices of water (Kıbrıs, June 9, 2016, p.11). Moreover, Kıbrıs newspaper interviewed Haspolat citizens and claimed that: “People of the region do not support the decision of the assembly. They are looking forward to Turkey’s water. They have got bored of disputes, the public will decide” (Kıbrıs, June 10, 2016, p.24).

Rauf Denktaş, the member of the municipal assembly from the DP, criticized the decision of the municipal assembly and stated that “Nicosia has no days to lose. Our task is to bring people together with water” ( Kıbrıs, June 11, 2016, p.19). Meanwhile, 22 organisations met at the Retired Cops Association and declared that “We are demanding re-gathering to turn
back from the false decision. If they do not turn back, we will invite them to resign. We will declare civil disobedience if the decision will not change” (Kibris, June 13, 2016, p.22). These statements serve as evidence for Harmancı’s arguments about the domestic support of some local organisations and people stood by Turkey in the process of privatisation in the TRNC.

Lastly, the TRNC has no role in the WSP, it withdraws from the water management and becomes the follower of the WSP from the media, for Harmancı. On the other hand, Turkey was both the creator and planner of the project. In other words, the Turkish Cypriots were the side in need of water but did nothing, and Turkey was the side to supply water. He argues that if Turkey cuts the water supply, the Turkish Cypriots will have no right to speak. He believes that the WSP did not help education, health, and other sectors, although it was claimed to do so; also, he agrees that there are complaints about the high prices, but the prices were the result of high water leakage. According to Harmancı, the project resulted in the collapse of the government, a decrease in Turkey’s financial aid, a decrease in the role of the state in people’s perception and an increase in Turkey’s area of influence over the TRNC. He adds that the WSP was the continuation of the current order under the embargo and Turkish Cypriots are squeezed between the two states due to the project’s closed nature and finance. Therefore, Harmancı thinks that the Turkish Cypriots’ thankfulness to Turkey has a big role in the acceptance of the privatisation of water brought by the WSP.

The Harmancı interview also shows that the oppositional mayors had to accept the privatisation at the end of the day despite their rejection of privatization for ideological reasons. Unlike the other mayors, Harmancı states that some of the internal actors had a role in privatisation and shows that the neoliberal transformation is not only imposed but also got internal support. In addition, Harmancı emphasizes that the principles of the agreement added by the government to soften the crisis are dysfunctional and the management of water is possible by the municipalities with the hand of BESKİ. At this point, the Harmancı
interview shows that as a result of the neoliberal transformation, the role of the state has declined in an important area, water management, in the TRNC and the private sector has become the main actor. It is necessary to highlight that Turkey’s financial aid and the love of the “infant land” for the “motherland” was influential at this stage.

To conclude, there were ideological differences between political parties and mayors who are the members of those political parties. The UBP and CTP as partners of the coalition government supported privatisation. On the other hand, the mayors have different opinions about the management of the water. Obviously, an analysis of different arguments of the mayors as the main actor of the water management before the WSP was useful. There were mayors, such as Orcan and Edip, who said municipalities were already managing the water and could continue to do so. Özçınar, Coşkun, and Demir supported the privatisation of water due to the high prices of the water. Some of the mayors such as Barbaros, Benli, Kaya, and Harmancı accepted the privatisation, although they were against privatisation since withdrawal was impossible, and the only condition to get water was to accept privatisation. Moreover, according to the results of the interviews held with the mayors, the collapse of BESKİ was a political process aiming at preventing municipalities from taking roles in water management. It is possible to argue that the collapse of BESKİ, occurred due to Turkey’s interventions and BESKİ was claimed not to have sufficient financial resources, shows that the privatised water management is seen as an investment area for Turkish private firms. In short, the privatisation of water, despite all the different views for and against privatisation, is an indicator of the neoliberal transformation peculiar to the TRNC. The public and private partnership in public tenders, which were always won by the pro-AKP companies during the construction of the project, is another important indicator of the neoliberal transformation. As a result, it was the neoliberal transformation of the TRNC that brought the privatised water management in the project. There is no doubt that this project
had important structural political consequences for the country, which will be discussed below.

5.3 Results of the WSP

It will be useful to look at the political and economic consequences of the WSP with reference to how it was affected by the neoliberal transformation. The CTP, which sees itself on the left, while accepting privatisations in 2009 in regards to neoliberal transformation of the country when the UBP was the government also believed that those policies got domestic support. In 2016 when the CTP and UBP were in the coalition government, the CTP found itself in the position to accept Turkey’s impositions, which also revealed the change of direction of the party, and as a result of the project, this transformation took a concrete form. Another political result of the project was to increase economic and political dependence of the TRNC on Turkey over the water and the reduction of the role of local public institutions. Also, the project resulted in the collapse of the term government of the CTP-UBP in April 2016, after the disagreements on water management. Finally, as the discussions on water prices show, it would not be wrong to argue that the project has economic results that are contrary to expectations. This section of the chapter aims to explain all these consequences with the reasons.

The WSP has caused a change of direction of the CTP. To better understand the ideological turbulence and transformation experienced by the CTP through the period of the WSP, one should better have a look at the CTP’s party principles and the opinions of its members. According to the brochure titled “Exit Path”, published in 2001, the CTP is against the bilateral relations based on the integration of the TRNC with Turkey over the idea of thankfulness. The party finds those relations “impersonal” (p.5). The brochure emphasizes the need to eliminate distortions of the political economy and underlines the need to establish a rational relationship with Turkey based on mutual benefits: "We are supporting our people to have their own institutions and management, and for this aim, we recommend
restructuring the economy” (p.8). Similarly, Kutlay Erk, the General Secretary of the CTP in 2014, argued that “Privatisation of water is against the principles of the party and water distribution should be under the responsibility of the TRNC’s institutions. The CTP trusts experiences and background of the Turkish Cypriots. Inadequacies can be overcome: If we have the will, we can overcome the technical and financial problems” ( Kıbrıs, September 30, 2014, p.13). Despite all these ideals, the CTP contributed to the privatisation of water together with its coalition partner, UBP, in 2016 and harbored the risk of causing more dependence on Turkey both politically and over the water.

We can also explain the change of direction of the CTP, which has been in search of innovation and change since the 1990s and especially since 2004, with the views of Erhürman. Tufan Erhürman (2010), who served as the General Secretary of the CTP in 2015 when the discussions on water management were in progress, states in his book, The New Left, we should answer the question “What kind of a left?” in the north of Cyprus, and we should develop a new understanding of the left. Erhürman (2010) associates the hegemony of neoliberalism with the collapse of the USSR and says that the disintegration of the Eastern Bloc had effects on the Turkish Cypriot left. The left has started to be stunned by the hegemony of neoliberalism, according to Erhürman (2010), who says: “The left parties started to express neoliberal demands together with the right parties and even more strongly in some countries without considering the conditions of the countries and the effects of the practices in these areas on the lower classes” (p.37).

Moreover, Erhürman argues that there is no difference between the left and the right in terms of the downsizing of the state, the reduction of employment in the public sector, and the privatization of health and education. Erhürman disagrees with the fact that the neoliberal order has “no alternative,” and for all parties on the left, the real question is how to adapt themselves to the new developments. Erhürman says that the attitude of the left regarding privatization is far from developing a holistic reaction within the scope of this change. For
him, it is not important to categorically defend or reject privatisation but to discuss the implications of privatisation for the non-dominant classes and layers of the society, taking the concrete conditions in North Cyprus into account (p.91). Finally, according to Erhürman, developments in the context of neoliberal transformation in 2009 cannot be seen only as of the imposition of Turkey, because these initiatives always got support from the ruling class in the country (p.119). Nevertheless, in 2016, the same CTP condemned the Turkish Cypriots to privatised water management by signing a bilateral agreement that made privatisation “no alternative” without considering how to adapt the left to the new developments. As can be seen from the views of the CTP mayors, the party also ignored the risks posed by the privatised water management for the “non-dominant classes” when the party took a pro-privatisation stance.

Based on the views of Erhürman and the brochure, it would not be wrong to say that the CTP is a party that sees itself on the left and seeks appropriate acceleration. While two sources provide guidance on what kind of policy should be followed in the neoliberal transformation of the country, in 2016, the party advocated privatisation of water. Therefore, it is possible to argue that one of the results of the WSP is the change of direction of the CTP. Of course, the change of the attitude of the party is highly related with the dependent political and economic structure of the country on Turkey, as mentioned in chapter 4, because Turkey did not sign the 2016-2018 protocol until the agreement on water supply and management was signed. Also, the party had to accept privatisation because of serious water problem which caused producers to pressurise the party.

Secondly, the WSP resulted in an increase in the TRNC’s economic and political dependence on Turkey over the water. To better understand this result of the project, it is necessary to remember the arguments of Challeney (2013) about the water dependency which were discussed in chapter 3. Challeney analyses importing water as taking the risk, because it means to become dependent on other states (2013, p.7). Especially the interviews
held with Harmancı and Kaya show that the WSP led to the water dependency of the TRNC on Turkey. This situation is interpreted as a development in the relations between the “motherland” and the “infant land” by some mayors.

The claim that Turkey cut the financial support to the TRNC due to the indecision regarding the privatisation of the water was also the indicator of the increasing dependency of the “infant land” on the “motherland.” For example, Çakıcı, the deputy from the TDP, said the financial protocol in 2016 was not signed owing to the problems that arose around the privatisation of water and that is why thirteenth salaries of civil servants were not paid at that time (Kıbrıs, January 19, 2016, p.16). Similar with him, Tatar, the UBP deputy, made a call to the government in Cyprus Newspaper to deal with the water problem immediately and to conclude the economic protocol to be signed with Turkey urgently (Kıbrıs, December 30, 2015, p.42). This claim and the call are good examples of dependency over the water showing the link between financial support and politics.

Moreover, the WSP resulted in water dependency between Turkey and the TRNC which are not co-riparian states naturally. The TRNC is dependent on RoT with the water pipeline under the name of "integrating- connecting Anatolia and Kyrenia" officially. In the opening ceremony Davutoğlu, the Prime Minister of the RoT, made the statement:

Today, Anatolia and the Turkish Republic of Northern Cyprus are embracing each other once more. We are building a magnificent water bridge that is unique in the world. We offer a worldwide project to Cyprus, and those who can not imagine these big projects are ashamed. This time we connect Kyrenia to Anatolia with water. We appeal to the whole world that Cyprus and Turkey are connected in a way that they will never be separated. The water of the motherland will flow. (Kıbrıs, 2015, p.4).

Indeed, the TRNC and Turkey are "connected" over the water. The WSP agreement regulates a purchase guarantee for Turkey by the TRNC, payment of the water price to the treasury of Turkey and Turkey’s right to sell the water to the third countries, as mentioned in chapter 3. On the other hand, the agreement regulates responsibilities of the TRNC mainly as making legal and administrative arrangements for the immediate implementation of the
provisions of the agreement, as mentioned above. Therefore, it seems that RoT has economic and political rights over the water, and the TRNC makes institutional regulations as the protection for the rights of the "motherland." In other words, the WSP satisfies water needs of the Turkish Cypriots by giving very broad rights to Turkey over the water. The TRNC undertakes political and economic risks which can easily be exploited by Turkey, and this is the water dependency caused by the WSP.

Internally, the water dependency is covered by traditional discourses. Benli’s and Edip's statements are important in showing this situation. According to Benli, the WSP means there is a common ground between RoT and Turkish Cypriots, and this common ground should be developed (personal interview, April 26, 2018). Edip said, "the WSP is part of traditional relations between the "motherland" and the "infant land", and also the bond between these states has strengthened because of the WSP" (personal interview, May 2, 2018). However, these statements ignore the political, environmental and economic risks of the project, and create an optimistic perspective on social perception about the WSP. Harmancı supports this with his own evaluation: the WSP as the project expands Turkey's sphere of influence in North Cyprus (personal interview, May 23, 2018). Harmançı's argument as the opposite of mainstream perspective is significant that show political risks which are taken by the TRNC as a result of the WSP.

Thirdly, the collapse of the CTP-UBP coalition was the result of the WSP, because those parties had different opinions about water management and distribution. In reality, the TRNC did not make a decision about the management of water until the water started to flow into the dams. One year before the flow of the water, Hamit Bakırçı, the Minister of Environment and Natural Resources from UBP, made a statement to the press about the possible models for water distribution, for example. Bakırçı released to press that there were three possible models for water distribution. These were the current model, built-operate-transfer model, and build-operate-transfer to the expert team. Moreover, Bakırçı argued that
water prices were still uncertain, but it would not be more than the current price of water (Kıbrıs, September 23, 2014, p. 6). At the end of the day, the management of water was privatised in 2016 by the UBP-CTP coalition although especially the CTP member mayors were against the privatisation and formed BESKİ that collapsed later due to Turkey’s interventions. This crisis and the WSP resulted in the collapse of the government in April 2016.

**Table 4: Comparative Water Prices of Eleven Municipalities**

<table>
<thead>
<tr>
<th>Municipalities</th>
<th>Water Prices Before the WSP</th>
<th>Current Water Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nicosia</td>
<td>1-10 cubic meters: 2.15 Liras 10-20 cubic meters: 3.15 Liras 20-30 cubic meters: 4.15 Liras</td>
<td>0-6 cubic meters: 5 Liras 6-10 cubic meters: 6.2 Liras</td>
</tr>
<tr>
<td>Gonyeli</td>
<td>0-10 cubic meters: 2.43 Liras 11-20 cubic meters: 3.55 Liras</td>
<td>0-6 cubic meters: 4 Liras 7-12 cubic meters: 5.50 Liras</td>
</tr>
<tr>
<td>Lefke</td>
<td>0-20 cubic meters: 2 Liras</td>
<td>Each cubic meter: 3.50 Liras</td>
</tr>
<tr>
<td>Guzelyurt</td>
<td>0-10 cubic meters: 2.20 Liras</td>
<td>0-5 cubic meters: 4 Liras 6-16 cubic meters: 4.5 Liras</td>
</tr>
<tr>
<td>Lapta</td>
<td>0-10 cubic meters: 10 Liras (fixed price)</td>
<td>Each cubic meters: 5 Liras</td>
</tr>
<tr>
<td>Tatlısu</td>
<td>0-10 cubic meters: 1.8 Liras 11-20 cubic meters: 2.5 Liras</td>
<td>0-10 cubic meters: 3.2 Liras 11-20 cubic meters: 4 Liras</td>
</tr>
<tr>
<td>Akinçilars</td>
<td>Each cubic meters: 0.50 Liras</td>
<td>0-10 cubic meters: 5 Liras</td>
</tr>
<tr>
<td>Fagamusta</td>
<td>0-15 cubic meters: 3.20 Liras 16-30 cubic meters: 3.90 Liras</td>
<td>Each cubic meters: 6.50 Liras</td>
</tr>
<tr>
<td>Beyarmudu</td>
<td>Each cubic meters: 1.90 Liras</td>
<td>Each cubic meters: 4 Liras</td>
</tr>
<tr>
<td>Karpasia</td>
<td>0-10 cubic meters: 10 Liras (fixed price) 11-20 cubic meters: 1 Liras</td>
<td>0-20 cubic meters: 5 Liras</td>
</tr>
<tr>
<td>Yenibogazici</td>
<td>0-5 cubic meters: 1.5 Liras 6-10 cubic meters: 2 Liras 11-20 cubic meters: 2.5 Liras</td>
<td>0-20 Liras: 4 Liras</td>
</tr>
</tbody>
</table>

Source: personal interviews, 2018.

Lastly, the WSP resulted in unexpected economic impacts as a result of high prices of the water which can be seen from in Table 4. The high prices of the water led to political
crisis and social disappointment because the WSP was expected to be a source of development in several sectors, as discussed before in this chapter. It was mainly due to the fact that the price of the water was determined as 2.30 Liras which was interpreted as high by some groups in the society in 2016. The Turkish Cypriots were not happy about this situation; for example, Cyprus interviewed the people living in Nicosia who said that “The price determined for the water, which is a vital need, is very expensive” (May 22, 2016, p.11). Similarly, people living in Iskele and Karpasia said that it would be difficult for them to pay the bills and they found the price of the water thought-provoking. Mehmet Tığ, who lives in Karpasia and consumes water for domestic use, said: "We will not able to use the water that we are looking forward to." At the same time, the high price of the imported water is accepted as too high for agricultural farming. Muhammet Gürlen an agricultural farmer in Lefke, made a statement that: "We are not in a position to afford the announced the price of the water while we find the current price too high. Instead of privatisation of the water, it will be better if the state manages this water in a cheaper way." ( Kıbrıs, May 22, 2016, p.9). Additionally, Hüseyin Mahmutoğlu, the member of Turkish Cypriot Olive and Olive Oil Producers Association, stated that the determined water price will affect producers and consumers negatively ( Kıbrıs, May 22, 2016, p.9).

Suphi Coşkun, the CTP mayor of Karpasia, supports municipal water management personally, but he supports the privatisation of water management officially because high priced water contradicts with the conditions of Karpasia, namely, high unemployment and high water leakage (personal interview, April 24, 2018). Therefore, the water consumption of people in Karpasia has become restricted because of the high prices of imported water. Although Karpasia has sufficient underground water resources and does not need the water from Turkey, Coşkun signed the water agreement because the prices of the underground water became equal to the imported water prices. Due to the high priced water, the current situation of the municipal water management is not sustainable according to Coşkun, so the
privatised water management is a necessity. Benli as the CTP mayor of Gönyeli, claims that municipalities will become bankrupted as a result of the high priced water and agrees that there is an inevitable need for privatised water management (personal interview, April 26, 2018). Although the privatisation of water resources and management does not have much to do with Shiva’s terrorism analogy and has not yet advantaged any sort of “capitalist class” in the TRNC, it can not be denied that high priced water brought by the WSP caused disadvantages for some people in the society due to the gap between income levels.

There was also a political crisis over high water prices. Political parties had different opinions about the water prices; while the UBP defended that the prices are not high, the CTP defended that water prices are high. The CTP insisted that the UBP should share what makes up the water price transparently, and water prices should decrease as far as possible (Kibris, May 28, 2016, p.20). Under these conditions, there were different views between the mayors: Mayors of Değirmenlik, Alayköy, Akınçilar, and Alsancak acknowledged that they needed water, but they did not sign the agreement because of infrastructure and financial problems. Similarly, Lefke’s mayor declared that the municipal assembly of Lefke will not buy the water coming from Turkey, because they already have clean and cheaper water. Also, Kyrenia’s mayor said, “High water prices is the only problem that keeps the municipal assembly of Kyrenia waiting” (Kıbrıs, June 22, 2016, p.23). Benli and Harmançlı challenged the water prices arguing that neither municipalities nor people can afford the price of water (Kıbrıs, May 23, 2016, p.14).

5.4 Perceptions of Stakeholders

The perceptions of stakeholders are important to show the political and economic outlook of the project from their point of view. In this part, we are going to look at the views of agricultural producer unions and teachers unions.
To start with, the Northern Cyprus Citrus Fruit Producers president Turgut Akçın had a positive view of the project. He defined the project as the motherland’s project to satisfy water needs for the usage and irrigation (personal interview, June 27, 2018). For him, the whole island needs this water transported with the WSP which is an important investment for Turkey. It is an investment for Turkey and the Turkish Cypriots will hold the financial burden of this project, he thinks. Water is such an absolute need, according to Akçın, that all of the mayors had to accept the WSP as a solution to the water problem. He believes that the WSP did not have a negative effect on agriculture until today, but the production will rise 100% thanks to the project. Moreover, the WSP has no political effect because water is a real need of people, for him. Turkey holds all of the responsibilities of the WSP, which will then be transferred to a private firm through tender. By the way, underground resources will be as rich as it used to be. According to Akçın, the Turkish Cypriots will have their role in the operation of the project, but the operation needs money. The Turkish Cypriots may have a role in the project as the bargainer. He claims that there was not too much dispute in Turkey about the WSP, but in the TRNC some municipalities such as Gönyeli were opposed to the project. In the end, as a result of people’s reactions, they had to sign the agreement as a necessity to supply water. The disputes around the WSP because of high prices were seen as superficial by Akçın. On the other hand, in 2016, Akçın made a statement as, “if the price of the water will be 1 Lira, we will be bankrupt” to Cyprus Newspaper (February 17, 2016, p.16). He does not support the “Peace Water” agreement and argues that the WSP was part of traditional “motherland- infant land” relations, and it strengthened the relations between the two countries. Akçın stresses the water need of the society and the “motherland” constantly in his interview. While doing so, he disregarded the neoliberal transformation of the TRNC through the project with his nationalist views.

Similar to Akçın, Ahmet Yeşilada as the Head of Potatoes Producer Unions, claimed that the WSP was the healthiest, the most beautiful and useful project of all of Turkey’s
projects. According to Yeşilada, water is more valuable for agriculture than other sectors, because water supply and sources are restricted, so the WSP is very beneficial. Yeşilada claims that there were both economic and political results. First of all, the project has risen the confidence of the TRNC. Turkey is everything for Turkish Cypriots and the WSP: “If Turkish Cypriots live today, this is under the favors of the motherland” says Yeşilada (personal interview, June 29, 2018). He argues that the role of the TRNC was to demand. “Turkey and the TRNC can not be thought as separate entities. If someone says the opposite, he/she lies, says so purposefully, has other purposes or serves someone,” says Yeşilada. He defends that municipalities did not do what they should do and it is unfortunately still the case. Moreover, Yeşilada claims that some mayors tried to hinder the project because the EU and the USA want to break Turkey and the TRNC apart. Water should be privatised and managed by an institution that has the capacity and experience. SİD as the public institution of the TRNC, has no real contribution to the project, according to Yeşilada. On the other hand, DSİ brings water to the TRNC, and it is possible that DSİ may privatise the water management but this has not happened yet. He finds the disputes about water management strange, because water should, of course, be managed by a competent private firm, as he believes statism does not work in the TRNC. For him, water crisis means water scarcity because of lack of water supply. He does not know the content of the agreement, but he thinks that Turkey should manage the water, and as a follow up to the WSP electricity and everything should be privatised as well. The WSP is a continuation of traditional relations, according to Yesilada, because the TRNC is a young and inexperienced state. If the WSP was a project of another country rather than Turkey, he would not support it, because water is a strategic good that can not be given to the hands of any other state. Other states can use water for their own purposes, but he does not have any doubts about Turkey.

Yeşilada’s arguments circle around mostly nationalist concepts like the integrity of Turkey and the TRNC and trust to the “motherland.” These views ignore the negative
impacts of the project and they only focus on the positive impacts of the project. It is possible to say that people like Yeşilada and Akçın do not see any negative impacts of the project because of their nationalist views. Accordingly, we can say that privatized water management is seen as legitimate by the nationalist groups of the society in the TRNC today.

There are of course some other groups of people who criticized the project. Turkish Cypriot Teachers Union (KTÖS) which took part in the Water Platform, is one of them. Şener Elcil who is the head of KTÖS argues that the Water Platform was formed against the agreement which, for him, sells the transported water and seizes our underground sources. KTÖS, as a union which considers the project as one form of colonization, took part in this platform. According to Elcil, the WSP means to sell water to the TRNC and it has two results: Politically, he says like other assimilation policies, the project has resulted in increasing dependency of Cyprus on Turkey. Also, Turkey’s hidden aim behind the WSP is to supply water for Israel, he argues (personal interview, June 29, 2018). He argues that although there were better alternatives to the WSP to alleviate the water problem, the WSP was preferred. Elcil also argues that WSP is unsustainable because of the decrease in the rain in Turkey as a result of global warming. Economically, the project has resulted in high priced water because of its costs. He highlights that KTÖS was against the project for the same reasons: high prices, political results, and concerns about the sustainability of the project.

Ercil does not think that the WSP will lead to any economic development because the problem is mainly about the waste of water and the project will not bring any solution to this situation. He claims that countries who suffer from water scarcity have their ministries of water, but there is no water ministry in the northern part of Cyprus. For him, the AKP saw the water scarcity problem in the northern part of Cyprus as a source of profit, so the opinion that “Turkish Cypriots are in need of Turkey”, which rose as a result of the project, does not reflect the reality. In reality, Turkey’s sale of water is an issue, which is a trade relation, not
favor. Similar to the agricultural producer unions, Elcil believes that the WSP will lead to full integration of Northern Cyprus to Turkey through privatisation of water. Turkey simply wants and imposes the WSP for her aim in full integration of Turkish Cypriots, which for him Turkey’s effort in colonising the northern part of Cyprus. Elcil argues that Turkish Cypriots have no role in the WSP; Turkish Cypriot administrations were puppets, “Under the conditions of occupation, the occupier state has the influence.” He argues that the UBP-CTP coalition government did not act in accordance with the instructions from Turkey and eventually collapsed. For the time being, water management is in the hands of DSİ-SID, and the municipalities have no active role other than being the buyer of the water.

Elcil claims that the disputes about the WSP in Turkey are based on the disdain of Turkish Cypriots. Also, he sees the opinion that “Turkish Cypriots have no capacity for management of this water” as derogatory; as opposed to this opinion, he argues that the municipalities can manage the water and the society has educated people for this purpose. The “Peace Water” argument is a weak political argument of the Turkish government which can no way be supported when Turkey’s internal and external policies are considered. In the northern part of Cyprus, he believes, there are circles collaborating with Turkey, whose superficial discourse is focused merely on the supply of water, ignoring the capabilities of the Turkish Cypriot society, which is, for him, humiliating and discriminatory. The Water Crisis was caused by the ministers’ -from the CTP side of the coalition government- signing the agreement without consulting the society although there was a social resistance against the WSP, according to him. As a result of the social resistance, there was a contradiction about the project in the society and discussions in the CTP, which led to a delay in signing the agreement, due to which the term government was collapsed by the Turkish Embassy and a new one was formed, Elcil argues. The sides in the crisis were Turkey, its collaborators and the patriots in the northern part of Cyprus. He believes that the agreement brings high prices of water and gives the transfer of water sources and management to
Turkey (most possibly, it will be a pro-government firm). In Northern Cyprus, the role of the state will not decrease owing to the WSP, because there is “sub-administration of the Turkish Embassy” rather than the state, as he believes Turkey-Northern Cyprus relation is already founded on dependency. Elcil also highlights that the WSP will accelerate the integration of the northern part of Cyprus with Turkey.

Different from agricultural producers, the KTÖS accepts that there are political results of the project. In other words, the project does not only aim to satisfy the water need of the island with the help of the “motherland.” Elcil’s interview is a good example to analyse the project together with relations between the TRNC and Turkey under the impact of neoliberal transformation. These interviews aim to answer the questions of “How are the official and political discourses of different political parties around the project seen by the society?” and “How the project is seen by different groups in the society?” Moving from these interviews, it seems that the project was presented as fait accompli and imposed on society. However, we can say that the WSP is not a solution but the problem in itself for some groups of the society. In short, it is possible to say that the project is likely to bring new problems and its legitimacy is questionable.
CHAPTER 6
CONCLUSION

In this thesis, the local characteristics of neoliberal transformation in the TRNC and its reflection on the WSP has been investigated. In this regard, this thesis focused on public-private partnership in the construction of the WSP and the crisis over water management. An analysis of ideas of the sides over the water crisis provides a perspective on the local characteristics of the neoliberal transformation in the TRNC. The thesis has been structured into two main parts; one of which analyses the neoliberal transformation of Turkey and North Cyprus because this thesis argues there are similarities between neoliberalism with the hand of IFIs in Turkey and with the hand of the “motherland” (Turkey) in the “infant land” (TRNC). The other part analyses the neoliberal characteristics and the local perceptions of the WSP. Therefore, I hold semi-structured interviews with two independent mayors; nine mayors from UBP, CTP, TDP, and DP; two agricultural producer unions; and teacher unions.

The thesis utilised the arguments of mainly David Harvey (2003), Şimşek (2017), Bayliss (2016), Colas (2014) and Kiely (1964) in regards to analyse the role of the TRNC in privatisation of water management. The thesis also accepts that there are roles, such as to convince the society, to spread the neoliberal policies and to legitimise these policies, of other domestic actors in privatisation of water management. Therefore, arguments of Harvey (2015), Colas (2014) and Birch and Tickell (2010) were useful to clarify the roles of domestic actors in the WSP. At the same time, in regards to analyse the general characteristics of the neoliberal transformation of the TRNC with the hand of Turkey, the thesis focused on the arguments of Kiely (1964), Gore (2003), Waeyenberge (2016), Harvey (2015), Picciotto (2003), Stiglitz (2016), Saad-Filho (2007) and Öniş and Şenses (2016) about the role of IFIs, conditionalities and development and globalisation concepts of IFIs, because this work argues, the relations between the TRNC and Turkey are similar to the
relations between the developing countries and IFIs. Lastly, the thesis analysed the background of neoliberal impositions of Turkey on the TRNC moving from the arguments of Roberts, Secor and Sparke (2003) and Davutoğlu (2016), because according to this thesis geopolitical position and geostrategic importance of the island were the main reasons behind the neoliberal impositions of Turkey to the TRNC.

My main focus and investigation have been the neoliberal characteristics of the WSP and analysis of Turkish Cypriot neoliberalism over the project. The reason why I began with the neoliberal impositions of Turkey and internal adoption of these policies in the TRNC is that these internal and external influences of neoliberal transformation have had a huge impact on the WSP and decision making the process about the water management. Therefore, the internal adoption and external impositions of neoliberal transformation were crucial for a deeper understanding of the WSP as a neoliberal project. I investigated political and economic relations between Turkey and the TRNC as the WSP has been shaped by these relations. I also investigated water politics globally to show the responsibilities of the TRNC governments in the rise of the water problem, non-effective solutions and the rise and social acceptance of the WSP as the “most effective and real” solution.

The thesis focused on the role of Turkey and internal actors in neoliberal transformation. The economic and financial protocols signed between the two states, the discourses of the politicians in Turkey and North Cyprus about the project and water management were an important part of this study. This is why I focused on the evaluations of politicians in Turkey and North Cyprus and ideas of mayors and unions about the project. Although there were studies which investigated the WSP together with its effects on development, regional politics and peace process in Cyprus, there is not any study which examines the project with reference to the main characteristics of the political and economic structure of the country with reactions of mayors as the main actors of water management.
First of all, the discourses of political actors served well to the purpose of bringing the public acceptance of the WSP which is believed to bring peace and economic development to the country. Here, it is necessary to remind that the project is shown as an offspring of relations between the “motherland” and the “infant land” officially by the political actors. As can be seen from protocols signed between the two states, “development” became a useful concept to cover the neoliberal impositions and policies in North Cyprus. This is why political discourses over the effects of the WSP on the development of the country reflects this characteristic of neoliberal transformation. Unfortunately, at this stage it is not possible to make a conclusion about whether or not the project has brought any development as the distribution of the imported water is not complete yet. The project did not bring peace as can be seen from the reactions of Greek Cypriots against Turkish Cypriot politicians’ discourses; however, this did not change the nature of political discourses over the project to ensure public acceptance.

Secondly, my findings have revealed that the public-private partnership during the construction of the WSP is one feature of the project holding neoliberal characteristics. The construction period of the dams and other infrastructural constructions was the opportunity mainly for the pro-AKP firms to obtain financial gains.

Another important sign of neoliberal transformation is related to the water crisis between two opposing political sides in North Cyprus. The UBP, the center-rightist political party and one side of the term coalition government, defended that the decisions about the management of the imported water had to be made together with the “motherland.” This political posturing reflects the role of the traditional nationalist side whose role is always to follow collaborative policies parallel with the “motherland” even in the neoliberal transformation period. In other words, nationalism has an important role in the justification of privatisation of water in North Cyprus. Nationalists in the TRNC analyse the WSP as the
A project that brings water from the “motherland” and do not even discuss who would manage it; Turkey’s dominant role is readily accepted.

On the other side of the crisis, the social democrats, center-leftists, and leftists supported the municipal (public) water management. The CTP, a center-leftist party, supported the municipal water management in the beginning but changed its policy toward privatisation. In other words, the CTP started to change its position which can be seen from its shift from municipal water management to public-private partnership. This transformation of the party caused another crisis among the mayors of the party and within the party. The policies of CTP’s governing bodies were not accepted by the members of the party, which led to the collapse of the government. At the end of the day, from my observations during interviews, I can conclude that the mayors from the CTP saw the project as another imposition from Turkey as they were forced to sign the agreement. It is necessary to highlight that the economic dependency of the TRNC on Turkey affected the change of the attitude of the CTP, because RoT used “aid as a carrot and a stick” in this process as it was doing before.

After the transition period, water will be privatised despite different reactions from the mayors to the project. Moving from the interviews held with the mayors, it is possible to say that BESKİ, from its formation to its collapse, can also be a sign of neoliberal transformation. This is because of the fact that as a product of the neoliberal transformation in the country, privatisation was shown as the only option and it did not leave BESKİ any chance to survive, so it fell apart. In this process, nationalist mayors supported the project as the project of the “motherland.” Similar with the UBP, the nationalist mayors started to argue that municipalities can not manage this water, although, like Özçınar (UBP) as the mayor of Omorfo and Edip (UBP) as the mayor of Beyarmudu, there were some groups who think differently from the party’s governing body. On the other hand, the social democrat and center-leftist mayors supported municipal water management, but they said they had to
sign the agreement because of political pressures. Moreover, they argue that the BESKİ experience, which collapsed, was a proof that the municipalities can manage the water. They think there could be other solutions to the water problem. The most important result obtained from the interviews held with the mayors is that the withdrawal right for municipalities is not possible. As a result, these views show that privatisation was made the only option by the TRNC government and Turkey.

As a result of the interviews I held with the unions, I reached two important results. The producer unions analyse the project together with the water as the fundamental resource for production. It is possible to argue that producers do not have any negative opinions regarding neoliberal policies because they urgently needed water. Water consumption has to be continued and products must be irrigated whoever manages the water. Thus, they do not care if it is done publicly or privately. On the other hand, teachers union was opposed to the privatised water management, because teachers do not need water sectorally but consume water personally. The union opposed the project as they saw it as a product of Turkey’s neoliberal impositions, and they blamed the term governments who collaborated with Turkey in situations like that. While analysing these reactions one needs to keep in mind that the term government brought the imported water to a “no alternative” position for the people, which means they were given no choice other than to consume the water brought with the WSP. However, according to the teachers union, for instance, the water needs of the country could be satisfied with other solutions.

The water is privatised in the TRNC through the neoliberal transformation processes. This is why it is necessary to analyse the WSP and its results together with the neoliberal transformation of the country. Turkey as the “motherland” became the financer, made infrastructural investments for the project and became the most important actor in water management. On the other hand, the TRNC followed policies regarding the project brought by the protocols for its internal adoption, which has brought new neoliberal characteristics to
the country. Therefore, the project resulted in the positional change of the CTP, the collapse of the term government and rising dependency of the “infantland” to the “motherland” over the water politically. However, all these political results are ignored in the discussions and regulations. Economically, as a result of the project, it is possible to conclude that development arguments of the politicians are far from the current economic situate, on of the country, because there are still huge discussions about the high prices of the water and reach of the water to sectors.

In general, privatisation of water is seen as one type of “accumulation by dispossession” in the thesis. However, different from Harvey the thesis argues that privatisation of water in North Cyprus is not related to overaccumulation problem of the Turkish capital. In other words, the WSP is not seen as investment opportunity to solve the problem of overaccumulated capital. On the other hand, similar with Kiely (1964) and Macleavy (2010), the TRNC is seen as an important actor as the regulator and legislator for the efficiency of the market with its policies. On the other hand, different from Colas (2014) different groups such as political parties and unions in the TRNC have significant roles in the spread of the neoliberalism. Moving from the arguments of Colas (2014) and French (2011) about the roles of the political parties, especially the roles of the CTP as the center-left party and the UBP as the nationalist right-wing party discussed in the thesis as the actors of adoption and spread of privatisation of water in North Cyprus. Lastly, Harvey’s ideas about common senses show that nationalism and fear of enemy are the part of adoption and spread of privatisation in North Cyprus by the society, because in North Cyprus Turkey is seen as the protector of the Turkish Cypriots against the threat of the Greek Cypriots as the enemy. Lastly, it is important to remind that Turkey is accepted as the external imposer of neoliberalism to the TRNC, similar to IFIs because of geopolitical reasons. However, different from Stiglitz and Harvey, the thesis argues that the external influences of the neoliberal transformation of the TRNC can not be separated from the internal dynamics of
the adoption of neoliberalism. Moreover, the thesis claims that external neoliberal transformation and internal dynamics of the neoliberal transformation of the TRNC complete each other.

There are a few weaknesses with the thesis. Firstly, there is no systematic data about this research topic. Secondly, it was not possible to hold interviews with all twenty-eight mayors although mayors were the focus of my research, because there was not enough time. It would have been nice to analyse the reactions of all mayors instead of eleven mayors to the WSP in detail. Lastly, the thesis was completed during the transition period in water management and the water is still managed by the municipalities in this process. Further investigation of the privatisation of water management is crucial in order to understand the effects of the WSP. The project is still in process and there are uncertain points related to water prices and the effects of the project will be evident after the transition period with privatisation of the water management.
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APPENDIX A

TÜRKİYE CUMHURİYETİ HÜKÜMETİ İLE KUZEY KİBRİS Türk CUMHURİYETİ HÜKÜMETİ ARASINDA SU TEMİNİ VE YÖNETİMİNE İLİŞKİN HÜKÜMETLERARASI ANLAŞMA


Madde 1 Amaç

İşbu Anlaşma’nın amacı, temin edilen suyun etkin ve verimli bir şekilde yönetimi ve işletilmesinin sağlanarak, KKTC’nin içme-kullanma suyu, zirai sulama suyu ve atıksu arıtma ihtiyacı, uluslararası standartlar ve çevreye saygı esasları temelinde karşılanmasını sağlayacak hukuvi bir çerçeve oluşturmaktır.

Madde 2 Kapsam

İşbu Anlaşma, temin edilen su ile gerektiğinde yerel suların yönetimine dair her türlü iş ve işlemler, Taraflar ile İşletmecilerin mali ve idari yükümlülüklerini, hak ve sorumluluklarını kapsar.
Madde 3 Dayanak

İşbu Anlaşma, 19 Temmuz 2010 tarihli Türkiye Cumhuriyeti ile Kuzey Kıbrıs Türk Cumhuriyeti Arasındaki Kuzey Kıbrıs Türk Cumhuriyeti’nin Sil İhtiyacının Karşılanmasına İlişkin Hükümetlerarası Çerçeve Andlaşmaya’ya ve 4 Aralık 2012 tarihli Türkiye Cumhuriyeti Hükümeti ile Kuzey Kıbrıs Türk Cumhuriyeti Hükümeti Arasında Ekonomik ve Mali İşbirliği Protokolü’ne dayanmaktadır.

Madde 4 Tanımlar

Bu anlaşmada geçen;

Tesisler: Ana tesisler ve diğer tesisleri,

Ana tesisler: Güzelyalı Terfi Merkezi, Geçitköy Barajı, Geçitköy Terfi Merkezi ve Çamlıbel İçme suyu Arıtma Tesisi ile bunlar arasındaki iletim hatlarını,

Diğer tesisler: Suyun teslim noktasından başlayan, ana tesisler hariç, içme ve sulama suyuna ilişkin ana isale hatlarını, su şebekelerini, terfi merkezlerini, su haznelerini, diğer içme suyu arıtma tesislerini, atıksu ve yağmur suyu şebeke ve toplayıcıları ile atıksu arıtma tesislerini,

İdare: KKTC Su İşleri Dairesini,

İşletmeci: İçme ve kullanım suyu, atık su, yağmur suyu ve zirai sulama suyu tesislerinin işletme hakkının ihaleyle devredileceği gerçek veya özel hukuk tüzel kişisini,

Uygulama Sözleşmesi: KKTC Hükümeti ile İşletmeciler arasında suyun işletilmesine ilişkin yapılacak ve bu anlaşmanın ayrılmaz bir parçasını teşkil edecek Ev Sahibi Hükümet Anlaşmasını,

Yerel su: KKTC’de bulunan yer altı ve yer üstü su kaynaklarını,

Temin edilen su: 19 Temmuz 2010 tarihli Türkiye Cumhuriyeti ile Kuzey Kıbrıs Türk Cumhuriyeti Arasındaki Kuzey Kıbrıs Türk Cumhuriyeti’nin Su İhtiyacının Karşılanmasına İlişkin Hükümetlerarası Çerçeve Andlaşmaya kapsamında Türkiye Cumhuriyeti tarafından tedarik edilen suyu,
Suyun işletilmesi: Temin edilen suyun KKTC sınırları içinde depolanması, içmesuyu kalitesine getirilmesi ve tüketiciye ulaştırılması, atıksuların arıtılması, uzaklaştırılması veya yeniden kullanımı ve zirai sulama suyunun tarım alanlarına ulaştırılması ile ilgili bütün iş ve işlemleri,

Suyun yönetimi: Suyun işletilmesinin tdarc tarafından denetlenmesi ve gözetimine ilişkin faaliyetlerin tamamını,

Şebeke: İçme ve kullanma suyunun son kullanıcısı (bina girişine kadar), zirai sulama suyunun tarım alanlarına ulaşmasını sağlayan tüm iletim ve dağıtım sistemlerini, atıksu ve yağmur suyu toplama sistemlerini,

ifade eder.

Madde 5 Türkiye Cumhuriyeti Hükümeti’nin Sorumluluk ve Hakları
Türkiye Cumhuriyeti Hükümeti, KKTC’nin su ihtiyacından az olmamak kaydıyla yılda yetmiş beş (75) milyon metreküp hacme kadar su temin etmeyi kabul eder.
Türkiye’den gelen su üzerinden üçüncü ülkelere satış hakkı münhasırın Türkiye Cumhuriyeti’ne aittir.
Türkiye Cumhuriyeti’ne ait tesislerin işletme hakkı, Uygulama Sözleşmesi’nin imzalanmasını müteakip İşletmeciyi devredilir.

Madde 6 Suyun Teslimi ve Tahsisi
Temin edilen su, Güzelyalı Terfi Merkezi girişinde İdareye devredilir. KKTC Merkezi İhale Komisyonunun gerçekleştireceği ihale sonucu ihaleyi kazanan işletmeciyi devralınan su İdare tarafından teslim edilir.
Temin edilen suyun işletme ihale sonucu konacak ölçüm cihazı ile ölçülen su miktarına göre hesaplanarak ve işletmeci tarafından T.C. hâzinesine ödenir. Bedel ödenmediği takdirde T.C. işletmecisi aleyhine Tahkime gidebilir.
Temin edilen su, öncelikle içme-kullanma sonra zirai sulamaya tahsis edilir.

**Madde 7 Suyun Yönetimi**

İdare, suyun yönetilmesi, su ihtiyaçlarının planlanması ve tahsisinde temin edilen su ile yerel suyu bir bütün halinde değerlendirir.

Temin edilen sudan, içme ve kullanma suyu olarak tahsis edilen kısmın KKTC satındaki tek işletmeci tarafından işletilir. Temin edilen suyun işletilmesi İdarenin denetim ve gözetiminde yapılır.

Temin edilen su ile sullanacak zirai alanlar Tarafların ortak kararıyla belirlenir.


**Madde 8 Suyun İşletilmesi**

İçme-kullanma suyu, atıksu ve yağmur suyu işletmesi ile zirai sulama işletmesi ayrı ihale **•1** ihakkına sahip işletmeciler tarafından işletilir.

İdare tarafından Uygulama Sözleşmesi’ndeki şartları haiz olanlar arasından önerilecek iki adaydan biri işletmeci şirketin Genel Kurulunda hissedarlar tarafından Yönetim Kuruluna bağımsız üye olarak seçilir.

İşletmeci, işletme süresi boyunca imtiyaz sahibi olur ve bu dönemde herhangi bir özel sektör ve/veya kamu kurum ve kuruluşuna işletme hakkı devredilen alan ve konularla ilgili su işletmeciliği yapma izni ve hakkı verilmez.

Kamu kurum ve kuruluşları ile Uygulama Sözleşmesi kapsamındaki Belediyelere ait mevcut tesis ve şebekeler Uygulama Sözleşmesi ile İşletmeciyi tahsis edilir ve İdare tarafından İşletmeciyi teslim edilir.
Halen bir sözleşmeye dayanılarak işletilmekte olan tesisler de, sözleşmelerinin sona erme tarihi itibarıyla İşletmeciye devredilir. İşletmeci, halen devam ettiğine olan bu sözleşmeleri, sona erme tarihlerinden önce, sözleşmelerin tarafları ile anlaşarak devir alma hakkına sahiptir.

İçme-kullanma suyu, atıksu ve yağmur suyu, zirai sulama tesislerine ilişkin Uygulama Sözleşmesi’nde belirlenen yatırımlar ile işletme dönemi boyunca ihtiyaç duyulacak yeni yatırımlar tamamen İşletmeci tarafından yapılır.


İçme-kullanma suyu şebekesinin bulunduğu yerlerde içme-kullanma suyu amacıyla yerel su kullanımına ilişkin yeni izinler/ruhsatlar verilmez. Zirai sulama şebekesinin bulunduğu yerlerde zirai sulama amacıyla yerel su kullanımına ilişkin yeni izinler/ruhsatlar verilmez. Şebekenin bulunmadığı yerlerde verilecek izin ve ruhsatlar ise ilgili şebekenin gelmesi ile birlikte iptal edilmelidir. İzinli/ruhsatlı su kullanımları sayılandırak bedeli, belirlenen tarife göre İdare tarafından tahsil edilir.

**Madde 9 Yap - İşlet - Devret (YİD) İhalesi**

İçme-kullanma suyu, atık su ve yağmur suyu işletmesi ile zirai sulama işletmesi hakları, KKTC mevzuatı çerçevesinde ayrı ayrı yapılacak iki YİD ihalesiyle işletmecilere devredilir. Bunlardan birinin işletmesini üstlenen işletmeci diğerinin işletme ihalesine de teklif verebilir.
İhaleler, KKTC Merkezi İhale Komisyonu tarafından yapılır.
İhalelerin yeterlilik uygulaması yapılmak suretiyle, sadece gerekli uzmanlığa sahip teklif sahiplerinin katılımı ile gerçekleştirilir.
Katılımcılara veya teklif sahipleri varsa ön yeterlilik ve ihale işlemlerinde eșit muamele etme ve ayrımcılık yapmama ilkesinin ihlal edildiği yönündeki yazılı itirazlarını beş iş günü içerisinde Maliye Bakanlığı'na yapar. İtirazlar KKTC Maliye Bakanlığı Müsteşarı, İdarenin bağlı olduğu Bakanlığın Müsteşarı ve Türkiye Cumhuriyeti Kamu İhale Kurumu Başkan Yardımcısından oluşan İtiraz Komisyonu tarafından yedi iş günü içerisinde değerlendirilirerek karara bağlanır. Komisyon oyu birliğiyle karar alır.

**Madde 10 Suyun Fiyatlandırılması**

Temin edilen suyun İşletmeciyeye satış bedeli 19 Temmuz 2010 tarihli Türkiye Cumhuriyeti ile Kuzey Kıbrıs Türk Cumhuriyeti Arasındaki Kuzey Kıbrıs Türk Cumhuriyeti’nin Su İhtiyacının Karşılamanmasına İlişkin Hükümetlerarası Çerçeve Andlaşması’nın üçüncü maddesinde düzenlenen şekilde belirlenir.
Suyun tüketicilere satış bedeli, birim metreküp bazında yapılacak ihale sonucunda belirlenecek ve İşletmeci ile yapılacak Uygulama Sözleşmesiyle düzenlenenek olan Tarife Yönetim Sistemi suretiyle uygulanır.

**Madde 11 KKTC Hükümetinin Sorumlulukları**

KKTC Hükümeti görev ve sorumluluğundaki konularda, Anlaşma hükümlerinin uygulanmasını temin amacıyla ulusal mevzuat kapsamında gerekli olan tüm yasal ve idari düzenlemelerin ivedilike yapılması sağlar. Diğer idari iş ve işlemlerleri zamanında yerine getirir.

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KKTC Hükümeti, işletmede ve tesislerde çalışmasına ihtiyaç duyulan oturma ve çalışma iznine tabi personele bu izinlerin verilmesi konusunda gerekli kolaylıkları sağlar. İşletilenin müdür ve üstündeki yöneticileri ile Kilit Personel listesinde yer alan personelinden ülkede çalışma iznine tabi olanlar, çalışmaktar üzerine KKTC’ye gelişten önce işletmeciden yazılı olarak bildirilmek şartıyla, ön izinden ve çalışma izninden muaffiştir.

KKTC Hükümeti, verilen hizmetin aksaksız bir şekilde yürütülmesi amacıyla bakım, onarım ve yapım işlemleri için zaruri tüm onay ve izin belgelerini ivedilikle sağlar.

**Madde 12 Alım Garantisi**

KKTC Hükümeti ihale şartnamesi nihai halini alınıcaya kadar bütün Belediyelerin sisteme katılmaması halinde aşağıdaki şartlarda Alım Garantisi verir:

a) Ihale şartnamesindeki yatırımlar, tüm Belediye hudutlarındaki alt yapını gözterek projelendirilir.

b) Uygulama Sözleşmesinde yer alan Belediyelere, (a) bendinde belirtilen proje çerçevesinde kendi belediye sınırları içerisinde kalan yatırımların şartname belirtilden süre içerisinde yapılması koşuluyla, temin edilen sudan, Uygulama Sözleşmesi kapsamındaki Belediyelerin ihtiyacı karşılandiktan sonra Alım Garantisi çerçevesinde belirlenecek miktardan artması halinde sağlanabilir. Bu suyun bedeli işletmecinin yatırım maliyeti düşülerek hesaplanacak ve Uygulama Sözleşmesi’nde belirtilcektir. Aksi takdirde, bu belediyelere yerel su kaynaklarından temin edilen su aynı fiyatattan faturalandırılacaktır.

c) Uygulama Sözleşmesi kapsamında İşletmeci tarafından yapılacak yatırımlar sadece Uygulama Sözleşmesi kapsamında olan Belediye sınırları dahilinde yapılacaktır.

d) 16’ncı madde uyarınca ciro üzerinden ödenecek pay sadece Uygulama Sözleşmesi kapsamında Belediyelere ödenir.

e) Alım Garantisi verilecek yıllara sari asgari su miktarları ekli listede gösterilmiştir.
f) Sisteme katılan Belediyelerin toplam tüketimi o yıl için geçerli Alım Garantisi verilen miktarın altında olduğu takdirde aradaki fark ihalede oluşan su fiyatı üzerinden KKTC Maliye Bakanlığına İşletmeciyə ödenir. Bu durumda, işletmecinin tarafindan T.C.’ne ödeneceğin tutar garanti dahil miktarın bedelinden daha az olmaz.

**Madde 13 Kamulaştırma ve Tahsisler**

Tesisler ve idari hizmetler için ihtiyaç duyan tüm gayrimenkullerin temin ve tahsisi KKTC Hükümeti tarafından gerçekleştirilir.

İşletmenin faaliyetleri bakımından ihtiyaç duyan gayrimenkuller, KKTC Hükümeti tarafından ivedilikle kamul aştın lir.

Kamulaştırılan ve/veya halı hazaunda İdarenin ve diğer kamu kurum ve kuruluşların uhdesinde bulunan gayrimenkullerden işletmenin faaliyetleri bakımından ihtiyaç duyanları İşletmeciye tahsis edilir ve bunlar üzerinde işletme süresi ile sınırlı olmak üzere İşletmeci lehine üst hakkı

Kamulaştırma ve tahsislerle ilgili olarak İşletmeciden herhangi bir bedel talep edilmez. Tesislerin işletilmesi için ihtiyaç duyan enerji KKTC tarafından ortalama kullanım dilimi ayrılmışaksızın Endüstri Tarifesindeki elektrik enerjisi satış fiyatını geçmeyecek şekilde belirlenecek bir tarife çerçevesinde kesintisiz olarak karşılanır.

İşletmeci tarafından talep edilmesi halinde, tesisler dâhil işletmenin enerji ihtiyacını karşılamak amacıyla, gerekli kapasitede, çevre kirliliği yaratmayan enerji tesi kurmak için KKTC Hükümeti tarafından gerekli izinler verilir. Ancak kurulacak tesislerin yatırım maliyeti de göz önünde tutularak işletme maliyetinde yaratacağı düşüşün yüzde 50’si tüketici satış bedeline doğrudan yansıtılır.

**Madde 14**

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İşletmecinin Hak, Sorumluluk ve Yükümlülükleri

İşletmeci, işletme hakkını KKTC Hükûmeti ile yapacağı Uygulama Sözleşmesi çerçevesinde kullanır.

İşletmeci, faaliyetleri sırasında ortaya çıkan kayıp ve zarardan kusuru oranında sorumludur.

İşletmeci, suyun öngörülen kalitede ve kesintisiz bir şekilde tedariki için yeterli sayıda eğitimli personel istihdam eder. İşletmeci, yerel işgüçünden yararlanmak konusunda KKTC’de yürürlükte bulunan mevzuata uygun davranmakla yükümlüdür. İşletmeci, belediyelerin su konusunda hâlihazırda istihdam ettiği personelden öncelikli olarak yararlanır.

İşletmeci, çevrenin korunması ve çevreyle uyumlu teknoloji kullanılması konusunda gerekli dikkat ve hassasiyeti göstermek ve mevzuata uygun davranışla yükümlüdür.

Uygulama Sözleşmesinde, etkin tahakkuk ve tahsilat yapılması amacıyla tahakkuk ve tahsilata ilişkin usul ve esaslar da belirlenir.

**Madde 15 Güvenlik**

Türkiye Cumhuriyeti Hükûmeti, temin edilen suyun Türkiye’deki kara yapılarının ve deniz geçişi boru hattının güvenliğini sağlamakla yükümlüdür.

KKTC Hükûmeti, ülke sınırları içerisindeki tesislerin güvenliğini sağlamakla yükümlüdür.

İşletmeci, devraldığı tesislerin güvenliği ile ilgili olarak KKTC mevzuatı çerçevesinde her türlü tedbiri almakla yükümlüdür.

**Madde 16 Mali Hususlar**

Bu anlaşma çerçevesinde DSİ ve İşletmeci tarafından düzenlenecek her türlü sözleşme ve kâğıtlar ile yapılacak işlemler KKTC’de Damga Vergisi ve Harçlar ile eşdeğer diğer mali yükümlülüklerden istisnadır.

İşletmeci, anlaşmanın imzaladığı tarihte KKTC’de yürütülük olan vergi kanunlarındaki muafiyet ve istinsalardan yararlanır. İşletmeciye, anlaşmanın imzaladığı tarihten sonra
KKTC’de ek ya da yeni vergi veya mali yükümlülük getirilemez. Ancak vergi ve mali yükümlülüklerde indirim, istisna ve muafiyet olarak yapılacak yeni düzenlemeler İşletmeci için de uygulanır. İşletmenin yeni indirim, istisna ve muafiyet dolayısıyla sağlanacağı ilave karın %50’si yardımı muhtaç abonelerin su tüketim bedellerinin desteklenmesinde kullanılmak üzere KKTC Maliye Bakanlığına yatırılır.

DSİ’nin bu anlaşma kapsamında yapacağı işlere ve İşletmcilerin bu anlaşma kapsamında yapacağı yatırımlara ilişkin mal ve hizmet alımları ile bunların ithal KKTC’de Katma Değer Vergisi ve Gümrük Vergisi ile eşdeğer diğer mali yükümlülüklerden istisnadır.

Belediyelerin mülkiyetinde ve veya işletmesinde bulunan ve işletmeciyi tahsıs ve teslim edilen tesislerin kullanım bedeline karşılık olmak üzere, İşletmeci tarafından elde edilen cironun %10’u KKTC Maliye Bakanlığına yatırılır. Bu tutarın, devir alınan tesislerin fiili durumları ile yapım ve finansman şeklini dikkate alan bir hesaplama çerçevesinde belediyelere dağıtılmaktadır.

Su kullanım bedeli ile birlikte tahsıl edilen mahalli vergiler belediyelere aktarılır. İşletmeci sadece tahsil ettiği vergilerden sorumludur. Kist tahsilât halinde belediyelere aktarılacak vergi, verginin faturalı nispeti dikkate alınarak hesaplanır.

İşletmeci ile Uygulama Sözleşmesinin feshi durumunda, gerçekleşen yatırım için kullanılan kredilerin üstlenimi ve kredi verenlerin müdahale haklarına ilişkin iş ve işlemler Uygulama Sözleşmesi hükümleri çerçevesinde KKTC Maliye Bakanlığı tarafından gerçekleştirilir.

Madde 17 Üst Düzey Ortak Komite

Anlaşmanın yorumu ve uygulanmasına ilişkin ihtilafların iyi niyet kuralları çerçevesinde çözümlenmesi amacıyla bir Üst Düzey Ortak Komite kurulur.

Üst Düzey Ortak Komite, KKTC Hükümeti tarafından görevlendirilecek üç, Türkiye Cumhuriyeti Hükümeti tarafından görevlendirilecek iki yetkilinin katılımıyla beş kişiden oluşur.
Üst Düzey Ortak Komite, dört üyenin aynı yöndeki oyu ile karar alır. Komite, diğer çalışma usullerine ilişkin kuralları kendisi ayrıca belirler.

**Maddе 18 Mücbir Sebep**

Öngörülemeyen ve Tarafların kontrolü dışında gelişen olayların ortaya çıkması ile Tarafların borç ve yükümlülüklerini kısmen veya tamamen da zamanında yerine getirilmesini imkânsızlaştıran haller mücbir sebep olup, bu durumda taraflar mazur görülür.

Bu anlaşmanın uygulanması bakımından aşağıdaki hususlar mücbir sebep sayılır.

a) Tabii afetler (aşırı hava koşulları, depremler, heyelanlar, kasırgalar, seller yangınlar, yıldrımlar, tsunami, volkanik patlamalar, deniz dibindeki kötüüller, süpersonik basınç dalgaları, salgın hastalık veya veba ve diğer benzeri tabii afetler),

b) Felaketler (kazalar ve patlamalar, nükleer ve kimyasal kirletme veya İyonlaştırıcı radyasyon ve benzeri),

c) Savaş halı, ayaklanma, isyan, terörist eylemler, ihtilal veya sabotaj.

Taraflardan biri Anlaşma kapsamındaki yükümlülüklerini veya bir kısmını mücbir sebep hallerinden birisi nedeniyle yerine getiremezse, derhal diğer Tarafa yazılı ihbarda bulunur.

Bu ihbarda,

a) Yerine getirilemeyen yükümlülükler,

b) Mücbir sebep halinin bütün yönleri,

c) Mücbir sebep halinin devam edeceği tahmini süre,

d) Mücbir sebebin ortadan kaldırılması veya hafifletilmesi için alınması önerilen tedbirlerin neler olduğu, belirti lir.

Mücbir sebep nedeniyle yükümlülükleri veya bir kısmını yerine getiremeyen Taraf, mücbir sebebi ortadan kaldırmak veya gidermek ve yükümlülüğünü yerine getirmek için azami hassasiyeti gösterir.
Mücbir sebeple yükümlülüklerini yerine getirememesi hallerinde Taraflar, mücbir sebebin devam ettiği süre boyunca işletmenin uğrayacağı her türlü kayıp ve zararın hafifletilmesi için gerekli önlemleri alır.

**Madde 19 Anlaşmanın Ekleri**

Bu Anlaşma’ya dayanılarak imzalanacak Uygulama Sözleşmesi ve ekleri ile Protokoller bu Anlaşma’nın ayrılmaz bir parçasıdır. Bu anlaşma, 19 Temmuz 2010 tarihli Türkiye Cumhuriyeti ile Kuzey Kıbrıs Türk Cumhuriyeti Arasındaki Kuzey Kıbrıs Türk Cumhuriyeti’nin Su İhtiyacının Karşılanmasına İlişkin Hükümetlerarası Çerçeve Anlaşması ile bir bütün teşkil eder.

Bu Anlaşma’ya göre KKTC Hükümeti ile İşletmeciler arasında imzalanacak uygulama sözleşmeleri ile ihale şartnamesi Tarafların ortak mutabakatıyla hazırlanıp imzalanacak bir protokole bağlanır.

Taraflar, içme-kullanma suyu ve atık suya ilişkin Uygulama Sözleşmesi ile ihale şartnamesinin bu Anlaşma’nın imzalanmasına takip eden üç ay içinde bir protokole bağlanmasını taahhüt eder.

**Madde 20 Tahkim**

Kuzey Kıbrıs Türk Cumhuriyeti ve İşletmeci arasında Uygulama Sözleşmesi’nin uygulanmasından, yorumlanmasından ve sonlandırılmasından doğacak uyuşmazlıklar İstanbul Tahkim Merkezi çerçevesinde tahkim yoluya çözümlenir.

Türkiye Cumhuriyeti ile İşletmeci arasında işbu Anlaşmaya ilişkin hak, sorumluluk ve yükümlülüklerden doğacak uyuşmazlıklar İstanbul Tahkim Merkezi çerçevesinde talikim yoluya çözümlenir.

Ancak uyuşmazlığın Anlaşma’nın yorum ve uygulanmasına ilişkin olması halinde Üst Düzey Ortak Komiteye başvurulur. Komite, kararını başvuruyu takip eden 60 gün içerisinde
verir. Bu süre zarfında karar verilememesi veya Komitenin kararından tatmin olmaması halinde uyuşmazlığın tarafları talikim yoluna gidebilir.

Tahkim ile ilgili diğer hususlar Uygulama Sözleşmesi’nde düzenlenir.

**Madde 21 Gözden Geçirine**

Taraflar, işbu Anlaşma’yı gözden geçirme ihtiyacı duydukları takdirde öngörülebilecek değişiklikler bu Anlaşma ile aynı usul çerçevesinde yürütülme girer.

**Madde 22 Geçiş Hükümleri**

İşbu Anlaşma’nndokuzuncu maddesi uyarına yap-ışlet-devret ihalesi yapıp işletme hakkı devredilinceye kadar, Güzelyalı Terfi Merkezi’nden başlayarak, Geçitköy Terfi Merkezi, içmesuyu artırma tesisi ve ana dağıtım isale hatları, İdareye başvuran belediyelerin su depolarına kadar DSİ tarafından İdareyle işbirliği içerisinde işletilir.

Gelecekte yapılacak yatırımları da dikkate alarak hazırlanacak geçiş dönemi su fiyatı taraflar arasında yapılacak bir protokol ile belirlenir.

Çerçeve Anlaşmanın üçüncü maddesine ve belediye depolarının girişindeki sayaca göre hesaplanacak su bedeli, KKTC Maliye Bakanlığı tarafından T.C. hâzinesine ödenir.

**Madde 23 Yürürlük**

İşbu Anlaşma, Tarafların, ulusal mevzuatlarına uygun olarak onay işlemlerinin tamamlandığını diplomatik yollarla bildirdikleri tarihten itibaren yürütülme girer.

Bu Anlaşma 23 (yirmiüç) madde ve 11 (onbir) sayfadan ibaret olup 2 (iki) asıl nüsha olarak 02/03/2016 tarihinde, Ankara’da imzalanmıştır.
APPENDIX B

TEZ FOTOKOPİSİ İZİN FORMU

<table>
<thead>
<tr>
<th>PROGRAM</th>
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<th>YAZARIN</th>
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<tr>
<td>Soyadı : Koloz</td>
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<td>Adı     : Melisa</td>
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<td>Bölümü : Siyaset Bilimi ve Uluslararası İlişkiler</td>
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<th>TEZİN ADI (İngilizce) :</th>
<th>AN ANALYSIS OF THE WATER SUPPLY PROJECT WITHIN CONTEXT OF WATER POLITICS AND NEOLIBERALISM: THE CASE OF THE TRNC</th>
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<th>TEZİN TÜRÜ :</th>
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<td>1. Tezimden tamamından kaynak gösterilmek şartıyla fotokopi alınabilir.</td>
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<td>2. Tezim içindekiler sayfası, özet, indeks sayfalarından ve/veya bir bölümünden kaynak gösterilmek şartıyla fotokopi alınabilir.</td>
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<td>3. Tezimden bir (1) yıl süreyle fotokopi alınamaz.</td>
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| TEZİN KÜTÜPHANEYE TESLİM TARİHİ: |   |