

The Opening of Ledra Street/ Lockmaci Crossing in April 2008:

Reactions from Citizens and Shopkeepers

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MAIN FINDINGS

- Most users of Ledra Street/Lokmaci crossing, particularly Turkish Cypriots, regard the opening as positive, both for themselves personally, as well as for Cyprus.
- One in two users of Ledra Street/Lokmaci crossing, whether Greek Cypriot or Turkish Cypriot, crosses to the other side more often since the opening.
- Among Greek Cypriot users, 49% crossed at least once a month *before* the opening and 59% *after* the opening.
- Among Turkish Cypriot users, 78% crossed at least once a month *before* the opening and 96% *after* the opening.
- The opening revitalized Nicosia's old centre: Greek Cypriots and Turkish Cypriots visit it more often since the opening.
- Greek Cypriots buy mainly clothing when they cross to the other side and when they shop in the south of the city, they buy mainly clothing and shoes.
- Turkish Cypriots buy mainly clothing and food when they cross to the other side and also when they shop in the north of the city.
- The majority of Greek and Turkish Cypriot shopkeepers regard the opening as positive for their business.
- The vast majority of Turkish Cypriot shopkeepers regard the opening as a positive development for Cyprus, while Greek Cypriot shopkeepers appear more reserved, as more than 40% regard the opening as a neutral development and only one in three believes it is something positive.
- Greek Cypriot and Turkish Cypriot shopkeepers saw their business increase after the opening.
- In the south, restaurants and opticians performed best after the opening, while clothing, electronic and souvenir shops also did well.
- In the north, restaurants performed best after the opening, while souvenir and clothing shops also did well.
- Shopkeepers in both the north and south are generally optimistic about the future, although Turkish Cypriot shopkeepers are more optimistic compared to their Greek Cypriot colleagues.

INTRODUCTION

The purpose of this study is to examine the impact of the opening on April 3, 2008, of Ledra Street/Lokmaci crossing in the commercial sector of Old Nicosia, north and south of the 1974 cease-fire line. Beyond its symbolic significance, as it is regarded as the birthplace of the division of the island, this event has also had an economic significance. Ledra Street, also called Makrydromos in Greek and Uzun Yol in Turkish (in both cases *Long Road* in English), was traditionally Nicosia's main commercial area.

The history of Old Nicosia – and particularly Ledra Street – in the last six decades is a reflection of the history of Cyprus. Barbed wire first divided Ledra Street in 1956, following the eruption of inter-communal clashes in Nicosia's centre during the EOKA struggle for Union with Greece (Enosis). After the signing of the London-Zurich Agreements in 1959 that provided for the independence of Cyprus, the barbed wire was removed. Soon, however, after the collapse of the agreements in late 1963-early 1964, the "Green Line" dividing Old Nicosia was drawn by the British peacekeepers. Movement across the Green Line froze. Restrictions were relaxed to some extent between 1968 and 1974. After 1974 the Ledra Street/Lokmaci crossing was sealed again and remained closed until April 2008.¹

Following an agreement between Greek and Turkish Cypriot officials in April 2003, movement was permitted at a small number of designated crossing points. Two of these were in Nicosia: the Ledra Palace crossing in the buffer zone immediately west of Nicosia's walls, for use predominantly by pedestrians, and the Agios Dometios/Kermia crossing, in the western outskirts of Nicosia for vehicular movement between the two sides. Both of these crossings are far from busy or densely populated parts of the city (see map below). The Ledra Street/ Lokmaci crossing, on the other hand, is located in the heart of Nicosia, and when it was opened in April 2008, it was the first crossing to be opened that directly connected residential and commercial areas of the same municipality. Because of its unique characteristics, the opening of this crossing had an impact on the immediate surroundings of Old Nicosia. This area had been particularly badly affected by the division in recent decades, for example, in terms of some of the worst aspects of city centre urban decay.

¹ <http://www.makarios.ws/cgi-bin/hweb?-A=1886&-V=search&-w=%CB%C7%C4%D1%C1%D3@>. See also Drousiotis (2005) and Papadakis (2005).

This paper first reviews a selection from the international literature on the division of Nicosia and other divided cities in order to examine the relation between the division, on the one hand, and the social and commercial life of the city, on the other. Next, we analyse the findings of a survey carried out especially for this project. The survey focused on the reactions of the public and the shopkeepers in the area to the opening up of the new crossing point. In the third part, we discuss our findings.

THE DIVIDED CITY IN A DIVIDED COUNTRY



Nicosia from space

Nicosia and other ethnically, militarily, politically or culturally divided cities around the globe have been the subject of a variety of analyses in the international literature. Calame (2005) examined the cases of Belfast in Northern Ireland, which has been divided since 1968; Beirut, Lebanon's capital city, in which a violent civil war raged for 15 years; Jerusalem, divided for almost two decades until it came under Israeli control in the 1967 war; Mostar in Bosnia Herzegovina, separated into two autonomous halves, a Croatian and a Bosnian; and Nicosia, the capital of Cyprus.

According to Calame (2005),² the partition itself, as symptom of the division that encourages and teaches “one ethnic community to disdain and violate another,” constitutes a disease with its own pathology and undesirable and sometimes predictable symptoms. It is the citizens in divided cities, where development is marked by institutionalised fear and suspicion, who bear the cost of partition by living a life under siege without options--unlike soldiers, who eventually leave the battlefield. This cost includes death; the construction and monitoring of dividing walls, check points and transit stations; the creation of bureaucracies to address by-products of partition such as problems of jurisdiction, compensation, encroachment; investment in mechanisms to prevent the re-emergence of inter-communal violence instead of growth and prosperity; damaged lives following the loss of friends, relatives and property, and the destruction of social networks. Residents in divided cities who have little to do with the partition may suffer psychological trauma. Property prices and quality of life suffer along the boundaries, regardless or because of the presence of walls.

The impact of the division of Nicosia is self-evident along the Green Line. Inside, the UN Buffer Zone is full of neglected, often crumbling buildings; this is also true of many of the adjacent blocks north and south. From a joint attempt by the two sides to improve the existing and future habitat and human settlement conditions for all inhabitants there emerged the Nicosia Master Plan.³ With the cooperation of the UNDP (United Nations Development Programme) this resulted in the successful restoration of places of cultural and historical interest on both sides of the walled city.⁴ However, this has been insufficient to stall the process of degradation of Old Nicosia.

The opening of Ledra Street/Lokmaci crossing, however, as we will see in our later analysis, seems to have resulted in delaying and perhaps partially reversing this process. With the opening, thousands of Cypriots flocked into Old Nicosia to cross to the other side (See Table 1). Businesses in the area saw a sudden increase in the number of passers-by and customers. The new life in the area is reminiscent of the activity here when it was the city's main commercial area.

Emerging from Calame's (2005) work, but also specifically addressed by Broome (2005), is the problem of absence of contact between members of the two communities in Nicosia. According to Broome (2005) contact between members of the two communities was limited after the 1963/64 events and almost non-existent after 1974. Apart from a small number of Greek Cypriots who had relatives in the Karpasia Peninsula and a small number of Turkish Cypriots who remained in the south following the 1974 events or who crossed to the south to work, contact between the two communities took place mainly abroad. Contacts between

² Jon Calame, together with Esther Charlesworth, is also coauthor of the book *Divided Cities: Belfast, Beirut, Jerusalem, Mostar and Nicosia*, University of Pennsylvania Press, published in February 2009. This book was not reviewed for the purposes of this study.

³ http://www.undp-pff.org/index.php?option=com_content&task=view&id=80&Itemid=140

⁴ Even Abu-Orf (2005) concludes that communication between the two sides for collaborative planning was distorted by the power relations and the political agendas.

political parties, trade unions and civil society groups were maintained and encouraged by foreign diplomats but had to face restrictive measures imposed by local officials. Sönmez and Apostolopoulos (2000) acknowledged the need to strengthen ties between members of the two communities. They argued that minimising obstacles to travel across the Green Line could help eliminate distrust and contribute to understanding between the two communities. Internal tourism, serving as an informal diplomatic channel between the two groups, could play a significant role in mutual understanding and thus help towards a settlement of the Cyprus conflict.

Some restrictions on movement were removed in 2003; in response tens of thousands of Cypriots, members of both communities, have crossed the Green Line. However, establishing substantial contacts between the two communities remains problematic. Webster and Timothy (2006) examined the motives underlying Greek Cypriots' decisions to cross/not cross, after the lifting of restrictions on movement in April 2003. They concluded that the new opportunities for contact have allowed the two communities to maintain more amiable and normalised relations. The new conditions allowing contact between the two sides created hope for reconciliation but ethical considerations among Greek Cypriots prevent a significant proportion of the population from crossing.

Webster and Timothy (2006) found that 57 percent of Greek Cypriots would not cross to the north. The most common reason for Greek Cypriots objecting to the idea of crossing to the north was the need to show a passport or an identification card at the crossings. Other factors related to the nationalistic sentiment among Greek Cypriots, whether one was a refugee or not,⁵ emotional reasons, and/or the reluctance to spend money in the north. A survey published in *Politis* in July 2008 shows a similar percentage of Greek Cypriots unwilling to cross to the north (58 percent); the main objection – obligation to show a passport or ID card – was also the same. That Greek Cypriots are more reluctant to cross than Turkish Cypriots is clear from the data (see Table 1).⁶ Still, although 75 percent of the respondents said they were not intending to cross in the next twelve months, an equal percentage said that it is good to have contacts with the Turkish Cypriots even before there is a settlement.⁷

If reaching a final peace settlement is the ultimate object, Hadjipavlou (2007) argues that the reconciliation process has to be strengthened with new beliefs, attitudes, motivations, goals and emotions. A concerted effort at the political level – among other things – may be necessary to achieve this. Though they may be relatively isolated, organised acts of violence against Turkish Cypriots in the south do still occur (e.g., January 2009⁸ and November 2006⁹) and they are indicative of the amount of ground that remains to be covered if reconciliation is to be achieved.

⁵ According to Webster and Timothy (2006), 72 percent of Greek Cypriot refugees had crossed to the other side, while the percentage of non-refugees was significantly lower, at 38 percent.

⁶ It should be pointed out that there may also be practical and economic reasons why more Turkish Cypriots cross to the south than Greek Cypriots to the north. There are few if any Greek Cypriots working in the north, for example, but many Turkish Cypriots working in the south.

⁷ <http://www.politis-news.com/cgi-bin/hweb?-A=190978&-V=fakeloiarticles>

⁸ <http://www.cyprus-mail.com/news/main.php?id=43588&archive=1>

⁹ <http://www.cyprus-mail.com/news/main.php?id=29281&archive=1>

Table 1. Crossings through the Green Line

	2003	2004	2005	2006	2007	2008
Greek Cypriots	1123720	1173825	1319899	897044	601351	708656
Turkish Cypriots	1371099	2159541	2222199	1638734	1116990	1298325
Total	2494819	3333366	3542098	2535778	1718341	2006981

Source: RoC Police

The opening and its effects

After remaining almost hermetically closed for 34 years, and five years after the lifting of the restrictions on movement across the cease-fire line in 2003,¹⁰ the first citizens were able to traverse the Ledra Street/Lokmaci crossing on April 3, 2008. Immediately after the opening ceremony, hundreds of pedestrians who had flocked to attend it crossed to the other side.¹¹ Suddenly, Nicosia's old commercial centre ceased to be a yet another theatre of confrontation for the Cyprus problem but rather a link connecting the two communities. It rapidly became a popular destination for various purposes: shopping, leisure, walks, dining, meeting friends--but also crossing to the other side. Already in the first month, more than 97 thousand crossings were registered – most prominent among them was probably the leader of the Turkish Cypriot community Mehmet Ali Talat.¹² There were 20 thousand on the first weekend alone.¹³ In May, the number of crossings exceeded 101 thousand, boosted by a surge in non-Cypriots (see Table 2).

Table 2: Crossings through Ledra Street/Lokmaci checkpoint

Month	Greek Cypriots	Turkish Cypriots	Non- Cypriots	Total
April 2008	46925	29216	21128	97269
May 2008	37129	22560	41458	101147
June 2008	19596	17074	29643	66313
July 2008	19851	18716	33838	72405
August 2008	17985	17272	30204	65461
September 2008	15978	18593	31383	65954
October 2008	19804	20019	37271	77094
November 2008	18932	18612	32749	70293
December 2008	23561	25865	34311	83737
Total 2008	219761	187927	291985	699673
January 2009	21769	18651	31622	72042
February 2009	20076	16311	30631	67018

Source: RoC Police

¹⁰ And following lengthy negotiations with political agendas: see <http://www.makarios.ws/cgibin/hweb?-A=1886&-V=search&-w=%CB%C7%C4%D1%C1%D3@>

¹¹ <http://www.reuters.com/article/worldNews/idUSL0327472320080403>

¹² <http://www.cyprus-mail.com/news/main.php?id=38647&archive=1>

¹³ <http://www.cyprus-mail.com/news/main.php?id=38573&archive=1>

The increase in the flow of people in Nicosia's centre however, although it was rather like the pre-Christmas shopping frenzy, was not felt by all shops. According to the press, restaurants and cafés – the number of which has been rising in the area in recent years¹⁴ – benefited most, while other establishments did not fare so well.¹⁵ However, there are examples of the type of business that did well both north and south of the Green Line.¹⁶ The opening repositioned Old Nicosia on the tourist map of Cyprus, as both sides of Nicosia's old centre became accessible to tourists who could now walk through the crossing. Aeolos, one of the leading tourist agencies in Cyprus, launched immediately after the opening a new sightseeing tour called "Nicosia Match and Mix" that allowed tourists to walk from the south to the other side.¹⁷

¹⁴ <http://www.makarios.ws/cgibin/hweb?-A=1886&-V=search&-w=%CB%C7%C4%D1%C1%D3@>

¹⁵ <http://www.cyprus-mail.com/news/main.php?id=38574&archive=1>

¹⁶ <http://www.cyprus-mail.com/news/main.php?id=38575&archive=1>

¹⁷ Interview with Mrs Antje Papageorgiou, general manager of the incoming department of Aeolos. The company organises 10 to 20 such tours every week. Demand for the tour is high as participants experience the diversity of Cyprus within a unified space. On the other hand, demand for excursions to Kyrenia and Famagusta was stagnant.

THE SURVEY

In the context of this project, a survey was carried out by two separate teams, Greek Cypriot and Turkish Cypriot; the aim was to determine the impact the opening of Ledra Street /Lokmaci crossing had on the society and the retail sector in Old Nicosia. The survey was carried out in late June to early July 2008 and had a target group of 51 Greek Cypriot and 50 Turkish Cypriot users of the Ledra Street/Lokmaci crossing, 50 local shopkeepers from each community. All respondents were interviewed using a specially designed questionnaire.¹⁸

Part A: Sentiment among consumers

Attitudes towards the opening—the value for the respondent and for Cyprus

Most Cypriot respondents in both communities believe that the opening of Ledra Street/Lokmaci had a positive impact on their lives and also on Cyprus. The majority of the interviewed consumers welcomed the opening of the Ledra Street/Lokmaci checkpoint. A clear majority of nearly 60 percent of GC users of the crossing point interviewed said that they regarded the opening as a positive development personally; less than 22 percent said that it was neutral and less than a fifth said it was negative. The interviewed Turkish Cypriots had a more positive approach, as 90 percent regarded the opening as positive, and only 6 percent and 2 percent, respectively, saw it as neutral and negative. Interviewed non-Cypriot nationals (tourists) were even more optimistic over the opening. The respective figures were 96 and 4 percent with none seeing the opening as negative.

¹⁸ The survey in the south was conducted by Mrs. Charalambia Theokli and in the north by Prologue Consulting Ltd, under the supervision of Mrs. Mine Yuçel. The authors also wish to thank Mrs. Yuçel for her help in designing the questionnaires.

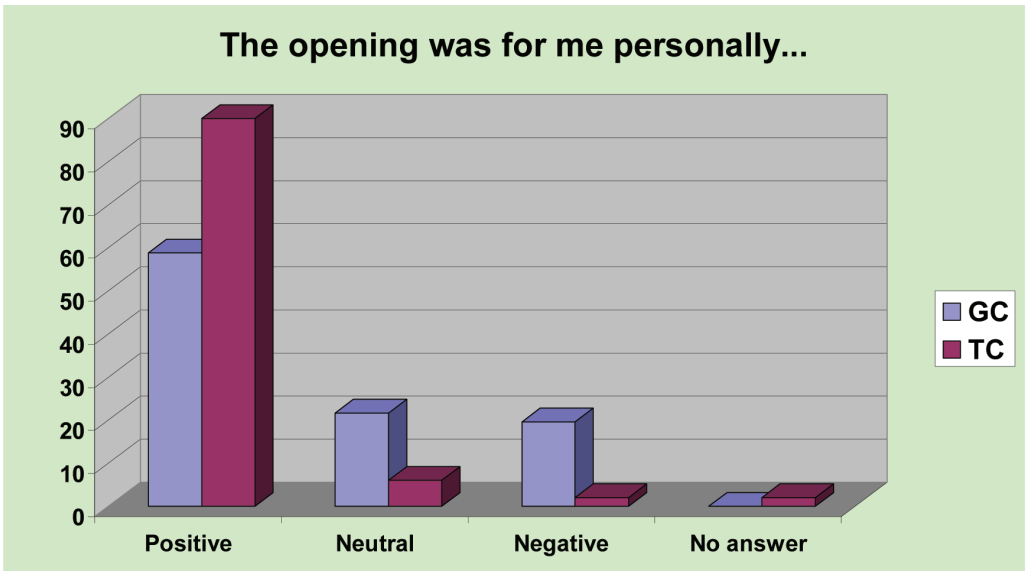


Figure 1

A similar pattern appeared from the answers to the question whether the opening was a positive, neutral or negative development for Cyprus. Again, a clear majority of nearly 60 percent among Greek Cypriots who were interviewed said that it was positive, 20 percent said it was neutral and 22 percent said it was negative. A stronger majority of Turkish Cypriots (82 percent) said that it was positive, while only 6 percent said that it was neutral and 6 percent felt that it was a negative development.

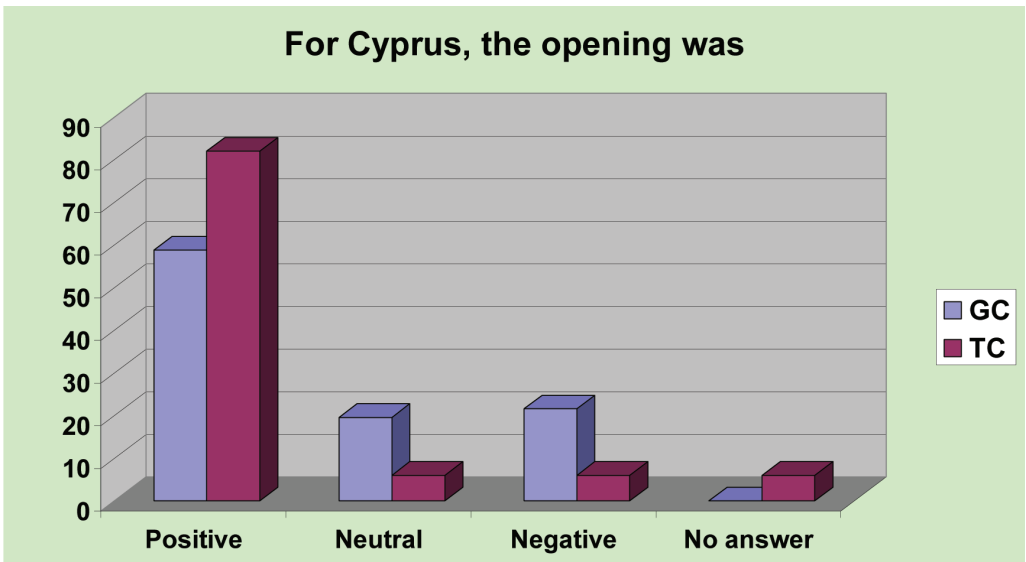


Figure 2

Frequency of visits to the other side

The addition of another crossing point, and the location of this one, has encouraged Cypriots to cross to the other side more often. According to 48 percent of Greek Cypriots and 50 percent of Turkish Cypriots, they visit the other side more often since the opening. This is consistent with the answers those interviewed gave to the questions about the frequency of their visits before and after the opening.

While only 2 percent of Greek Cypriot respondents said that they crossed to the other side at least once a week before the opening and only 6 percent said they crossed at least once a month, the respective figures rose to 26 percent and 33 percent after the opening. Among Turkish Cypriots, however, the issue is somewhat more complicated. Tables 4 and 5 show that there was a very substantial increase in daily and weekly crossings to the south but a decline in less frequent crossings. Obviously some of those who crossed once a month or less now cross weekly or daily.

In other words, the survey revealed that 49 percent of GC interviewees crossed to other side at least once a month before and 59 percent after the opening while the respective percentages among Turkish Cypriots were 78 and 96.

Table 3. Do you visit the other side more frequently since the opening of the Ledra Street/Lokmaci crossing?

	GC		TC	
	#	%	#	%
Yes	24	47	25	50
No	24	47	24	48
N/A	3	6	1	2

Table 4. Frequency of visits before the opening

	GC		TC	
	#	%	#	%
Daily or almost daily	0	0	9	18
At least once a week	1	2	13	26
At least once a month	3	6	17	34
A couple of times every year	21	41	7	14
At least once since 2003	18	35	2	4
Never	8	16	2	4

Table 5. Frequency of visits after the opening

	GC		TC	
	#	%	#	%
Daily or almost daily	0	0	17	34
At least once a week	13	26	17	34
At least once a month	17	33	4	8
Less than once a month	2	4	2	4

Purpose of crossing

While Greek Cypriots cross to the north primarily for sightseeing, Turkish Cypriots cross to the south mainly for shopping. Shopping is the second most frequent reason among Greek Cypriots to cross, but otherwise their crossings have a social (meeting or accompanying friends), nostalgic (visiting place of origin) and non-commercial character. Turkish Cypriots cross to the south also for business or work and social reasons. The contrast is greatest in relation to sightseeing – a much more commonly stated reason for crossing among the Greek Cypriots – and business/work, which accounted for 16 percent of the Turkish Cypriot crossings but none of the Greek Cypriot crossings.

Table 6. Purpose of crossing to the other side

<i>Multiple answers were possible</i>	GC		TC	
	#	%	#	%
Shopping	17	33	29	58
Meeting friends from other side	5	10	7	14
Sightseeing	28	55	3	6
Visiting my place of origin	8	16	1	2
Business/work	0	0	8	16
Entertainment/eating	3	6	6	12
Accompanying visitors to the other side	4	8	0	0
Other activities	0	0	8	16

Contact with people on the other side

The survey revealed that among respondents, Turkish Cypriots were more likely to have contact with Greek Cypriots than vice versa. More precisely, less than one in four Greek Cypriots who cross to the other side via Ledra Street/Lokmaci crossing have contact with people living in the north. In contrast, 62 percent of Turkish Cypriots have contact with people in the south.

Table 7. Do you have contact with people on the other side?

	GC		TC	
	#	%	#	%
Yes	12	24	31	62
No	36	71	19	38
N/A	3	6	0	0

Table 8. Has your contact increased since the opening of Ledra Street /Lokmaci crossing?

	GC		TC	
	#	%	#	%
Yes	5	10	8	16
No	46	90	42	84

The opening appears to have resulted in a slight increase in contact with the other side for Greek Cypriots and a marginally more substantial increase for Turkish Cypriots.

A cross-tabulation revealed that Greek Cypriots' contact with Turkish Cypriots seemed to play a role in shaping their views on the opening of Ledra Street/Lokmaci crossing point. Contact with Turkish Cypriots made it more likely for Greek Cypriots to evaluate the opening as a positive development and less likely to evaluate it as either negative or neutral. Of those who had contact, 67 percent (8 out of 12) said the opening was a positive development compared to 53 percent (19 out of 36) in the case of those who said they had no contact. In the case of Turkish Cypriots, however, contact with Greek Cypriots was not significant in their evaluation of the opening, as in both cases the positive evaluation was around 90 percent.

Box 1

Revitalisation of the centre of Nicosia

The opening appears to have triggered a revitalisation of Nicosia's old centre as it resulted in more trips, especially by Greek Cypriots and to a lesser degree by Turkish Cypriots, from elsewhere in Nicosia or Cyprus without necessarily involving a crossing to the other side. In the case of Greek Cypriots, 57 percent said that they visited Nicosia's centre more frequently since the opening. In the case of Turkish Cypriots, their share was lower (34 percent). This may however relate to other factors affecting the overall attractiveness of Nicosia's old centre for Turkish Cypriots, such as security concerns due to street lighting at night or availability of parking.

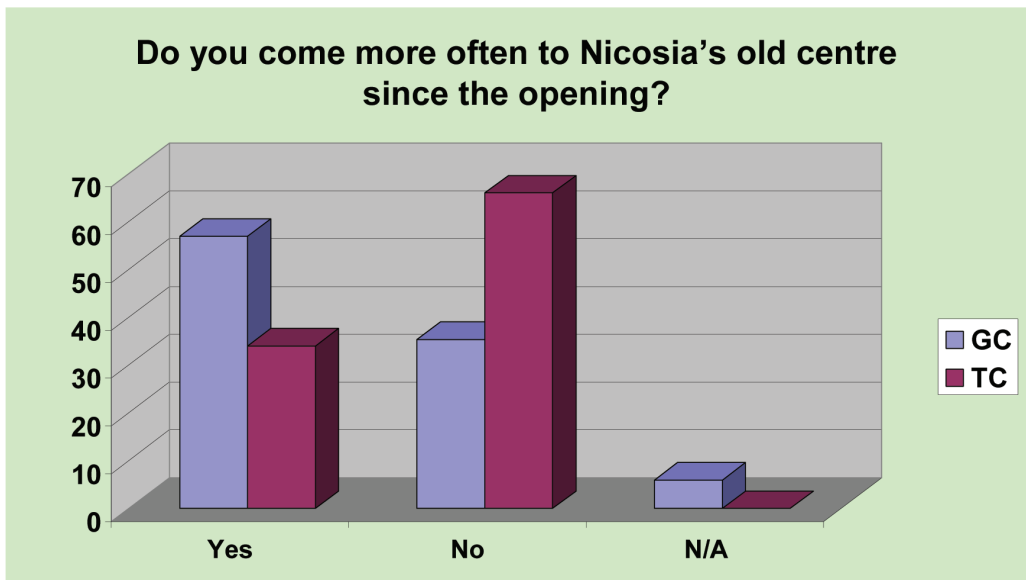


Figure 3

The increase shown in Figure 3 is substantiated in the comparison between Tables 9 and 10 and shown graphically in Figure 4. Among Greek Cypriots, the share of those who came to Nicosia’s centre once a month or more frequently was 39 percent before the opening and 75 percent after. Among Turkish Cypriots the comparable figures were 68 percent and 78 percent. The increase was more substantial for the Greek Cypriots but they started from a much lower level.

Table 9. Frequency of visits before the opening				
	GC		TC	
	#	%	#	%
Daily or almost daily	2	4	16	32
At least once a week	3	6	7	14
At least once a month	15	29	11	22
A couple of times every year	23	45	9	18
At least once since 2003	3	6	0	0
Never	5	10	6	12
N/A	0	0	1	2

Table 10. Frequency of visits after the opening				
	GC		TC	
	#	%	#	%
Daily or almost daily	6	12	19	38
At least once a week	13	26	7	14
At least once a month	19	37	13	26
Less than once per month	12	24	10	20
N/A	0	0	1	2

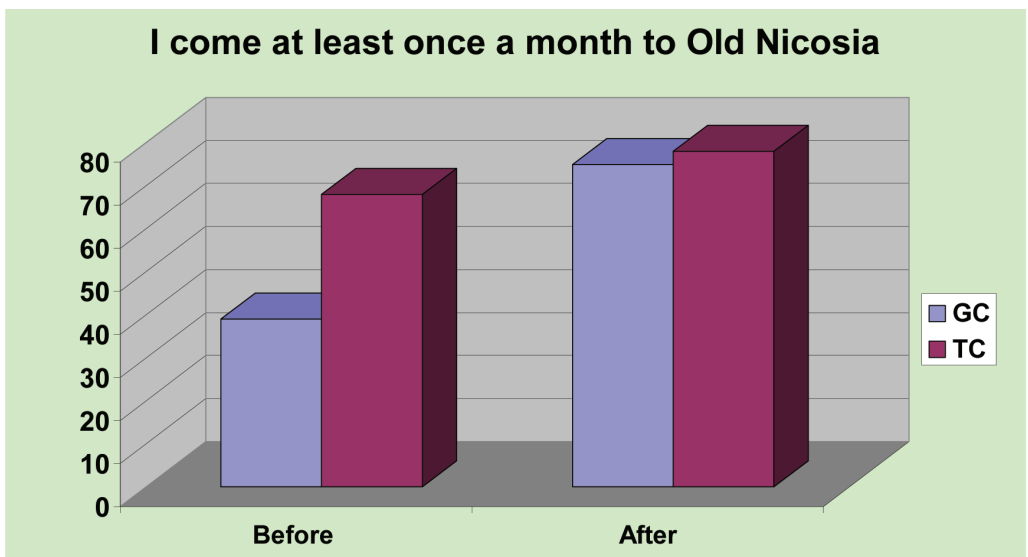


Figure 4

What consumers buy on this side and on the other side

The opening of Ledra Street/Lokmaci has reconnected the old Nicosia shopping centre and thus increased choices for consumers, regarding both quality and price. Both Greek Cypriots and Turkish Cypriots shop mainly for clothing and apparel on the other side (see Table 11). The reasons may differ, with Greek Cypriots seeking cheap clothing and brand imitations, and Turkish Cypriots seeking international brands not distributed in the north. Shopping differences related to other items are probably explained by price, duty and quality differences. The difference in relation to alcohol – Turkish Cypriots buying it in the south but no Greek Cypriots buying it in the north – is likely due to its greater availability in the south.

Services could include many categories, such as dining out, drinking a coffee at a café, visiting a hairdresser, a doctor, etc. The fact that no Greek Cypriot interviewee included services in his/her answer most probably reflects an omission to explain the question with examples. It is unlikely that none of the 51 interviewees drank coffee or ate anything during his/her stay on the other side.

In the category “other goods”, Turkish Cypriots most frequently named toys, consumables, accessories, and pharmaceuticals.

Table 11. What consumers buy when they cross to the other side				
	GC		TC	
	#	%	#	%
1. Cigarettes	4	8	3	6
2. Alcohol	0	0	7	14
3. Clothes	22	43	23	46
4. Shoes	6	12	15	30
5. Food	4	8	19	38
6. Services	0	0	3	6
7. Electronic/electrical devices	0	0	6	12
8. Souvenirs/handicraft	1	2	3	12
9. Other goods (specify):	4	8	12	24

Our research shows that when Greek and Turkish Cypriot consumers were asked what they buy when they shop on their own side, clothing is still the most frequent answer (see Table 12). For Greek Cypriots shoes are another frequent purchase, followed much less frequently by food, cigarettes, electronic/electrical devices, services and souvenirs. For Turkish Cypriots too, clothes and shoes are their most frequent purchases, though much less frequent than is the case for Greek Cypriots. In relation to all other goods purchased in the area the distribution is much more even than for Greek Cypriots. Turkish Cypriots who said they buy other products on their side mainly said they buy everything in the ‘Arasta’ (Lokmaci) area. Other comments they made included ‘we buy whatever is cheap’ or ‘we buy whatever is fresh’ referring to vegetables or fruits.

Table 12. What consumers buy on their side

	GC		TC	
	#	%	#	%
1. Cigarettes	6	12	8	16
2. Alcohol	0	0	8	16
3. Clothes	40	78	27	54
4. Shoes	34	67	11	22
5. Food	12	24	16	32
6. Services	4	8	7	14
7. Electronic/electrical devices	5	10	7	14
8. Souvenirs/handicraft	2	4	7	14
9. Other goods (specify):	0	0	9	18

A cross-tabulation revealed that defining oneself as a Cypriot refugee, especially a Turkish Cypriot refugee, makes it less likely that one will evaluate the opening as a positive development. The likelihood of a Turkish Cypriot seeing the opening as positive declined from 93 percent for non-refugees to 78 percent for refugees. In the case of Greek Cypriots, the respective percentages are 60 and 54. It should be pointed out, however, that while 24 out of 51 Greek Cypriot respondents defined themselves as refugees only 9 out of 50 Turkish Cypriots respondents felt they were refugees.

Box 2**Part B: Sentiment among shopkeepers****Evaluation of the opening of Ledra Street/Lokmaci checkpoint by Nicosia's retail sector**

Overall, our survey revealed that the opening resulted in a win-win situation for Nicosia's old centre retail sector. A majority of businesspeople on both sides regard it as a positive development for their business. Each side of the old Nicosia retail sector appears to have benefited from the opening in that additional customers from both sides of the island, as well as tourists, were attracted to the area. Two of the Turkish Cypriot shop-owners interviewed for this study had opened their businesses after the opening of the Ledra Street/Lokmaci crossing.

Overall, however, as Figure 5 shows, the Greek Cypriot shopkeepers were less positive than their Turkish Cypriot counterparts.

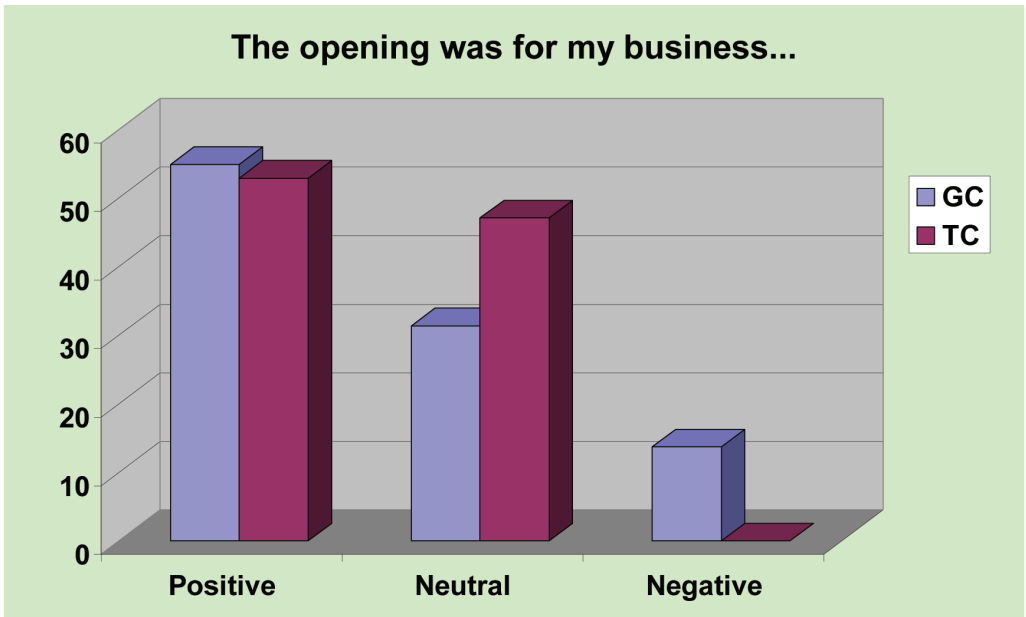


Figure 5

In contrast to their positive view of how the opening affected their own business, the Greek Cypriots' view of the importance for Cyprus was more neutral and negative. This is clear from Figure 6, which also shows that the Turkish Cypriot respondents appear much more optimistic.

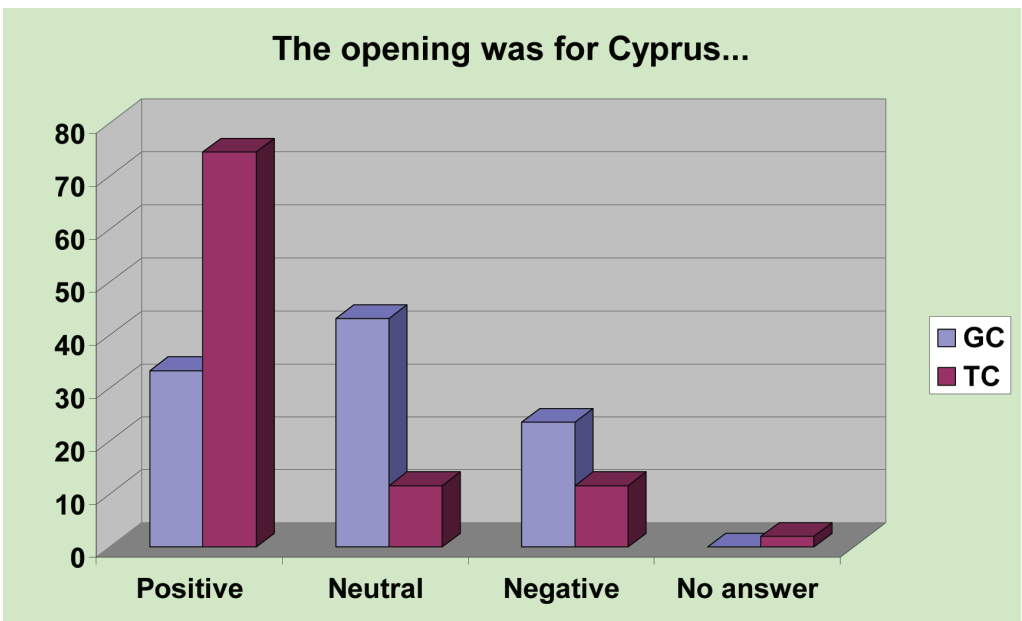


Figure 6

More business after the opening

Overall, both Greek and Turkish Cypriot shopkeepers in Nicosia’s old centre experienced increasing revenues after the opening in terms of turnover according to our survey. Figure 7 shows that very few experienced a decline in revenues; that more Greek Cypriot than Turkish Cypriot shopkeepers said they experienced increases; and that more Turkish Cypriots claimed to have had no change in revenues.

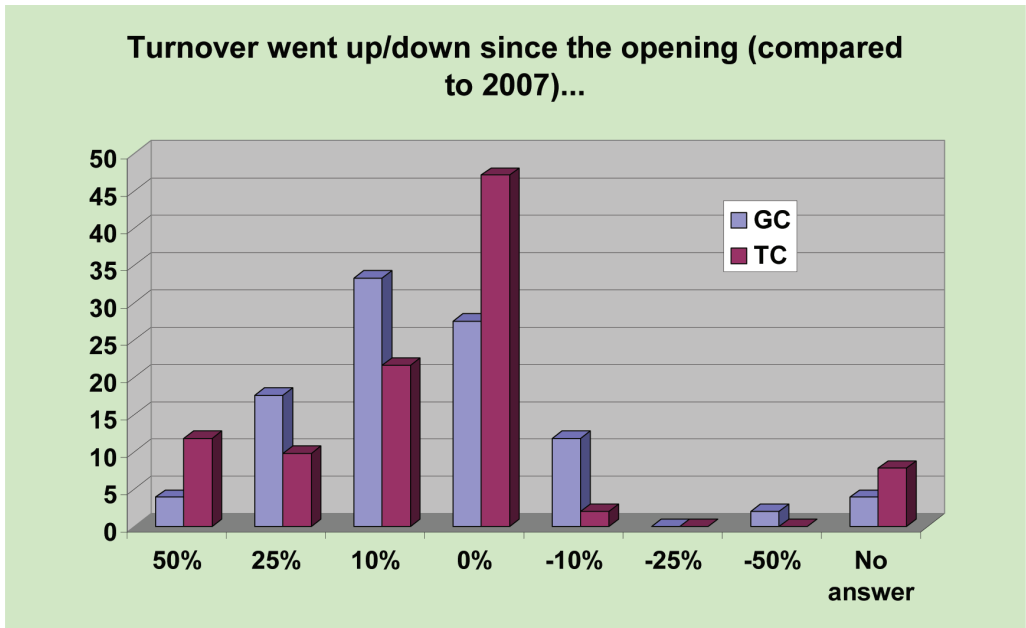


Figure 7

The data on revenue changes should be considered in the context of the national figures. According to official CyStat data (www.mof.gov.cy/cystat), in January – June 2008 the value of turnover in the retail sector in the economy as a whole increased by 14.6 percent year on year. This suggests that the figures for the majority of businesses shown in Figure 7 are below average. However, two major shopping malls launched their operations just months before the opening of the Ledra Street/Lokmaci crossing, which might explain some of the adjacent shops’ apparent under-performance.

Table 13. Since the opening turnover has increased/decreased from Greek Cypriot clientele				
	GC shopkeepers		TC shopkeepers	
	#	%	#	%
+50%	0	0	2	4
+25% to +49%	6	13	7	14
+10% to +24%	13	26	9	8
0% (+9% to -9%)	24	47	29	57
-10% to -24%	5	10	0	0
-25% to -49%	0	0	0	0
-50%	1	2	0	0
No answer	2	4	4	8

Table 13 shows that, overall, both Greek and Turkish Cypriot shopkeepers report increased or unchanged turnover stemming from their Greek Cypriot clientele. Among Greek Cypriot shopkeepers, 39 percent experienced at least 10 percent increase in turnover from Greek Cypriot customers. The equivalent figure for the Turkish Cypriot shopkeepers was 26 percent. Only Greek Cypriot shopkeepers (10 percent) said that they had experienced a decline in turnover from Greek Cypriot customers. Some TC shopkeepers stated that unless the GC political leadership and the GC police change their attitudes with respect to purchases by GCs on the other side, they do not expect much of a change in their sales.

Table 14. Since the opening turnover has increased/decreased from Turkish Cypriot				
	GC shopkeepers		TC shopkeepers	
	#	%	#	%
+50%	2	4	0	0
+25% to +49%	9	18	2	4
+10% to +24%	17	33	9	18
0% (+9% to -9%)	17	33	35	69
-10% to -24%	4	8	1	2
-25% to -49%	0	0	0	0
-50%	0	0	0	0
No answer	2	4	4	8

Referring to Table 14, there is a clear contrast between reported increases in business from Turkish Cypriot customers. Just over half of the Greek Cypriot shopkeepers experienced an increase of at least 10 percent while a substantial majority of Turkish Cypriot shopkeepers said that there had been no change in turnover arising from Turkish Cypriot customers.

Table 15. Since the opening turnover has increased/decreased from non-Cypriot, tourist clientele

	GC shopkeepers		TC shopkeepers	
	#	%	#	%
+50%	1	2	3	5,9
+25% to +49%	6	11,8	3	5,9
+10% to +24%	18	35,3	10	19,6
0% (+9% to -9%)	17	33,3	29	56,9
-10% to -24%	6	11,8	1	2
-25% to -49%	1	2	0	0
-50%	0	0	0	0
No answer	2	3,9	5	9,8
+50%	2	3,9	5	9,8

Shopkeepers from both communities appear to have benefited from the opening in terms of revenues from tourists. Table 15 shows that more Greek Cypriot shops had such increases from tourists than Turkish Cypriot ones. In relation to the small number of shopkeepers on both sides reporting substantial declines, this may be the result of specialist competitors on the other side.

Focussing on whether particular types of businesses were more likely to experience increases in turnover following the opening provides interesting results. On the Greek Cypriot side, the vast majority (more than two-thirds) of owners or managers of optical shops, restaurants and “uncategorised shops” experienced increased turnover. On the Turkish Cypriot side such a high majority experiencing increased business only applied to restaurant owners. Other categories in which a majority (just over 50 percent) of Greek Cypriots saw their sales increase were clothing, souvenir and electronics shops. Categories in which a majority (over 50 percent) of Turkish Cypriots saw their sales increase included souvenir and clothing shops. Greek Cypriot jewellers and Turkish Cypriot owners of “uncategorised shops” did not see any improvement in their business according to our survey.

Box 3

Expectations for the future

Shopkeepers on both sides appear broadly optimistic regarding the future, although Greek Cypriots appear slightly less optimistic than their Turkish Cypriot colleagues. Figure 8 shows the comparisons. The biggest Greek Cypriot group is that expecting a 10 percent increase in turnover; the biggest Turkish Cypriot group expects no change. Other significant aspects of this graph are that a quarter of the Greek Cypriots expect a 10 percent decline in their turnover, and that nearly a fifth of the Turkish Cypriots expect at least a 25 percent increase in turnover.

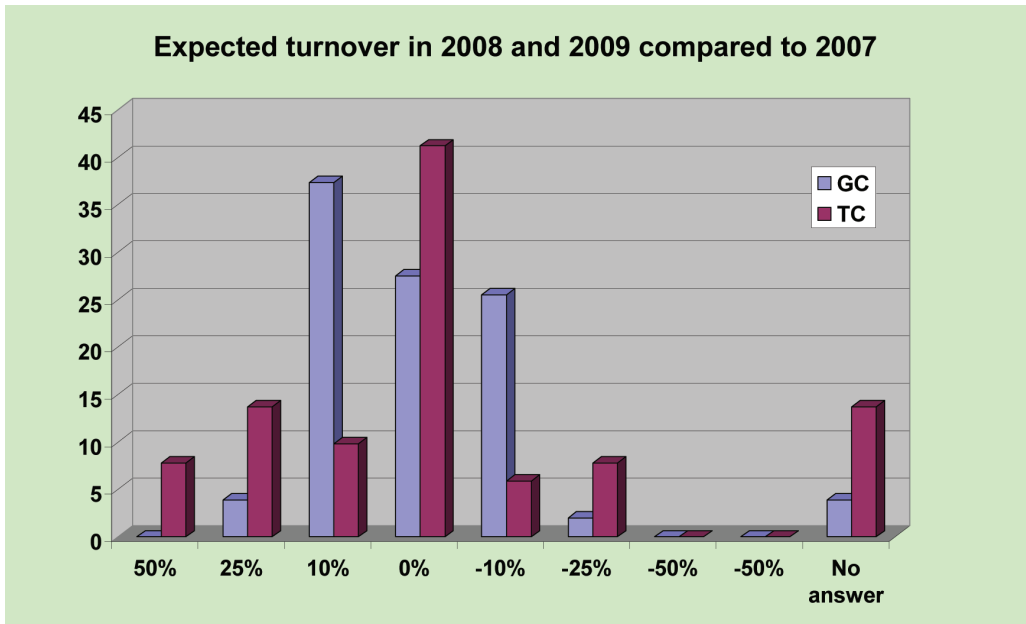


Figure 8

Where is the increase – or decrease – in turnover going to come from? Table 16 shows expectations in relation to Greek Cypriot customers. The Greek Cypriot shopkeepers seem to be both more optimistic and more pessimistic than the Turkish Cypriot shopkeepers. A third of the Greek Cypriot shopkeepers expect increases from Greek Cypriot customers, while over a quarter expect declines. Among the Turkish Cypriot shopkeepers, a majority expects no change.

Table 16. Expected turnover in 2008 and 2009 compared to 2007 from Greek Cypriot clientele				
	GC shopkeepers		TC shopkeepers	
	#	%	#	%
+50%	0	0	2	4
+25% to +49%	2	4	4	8
+10% to +24%	15	29	7	14
0% (+9% to -9%)	18	35	26	51
-10% to -24%	14	28	2	4
-25% to -49%	0	0	4	8
-50%	0	0	0	0
No answer	0	0	0	0
+50%	2	4	6	12

As Table 17 indicates, a much bigger majority of Turkish Cypriot shopkeepers expect no change in revenue from Turkish Cypriot customers. Again, the Greek Cypriot shopkeepers are both more optimistic (over 40 percent expecting increases) and more pessimistic (14 percent expecting declines) than the Turkish Cypriot shopkeepers in terms of business arising from Turkish Cypriot customers.

Table 17. Expected turnover in 2008 and 2009 compared to 2007 from TC clientele

	GC shopkeepers		TC shopkeepers	
	#	%	#	%
+50%	0	0	0	0
+25% to +49%	4	8	3	6
+10% to +24%	17	33	4	8
0% (+9% to -9%)	21	41	33	65
-10% to -24%	7	14	3	6
-25% to -49%	0	0	1	2
-50%	0	0	1	2
No answer	2	4	6	12

Expectations in relation to non-Cypriot customers are broadly similar to those in relation to Cypriot customers. Table 18 shows that, again, Greek Cypriot shopkeepers are both more optimistic and more pessimistic than their Turkish Cypriot counterparts.

Table 18. Expected turnover in 2008 and 2009 compared to 2007 from non-Cypriot (tourist) clientele

	GC shopkeepers		TC shopkeepers	
	#	%	#	%
+50%	0	0	2	4
+25% to +49%	6	12	5	10
+10% to +24%	14	28	8	16
0% (+9% to -9%)	23	45	28	55
-10% to -24%	6	19	1	2
-25% to -49%	0	0	1	2
-50%	0	0	0	0
No answer	2	4	6	12

Likely business decisions to be taken after the opening

The opening of Ledra Street/Lokmaci crossing is expected to have an impact on business decision making on both sides of Nicosia's centre, as shopkeepers adjust their business tactics in an attempt to maximise their benefit from a perceived shift in demand. Figure 9 shows that among both groups, and especially among Turkish Cypriot shopkeepers, there is a willingness to serve customers from the other community using its respective language. A larger proportion, though still small, of Greek Cypriots appear willing – or able to afford – to

employ workers from the other side; Turkish Cypriot shopkeepers seem more willing to rely on their knowledge of – or ability to learn – Greek.

After using the other side's language, the next most common change in business is to add to or change stock. This is followed, for Turkish Cypriot shopkeepers, by investment in display and decoration. For Greek Cypriot shopkeepers, hiring additional personnel was slightly more important than investing in display and decoration.

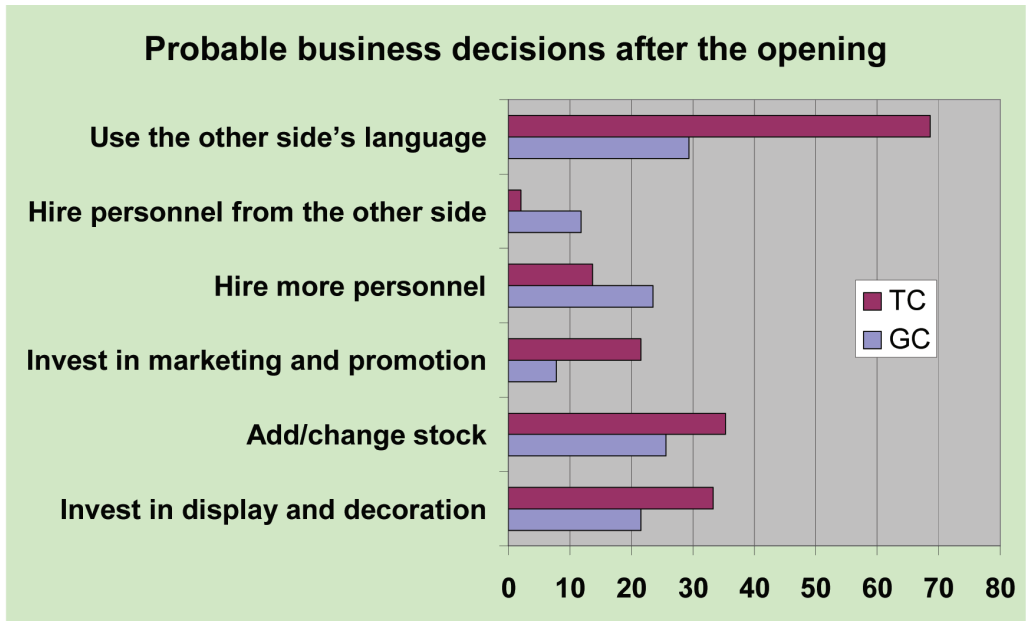


Figure 9

Have buyout offers for businesses in Nicosia's old centre increased since the opening?

The opening appears to have created more business opportunities in the north than in the south, as expressed by the increase in buyout offers. While in the south only 6 percent of the interviewed shopkeepers said that they had had an increase in buyout offers since the opening, the equivalent percentage of Turkish Cypriots is 16.¹⁹

¹⁹ Local entrepreneurs who participated in the round table discussion on Wednesday, November 26, 2008 (see special section), claimed that the actual buyout offers to businesses in Nicosia's old commercial centre had increased significantly following the opening; the figures suggested in the survey under-reported the real situation. One explanation for this may be that some of the interviewees were shop managers who were unaware of buyout offers received by the actual shop owners.

Table 19. Have you had an increase in buyout offers since the opening?

	GC shopkeepers		TC shopkeepers	
	#	%	#	%
Yes	3	6	8	16
No	48	94	43	84

The Round Table Discussion

On Wednesday November 26, 2008, a round table discussion was held in the library of the Goethe Institute, attended by entrepreneurs from both sides of Nicosia's old commercial centre. They confirmed the findings of our survey in general, with one exception regarding the buyout offers (see fn.19). The main interest of both sides was in how to attract more customers to the old commercial centre. Among Greek Cypriot entrepreneurs, there was an opinion that identification procedures at the crossing points affect negatively the willingness of the public to cross and thus limit the number of potential customers. Members of both groups acknowledged that this obstacle could only be lifted if the Cyprus problem was settled. There was accord among both Greek and Turkish Cypriot businesspeople who attended the round table discussion that some measures could and should be taken, even prior to settlement. These included: establishing a shopkeepers platform to promote dialogue; organisation of a fair (Greek πανηγύρι, Turkish panayir) in the buffer zone at the Ledra Street/Lokmaci crossing to attract crowds; restoration of damaged and neglected buildings in the buffer zone at the Ledra Street/Lokmaci crossing to host events such as exhibitions, meetings, etc; promoting acceptance of the Turkish Lira by Greek Cypriot shopkeepers; printing and distribution of a Nicosia town map with advertisements from businesses on both sides. Turkish Cypriot businesspeople who attended the discussion expressed their concern over the spread of propaganda on the Greek Cypriot side to prevent Greek Cypriots from shopping in the north.

Box 4

CONCLUSION

Despite the lifting of restrictions on movement in 2003, the division of Cyprus continues, both politically and militarily as well as in the minds of Cypriots. The reconciliation process went into abeyance following the referendums in April 2004 and the opportunity for progress towards settlement that had arisen a year earlier remained unexploited. Thus, the opening of Ledra Street/Lokmaci in April 2008 can be regarded as an attempt to recover lost ground.

The opening brought people from both communities together. It increased contacts between Greek and Turkish Cypriots and it broadened the channels of communication and opportunities for interaction. Despite the resumption of bi-communal talks in summer 2008, however, crossing to the north and establishing contact with the other side remains taboo for a large percentage of Greek Cypriots. This reveals an impediment to Greek Cypriot reconciliation with Turkish Cypriots which needs to be addressed. One means of doing so is the sort of civil society initiatives to promote trade in Nicosia's traditional commercial centre suggested by the Greek and Turkish Cypriot local businesspeople from Nicosia who participated in the round table discussion (see Box 4).

The opening of Ledra Street/Lokmaci seems to have revitalised Nicosia's old commercial centre, both in the north and in the south. This goes at least some way towards dispelling the myth that the reunification of the island would have severely negative economic consequences for the economy of either community. In fact, rather than one side gaining and the other losing from the new crossing, the opening provides evidence of a win-win scenario for Cyprus, because both Greek and Turkish Cypriot businesses in Nicosia's old centre have benefited from the increase in customers. These gains, moreover, have been made despite the global economic downturn.

This positive evidence must be seen in the context of the enormous challenge of the continuing division of Cyprus and of its capital. The positive effects of the opening are highly localised. Elsewhere Nicosia continues to be divided and to suffer from that division. This is obvious along the Green Line. As Calame (2005) points out, the consequences are more general, too, because in ethnically divided cities either there are no coordinated design, planning and conservation strategies or they are very difficult to implement. Based on this, politicians may have to think "outside the box" and start discussing not only the opening of further crossings within the old centre but also to consider other measures to reduce the militarisation all along the Green Line.

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The Opening of Ledra Street/ Lockmaci Crossing in April 2008: Reactions from Citizens and Shopkeepers

On April 3, 2008, the Ledra Street/Lokmaci crossing in the commercial sector of Old Nicosia, north and south of the 1974 cease-fire line, was opened. Because it is regarded as the birthplace of the division of the island, the opening of the street has had symbolic significance. However, since it is in a major shopping and historical area of the city, the opening has economic significance as well. Ledra Street/Lokmaci was traditionally Nicosia's main commercial area. Its history is a reflection of the history of Cyprus, highlighting decades of political, economic, and social division. This study is an investigation into the social and economic impact of the opening of the street, after decades of closure.

Unlike the opening of other crossing points in 2003, the opening of Ledra Street/Lokmaci crossing was the first to connect residential and commercial areas of the same municipality. Because of this unique characteristic, the opening of this crossing has had a social and economic impact on the immediate surrounding of Old Nicosia.

The opening of Ledra Street/Lokmaci occurred at a time when the reconciliation had gone in to abeyance following the referenda in April 2004. The opening has brought people from both major ethnic communities together, increased contact among these two communities and broadened the channels of communication and opportunities for interaction.

Our survey demonstrates that the opening has revitalized Nicosia's traditional commercial centre, on both sides of the Green Line. Thus, the findings suggest that a reunification of the island would not have negative economic consequences for the economy of either community. Despite a global economic downturn, shopkeepers on both sides of the Green Line in Nicosia's traditional commercial area have generally indicated an increase in customers. The findings are suggestive of the mutually beneficial nature of increased interactions between the two major ethnic communities on the island.

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