DIMUN 25

Dr.İlhamiTankut Anatolian High School Model United Nations Conference

H-UNCTAD

Agenda Item A:

Mitigating the global economic instability caused by the 1973 OPEC embargos (1973 Oil Crisis).

Agenda Item B:

Assessing the economic impact of the 1974 northern Cyprus invasion and the consequent embargos

Under Secretaries General: Gönül Demirel & Başar Naci Açıkalın

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Letter From the Secretary General

Greetings Esteemed Attendees,

As the secretary general of the conference. It is with great pleasure that I extend gracious hospitality and welcome you all, participants of DiMUN'25, which will be held in Antalya from June 27th to 29th.

As we gather for this Model United Nations conference, we look forward to thought-provoking debates, insightful dialogues, and meaningful opportunities for collaboration. The delegates of this conference may have enlightening discussions and foster their diplomatic skills. With committees exploring a wide array of historical topics, delegates are sure to be both challenged and inspired, cultivating their critical thinking and diplomacy throughout the experience.

I would like to express my sincere appreciation to the organizing team and academic team for their dedication and hard work in order to raise DiMUN’25 to the pinnacle!

Furthermore, it is important not to place undue pressure on yourself before or during the conference. All participants are here to enhance their personal and academic growth while engaging with new peers in that kind of conference, so please be reminded of that. Therefore, remember to enjoy the experience and make the most of your time. Stay tuned for an enriching and memorable event.

Sincerely,

Erdem Demirci

Secretary-General

DiMUN’25

Letter From the Under-Secretaries-General

Dear delegates,

As the Under-Secretaries-General of the Historical United Nations Conference on Trade and Development, it is our utmost pleasure to present this study guide to you. We mostly stressed the economic aspects of our topics, adhering strictly to the scope of UNCTAD for you to navigate the agenda items with comfort. This committee will be encompassing the dates of May 5-31, 1976, during its 4th session in Kenya, right after the embargos had been imposed by the United States on the Turkish Republic, and the Turkish Cypriot north.

It is our honor to be a part of this conference delivering you THE economic committee. We thoroughly thank the executive team of DIMUN'25 especially the honorable Secretary General Erdem Demirci for his unlimited patience with us.

We hope you find this guide to be informative enough for a committee of this degree, and we hope that for these 3 days you all get the most entertaining, informative, and most importantly, the most though-fostering committee you have ever been in.

If you ever have any question to your Academic Team, you can contact us via e-mail through;

gonul.demirel.2003@gmail.com

naci_acikalin@outlook.com.

Sincerely, your Under-Secretaries General,

Başar Naci Açıkalın

Gönül Demirel.

1. Introduction to the Historical United Nations Commission on Trade and Development (H-UNCTAD)

1.1. History, Scope and Membership

For the most of 1960s, global economy raised concerns about its practical well-being and its main question revolved around developing countries, which led to a call for a committee that specifically conveyed their problems and appointing necessary actions. (*History*, n.d.) UNCTAD was established after these calls in 1964 and held its first conference and also inaugurated its headquarters in Geneva, Switzerland. It is a permanent member of the UN General Assembly, and its main goal is to regulate and promote trade, investment, and development in developing countries. UNCTAD has 135 member states in 1976.

The decisive body is the conference itself, and it meets once in every four years in order to set their policies for the incoming years. Part of the UN Secretariat, UNCTAD Secretaries overlook the analysis and implementations of its bodies. These bodies divide under four different topics, globalization and development strategies; international trade; investment, technology, and enterprise development; and services infrastructure. And also one more office body called the Office of the Special Coordinator for Least Developed, Land-locked, and Island Developing Countries (OSC-LDC). (Mingst, 2024)

1.2. Group of the 77

The Group was created in the first session in 15th of June 1964 by the signatories of 77 developing countries, "Joint Declaration of the Seventy-Seven Developing Countries" was issued. Later, "Ministerial Meeting of the Group of 77 in Algiers (Algeria)" held place on 10 – 25 October 1967 where the "Charter of Algiers" was adopted. Although the G77 accepted more members, the name stayed the same because of the historical significance. (*About the Group of 77*, n.d.)

2. Keywords and Definitions

2.1. OPEC

Organization of the Petroleum Exporting Countries (OPEC) was brought together in a conference held in Baghdad, Iraq on 10 - 14 September 1960, and was formally ratified by five states; Saudi Arabia, Iran, Iraq, Kuwait, Venezuela. Later, number of countries were admitted to the establishment until 1976, those countries are; Qatar in 1961, Indonesia and Libya in 1962, Abu Dhabi in 1967, Algeria in 1969, Nigeria in 1971, Ecuador in 1973, and finally Gabon in 1975. As the name obviously suggests, OPEC are an organization where member states coordinate their petroleum policies and provide them with aid if needed (Danielsen, 2025).

2.2. Embargo

Embargos are economic restrictions such as, bans to departures of vessels or movement of goods, that a country or a group of countries apply on other one country or several countries. For example, a trade embargo does not imply a ban on all commerce to another country, just a restriction on exports. However, embargos can be defined and seen broad or narrow in scope, meaning that strategic embargos are mostly targeting the military power of the restricted country or countries via banning the sale of goods that directly effects military aspects. And even more on the topic, an oil embargo bans only the export of oil. Some embargos most of the time allows certain types of exports, mostly humanitarian, such as, medicine, food, et cetera. Although they do not seem that aggressive, it should be never forgotten that embargos are an efficient tool of economic warfare, always has been (Shambaugh, 2025).

2.3. Economic Sanction

Sanctions are the general terms of economic restrictions. <u>All embargos are sanctions, but not all sanctions are embargos.</u> They include bans to trade, travel, and access of financial aspects by a state towards another state, an organization, or even an individual in order to prevent certain actions or policies. Most of the time, government to government sanctions include the stoppage and suspension of already existing international trades between them. Sanctions may include; asset freezes and seizures, export and/or import restrictions, travel bans, and arms embargos. It is a common response to armed conflicts, human right violations, drug activity, or it could literally be any other type of criminal motive that can trigger a country to initiate a sanction, the reason behind this is that by restricting these assets, a country can render another country or organization's military operations impossible (Metych, 2023).

2.4. Economic Crisis

In economic crises, the currency of a nation is vastly dropped, and its value is in decline almost every single day, taxpayers, consumers, and businesses are not able to pay what they owe, and financial institutions. Other cases could be assigned to situations such as a stock market crash, a sovereign default et cetera. These occurrences can be limited to banks, economy of a country, or even it can take place worldwide (Kenton, 2024).

2.5. Import Substitution

Import Substitution, also referred to as Import Substitution Industrialization (ISI), is an economic paradigm typically followed by developing or emerging market nations to decrease their dependence on developed countries. This model includes the protection and incubation of newly formed domestic industries that are sought to become competitive enough to replace imported goods, and make the local economies and their nations self-sufficient. An import substitution model usually utilizes fiscal instruments such as tariffs, import quotas, and subsidized government loans to protect, strengthen, and cultivate local industries (Segal, 2024).

Although the import substitution-based approach possesses an inherent benefit in preserving economic autonomy, it may also impact the efficiency of produced goods. Domestic producers may prove incapable of producing goods efficiently vis-à-vis foreign producers, which may inevitably lead to increased costs for consumers. Furthermore, import substitution may evolve into protectionism (see 2.6), which may undermine competition and innovation, leading to products that are high in costs despite being of lower quality (*Challenges and Critiques of Import Substitution - FasterCapital*, n.d.).

2.6. Protectionism

Protectionism refers to the government policies that limit international trade to help domestic industries. Protectionist policies are usually implemented with the aim of improving economic activity within a domestic economy but can also be implemented for safety or quality concerns. Protectionist tools include import tariffs, quotas, product standards, and government subsidies (Team, 2024).

2.7. Bretton Woods

The Bretton Woods Agreement, also referred to as “the Washington Consensus,” refers to the agreement through which a fixed currency exchange rate was established with the usage of gold as the universal standard. The agreement involved 44 nations that agreed to peg their currency to the US dollar, whose value was in turn expressed in gold at the set price of $35 per ounce (Team, 2024). The Washington Consensus was abandoned by the United States during the Nixon administration in 1971 in response to the overvaluation of the dollar.

2.8. Foreign Direct Investment (FDI)

Foreign direct investment refers to an ownership stake in a foreign company or project made by an investor, company, or government from another country. It is a substantial, long-lasting investment made by a company or government into a foreign concern. FDI inflows as a percentage of gross domestic product (GDP) are a good indicator of a nation’s appeal as a long-term investment destination, as it can foster and maintain economic growth in both the recipient country and the investor country. Hence, developing economies usually welcome FDI as a means to finance infrastructure development and creation of employment; however, FDI also involves the regulation and oversight of multiple governments, leading to political risks (Hayes, 2025).

2.9. Enosis

The lexical definition of enosis is “union” or “unification,” and the term refers to the irredentist movement that aims to unify Cyprus with Greece, being commonly associated with the 20th -century nationalist efforts by Greek Cypriots. After Greece’s territorial gains post-WWII, and the population exchange between Greece and Turkey in the 1920s, the push for enosis grew stronger; as Greek Cypriots saw unification with Greece as a means of liberation from the British colonial rule and join their ethnic homeland. The growing nationalist sentiment led to the Cyprus emergency in the following decades (1955-1959), initiating violent conflicts between EOKA and the British forces. The conflicts formally ended with the London-Zürich Agreements on February 19, 1959, leading to the establishment of the independent Republic of Cyprus on August, 16, 1960 (Kyle, 2000).

3. Introduction to Agenda Item A: Mitigating the Global Economic Instability Caused by the 1973 OPEC Embargos

3.1. Timeline

In 1973, as a consequence of the Yom Kippur War (October War, see 3.4) OPEC applied an oil embargo to the western countries. Arab oil embargo restricted the flow of oil to the US, the Netherlands, Portugal, South Africa, and Rhodesia because of their involvement with Israel in the October War. Although the Middle Eastern countries decided to lift the ban on the US in 1974, embargos continued for the remaining countries. Arab oil embargo was the first oil related economic crisis in the world. The disruption in the oil supplies led to the increase in its price worldwide, and caused an energy crisis.

This was a strategic move by the OPEC to counteract without firepower, and they were successful. Since they banned the sale of oil to the western states, the US realized the dependency on the middle eastern oil, and was forced to withdraw their aid to Israel. This was mostly shocking to the world because since the creation of OPEC in 1960s, they always kept a low profile in worldwide economics. However, this obviously changed after October 1973 (The Editors of Encyclopaedia Britannica, 2025).

3.2. History of OPEC

For its member countries, OPEC has established a unified space for years with the objective of creating petroleum policies among themselves (see 2.1.). This is in order to lock fair prices for oil producers. OPEC was formed in Baghdad by five oil producing countries, and it crossed with a time when the economic landscape was transitioning in the world, mostly because of the newly establishing countries after the colonization times.

In the 1960s, the worldwide economy was being controlled by the "Seven Sisters", some multinational companies, and was not dependent on the central planned economies (CPEs). OPEC established its secretariat with a new vision first in Geneva, then in Vienna. It ratified a "Declaratory Statement of Petroleum Policy in Member Countries" in 1968, that recognizes the right of countries to have permanent sovereignty over their own natural resources for their development. Their membership expanded to 10 members by 1969.

OPEC took control of the domestic petroleum market and started to increase their influence in worldwide oil trade in 1970s. It birthed the first Summit of Heads of State and Government in Algiers in 1975. Which debated the topic of the developing countries and how to help them. This evidently led to the creation of the OPEC Fund for International Development in 1976. OPEC gained 3 more member states by 1975 ("Brief History," n.d.).

3.3. Arab - Israeli Conflict

3.3.1. Balfour Declaration (1917)

British imperialism in the Middle East was imminent in World War I. In 1915, Britain promised the Sheriff of Mecca an independent Arab state under his rule to turn them against the Ottoman Empire, motive being that Ottomans are an important ally to Germany in the war. The Sheriff assumed that Palestine was included in the deal. Afterwards, in 1916, Britain established a secret agreement with France to divide Middle East if an allied victory occurs, and according to Sykes-Picot agreement, Palestine was to be put under international control.

On 2 November 1917, Secretary of State for Foreign Affairs of Britain, Arthur Balfour, sent a letter to a Leader of the British Jews, Lord Rothschild;

"I have much pleasure in conveying to you, on behalf of His Majesty's Government, the following declaration of sympathy which has been submitted to and approved by the Cabinet: His Majesty's Government view with favor the establishment in Palestine of a national home for the Jewish people, and will use their best endeavors to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country."

Even though the letter was quite short, its impact on the Middle Eastern politics was revolutionary. It opened up a path for Zionists in the Middle East into a more foreseeable future and it granted the Zionists the independent nation they were trying to inaugurate. With that, in 1917, Britain issued Balfour Declaration, stressing the creation of a Jewish nation in the Palestinian region (Shlaim, 2005).

3.3.2. Palestinian Question

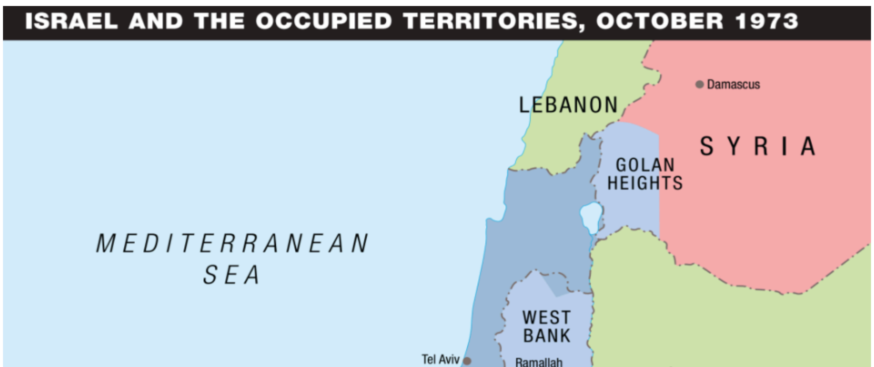
Palestinian region was in the former Ottoman Empire territory that was put under the control of the United Kingdom by the League of Nations in 1922. Eventually, all these regions turned into independent states, except Palestine because of the Balfour Declaration (see 3.3.1.). British Mandate led to the large-scale immigration of Jewish people in 1922 to 1947 mainly from Eastern Europe, this number was peaking in 1930s with the National Socialist movement in Germany. Meanwhile, Arabs were trying to get their own independency, hence a rebellion started towards the immigration of Jews in 1937, followed by continuous terrorism attacks from both sides. In 1947, as a solution, the UK decided to bring the matters in the hands of the UN.

The UN proposed the dissolvement of the British Mandate and separating Palestine into two respective nations one Palestinian Arab and one Jewish. Jerusalem was internationalized with the Resolution 181 (II) in 1947. However, the Jewish state established its independence with the 1948 war, naming itself “Israel”, expanding into 77 percent of Palestine and a larger part of Jerusalem, expelling over half of the Arab population or forcing them to flee. Jordan and Egypt controlled what is left of the areas that was given to the Arab state in Resolution 181.

In the 1967 war, Israel occupied Gaza Strip and West Bank with East Jerusalem. Security Council Resolution 242 in 1967 regarded a just and lasting peace forcing the withdrawal of Israel and termination of all claims. Much like 1967, in 1973 hostilities initiated Security Council Resolution 338 that requested the peace talks between sides. In 1974, General Assembly created Committee on the Exercise of the Inalienable Rights of the Palestinian People and debated if the Palestine Liberation Organization should be given the status of observer in the GA (*History of the Question of Palestine - Question of Palestine*, 2025).

3.4. October War (Yom Kippur War)

The fourth major conflict in the Arab-Israeli Disputes is the October War and it is known by many names. Arabs called it Ramadan War, and the Israelis called it Yom Kippur War since it was fought on the holy days of both religions. The real start of this dispute is when War of 1963 ended. The Jordanians lost the authorization of Jerusalem and the damage was severe in West Bank of the Jordan River. In March 1969, Egyptian President Gamal Abd



al Nasser publicly renounced the ceasefire between Israeli and Egyptian forces. On 28 September 1970, Nasser died due to natural causes. His successor, Anwar Sadat, took the responsibility of marching Arab armies back to the Palestinian territory in 1973 with the Arab League on his back (Brown, 2003).

Image 1: A map of the Palestinian and Arab Region in 1973.[1]

On October 6, 1973, the day of Yom Kippur, Egyptian forces crossed the Suez Canal and Syrian forces crossed into Golan Heights, initiating a surprise attack. Being caught off guard, Israeli forces suffered heavy casualties. Nonetheless, Israel reversed many of its losses pushed its way into Syrian territory and the West Bank. However, Israel could not restore its fortifications along the Suez Canal Egypt had previously destroyed. At the end of the war on October 26, Israel signed a formal ceasefire agreement with Egypt and Syria (Açıkalın & Demirel, 2023).

4. Implementations and the Removal of Gold Standards

4.1. Pax-Britannica

The milestone for the beginning of revolt in financial affairs (RFA) can be associated with the end of the Napoleonic Wars and the Congress of Vienna in 1814-15 which was a head start to the success of the gold standards. The gold standards opened a path for more liquidity in economics in the European region. It led the great powers to create dependency easily with far more greater powers than themselves. For example, the UK ran some liberal policies that encouraged openness in trades and public budgets. In 1860, Reverend Sydney Smith made a speech about the growing economic problems;

"American Credit and the Folly of Repudiation!

This new and vain people can never forgive us for having preceded them 300 years in civilization. They are prepared to enter into the bloodiest wars in England, not on account of

[1] Dunstan, S. (2012). *The Yom Kippur War 1973 (2): The Sinai*. Bloomsbury Publishing.

Oregon, or boundaries, or right of search, but because our clothes and carriages are better made, and because Bond Street beats Broadway. Wise Webster does all he can to convince the people that these are not lawful causes of war; but wars and long wars, they will one day or another produce; and this, perhaps, is the only advantage of repudiation. The Americans cannot gratify their avarice and ambition at once; they cannot cheat and conquer at the same time. The warlike power of every country depends on their Three per Cents. If Caesar were to return to earth, Wettenhalll's list would be more important than his Commentaries; Rothschild would open and shut the temple of Janus; Thomas Baring or Bates, would probably command the Tenth Legion, and the soldiers would march to battle with loud cries of Scrip and Omnium reduced, Consols, and Caesar! Now, the Americans have cut themselves off from all resources of credit. Having been as dishonest as they can be, they are prevented from being as foolish as they wish to be. In the whole habitable globe they cannot borrow a guinea, and they cannot draw the sword because they have not money to buy it. We all know that the American can fight. Nobody doubts their courage. I see now in my mind's eye a whole army on the plains of Pennsylvania in battle array, immense corps of insolvent light infantry, regiments of heavy horse debtors, battalions of repudiators, brigades of bankrupts, with Vivre sans payer, ou mourir, on their banners and oere alieno on their trumpets: all these desperate debtors would fight to the death for their country, and probably drive into the sea their invading creditors."

—The Wit and Wisdom of the Rev. Sydney Smith, 1860 (Dainoff et al., 2023)

4.2. Interwar Era

Between the years 1919 and 38, a stable and peaceful political environment was ongoing in Europe. One of the best explanations for this is the horror that the first World War (WWI) left behind. The economic point of view sees the interwar period between WWI and the second World War (WWII) not as smooth as political data suggests though. European

Countries did have some stability in a short period but considering the backdrop of intense loss, this situation majorly worsened after the rise of national socialism in Germany in 1930s. For America, it was this era that their celebrity culture started with athletes, actors, and other people with fame were being hired for propaganda and the promotions.

Even though the interwar era went on for around twenty years, the world shifted tremendously at this period. The thoughts of building peace and rebuilding of the countries was shattered by the rise and the actions of the Nazi Party and Adolf Hitler, and the start of WWII (Rodriguez, 2019). For further clarification upon the economic line-of-sight towards the interwar era it is highly suggested to fully read the article written by Maria Rodriguez.

4.3. Establishment and the Abandonment of Bretton-Woods

The agreement itself was to create a new monetary system with a gold basis (see 2.7). An approximate amount of 730 delegations from 44 countries met in Bretton Woods in the summer of 1944 in order to create a logical foreign exchange system in order to fight with the devaluation of currencies and promotion of economic growth. This agreement was the birthplace for two of the most valued organizations of economic matters, the International Monetary Fund (IMF) and the World Bank.

The conference itself went on for three weeks, but the preparations were taking place several years before that. Primary brains behind the project were the famous British economist John Maynard Keynes and chief international economist for the U.S. Department of Treasury, Harry Dexter White. While the objective of Keynes was to create a reliable international world banking system, White mostly stood on top of the idea of increasing the importance of the U.S. Dollar on the monetary world. Bretton Woods system became fully functional in 1958.

We really could not call that the Bretton Woods was abandoned, rather it was collapsed. In 1971, with the Nixon Shock (see 4.4) the U.S. Dollar was devalued relative to gold. After this, by 1973, Bretton Woods had collapsed. However, even though it was, we cannot call Bretton Woods a failure since it birthed IMF and World Bank which are both still up and running (Chen, 2025).

4.4. Nixon Shock

On 15 August 1971, President Richard M. Nixon announced a new economy policy under the intention of "creating a new prosperity without war", also known as the Nixon Shock. This initiative, like stated before, started the beginning of the Bretton Woods collapse.

Since Bretton Woods caused considerable amounts of runs on the Dollar, the evidence was imminent that the U.S. Dollar was overvalued and was creating controversy among other currencies. This turn of events forced Nixon's hand into taking a meeting with his top economic advisors, the Secretary of Treasury John Connally, and Office of Management and Budget Director George Schulz at the Camp David presidential retreat. Secretary of State William Rogers and President's Assistant for National Security Affairs Henry Kissinger were absent during the session. After the talks, on August 15th, Nixon called out his New Economic Policy, and identified a three-pronged task;

"We must create more and better jobs; we must stop the rise in the cost of living; we must protect the dollar from the attacks of international money speculators."

- Richard M. Nixon, on "The Challenge of Peace"

The speech that Nixon gave out shocked many people. After some months of negotiations, the Group of Ten (G10) agreed to put a new set of fixed exchange rates on the U.S. Dollar in the December 1971 Smithsonian Agreement (*Milestones in the History of U.S. Foreign Relations - Office of the Historian*, n.d.).

5. Introduction to Agenda Item B: Assessing the Economic Impact of the 1974 Northern Cyprus Invasion and the Consequent Embargos

5.1. History of Greece and Turkey

Greece and Turkey have long been engaged in a diplomatic interplay marked by numerous conflicts and shifting alliances, which has had a profound impact on the geopolitical landscape of the Mediterranean. Despite both nations becoming NATO members post-WWII, their relations remained strained due to territorial disputes and minority rights issues. On July 15, 1974, a junta-sponsored coup d'état was successfully executed by the Cypriot National Guard, leading the tensions to escalate further, and Turkey to intervene militarily (Mallinson, 2005). Motivated by "enosis" (see 2.9), the Greek-backed coup had aimed to annex the island to Greece, and Turkey, in return, legitimized such intervention by citing its role as a guarantor power under the 1960 Treaty of Guarantee[2]. This intervention led to the occupation of approximately 36% of Cyprus's territory, which resulted in profound demographic shifts and prolonged political tensions between the two nations (*In-Cyprus*, 2018).

5.2. History of Cyprus

5.2.1. Pre-Invasion Cyprus

Prior to the 1974 invasion, Cyprus had experienced notable economic growth after its independence in 1960. Its economy was diverse, with significant contributions from various sectors that kept the economy thriving. In the early 1960s, agriculture was the backbone of

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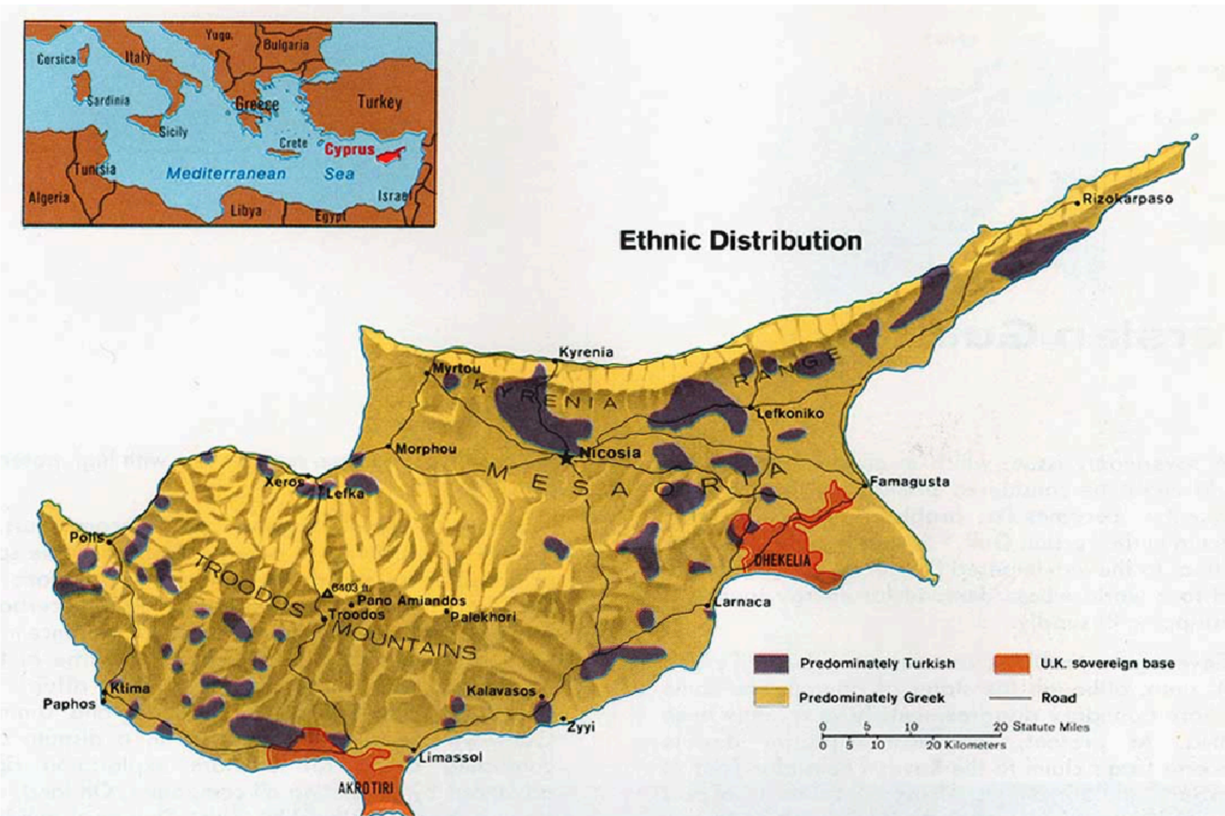
[2] The **Treaty of Guarantee** is a treaty between Cyprus, Greece, Turkey, and the United Kingdom that was promulgated on 16 August 1960 (*UNTC*, n.d.). Article I banned Cyprus from participating in any political union or economic union with any other state. Article II requires the other parties to guarantee the independence, territorial integrity, and security of Cyprus. Article IV reserves the right of the guarantor powers to take action to re-establish the current state of affairs in Cyprus, a provision that was used for the Turkish invasion of 1974.

the economy, constituting approximately 18-20% of Cyprus's GDP as well as employing over 40% of the workforce. Major produced goods included citrus, grapes, potatoes, and cereals, which contributed greatly to the overall exports. However, by the early 1970s, agriculture's share in the GDP had declined slightly to around 17%, implying industrial initiatives and a rise in the service sector (*World Bank*, 1972). The manufacturing sector was also subject to a significant expansion in the 1960s, driven by policies that encouraged import substitution and light industry development. By 1972, manufacturing constituted about 20% of the GDP, employing around 16% of the workforce. Key industries included textiles, food processing, footwear, and light chemicals (*Cyprus Ministry of Finance*, 1973). Another major sector was tourism, with visitor numbers rising from 25,000 in 1960 to 264,000 by 1973 and bringing in 20 million Cypriot Pounds in that year alone, amounting to approximately 20% of total foreign exchange earnings. Famagusta, in particular, held great significance as a vital economic hub that accounted for a substantial portion of industrial employment and tourism infrastructure, hosting nearly 50% of hotel capacity on the island (*Cyprus Tourism Organization*, 1973).

While the numbers were promising in terms of economic welfare, disparities existed between the Greek Cypriot majority and the Turkish Cypriot minority, with the latter often



residing in enclaves with limited access to economic opportunities. Following the intercommunal violence caused by the constitutional crisis of 1963[3], Turkish Cypriots withdrew from the central government, and enclaves were established. Approximately 25,000 to 30,000 Turkish Cypriots were relocated to these enclaves as refugees, which constituted about 3% of the island's territory (Koktsidis, 2024). Often isolated and lacking basic infrastructure, the enclaves' economic activities were severely undermined. Furthermore, the Greek Cypriot Administration imposed restrictions on the Turkish Cypriot enclaves, such as bans on fuel and building materials, and enforced travel limitations, which hindered the Turkish Cypriot community's ability to engage in economic activities. These limitations certainly led to increasing unemployment and poverty, as well as exacerbating the disparities between the Turkish and Greek Cypriot communities. In response to the isolation policies against the Turkish Cypriots, Turkey began providing financial assistance to the community, and by 1968, Turkey was contributing approximately 8 million Cypriot Pounds annually to support the Turkish Cypriot economy. Despite this aid, the economic conditions in the enclaves remained stagnant, with opportunities for growth and development remaining limited (Navaro-Yashin, 2012). The economic marginalization of the Turkish Cypriots during this period contributed significantly to the deepening intercommunal polarization on the island, serving as an impetus for the eventual partition of Cyprus following the events of 1974.

Figure 2: The map demonstrates the ethnic enclaves inhabited by Turkish Cypriots in 1973.

[3] Refers to the 13 constitutional amendments proposed by President Makarios III, which include but are not limited to; abolishing the veto Powers of the Turkish Cypriot Vice President, reducing Turkish Cypriots' share in public service and security forces, and establishing a unified municipal system instead of separate municipalities, which were met with opposition from the Turkish Cypriot policymakers. This crisis also catalyzed the violent crashes in Nicosia, mainly the Bloody Christmas of 1963 (Richter, 2010).

5.2.2. Amidst and Post-Invasion Cyprus

The Turkish invasion that occurred on July 20, 1974, had profound economic consequences for Cyprus. The occupation of approximately 36% of the island, including key economic areas such as Famagusta and Kyrenia, led to significant losses in agricultural land, industrial facilities, and tourism infrastructure, as well as the displacement of around 180,000 Greek Cypriots. Between 1973 and 1975, the GDP of the Greek Cypriot sector declined by approximately one-third, and unemployment rates soared, reaching around 30%. (*World Bank*, 1983). Exports and imports were also significantly impacted, with both declining by 55% in the second half of 1974, and tourism revenues plummeted by 64% in 1975 compared to the previous year (Goult et al., 1999).

In response to the economic downturn, the Cypriot government implemented a series of emergency measures, which aimed to stabilize and revitalize the economy. Such fiscal policy included infrastructure development, support for displaced populations, and economic diversification (Theophanous, 2018).

6. Immediate Impacts of the Invasion

6.1. Greek Cypriot Cyprus

6.1.1. Loss of territory and Assets

The 36% that was occupied in the 1974 invasion encompassed key economic regions such as Famagusta, Kyrenia, and Morphou, which included significant agricultural lands, industrial facilities, and tourism infrastructure. The occupied areas contained 66% of the island’s grain-producing land and 80% of its citrus fruit groves, leading to significant losses in agricultural output (Stergiou, 2023). 46% of industrial production and 56% of mining and quarrying output were also lost following the invasion, which severely impacted these sectors (Gregoriades, 2007). Furthermore, the Republic of Cyprus lost its most important coastal resorts, accounting for 65% of all tourist accommodation and 87% of hotel beds under construction at the time; to put into perspective, Famagusta alone hosted 31.5% of the island's hotels and 45% of its total bed capacity (Strong, 1999). The loss of the Famagusta port, which handled almost half of the imports and 43% of the exports, along with the Nicosia International Airport, disrupted trade and transportation (Cyprus Today, 2010). Infrastructural losses were also significant, with approximately 36.2% of the housing stock and 38.3% of school buildings having been lost (Gregoriades, 2007).

Along with the losses in territory, agricultural goods, industrial sectors, hubs, and infrastructure resulting from the invasion, a study conducted by the University of Cyprus estimated that private individuals and companies lost over 109 billion Euros due to the invasion. This includes 7 billion Euros in destroyed and stolen privately-owned goods, with 3.5. billion Euros in housing units, 2 billion Euros in private businesses, and 1.5 billion Euros in merchandise and commercial vehicles (Cyprus Mail Archives, 2004).

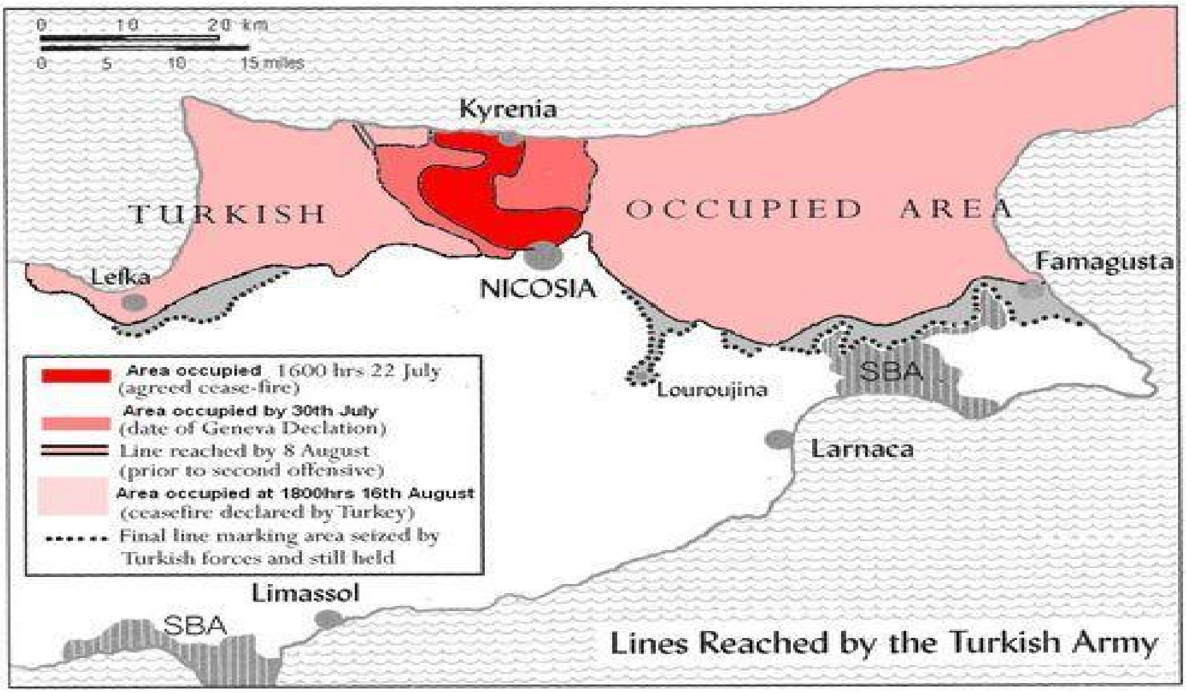


Figure 3: The map demonstrates the gradual occupation of territory by the Turkish Forces in 1974 (*Military Histories*, n.d.)

6.1.2. Mass Displacement and the Consequent Economic Disturbance

The conflict led to the displacement of approximately 180,000 Greek Cypriots, who fled from the north to the south of the island. This sudden population shift created immense pressure on housing, employment, and social services in the south. Initially, the government established 23 tented camps, which accommodated around 20,000 individuals; however, the majority had to find refuge in makeshift accommodations such as shacks, public buildings, and unfinished structures. As a result of the displacement, the economically active population dropped from 279,700 in 1973 to 195,300 in 1976, which constitutes a 30% decrease. In addition to the decrease in the active population, unemployment rates surged from 3% in 1973 to an average of 33% in 1974 and 1975 (Strong, 1999).

To address the extensive needs of the displaced population, the government established the Special Service for the Care and Rehabilitation of Displaced Persons (YMAPE) on August 18, 1974. The agency focused on emergency relief, including the distribution of food, clothing, and medical assistance. As the situation evolved, the agency expanded its scope to facilitate the integration of displaced individuals into society. Furthermore, the government implemented welfare-socialist measures akin to Britain's post-WWII policies. These included requisitioning empty houses and rooms, fixing rents at low levels, providing free rationed food, and offering small cash allowances and loans to farmers and businesspeople to restart their livelihoods (Sert, 2010).

6.1.3. Currency and Inflation Stress

Following the invasion, the Cypriot economy faced significant challenges, particularly in regards to the stability of the Cypriot Pound and rising inflation. In the initial stage of the invasion, the inflation rate in Cyprus spiked to 16.18%, a substantial increase from 7.81% in 1973. This surge was primarily due to supply shortages, increased government spending for welfare measures, and the overall economic disruption caused by the invasion; however, by 1975, inflation rates began to stabilize, dropping to 4.64%, which was indicative of effective economic policies (WorldData, n.d.). To address the economic instability, the Central Bank of Cyprus maintained a fixed exchange rate regime, pegging the Cypriot Pound to multiple currencies, which aimed to deliver price stability despite the adverse conditions following the invasion (Syrichas, 2008). This monetary strategy enabled the prevention of further inflationary spirals and restored confidence in the Cypriot Pound.

Although the stabilization of the inflation rate yielded notable success, the overall economy was still facing a downturn. Real GDP contracted by 17% in 1974 and by another 19% in 1975, while the volume of exports fell by 20.8% in 1974 and by 11.4% in 1975. Tourist arrivals were also impacted by the invasion, with figures dropping by 43.6% in 1974 and by 57.9% in 1975 (Theophanous, 2012).

6.2. Turkish Cypriot North

6.2.1. Depopulation

The 1974 invasion led to significant shifts in Cypriot demography. While 180,000 Greek Cypriots fled from the north to the south, so did around 60,000 Turkish Cypriots, leaving the northern region of Cyprus depopulated. By the end of 1975, the population in the north had decreased from an estimated 234,000 to about 70,000 (Şahin et al., 2013). Notably, the Karpass Peninsula became almost entirely depopulated, leading to abandoned homes, farmlands, and orchards, most prominently 125,000 donums of citrus orchards equivalent to about 31,000 acres, left behind by Greek Cypriots. To mitigate labor shortages, the Turkish government sent 5,000 seasonal workers in September 1974 to assist with the citrus harvest. Furthermore, additional efforts were made to encourage Turkish Cypriots abroad to return in order to repopulate the north; yet, these campaigns proved unsuccessful.

6.2.2. Economic Isolation and Dependency to Turkey

The international non-recognition of the northern region led to acute economic isolation and reliance on Turkey for support. The Republic of Cyprus, recognized as the legitimate government of the entire island, declared the economically significant ports and airports in the north closed (see 6.1.1.), leading to the routing of all imports and exports through Turkey, which increased transaction costs and undermined economic autonomy. The formal closure of the ports occurred in February 1975 in line with the UN Security Council Resolution 367[4]. The imposition of embargoes stifled foreign cash flow as it suppressed external demand and rendered access to international borrowing immensely challenging. The economic isolation hindered the development of various sectors, such as agriculture and manufacturing, contributing to the region's dependence on Turkey (Bozkurt, 2014).

Before the invasion, the northern part of Cyprus constituted 65% of the tourism capacity of the island. Many hotels, following the invasion, were abandoned and left to decay. Another contributor to the stagnation of tourism was the lack of direct flights and the reluctance of tour operators to offer holidays in the north, with only visitors from mainland Turkey arriving in significant numbers (Lockhart et al., 1990). To address such stagnation, the Autonomous Turkish Cypriot Administration[5] made efforts to revive the tourism sector, such as reorganizing the customs of the port of Famagusta and reopening it on September 6, 1974 under its control; however, the port was yet again closed to international traffic by the Republic of Cyprus, having been declared illegal. By 1974, nine hotels had been reopened, and in January 1975, Cyprus Turkish Airlines was established with the assistance of Turkish

[4] The 1975 Resolution reaffirmed Cyprus's sovereignty and called on all states not to recognize any other authority over the island.
The full document: https://digitallibrary.un.org/record/93485?ln=en&v=pdf

[5] The provisional government that was established on October 1, 1974. Not to be confused with the TFSC which was established on February 13, 1975.

Airlines (Milliyet,1974). In spite of these efforts, the tourism sector remained hindered by the ongoing embargoes and lack of international recognition.

6.2.3. Political Fragmentation and Its Implications

Following the establishment of the Turkish federated State of Cyprus (TFSC) on February 13, 1975, Turkish Cypriots had anticipated that the Greek Cypriots would establish their own federated state within a unified Cyprus. However, the TFSC was not recognized by the Republic of Cyprus or the United Nations, which reduced the state to a unilaterally sovereign entity. Such isolation led to the disruption of supply chains and markets, and the loss of former trade partners in Europe and the Middle East following the embargoes.

The political challenges were accompanied by significant demographic shifts. By the end of 1975, approximately 60,000 Turkish Cypriots had relocated to the south to the north, while about 180,000 Greek Cypriots had done vice versa, resulting in a population deficit in the north. The population loss of around 70% (see 6.2.1.), had profound implication in terms of human capital; there was an immediate shortage of skilled labor, professionals, and experienced administrators as the population outflow included many Greek Cypriots who had historically dominated sectors like finance, education and tourism in the north. Cultivated lands were left untended, leading to declined agricultural production. To address vacancies in professional fields such as healthcare, education and bureaucracy, the TFSC had to rapidly train or import professionals from Turkey, adding yet another layer to the dependency issue.

The north also lacked the capital, expertise, and international recognition necessary to restore and repurpose the abandoned infrastructure and assets (see 6.2.1.) following the Greek Cypriot exodus, which led areas like Varosha to become militarized ghost towns. Furthermore, such inconsistent infrastructure impeded economic recovery along with disputes over property rights and lack of legal frameworks. Hence, large parts of the north remained underdeveloped and sparsely populated despite their strategic potential.

6.3. Turkey

6.3.1. Fiscal Burden of the Invasion

Following the 1974 invasion, Turkey faced significant fiscal and economic challenges. The deployment of approximately 20,000 troops necessitated substantial military expenditures, which exacerbated existing economic issues such as inflation and balance of payments deficits. By 1975, the surplus GNP of 2.4% Turkey had achieved in 1973 had turned into a deficit of 5.1% of GNP (Sachs § Collins, 1989). Such swift deterioration was comparably more pronounced than those faced by other developing countries, indicating a particularly severe impact caused by the conflict. Furthermore, the intervention disrupted trade relations and led to a decline in foreign investment as international concerns over regional stability and Turkey's political direction contributed to reduced investor confidence, further straining the national budget. At the end of 1973, Turkey's convertible foreign exchange reserves were close to $2 billion and by 1975, these reserves had decreased to approximately $1 billion, scoring a 50% drop (OECD, 1976). Such financial challenges compelled Turkey to rely more heavily on short-term borrowing and external assistance to manage its economic situation.

The immediate costs of the Cyprus operation included mobilization, logistics, and the sustenance of military presence, increasing defense spending. Amidst the period of global economic instability marked by the 1973 oil crisis, Turkey's economy was further strained by the consequent inflationary pressures and increased import costs. In addition to the increased expenditures, the U.S. Congress imposed an arms embargo on Turkey in 1975 in protest of the use of American-supplied equipment during the invasion, which not only affected military supplies but also signaled broader diplomatic disapproval, potentially influencing economic relations and foreign aid (Praeger Publishers, 1986).

6.3.2. Spike in Military Spending

Turkey's defense budget experienced a notable increase to sustain the aforementioned practices as well the security concerns. In 1974, Turkey's military expenditure was approximately 3.19% of its GDP, and by 1975, this figure had risen to 5.12% of GDP, marking a substantial increase (macrotrends, n.d.). This surge diverted the resources from other critical sectors, such as education, healthcare, and public infrastructure, impacting overall economic development.

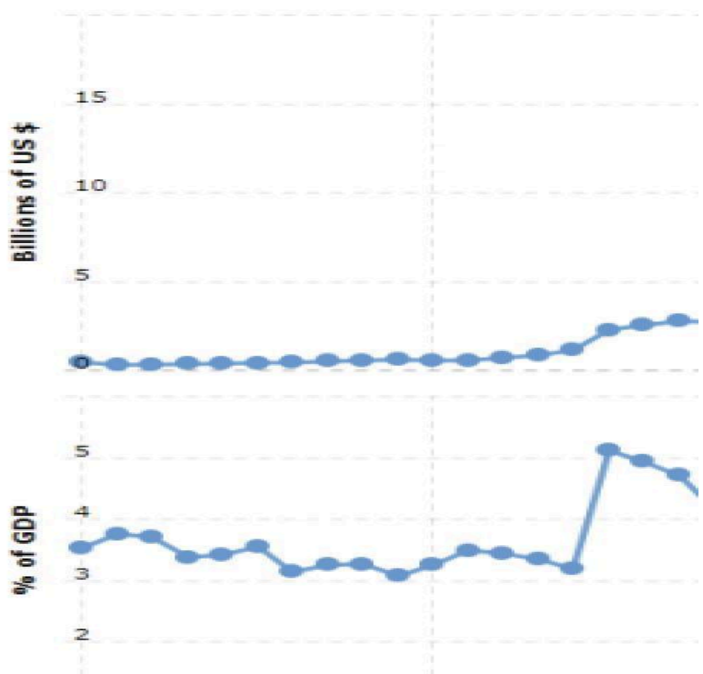


Figure 5: The selected section of the graph demonstrates the evident increase in Turkish military spending in the mid-70s (Seren, 2020).

6.3.3. Shift Towards Economic Nationalism

Following the U.S. arms embargo imposed in February 1975, Turkey undertook significant policy shifts to reduce its dependence on foreign military supplies, and gravitated towards the aim of fostering economic self-reliance. This period marked the beginning of a broader economic nationalism movement that emphasized domestic production and the diversification of international partnerships.

The embargo had exposed the vulnerabilities in Turkey's defense capabilities, particularly its reliance on U.S.-made equipment and spare parts. In response, efforts to develop a self-sufficient defense industry were initiated by Turkish policymakers, such as the establishment of ASELSAN on November 14, 1975 to produce military communication equipment (Saleh, 2023). Having originally been founded on August 16, 1925, and received its current tame in June 28, 1973, the activities of Turkish Aerospace Industries (TUSAŞ) were also accelerated to advance Turkey's capabilities in aerospace and manufacturing (*TUSAŞ*, 2024). These institutions aimed to enhance domestic production capabilities as well as reducing foreign dependency. In addition to defense, the embargo catalyzed a shift towards more autarkical policies, such as the intensification of ISI[6], diversification of trade partners, and the formulation of five-year development plans initiated by the State Planning Organization (DPT) (Gündoğdu, 2023).

[6] See 2.5

6.4. Greece

6.4.1. Changes in the Political Economy

The fall of the military junta in July 1974 was a significant turning point in Greece's political and economic landscape. Constantine Karamanlis returned from exile to lead the country and established the conservative New Democracy Party, which secured victory in the November 1974 parliamentary elections with 54.37% of the vote, which accounted for 220 parliamentary seats out of 300 (ATHENS NEWS, 2005). In December 8, 1974, the Hellenic monarchy was abolished with a referendum, leading to the establishment of the Third Hellenic Republic. Following the regime change, a new constitution was adopted in June 11, 1975, reinforcing democratic institutions (Koliopoulos et al., 2009).

Greece faced economic challenges due to the global oil crisis and the internal structural weaknesses. In 1974, the real GDP decreased by approximately 2%, and inflation rate rose to over 13%. Impacted by the oil prices and the surge in defense spending, the account deficit also reached approximately $1.2 billion (WikiLeaks, n.d.). To address these economic problems, the Karamanlis administration pursued closer ties with the European Economic Community (EEC), applying for full membership in 1975. Through the membership, Greece aimed to integrate itself into the European market and attract foreign investment, acquiring relative stability (Damiras, 2011).

6.4.2. Military Spending Surge

The 1974 invasion heightened security concerns in Greece, leading to substantial increases in military expenditures. By 1975, military spending per capita had risen to $157.26 from $75.57 in 1973, and $117.16 in 1974 (*Wikimedia Commons*, n.d.). Through this surge, Greece procured significant military hardware to modernize its armed forces such as; Mirage F-1 fighter jets, missile boats equipped with Exocet and Penguin missiles, and AMX-30 tanks and armored personnel carriers from France, A-7 Corsair II aircrafts, C-130 Hercules transport planes, M60A1 tanks and M113 armored personnel carriers from the United States, Kortenear frigates from the Netherlands, submarines, Leopard 1A3 and 1A4 tanks from West Germany (Damiras, 2011). Furthermore, Greece initiated the development of a domestic defense industry, producing armored vehicles, anti-aircraft systems, and weaponry (Damiras, 2011). These expenditures were financed through national budget allocations, foreign and domestic loans, and U.S. Foreign Military Financing (FMF) programs. While these investments aimed to maintain national security, they also put a notable strain on Greece's economy, resulting in inflation and increasing national debt.

6.5. Regional Effects

6.5.1. Trade Flows in the Eastern Mediterranean

Having long been a crossroads for commerce between Europe, Asia and the Middle East, the Eastern Mediterranean faced significant disruptions in trade after the division of Cyprus. The value of intraregional trade between Cyprus, Greece, Turkey, Lebanon and Israel fell by roughly 18% in 1975. Because of the sanctions and embargoes imposed by the Republic of Cyprus on the north, direct trade between the TFSC and external markets were prohibited, which led to the rerouting of trade flows through Turkey. As a consequence, Cyprus's role as a regional logistics center diminished and transportation costs and inefficiencies increased. Moreover, this rerouting led to administrative obstructions and delays averaging between 7 to 10 days, adding onto the customs and border control complexities. In 1975, the total trade volume suffered profoundly; trade activity was consolidated through Limassol and Larnaca due to the closures of the port of Famagusta and Nicosia International Airport, which faced increased congestion and operational challenges, increasing transit times by an estimated 25% and raising shipping costs as much as 10% (Mediterranean Shipping Journal, 1975). Thus, maritime throughput in southern ports dropped by an estimated 20% in 1974-75, indicative of physical damage and embargo induced-restrictions (Republic of Cyprus Statistical Service, 1975). The disruption also impacted Greek and Turkish trade, as cross-border commerce suffered, leading to heightened tensions. Greek trade with Cyprus dropped by approximately 40% immediately after the invasion due to financial ambiguity and security concerns, while Turkey increased trade flow to the north at the expense of regional trade diversification (Hellenic statistical Authority, 1975). Such disruptions contributed to the realignment of economic networks, with increased polarization between the south and the north of Cyprus and increased dependence of the Turkish Cypriot North on Turkey for trade.

6.5.2. Post-Conflict Investment Deterrence

The aftermath of the invasion was marked by a decline in foreign direct investment in the entire island and its surrounding region, which was driven largely by political instability, unresolved conflict, and the imposition of embargoes. Investors showed skepticism against the commitment of capital in a region characterized by territorial division, legal ambiguities, and international non-recognition of the Turkish Cypriot North. Between 1973 and 1975, the foreign investment flows to Cyprus dropped by over 50%, with severe contractions occurring in sectors tied to tourism, real estate, and manufacturing (*UNCTAD*, 1976).

The impacts of investment deterrence extended beyond Cyprus, to the neighboring countries; Greece, Turkey, Lebanon, Israel and Egypt were affected by the reduced cross-border investments and disruptions in joint projects, which mainly concerned transport, energy and tourism sectors. Hence, the Eastern Mediterranean's economic potential suffered setbacks.

7. Reactions in the Diplomatic Sphere

The invasion was received with significant diplomatic responses particularly among key UNCTAD member states, which encompassed resolutions, national condemnations, and the implementation of sanctions and embargoes. The United Nations Security Council and the General Assembly addressed the crisis through several resolutions; The *UNSC Resolution 353*[7] that was adopted on July 20, 1974 demanded an immediate ceasefire, respect for Cyprus's sovereignty, and the withdrawal of foreign military forces, The *UNSC Resolution 360*[8] of August 16, 1974 formally recorded disapproval of Turkey's unilateral military actions and urged compliance with previous resolutions, and the *UNGA Resolution 3212*[9] of November 1, 1974 , having been adopted unanimously, called for the respect of Cyprus's sovereignty, withdrawal of foreign troops, and the return of refugees.

The member states themselves were also vocal about their stance, particularly the United States, United Kingdom and the Soviet Union. United States played a mediating role during the crisis, with special envoy Joseph Sisco engaging shuttle diplomacy between Greece and Turkey to prevent escalation; however, the U.S. faced criticism among other member states for its perceived delayed response. Moreover, the U.S.-imposed arms embargo aimed to pressure Turkey to withdraw its forces from Cyprus and comply with the UN resolutions. United Kingdom, as a guarantor power of Cyprus' independence, was also actively involved in the conflict resolution efforts, with British forces facilitating evacuations and providing humanitarian aid to affected communities. The UK government also emphasized the importance of following international law and supported the UN resolutions calling for the withdrawal of foreign troops. The Soviet Union strongly condemned the Turkish invasion and called for respect of Cyprus's sovereignty, supporting the UN

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[7] RES353: https://digitallibrary.un.org/record/93470?ln=en&v=pdf
[8] RES360: https://digitallibrary.un.org/record/93476?ln=en&v=pdf
[9] RES3212: https://digitallibrary.un.org/record/189833?ln=en&v=pdf

resolutions which demanded the withdrawal of foreign forces and emphasized the need for a peaceful resolution. Non-Aligned Movement (NAM) countries such as India and Yugoslavia also expressed their concern over the violation of Cyprus's sovereignty, in support of the UN resolutions.

8. Disruption of Foreign Aid to Turkey

8.1. The Shifts in United States Aid

The disruption of military assistance to Turkey from the United States with the embargoes was a pivotal moment in U.S.-Turkey relations. The embargo was enacted under the Foreign Assistance Act of 1961, certain provisions of which prohibited military assistance to countries using U.S.-supplied arms for aggression. The United States Congress decided that Turkey's use of American-made weapons during the 1974 invasion was in violation of these terms; hence, all military aid and arms sales to Turkey ceased on February 5, 1975. As a consequence, approximately $180 million worth of U.S. military equipment remained undelivered despite Turkey having purchased and paid for it. Moreover, Turkey had to bear the financial burden of storing this undelivered equipment in U.S. warehouses. In response, Turkey closed all U.S. military installations on its soil, except for the Incirlik Air Base, which remained operational due to its NATO designation. Turkey also requested the suspension of al U.S. monitoring activities within its borders, which put a further strain on bilateral relations and the NATO operations in the region (Ford Library Museum, 2014). On October 3, 1975, the embargo was subject to a partial lift with the Congress authorizing Turkey to purchase up to $175 million worth of American-made equipment and arms annually, which aimed to relieve the tensions between the two NATO allies and to maintain the integrity of NATO's southern flank. Despite the efforts, Turkey maintained the restrictions on U.S. military installations, keeping them closed except for Incirlik (Karagöz, 2004).

8.2. European Economic Community (EEC) Engagements

Turkey's relationship with the EEC was formalized through the Ankara Agreement signed on September 12, 1963, establishing a framework for the progressive integration of Turkey into the EEC and the eventual establishment of a customs union. To advance this integration, an additional protocol was signed on November, 23, 1970, detailing the conditions and the timetable for implementing the customs union, and reducing tariffs and quotas on industrial goods over a 22-year period. The protocol was put to force on January 1, 1973 (Türkiye Avrupa Birliği Vakfı, 2014).

The 1974 invasion by Turkey led to widespread condemnation by the EEC member states; while the organization did not impose formal sanctions, the political climate resulted in the reassessment of bilateral relations. By 1975, Turkey's trade deficit with the EEC had ballooned to $1.7 billion from $500 million in 1973 (Ayres, 2013).

8.3. Non-Western Partners

Following the Western embargoes and aid suspensions, Turkey sought to diversify its foreign relations to decrease dependency to Western allies. Despite being a NATO member, Turkey maintained diplomatic relations with the Soviet Union; during the 1970s, the USSR provided economic assistance to Turkey as part of its broader strategy to expand its influence in the Middle East and the Mediterranean region. This aid included support for industrial projects and infrastructure development. Although Turkey's alignment with NATO and CENTO limited the depth of its cooperation with the USSR, economic interactions persisted, reflecting Turkey's pragmatic approach to its foreign relations (Lenczowski, 1990).

Turkey also pursued relationships with Non-Aligned (NAM) countries to broaden its diplomatic and economic cooperation. Despite not being a NAM country, Turkey engaged with several member states such as, Yugoslavia, Egypt, and India on agendas like trade and diplomatic collaboration. Turkey and Yugoslavia had previously signed the Balkan Pact[10] in 1953, aiming to deter the Soviet expansion in the Balkans, under President Anwar Sadat, Turkey and Egypt put mutual efforts into enhancing bilateral relations, and similarly, Turkey engaged in trade and diplomatic exchanges with India, seeking to strengthen economic ties.

9. Questions to be Addressed

Agenda Item A

- **i.** What is the purpose of UNCTAD in OPEC matters?
- **ii.** How can an agreement similar to Bretton Woods be made, and what would its properties be?
- **iii.** How can UNCTAD use UN's own and other affiliated bodies of economic matters such as but not limited to; IMF, World Bank, U.S. Department of Treasury, et cetera?
- **iv.** What can be done in order to decrease and/or eliminate the possibilities of an oil crisis happening again?
- **v.** What are some of the ways could be that UNCTAD can initiate towards the well-being of the victims of these and possible future events?
- **vi.** What can be done to minimalize the increase of unemployment due to this or any future economic crises?

Agenda Item B

- **i.** What initiatives can UNCTAD take to assist the revitalization of Cyprus's trade flows?

[10] The treaty was to act as a deterrence against Soviet expansion in the Balkans and provided for the eventual creation of a joint military staff for the three countries. The Balkan Pact allowed Yugoslavia to de facto associate itself with NATO on geopolitical affairs while remaining officially neutral.

ii. How can investor confidence be restored to stimulate foreign direct investments (FDIs) in Cyprus?

iii. What can be done to repopulate the economically-significant regions in Cyprus to create an active workforce?

iv. How can UNCTAD help to mitigate the economic isolation and wealth disparities in the north of Cyprus?

v. What measures can be taken to ensure the economic welfare of all Cypriot civilians?

vi. How can UNCTAD contribute to the relief of post-conflict infrastructural devastation?

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