Can the Cyprus Problem be Solved?

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Within five years of the invasion and partition of the island, the formula for the solution of the Cyprus problem in the form it assumed after 1974 seemed to have been found. The leaders of both communities signed the High Level Agreements of 1977 and 1979, which provide for a bi-zonal, bi-communal federation (BBF) as the framework for any solution. All efforts by the international community in the form of UN mediation have since focused on this approach and, in all likelihood, will continue to do so. The obvious questions to ask are: why has such a settlement failed to materialise, and can the causes for the non-solution of the Cyprus problem be overcome? Given that such a federation has been elusive for almost 40 years, one needs to ask: Is the *status quo* or an alternative approach a more likely scenario?

The Unpopularity of a Bi-zonal, Bi-communal Federation

One basic obstacle in the way of a solution is the lack of agreement about what kind of solution both communities want. This is in part due to the vagueness of the bi-zonal, bi-communal federation (BBF) solution formula. Since its inception, the two sides have differed considerably as to what this means. The High Level Agreements provided only for basic parameters of a settlement. They left the specifics open to interpretation. Therefore the leaderships on both sides have read it as closely as possible to their preferred solutions and have transmitted their views to the wider population. During the talks, the Turkish Cypriot side has favoured a loose federation, or even a confederation, of two largely sovereign states, whereas the Greek Cypriot side has, so far, preferred a strong central government within a federal system.

Since 1979, the vague principles of the High Level Agreements have been translated into ever more detailed proposals. Yet, it was not until the Annan Plan of 2004 that a fully-fledged solution model was presented. It came as a shock to a public that had been continuously exposed to maximalist interpretations of the High Level Agreements and to debate on the principles behind core issues, rather than details or even comprehensive solution proposals. Nevertheless, the Annan Plan, with all its real and alleged flaws, did not appear from nowhere. It was the result of 30 years of negotiations. Moreover, even though it is despised by a majority among the Greek Cypriots, it

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still serves as a reference point in the negotiations. The changes agreed in the ongoing talks since 2008 have modified the content of a BBF and have again provided a relatively precise framework for the reunification. So much so that some say the Cyprus problem could be solved over a long weekend if the three sides – Greek and Turkish Cypriots as well as Turkey – really wanted to reach a deal (Greece will support any solution that is acceptable to the Greek Cypriots). Even on the unresolved core issues – including the particularly thorny issues, such as territory, property, security, Turkish Guarantees and military presence, return of Turkish mainland settlers, to name just the most contentious – there are plenty of models and ideas available. And thus far these issues still have the potential to wreck any deal because they often revolve around mutually exclusive goals, are highly emotionally charged and often securitised. Compromises on these points will inevitably be unpopular.

Indeed, even a grand compromise on the overall structure of a solution is ostracised. Since Turkish Cypriots in their majority prefer a two state solution, whereas Greek Cypriots want a unitary state based on majority rule, the compromise of a bi-zonal, bi-communal federation is a second best option. As a consequence, for all three main parties involved, any solution will face varying degrees of opposition and criticism. This will work as a domestic constraint on any final agreement. The situation is made all the more testing by the mass media in Cyprus. In this context, and in their majority, the media is part of the problem, and not part of a solution. Opposition to a solution will also be strengthened by the fact that plenty of the arguments put forward by opponents of a settlement will have a certain degree of validity. At the same time, the essential viability of a compromise solution can be called into question. Any bi-ethnic federation based on political equality will be very difficult to operate. The historic record of post-conflict, bi-ethnic federations is poor. In all likelihood, a post-solution Cyprus will function little better than today's Belgium, which is, at best, hardly a prospect to look forward to.

The Dilemmas of Outside Mediation and Direct Democracy

Moreover, the mutual legacy of distrust from the violent past of the 1950s, 60s and 70s and a zero sum perception of the negotiations are further impediments to any negotiated settlement. Another is the dilemma of outside mediation. It seems plausible that the current round of negotiations 'by Cypriots for Cypriots' (which were an illusion from the beginning because the Turkish Cypriot representative is always bound at least on many core issues by instructions from Ankara) is extremely unlikely to lead to an agreement. Therefore any solution requires outside pressure and mediation. But outside involvement is staunchly rejected, particularly by Greek Cypriots, who feel that this is the way in which the Annan Plan came about. The Greek Cypriot public is open to conspiracy theories and (not completely wrongly) strongly believes that the involvement of outside powers like Britain and the USA is likely to result in pro-Turkish proposals. This gives rejectionist parties leverage in their opposition to this kind of arbitration.

The introduction of direct democracy into the process poses another obstacle to a solution. Before the Annan Plan, an agreement, between the negotiators who had a mandate from their communities, would have been sufficient to finalise a deal. But since 2004, two simultaneous referenda have become part of any solution model and this is expected to remain so. This provides additional democratic legitimacy to an outcome and can strengthen the political acceptance of any deal. Then again, second best solutions, painful compromises and concessions are bad offerings for public approval. Given the inevitable unpopularity of any compromise, it is distinctly possible that the outcome will be rejected by at least one side (most probably the Greek Cypriots) in the referenda. At best, any approval of a BBF will be a close call, and the chances are that this may create post-solution division and tension, because a large minority, which did not approve the solution, will consider that an unjust compromise has been imposed on them.

The Presence of Spoilers

Another reason for the intractability of the dispute is the fact that for most, if not all, of the period since 1974, there has been at least one spoiler at the negotiating table. At least one of three negotiating parties had no interest in a negotiated settlement and was paying only lip-service to the High Level Agreements and to the feasible solutions on offer. Rauf Denktash was the most notorious of these spoilers. He pursued, more or less openly, an agenda of preserving the *status quo* and promoting separatism from 1974 until he was side-lined in 2004. Until the AKP government came to power in 2002, he was backed by Turkey. Whether the Turkish side became genuinely committed to reaching a solution after changing its official policy in 2003 from 'the Cyprus problem has been solved in 1974' to 'the Cyprus problem needs to be solved', is disputable. However, Ankara did officially back the Annan Plan in April 2004. At the same time, the majority of Turkish Cypriots endorsed it in the referendum. They also voted the moderate Mehmet Ali Talat into office as Prime Minister, in January 2004, and President, in 2005. Meanwhile, the Greek Cypriots have also produced their own spoilers. One need only consider Spyros Kyprianou (1977–1988) and Tassos Papadopoulos (2003–2008). Both pursued policies aimed at maintaining the *status quo* in preference to any feasible solutions on offer. Despite this, at least during the presidencies of George Vassiliou and Glafkos Clerides (from 1988–2003) the Greek Cypriot leadership genuinely sought a solution.

The only time that there appeared to be a genuine commitment by all three sides to work together to find a solution – and again, this is open to dispute – was during a brief period from 2008 until 2010, when two leftist moderate Cypriots, Demetris Christofias and Mehmet Ali Talat, led the two communities. Regardless, since 2010, the Turkish Cypriots have again appeared to adopt a rather more hard line by voting for Dervis Eroglu; a known rejectionist of the Annan Plan, who continued to negotiate though not very constructively under the instructions from Ankara. Having said this, the Turkish Cypriots are the least likely to pose problems in a solution attempt. Those Turkish Cypriots who do not want to become a minority in their own 'state' are particularly

desperate to see a settlement agreed. Any scenario that is based on political equality and addresses their vital interests – such as security, territory, property – is potentially attractive for a sufficient number to vote 'yes'. But in order to achieve another 'yes' vote, a considerable number of naturalised Turkish immigrants in the north will also have to be convinced. It is within the bounds of possibility for this to happen through a settlement that allows most of them to stay – a concession already made by the Greek Cypriot side, thus providing them with EU citizenship.

Christofias, too, was playing for time; neither exhibiting the courage to bring the negotiations into a final phase nor willing to defend the painful concessions required to reach a comprehensive settlement – with the exceptions of the right of residency for 50,000 settlers and a rotating presidency based on cross voting. Instead, he preferred to advance at a snail's pace until the negotiations stalled in 2012 during the EU presidency of the Republic of Cyprus. On top of this, Turkey has not made any move since 2008 that would allow a breakthrough. It has shown almost no interest in solving the dispute in recent years despite purely rhetorical claims to the contrary. The most recent turmoil in Turkey, following the Gezi demonstrations, brought a weakening of Erdogan's position and triggered a power struggle within the country. This undermines the willingness and ability of Erdogan to make a major move in the Cyprus question, which is in stark contrast to 2004 when the AKP government was desperate to gain a date for EU membership negotiations. At that time, EU accession was perceived as the best way to protect itself from the secularist deep state and, in particular, from the military. But, since the AKP government has now won the internal power struggle, and EU membership is not a realistic option for Turkey in the foreseeable future, the incentives for Ankara to solve the Cyprus dispute seemed to have all but disappeared. The Hydrocarbon findings in the Exclusive Economic Zone of the Republic of Cyprus do, on the other hand, have the potential to change this.

Party Politics and the Greek Cypriots as a Self-blocking Community

Another problem is that in the south the political system and party politics are structurally hostile to any solution of the Cyprus problem. As a general rule, the two large moderate parties (though DISY, in particular, includes a strong 'hard line'/rejectionist segment) need the support of the smaller parties to win the presidential elections. These small parties regularly denounce any concessions as excessive, if not acts of treason, without providing realistic alternatives, hence the use of the term rejectionist. For that reason, any serious attempt to solve the Cyprus problem would inevitably lead to the collapse of the ruling coalition. At the same time, it would also mean that the incumbent president is then left with little chance of re-election. Once in power, few presidents have been willing to challenge these small parties. In the end, any president striving for a solution will have to overcome the opposition of DIKO, EVROKO, The Greens and EDEK. During any future referendum a considerable segment of the supporters of these parties, and also parts of DISY or even of AKEL, are anticipated to vote 'no'. This structural disincentive within the political

system and the high political risk for any president pursuing a solution will continue to exist even if DISY and AKEL can overcome their internalised hostility towards each other. Such an alignment in favour of a settlement in a formal or informal coalition is the only scenario in which a Greek Cypriot 'yes' vote is at all feasible.

Domestic opposition in the north is easier to overcome, mainly because the Turkish Cypriot community is suffering the most. It has the greatest interest in a settlement and stands to gain far more from it. Large parts of the mixed constituency in the north (Turkish immigrants and Turkish Cypriots) can be influenced by Ankara – and there will be no deal without Turkish support. Even so, the increased Turkification of the north and the marginalisation of Turkish Cypriots will become an additional problem in a future referendum, and also in attempts to find a settlement. The Turkish Cypriots, who have historically been offered only a choice between domination by either the Greek Cypriots or mainland Turkey (except for the short period between 1960 and 1963 when there was still a possibility for the 1960 constitution to function), are no longer masters of their own fate. Very soon, the Greek Cypriots will have to conduct negotiations with a Turkish Cypriot leader whose majority constituency will be Turkish immigrants from the mainland and their descendants. Moreover, one day the President of the 'TRNC' will himself be of Turkish descent. It is inconceivable that there will be a Greek Cypriot desire to reunify with a Turkish dominated north. And just such a Turkish dominated north, in terms of citizens but also economically, politically and, gradually, culturally as well, is being consciously created by the AKP government which, in this respect, continues the work of its predecessors. With this policy, Turkey secures the ability to maintain influence in the north should there be a solution, and even more so should there not be one.

It is because of these developments that have been proceeding for many years that the rejectionist camp in the south has been involuntarily serving the Turkification agenda of Ankara. By pursuing non-feasible solutions (or rather objecting to all feasible ones) their policies make them *status quo* supporters by default. They have traditionally claimed that their policies prevent Greek Cypriots from signing their own defeat, or from accepting an 'unjust' settlement, from legalising the facts created by the Turkish invasion, and from relinquishing Greek rights and claims. But adherences to their policies will probably lead to the permanent partition of the island, and consequently the transformation of the north into a *de facto* and, possibly, one day *de jure* Turkish province. Because of this, instead of promising and holding out for pipe dream solutions, the 'rejectionists' should be honest and tell Greek Cypriots openly that there cannot be a solution of the Cyprus problem that is based on reunification, since there cannot be a 'good' or 'just' one. Once this step is made, an honest debate among the Greek Cypriots could determine their future.

The three options for a solution of the Cyprus problem from a Greek Cypriot perspective are:

1. Continuation of the *status quo* with the high likelihood of no return of territory, or hardly any, and an ever more rapidly taiwanising Turkish (not Turkish Cypriot) north;
2. A solution that allows for reunification, which will, at best, be acceptable but almost certainly 'bad' and 'unjust', though it will bring some territory back (hopefully even if it

fails), might or might not function and has a chance to prevent the complete Turkification of the north;

3. Recognition of the north in exchange for maximisation of territorial returns, which will keep the south a Greek Cypriot state and avoids power sharing with the Turkish Cypriots (if the Turkish Cypriots do not migrate en masse to the south, which is quite unlikely) and Turkey. Ideally the state in the north will join the European Union providing the Greek Cypriots with significant rights in the north (though the prospect of Annan Plan like restrictions is to be expected in this case).

A debate of the third option has not yet taken place among the Greek Cypriots, though it could arguably be the best option in view of the kind of settlement feasible, and in particular with respect to viability and stability, although clearly not in terms of justice from a Greek Cypriot perspective. Permanent partition is also secretly favoured by a significant proportion of the Greek Cypriots, though they would not dare to say so publicly. Many fear the prospect of living together and in political equality with Turks and Turkish Cypriots in a reunited Cyprus. Be that as it may, any politician seriously making such a proposal to pursue negotiated partition would be handing his political opponents and the mass media a golden opportunity to brand him a traitor. Since this policy option has been left out of their possible choices, the Greek Cypriots have become a self-blocking community in this respect while, as outlined above, the result of pursuing the continuation of the *status quo* but also possibly even of pursuing a solution based on reunification, could very well be even worse from a Greek Cypriot perspective.

Developments in Favour of Settlement

While none of the feasible solution scenarios is attractive for the Greek Cypriots, and it seems as though a political miracle is needed to bring about a favourable settlement (which is nowhere on the horizon), all is not lost. The avoidance of something worse than the *status quo*, which is at least acceptable, if not comfortable, could still bring about majority support for a settlement. One such negative development is the ongoing Turkification of the north. But because this happens gradually and, at the same time, the available solution options are unattractive from a majority Greek Cypriot perspective, Turkification has failed (and will, in all likelihood, continue to fail in the future) to create a moment of truth or a deadline which could create enough pressure to make Greek Cypriots 'desperate' for change. In the meantime, Taiwanisation – the recognition of the north by some states and, at minimum, functional recognition by others – is another important factor. Without a solution, Taiwanisation is a potential development that would put considerable pressure on the Greek Cypriots to accept a deal. But, again, such recognition will almost certainly happen gradually. Moreover, it is not an option for the EU member states and many other members of the international community. All things considered, only a second Greek Cypriot 'no' in another referendum could trigger the recognition of the north by a considerable number of

states in the foreseeable future. Recognition by some Muslim states remains a prospect. However, it is not realistic to assume that Greek Cypriots could be bullied into a settlement given that they have *de facto* already lost the north and perhaps will not be willing to give up the security of their own homogenous state just to avoid further formalisation of the existing situation.

Another factor which has increased the chances for a settlement is the possibility that the Greek Cypriots, under President Nicos Anastasiades, might pursue a loose federation as a new basis for a solution. This is probably more viable as a starting point for reunification, because it minimises the issues on which both sides have to agree. Also, it seems to be a better option for Greek Cypriots than the strong federation they envisaged up to now. Since it is much closer to the solution designs of the Turkish side, this could be a promising policy shift that might serve the interests of all three sides. One cannot yet tell if Anastasiades will really pursue such a model, or how the vague formula of a loose federation will be interpreted by the wider Greek Cypriot society (or even if Anastasiades would be willing and able to sell the idea to the Greek Cypriots). Nevertheless, his political strength has been undermined by his controversial role in the bailout agreement for Cyprus with the Troika (consisting of the European Commission, the European Central Bank and the International Monetary Fund) in March and April 2013. It is yet unclear to what extent and duration his position in the Greek Cypriot community has been severely weakened and if the prospects to settle the Cyprus dispute will become collateral damage of the bailout agreement aimed to avoid the bankruptcy of the Republic. The Cyprus Problem has clearly taken a back seat throughout 2013 wherein no substantial negotiations took place and the Greek side were quite obviously not in a hurry to return to the negotiating table. Presiding over a country in severe economic depression and having to implement harsh austerity measures might very well torpedo any chance for him to push through a settlement.

Hydrocarbons and Greek Cypriot Indebtedness as Potential Game Changers

Is there a thinkable scenario in which all three sides have a strong incentive to overcome the *status quo*? The hydrocarbon findings and the current financial and economic crises in the south, might, in spite of everything, be a decisive game changer. For Turkey, only EU accession and now the supply of cheap natural gas (and possibly one day oil) from the Republic of Cyprus (and the Eastern Mediterranean) might provide a sufficient incentive to pursue a solution. Otherwise, non-solution has so far been Ankara's preferred choice. Given the absence of a realistic EU accession perspective, the hydrocarbon issue is now widely understood to be the only factor that has the potential to bring about a solution of the Cyprus problem. If Turkey were willing to settle the issue, it could dramatically facilitate the export of natural gas from various Eastern Mediterranean countries, including Cyprus, Israel, Lebanon, possibly Egypt and maybe even Syria one day. All of the above could export their energy via a pipeline across Turkey to Europe. This would make Turkey, and Cyprus, extremely important energy hubs. Turkish-Israeli talks about the export of Israeli gas to Turkey are already taking place.

Meanwhile, the discovery of natural gas off the coast of Cyprus can create a win-win situation for all three sides to the Cyprus dispute. It is conceivable that the only way the Greek Cypriots will be able to export their rich gas, and possible oil reserves, in a politically and economically viable way is by solving the Cyprus problem and exporting the gas via a pipeline to Turkey. In the light of new huge findings globally, due to improved technology (including fracking), it is very possible that gas prices will be too low for many years to make the idea of exporting liquefied gas (LNG), an option favoured by Greek Cypriots, economically viable. Liquefied gas is expensive and LNG plants are notoriously costly to build. But even if a plant is to be built and liquefied gas could be sold at market prices, there is always the possibility that Turkey will take steps, including military measures, to block the Greek Cypriots from exporting their hydrocarbons prior to a solution. In such a case, the highly indebted Greek Cypriots could find themselves in a desperate situation where a solution of the Cyprus problem might become necessary for economic reasons and therefore 'worth the risk'. The trouble is that under such circumstances the Greek Cypriots would be negotiating from a position of weakness. According to this calculation, there is a good argument to be made for seeking a settlement sooner rather than later. Alternatively, if the Greek Cypriots are able to export oil and gas profitably without obstruction from Turkey or the Turkish Cypriots, then it is quite feasible that the hydrocarbon issue will hinder a solution. The Greek Cypriots will have no strong incentive to change the *status quo* and thus share revenues with Turkey and the Turkish Cypriots. This will naturally lead to increased tensions with Turkey and the Turkish Cypriots although the latter simultaneously might even support a solution if it becomes clear that this is the only way to benefit or benefit fully from the revenues. Meanwhile, it is also unclear whether the Turkish side would be willing and able to make use of this opportunity by making concessions as well (in particular within the security aspect of the settlement – Turkish right to intervene and Turkish military presence on the island). Judging from developments to this point where both sides are locked in a tit-for-tat escalation spiral, it seems extremely plausible that the oil and gas issue might well serve as a bone of contention, deepening the dispute rather than act as a catalyst for a solution.

Conclusion

The combination of the Greek Cypriot economic crisis and the discovery of hydrocarbons have given rise to cautious optimism regarding the solution of the Cyprus problem. This is further aided by the election of Nicos Anastasiades, who has a record of support for 'realistic' solution scenarios like the Annan Plan, and could be politically strong enough to strike a deal leading his community to another referendum. Should he be able to overcome the obstacles he now faces as a result of the financial crisis, then the natural gas issue could provide the most promising constellation for a settlement since 2004. At any rate, for all this to be worthwhile, a solution needs to be reached relatively soon. Moreover, countless things have to happen to make a settlement a reality. Unfortunately, the domestic and regional circumstances remain too volatile to give much reason

for hope. Bearing this in mind and given the historic record of settlement efforts since 1963, and 1974, one has to end on a rather pessimistic note. The continuation of the *status quo* remains clearly the most credible scenario. Keeping the situation as it is does not require a decision for which any political leader has to take political risks, or pay an immediate political price. Besides, the *status quo* is stable and sustainable for many years to come if need be. Most probably, at least one of the three sides will remain unwilling to settle for a price that is acceptable to the other parties. Consequently, Greek Cypriots are possibly destined to end up with a *de facto*, and maybe one day, *de jure* Turkish (not Turkish Cypriot) north. The Turkish Cypriots have long since lost control over their own fate and depend on Turkish willingness to give up its loot from 1974. Their future is that of a disappearing community, unless the Cyprus problem is solved.

As long as a Cyprus problem exists, there will be actors who will try to do something about it – or at least pay lip service to such attempts. But the likelihood of a reunification decreases with every failed attempt and the passing of time. The Taiwanisation of the north with a recognition by some states arguably remains the most believable scenario. It is difficult to see how the division will not become formalised one way or another 20, 40 or 100 years from now. The Cyprus problem in its current form has been with us for almost 40 years. It can easily last another 40 years and longer if it comes to that.