Over the course of the past fifty years, Cyprus has become a byword for an intractable ethnic conflict. Most of the time, the Cyprus Problem is little more than a source of irritation for various international policymakers. Sometimes, it becomes front-page news. Having last made the headlines in 2004, when a major attempt by the United Nations to bring about the island’s reunification was defeated by Greek Cypriot voters, the island is starting to creep up the international agenda once again in 2012. The likely collapse of the latest round of UN-sponsored peace talks and the forthcoming Cypriot Presidency of the EU look likely to lead to further tensions in the Eastern Mediterranean. Meanwhile, the discovery of natural gas off the south coast of Cyprus could yet spark a new conflict in the region.

Yet Another Peace Process Appears Likely to Collapse

Despite the best efforts of the United Nations, it seems likely that yet another attempt to resolve the Cyprus problem is about to come to a messy conclusion. After four years of intensive efforts to bridge the gaps between the Greek and Turkish Cypriots, it appears as though the two communities have managed to defeat the latest in a long line of international diplomats sent to try to solve what has now become widely regarded as one of the world’s most intractable ethnic conflicts. While both sides will eagerly blame each other for the stalemate, in reality it is hard to pin the blame for the failure of the talks on one side or the other. In truth, neither has seemed that interested in reaching an agreement to reunify the divided island. Although they both claim that they are willing to accept a bizonal-bicommunal federal settlement, as agreed by the UN Security Council, neither is particularly keen on the idea. The Turkish Cypriots would prefer to keep their own state. Failing this, they are aiming for a very loose confederal arrangement. Meanwhile, the best outcome for the Greek Cypriots would be a unitary state in which the Turkish Cypriots have strong minority rights. This will not happen. They have therefore reconciled themselves to a tight federation, in which they would be able to control as much as possible. The task for mediators has been to try to find a balance between the two second-best options. It has been a frustrating and thankless task. Over the years, the two communities have become masters at retaining the status quo. They are more than capable of ensuring that they are not saddled with a solution they do not want. However, this repeated obstructionism has come at a price for both sides. For the Greek Cypriots, the continued division of the island means that few of the 160,000 people who were displaced when Turkey invaded Cyprus in 1974, following a Greek military coup on the island, will ever get their property back. Moreover, as a result of the steady influx of mainland Turkish citizens into the north of the island, the demographic structure of the Turkish Cypriot community has now changed. Indeed, today it is well accepted that the Turkish Cypriots are now a minority in the north of the island. Given that it is highly unlikely that many of these settlers will be required to leave, it is no longer the case that, following a solution, Greek and Turkish Cypriots will be sitting alongside one another in the Parliament, cabinet and civil service. There are likely to be many mainland Turks in state institutions as well. For many Greek Cypriots, the thought of reunifying Cyprus under these condi-
tions is unacceptable. In private, but also increasingly in public, many are now questioning whether reunification is really that desirable. For some, the prospect of a formal negotiated division is the logical answer. For most, a perpetuation of the current status quo is more palatable. Having spent almost three decades trying to prevent the international recognition of the self-proclaimed “Turkish Republic of Northern Cyprus” (TRNC), few Greek Cypriots are now willing to just give up and reward Turkey and the Turkish Cypriots with their own state on the island.

Few Alternatives to Reunification

Meanwhile, the Turkish Cypriots are also facing the consequences of their intransigence. Their unilateral declaration of independence, in 1983, has left them economically, politically and culturally isolated on the world stage. After thirty years, many are now asking just how much longer the situation can last. Some have suggested that if – or when – the current talks break down, efforts should be directed towards a Plan B. The problem is that they have few alternatives to reunification. For instance, efforts to try to persuade more countries to recognise the TRNC are unlikely to produce results. UN Security Council Resolution 541 (1983) expressly calls on States not to recognise the Turkish Cypriot State. Moreover, when Cyprus acceded to the European Union (EU), in May 2004, it did so as a single entity. The *acquis communautaire*, the EU’s body of laws, may be suspended in the north of the island. However, the north is still legally regarded as a part of the EU. As a result, any country recognising the unilaterally declared independence of the TRNC would automatically be raising the real prospect of punitive action by the EU. A few countries may be willing to take the risk – but not many. Recognition therefore seems unlikely.

Another option that has been raised more recently is the possibility that Turkey may annex the north of the island. In fact, this is not a new threat. It was used many times by Turkish politicians in the 1990s in order to try to dissuade the EU from opening accession talks with the Republic of Cyprus. At that time it was a bluff. It still is. The stark reality is that any attempt to annex northern Cyprus will automatically end whatever residual hopes there may be that Turkey could join the EU. Quite apart from the fact that Nicosia would veto any further negotiations with Turkey, it seems as though many other EU members would happily seize such an opportunity to close the door to Turkish membership once and for all. Any move to lay formal legal claim to the north would have devastating consequences for Turkish-EU relations. Ankara knows this full well.

In truth, the problem facing the Turkish Government is that there is no feasible Plan B if the talks fall through. For as long as it harbours any hopes of wanting to join the EU, Turkey knows that the only real options are the perpetuation of the current status quo or a formal agreement with the Greek Cypriots. The problem is, as already noted, that the Greek Cypriots have little inclination to reach any agreement. Moreover, there is little external pressure that can be put on them. Now that Cyprus is in the EU, and has joined the euro, they have achieved their key foreign policy goals. Not surprisingly, the frustration at this state of affairs is already showing in Ankara.

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The Turkish government has said that if there is no solution by the time Cyprus takes over the rotating presidency of the EU, in July 2012, it will break off contacts with the Council – although it will retain links to the European Commission – until the end of the year. In times past, this may have been a source of concern in EU circles. Now, though, few seem to care that much. With the EU facing far more serious problems, enlargement has dropped down the list of priorities. More to the point, many of the States that are most hostile to the thought of Turkish membership would be absolutely delighted to see Turkey isolate itself in this way. Even Turkey’s friends are growing increasingly frustrated at the way that Ankara makes matters difficult for itself. For example, the EU has frequently called on Turkey to normalise its relations with the Republic of Cyprus. A first step in this process would be to open Turkish ports and airports to Cyprus flagged vessels and planes. Ankara has refused. This has had a knock-on effect in terms of its EU accession negotiations with many EU
States believing that Turkey cannot be trusted to keep its word. At this stage, there is very little sympathy for Turkey in EU circles. As a result, it seems almost certain that Turkish-EU relations will deteriorate even further.

**The Discovery of Natural Gas**

However, the tensions between Turkey and the EU over Cyprus may yet be overshadowed by far more serious issues. Over the course of the last few years, speculation grew that there may well be significant quantities of natural gas off the south coast of Cyprus. In December 2011 these suspicions were confirmed. Exploratory drilling in one of the thirteen offshore blocks established by the Cypriot government indicated that there was anywhere up to 8 trillion cubic feet of natural gas. It remains to be seen how much will be found in the others. Suddenly, Cyprus appears to be facing a very bright economic future – a particularly welcome development given the financial problems that it has been facing alongside many of the other southern members of the euro zone. This has not gone down well in Ankara, or amongst the Turkish Cypriots. The Turkish government has insisted that the Greek Cypriot administration has no right to exploit these resources without the Turkish Cypriots. Such views have received little sympathy elsewhere. Both the United States and the EU have repeatedly stressed that the Republic of Cyprus is perfectly within its sovereign rights to exploit any resources it finds within its exclusive economic zone (EEZ).

Unhappy with this, Turkey has continued to voice its objections and has even raised the possibility that it may take military steps to prevent Nicosia from pressing ahead with its attempts to exploit its newfound energy deposits. For the meantime, such threats should not be given too much credibly. Again, any attempt to use force against Cyprus will automatically lead to a strong diplomatic response from the EU. At the very least, it will again reconfirm the view held by many in Europe that Turkey is wholly unsuited to membership of a union that is founded on the very principle that no matter how serious the dispute, force, or the threat of force, will not be used to resolve the issue. Still, there is always the danger that posturing could lead to a conflict. While Turkey may have no intention of starting a conflict, accidents can happen when armed forces come into close proximity with one another at times of political tension. Even the act of sending warships to harass drilling platforms could have unforeseen, and unfortunate, consequences.

**Next Steps in the Search for a Solution**

In addition to the possibility that the discovery of natural gas may lead to further tension, if not conflict, in the Eastern Mediterranean, it could well have a profound effect on efforts to resolve the Cyprus problem. As already noted, many Greek Cypriots are sceptical about, if not wholly opposed to, some form of reunification based on a loose federation. As the numerical majority, they have long believed that a solution should give them the greater share of power on the island. The discovery of natural gas is likely to lead to a hardening of such attitudes. It was difficult enough for many Greek Cypriots to accept reunification when it meant sharing political power with the Turkish Cypriots. It will be that much more difficult to accept this when it also means sharing what could be very significant energy revenues.

The possibility that the Greek Cypriots may soon be earning significant revenues from natural gas makes the prospect of reunifying the island more enticing that it has ever been.

However, the discovery of natural gas may also in fact give the Greek Cypriots the greatest leverage they have ever had to pursue a settlement on their terms. It is little secret that many Turkish Cypriots are becoming alarmed at the direction the north is taking. Quite apart from the influx of Turkish settlers, which has made the Turkish Cypriots a minority in their own land, tensions have been growing with Turkey. Isolated from the rest of the world, the TRNC is reliant on handouts from the Turkish State. In an age of austerity, Ankara has called on the Turkish Cypriots to cut back their expenditure. This is a source of resentment amongst many Turkish Cypriots and has led to several high-profile disagreements between the Turkish Cypriot administration and its paymasters in Ankara. Against this backdrop, the possibility that the Greek
Cypriots may soon be earning significant revenues from natural gas makes the prospect of reuniting the island more enticing that it has ever been. Rather than be a subsidised province of Turkey, the Turkish Cypriots have an opportunity to be a major part of a new energy-rich Cypriot State. The trouble is that the Greek Cypriots know this. This gives them a degree of strength that they have rarely enjoyed in the negotiations in the past. If the Turkish Cypriots want a share of those revenues they are going to have to make more concessions than they have been willing to accept in the past. Given the alternatives, or lack of alternatives, this may just have to be something that the Turkish Cypriots will need to accept. But it will hardly be a disaster. Any solution will still be based on a federation. It may just be that the federal model that is accepted will give the Greek Cypriots more power than may have been the case even a few years ago.

**Conclusion**

The year 2012 may yet be a crucial one in the Eastern Mediterranean. Certainly, as things stand, there are grounds for pessimism. This may be the year we see yet another collapse of talks between the two communities in Cyprus, as well as yet another crisis in the relations between Turkey and the EU. At the same time, the discovery of natural gas may yet prompt further tensions between Nicosia and Ankara. Although highly unlikely, this could spark some sort of armed confrontation. And yet, looking ahead, there are also grounds to be optimistic. While the discovery of energy reserves may make the Greek Cypriots even less inclined to reach a solution than they have been in the past, it need not be the case.

The benefits of a Cyprus solution would be felt across the whole region. The picture may look bleak at the moment, but there may yet be grounds for hope.

If the Turkish Cypriots are prepared to give way to the Greek Cypriots on several key issues in return for political equality and a share in the gas revenues, they could have a far brighter future than the one on offer at the moment. Likewise, Turkey would also stand to gain. At the very least, it will have removed one of the more significant obstacles to its EU accession. In fact, the benefits of a Cyprus solution would be felt across the whole region. The picture may look bleak at the moment, but there may yet be grounds for hope.

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