

A New Way Forward on Cyprus

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After four years of stalemate, new talks since September 2008 have rekindled hopes for settlement of the half-century-old Cyprus problem. Greek and Turkish Cypriots have once again started moving towards a deal that will free both sides from a burden that has held them back for five decades, create new security and prosperity for all in the eastern Mediterranean, and do more than almost anything else to help put Turkey's convergence with the European Union on a stable track.

There is much in the deal for both sides: normalization with Turkey would allow Cyprus's sagging tourism industry to benefit from an influx of Turkish tourists, Cyprus could become a genuine financial and service hub in the east Mediterranean, Cypriot businesses could begin to invest in Turkey, and Turkish companies would find a rich new market. A major bi-communal survey predicted in February 2008 that, based on the huge rise in trade and investment between Greece and Turkey since 1999, a settlement would add a minimum of 10 percentage points to the Cypriot economy within seven years. From being a burden and source of tension, Cyprus, with its low taxes, strategic position and relatively efficient government, would become a confident, cosmopolitan society and booming beacon of prosperity in the eastern Mediterranean.

This rosy scenario is of course an ideal outcome, but the alternatives are a good deal less enticing. Many initiatives have failed to stop the deepening divisions of Cyprus since independence from Britain in 1960. The low points are well known: the Greek

Cypriot actions that helped drive the Turkish Cypriot community out of the government and into ethnic ghettos in 1963-64; the coup engineered on Cyprus by the junta in Athens to seize the island for Greece in 1974; and the Turkish invasion a few days later, which reversed the coup, but ended in the indefinite Turkish occupation of 37% of the island.

Peace plans have come and gone, burning the fingers of many a UN Secretary General. There have been High-Level Agreements, an Interim Agreement, the Gobbi Initiative, the Proximity Talks, the Draft Framework Agreement, the First and Second Sets of Ideas, and finally the Annan Plan. When one side was ready, the other was not. Other delays were caused by elections, military coups in Turkey and Greece and the Cold War.

In the background, however, another dynamic has been building momentum: the advancing borders of the European Union. As Cyprus moved towards membership in 2004, the UN, the EU, and international communities put together one more effort to bring the Greek and Turkish Cypriots into the EU together, a plan named after the then UN Secretary General Kofi Annan. Turkish Cypriots wanted to enter the EU as part of Cyprus, and 65% of them voted for his Annan Plan. Turkey, which wanted to support its own EU convergence story, reversed decades of policy to back them too.

But this Turkish change of heart came too late to win the Greek Cypriots' hearts. Feeling that they had nothing to lose, and hearing their leader, the late Tassos Papadopoulos, denounce the Annan Plan each day, 76% of Greek Cypriots rejected the plan. The Greek Cypriot hardliners had however only won a tactical victory. Then President Papadopoulos's underlying idea was that Greek Cypriots only had to

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wait, and the offer of well-paid work, free hospital treatment, EU membership and passports would persuade the majority of Turkish Cypriots to join Greek Cypriot Republic of Cyprus as individuals. The next four years proved that the carrot of such temptations, along with the stick of uncompromising policies rejecting Turkish Cypriot communal rights, only made the Turkish Cypriot state stronger, richer and more accepted in the world. In short, only compromise with the Turkish Cypriots as a community could win what many Greek Cypriots sought: a Turkish troop withdrawal, compensation for property and long-term security. That's why the February 2008 Greek Cypriot presidential election produced a major upset –and why it is a mistake to see the 76% rejection of the 2004 referendum as the Greek Cypriots' last word on a settlement. The late incumbent Tassos Papadopoulos based his re-election campaign on having blocked the Annan Plan and his promise to say "no" to any attempt to resurrect it, and was defeated. The victors of the 1st Round won 66.8% of the vote with promises of a more compromising line with the Turkish Cypriots.

The ultimate winner in the 2nd Round, the Progressive Party of Working People (AKEL) leader Demetris Christofias, quickly started to reverse the previous government's hard-line approach in both style and substance. The new administration admitted Greek Cypriot errors since the 1960s; accepted that 50,000 immigrants from Turkey would stay on the island; addressed Greek Cypriots on television to prepare for the compromises of a solution, like a rotating presidency; warned that not all Greek Cypriots will be able to return to their old homes; sent a senior official and a presidential wreath to the funeral of a recently exhumed Turkish Cypriot killed in the 1960s; accepted a negotiated settlement to eight court cases trying to block European Commission aid programmes in the north; and invited Turkish journalists to visit the south, even though they had entered the island from the Turkish Cypriot side. All these were previously taboo subjects or actions.

There are other sides of broader Greek Cypriot change. Although continuing a long-standing alliance with Papadopoulos's party, the Democratic Party (DIKO), the Christofias government gave Cabinet posts only to coalition partners with weak links to the old hard-line regime. The main opposition party, Democratic Rally (DISY), the runner-up in the presidential election, has repeatedly and strongly supported Christofias's efforts to reach a settlement. In September,

he braved stinging opposition criticism to start modernizing Greek Cypriot schoolbooks, virtually unchanged since 1950. The new text will aim to build mutual respect, to stress shared values, to talk about the suffering of Turkish Cypriots as well as that of the Greek Cypriots, and to fulfil what one Christofias party spokesman said was "an obligation towards the new generation to give them the truth."

For sure, Christofias and his AKEL party have given contradictory signals in the past. The party helped defeat peace plans in 1978 and most recently in 2002-2004. In 2004, Christofias presided over a messy political deal that left him a partner in Papadopoulos's ruling coalition and campaigning against the Annan Plan (the AKEL slogan was an awkward "'no' to cement the 'yes'", referring to a future Cyprus compromise). Greek Cypriot officials are blocking the opening of the energy chapter in Ankara's negotiations to join the EU, contradicting the new government's claim to support Turkey's EU membership. Christofias has also shown reluctance to reverse the previous government's policies and allow visiting ministers from Europe to meet the Turkish Cypriot leader in his office in the north, which was, after all, the official residence of the former Turkish Cypriot Vice President according to the system set up for Cypriot independence in 1960.

While it still remains to be seen if Greek and Turkish Cypriots can find enough common ground for compromise, the Greek Cypriots' change of heart in 2008, matching that of the Turkish Cypriots in 2004, is the result of some deep changes. Until 2004, the 750,000 Greek Cypriots believed their position was too weak and isolated to commit fully to negotiations on a comprehensive settlement. Despite a joint defence doctrine with Greece and Greek military support, Greek Cypriots felt at a great disadvantage to a far stronger Turkish army and 75 million Turks to the north in Turkey. This is still often expressed in the fear that "even if we reach a deal, Turkey will never implement it." However, full EU membership since 2004 has done much to alleviate their sense of insecurity. The Greek Cypriots have scaled back arms purchases and training exercises. According to *Jane's*, the defence publication, the Greek Cypriots view the EU as a "cost-effective defence umbrella."

In an April 2008 poll, three quarters of Greek Cypriots backed Christofias's pro-solution approach. When the Ledra Street crossing opened, it was ordinary Greek Cypriots who flocked to the Turkish Cypriot side. The optimistic and carefree atmosphere was

qualitatively different from the opening of the front-line crossings in 2003, when Greek Cypriots focused on visiting lost homes, family villages and religious shrines.

In private, Greek Cypriot intellectuals and business people are increasingly worried that time is working against them. Without a comprehensive settlement, they realise, there will be no Turkish troop withdrawal, no recovery of land, no restoration or compensation of properties and no normalisation with Turkey. Greek Cypriot fears that the Turkish Cypriots might abandon the talks and go it alone with success were increased by significant international recognition for Kosovo's declaration of independence on 17 February 2008. Even worse was the Russian invasion of Georgia in August 2008 and recognition of the "independence" of Abkhazia and South Ossetia.

There are thus many reasons that Christofias has joined with Talat to start real work on a settlement. The two men have a long-established dialogue and friendship based on their left-wing parties' common anti-nationalist cause. Throughout the past eight months, despite altercations in the media, they have held long private discussions after their official meetings. Talat's commitment to a compromise settlement was already proven in 2004, and now a UN mission to the island has elicited at least a declaration from Christofias that "I want to die with the assurance that new generations will not torture themselves with the Cyprus problem." Turkish Cypriots also remember Christofias's AKEL for supporting the peacemaking efforts of former Greek Cypriot President George Vasilou, and for many actions that protected ordinary people during the 1955-1974 years of communal violence.

Christofias's and Talat's more than 25 monthly meetings have built a steady momentum towards a solution. On 3 April 2008, they agreed to re-open Ledra Street, a commercial street in the heart of Nicosia closed since the late 1950s. On 23 May 2008, they defined the overall goal of the negotiations in language that showed real compromise: the Greek Cypriots accepted that there would be "two Constituent States" and the Turkish Cypriot side accepted that the new federal state would have a "single international personality." This was underlined on 1 July 2008, when the two leaders agreed "in principle" that there would be one citizenship and sovereignty in this new state.

However, optimism over the modest progress of the talks over the past eight months has been largely confined to the two leaders, and not enough has been done to build support for a reunified island in the two communities. Nationalist hardliners in Christofias's main coalition partner, DIKO, dominated elections for senior party posts in March. And in Turkish Cypriot parliamentary elections on 19 April 2009, victory went to the right-wing nationalist National Unity Party, which won 44% of the vote and 26 of the 50 seats. The ruling left-wing Republican Turkish Party (CTP) won just 29% of the vote and 15 parliamentary seats. The reasons for the nationalists' victory were mainly domestic and economic, but pressure is clearly on Talat and his Greek Cypriot counterpart Demetris Christofias to show results sooner rather than later. Talat, the former leader of the CTP, faces re-election in April 2010.

Another reason for the rise of the nationalists is that the Turkish and Turkish Cypriot sides have watched with disbelief as the Greek Cypriots have been apparently rewarded after they rejected the internationally supported Annan Plan for a settlement. Not only did the Greek Cypriots enter the EU, but they also managed to minimize or eliminate many of the promises made by the EU to reward the Turkish Cypriots for their "yes" vote and end EU embargoes on Turkish Cypriot goods and services.

There are many reasons for EU States to do more to support a settlement and woo the Turkish Cypriots back. If this year's process breaks down, it will likely be the last attempt at a comprehensive federal settlement for many years. One day, perhaps, the outside world may consider a two-state solution on the island. But nobody is going to be willing to recognize northern Cyprus as a separate state, even after 34 years of division, and all sides should count the costs of waiting indefinitely. The old comfort of an unthreatening status quo is no longer available. Now that the Greek Cypriots are full members of the EU, the stakes and risks are higher. Failure could lead to new insecurity and even military tensions between Cyprus and Turkey. For the Turkish Cypriots, meanwhile, it would mean becoming completely dependent on Turkey. And for Turkey, Cyprus would become a worse problem than before: an economic cost, a diplomatic burden, and, above all, the biggest obstacle between the Turks and their ambition for a full place in the European family of nations.