Cyprus after Accession: Getting past ‘No’?

Workshop report and responses

May 2007
# Table of Contents

Cyprus after Accession: Getting past 'No'? ........................................................................................................... 2

I. The Workshop Report ........................................................................................................................................... 3

  Introduction .......................................................................................................................................................... 3

  1. Diagnosis of the present: Levels of comfort and discomfort .......................................................... 3

  2. Tensions and risks of the status quo ...................................................................................................... 6

  3. Strategies, risks and the role of the EU ................................................................................................... 9

II. Responses by workshop participants .............................................................................................................. 12

  Time for a reality check in Cyprus: Is federalism still the only game on the island? 
  Mustafa Aydın, Derya Sevinç, Ömer Fazlıoğlu .................................................................................. 13

  Can the European Union help to ‘reunite’ Cyprus? 
  Ayla Gürel ................................................................................................................................................... 13

  The Cyprus crisis after the referendum 
  Takis Hadjidimitriou .................................................................................................................................. 30

  Reconceptualising the ‘European Solution’ for Cyprus 
  James Ker-Lindsay ........................................................................................................................................ 37

  Contradictions, Conflicts and Paradoxes - A Framework for a Solution 
  Nikos Kotzias .................................................................................................................................................. 43

  Cyprus: Legal dimensions of an old conflict 
  Petros Liacouras ............................................................................................................................................. 57

  The Cyprus Impasse: And the Way Out? 
  Ahmet Sözen .................................................................................................................................................. 60

Workshop Convening Committee ......................................................................................................................... 74
Foreword by the convenors

The present volume on “Cyprus after its EU accession; Getting past the no vote” is the outcome of a workshop organised in Oxford entitled “Cyprus after accession: Thinking outside the box” which took place at St Antony's College, Oxford on 9-11 March 2006. The workshop was convened by Othon Anastasakis, Olga Demetriou, Kalypso Nicolaidis, Kerem Oktem and Max Watson, and brought together leading experts on the Cyprus question. The workshop “Cyprus after accession: Thinking outside the box” is the follow up to a workshop in October 2003 with the title “Still on the table? The Annan plan and reconciliation in Cyprus”.

The first part of this volume consists of the workshop report which includes the main points from the three day discussion among the participants. The content of this report does not bind any of the participants and does not constitute a joint statement. It reflects the content of the discussions, as analysed and described by the conveners. The second part consists of contributions from those of the participants who agreed to send a paper responding to the workshop report. These papers reflect the views of the authors alone.

SEESOX would like to thank the contributors of this volume and all the participants at the workshop for engaging in the debate and sharing their insights. Thanks are also due to Julie Adams, SEESOX Administrator, for the organisation of the workshop and Francesca Burke, whose note taking provided the basis for the workshop report.

We hope that with this volume depicts faithfully the current state of debate and that it will contribute to ongoing the debate on the future of Cyprus.
I. The Workshop Report

Introduction

This report comprises three sections which reflect roughly the three parts of the seminar.

The first section focuses on the “diagnosis” of the current state of affairs (at the time of the workshop in March 2006, updated as of September 2006) and highlights new issues and possibilities arising from this diagnosis. It explores in particular whether local actors have, in a sense, become comfortable with the present unresolved situation. It also groups the concerns of participants regarding possible processes of convergence and divergence between the two communities as a result of developments since 2004.

The second section examines a number of possible scenarios on the status of Cyprus and focuses on the current tendency towards “creeping divergence”, discussing its sustainability and the risk of third-best solutions to the Cyprus issue.

The third part of the workshop was more strategic. Hence, this section questions the role of the European Union as a possible yet restricted catalyst for change.

Note: We use the terms Greek-Cypriot (G-C) side and Turkish-Cypriot (T-C) side as a short hand that is not meant to imply that participants from either community share a monolithic view on these issues.

1. Diagnosis of the present: Levels of comfort and discomfort

Discussions focused initially on developments since April 2004. Participants voiced differing degrees of dissatisfaction with events. Discomfort from the Greek-Cypriot side was related to the failure of the outside world to understand their misgivings regarding the Annan plan and its failure to take into consideration Greek-Cypriot anxieties: property issues, mobility constraints, inflow of migrants from Turkey, the continued presence of Turkish troops and the status of settlers. The exploitation and trade of Greek-Cypriot property in the north has been a central source of Greek-Cypriot discomfort since 2004.

The Turkish Cypriot side also voiced strong discontent with events of the past two years and a growing sense of disillusionment and frustration with both the international community,
the Greek-Cypriots, and to a lesser extent Turkey. Living standards in the north have risen considerably since 2004, even if this rise was mostly confined to Turkish Cypriots and did not reach the Turkish settlers whose wealth levels remain significantly lower. Recent growth levels reflect in part an unsustainable boom driven by property transactions and consumer spending, as well as by a growing dependency on the thriving yet volatile economy of Turkey.

The Republic of Cyprus has experienced accelerated growth underpinned by progress with EU-backed reform agendas (Maastricht; Lisbon), EU policy discipline and participation in EU institutions. In economic terms, strong convergence towards EU living standards and imminent adoption of the euro in the Republic were cited as setting more positive conditions for negotiations in the future. Such developments were in contrast with the situation in the north where the acquis could not be implemented and aid flows had yet to begin. Rapid economic development in the north is a two edged sword: the bustling property market and the growing tourism industry has injected cash into the north’s otherwise stagnating economy. The construction of residential and tourism compounds on properties owned by Greek-Cypriots, however, continues to create facts on the ground that will further complicate the conditions for future negotiations.

Most participants pointed to the absence of significant economic ties between the two communities - other than commuting and a unidirectional trickle of Green Line trade - as the single biggest obstacle to the sustainability of current growth rates in the north. Could the T-C north be entering an ever closer economic union with Turkey? And was there not a sense of unreality when EU economic evaluations of the Republic of Cyprus - however flattering - referred to a Cyprus with the north bracketed off?

If the boom in the T-C north is in part dependent on construction, the recent UK court decision in the Orams Case¹ in favour of the British couple has strengthened the legal basis for the purchase of property in the north, and has further stabilized foreign interest in local properties with property prices expected to raise by about 20% as result. In addition to the political fallout, the question is how sustainable this boom is in ecological terms, if the cultural, natural, and historical heritage were damaged by construction without stringent

¹ This is one of a number of legal cases involving property in Cyprus. The Orams case involves a Greek-Cypriot refugee suing British nationals for occupation of their property and requesting successfully their eviction and restoration of their ownership of the property.
criteria for development? Many Turkish -Cypriot participants were therefore concerned about the policy of laissez-faire by their current government regarding the regulation of building permits.

A further concern raised was that the sole area of relative integration - the labour market - was not an unmitigated gain for harmony between the communities. The movement of Turkish Cypriot labour south of the Green line has been one of the main factors triggering new flows of migrant labour from Turkey into the north. This could lead to future problems for a political settlement - in light of the Greek-Cypriot argument for return of Turkish migrants - as a majority of these migrants from Turkey may not plan to leave Cyprus, while the north is becoming more dependent on inflows of relatively cheap labour, mostly from Turkey. In addition, the employment of an increasing number of Turkish Cypriots in low-skilled jobs could be expected to have a deteriorating effect on the fabric of Cypriot society and inter-community relations. On the discursive and social level, Turkish Cypriots are seen increasingly as the poor and uneducated neighbours.

In sum, discussions sketched a political-economic landscape whose rigidities and trajectory do not seem conducive to either political or economic convergence. And with events on the ground changing political and economic incentives, an invisible barrier is in turn being driven between the interests of the two communities.

The workshop took place at the same time as a number of initiatives including the proposal to resume the technical discussions following an Annan-Papadopoulos meeting in Paris\(^2\), the approval of EU proposals on releasing funds to the north, possible discussions around a number of piecemeal deals - such as opening the Famagusta port to international trade and opening the Varosha area next to Famagusta, or the Turkish proposal for the re-opening of negotiations. In view of these proposals, a number of participants argued that some incremental political gains, after a hiatus, might serve to change the situation in ways that would favour a move toward reunification when a political “window of opportunity presented itself”.

---

\(^2\) Papadopoulos and Talat agreed to call for the inception of technical committees on July 10, 2006, following a visit of Kofi Annan’s new Cyprus envoy Under Secretary General Gambari, and supported by Matthew Bryza, Deputy Assistant Secretary of the State Department for European and Eurasian Affairs. These committees, however, have yet to convene.
But optimism about the overall impact of these recent steps seemed rather limited given the “structural” impediments to a solution. The recent stalling of most of the aforementioned initiatives, including the technical committees and the plan for Varosha and Famagusta suggest that progress is not to be expected. Moreover, it could be argued that the recent proposals were a testimony to the decreasing interest of the international community in Cyprus and in a brokering role from the outside. This decline in international attention for Cyprus is a function of an increasingly insecure global environment with multiplying political and humanitarian crises in Cyprus’s immediate neighbourhood that necessitate UN intervention.

2. Tensions and risks of the status quo

For some participants the current situation can be seen as yet another pause in a long series of unsuccessful negotiations. For some it is already de facto separation. For others we are witnessing a slow process of “creeping divergence” in the political and economic arenas, the final outcome of which remains unclear. How sustainable is this “creeping divergence” and what concerns does it raise?

- A deepening of economic and monetary bonds between the Turkish Cypriots and Turkey might entrench vested interests against reunification of the island on any terms. Such pull-factors, however, are counter-balanced by a growing sense of a distinct Turkish Cypriot identity among the Turkish Cypriots. These new identity politics insist on a distance both to Turkey and to Greek-Cypriots.

- Turkey-EU relations remain volatile. A probable crisis in the relations between Turkey and the EU, most likely to be triggered by the unresolved status of Cyprus, might disrupt the entire fabric of EU policy towards Cyprus. The Greek side should not feel shielded from negative spillover by its membership status as the EU cannot prevent further irreversible developments in the field of property or in terms of Turkish Cypriot citizenship in the south (see next points).

- Developments on some issues such as property might disrupt the status quo and develop beyond the control of the local elites. It was felt that property in many ways epitomised the conflict and is the lynchpin issue between individual rights and politics. The issue is being tackled incrementally through lawsuits - which might or might not favour the actual restoration of these rights. The recent decision in the
Orams case, however, also point to the limits of an ‘incremental solution’ through the legal process, as this judgement considers the orders of the courts of the Republic of Cyprus as not-enforceable in the north. If a consensus emerges on the lack of enforceability of Greek-Cypriot judgements in the north and if the Turkish Cypriot ‘Immovable Property Commission’ (established following the Xenides-Arestis case in 2005) is accepted as providing effective domestic remedies, the property issue will remain unresolved in substance, while creating facts on the ground that will make restitution impossible and the restoration of property rights even more complicated.

- Do rights currently offered to Turkish Cypriots in the Republic of Cyprus (in particular identification documents and access to health services) go far enough in making Turkish Cypriots feel that this is really their state too? For instance, many Turkish Cypriots have called for additional rights in the south, such as voting rights. However, extending these rights too far runs the risk of creating resentment among Greek-Cypriots who argue that the Turkish Cypriots want to have their own state and still gain the benefits from, and participate in, the Republic of Cyprus, a state they claim not to recognize.

Here is the paradox. Many participants felt that the current situation is unsustainable yet it is hard to see viable alternative scenarios for the future short of bold political initiatives. This is in part because expectations about likely spillovers and scenarios are contradictory and do not point to clear critical junctures or points of no return.

The current situation of creeping divergence might lead to a number of desirable or not so desirable scenarios. Four were identified and discussed during the workshop as summarized in graph 1.
Graph 1: Alternative scenarios

1) **Structural stalemate** à la Taiwan: The TRNC remains unrecognized while it continues to perform many of the functions of a sovereign state. In the long run, some developing countries and members of the Organisation of Islamic Countries might recognize the TRNC, even if annexation by Turkey cannot be ruled out. Yet this status quo at the political level must be assessed against the backdrop of the creeping divergence discussed above and therefore potential grievances on the part of both sides. Such grievances may be getting worse while at the same time softened by economic growth while it lasts. Turkey’s EU candidacy factors into this scenario inasmuch as relations with the EU are becoming ever more conflictual and Cyprus’ negative role in those relations is becoming increasingly costly.

2) **Amicable divorce** (or partition) à la Czechoslovakia: A voluntary separation would presuppose full mutual recognition and a commitment to non-confrontational politics, conditions that do not appear to exist at the moment. Voluntary partition would result in a fully sovereign Turkish Cypriot state which, alongside Turkey, would eventually become a member of the EU. In fact for some participants in the workshop, amicable divorce may not be considered a taboo and if executed wisely could lead to an arrangement quite close to that of a loose federation.

3) **Confictual divorce** à la Yugoslavia: There was agreement between the workshop participants that this worst case scenario needs to be avoided at any cost, as it would further deepen the abyss between Greek and Turkish Cypriots and place Turkey
firmly outside the European Union. Annexation of the north by Turkey would be a probable result.

4) **A cooperative status quo:** So as always with the cycles characterising the Cyprus question, we are back to assessing the parameters of the fourth scenario, that of significant cooperation. Here, the cost of incremental divergence leading to one of the first three scenarios (with some likelihood attached to each of them) create enough incentives for actors to seek ways to balance these costs through greater cooperation between the two sides, in areas ranging from trade to education, the environment and culture.

Despite their ostensible differences, these scenarios converge around the continued division of Cyprus. Of the four scenarios, only the last has the potential to lead towards a settlement. Under what conditions, we asked, would cooperative moves constitute building blocks for renewed attempts at a political resolution? Would the need to adapt the parameters of conflict resolution to the legal, institutional and political realities of EU membership make such efforts easier? Under what conditions would a ‘Europeanization’ of the conflict lead to incremental re-unification or to a scenario of amicable divorce?

3. Strategies, risks and the role of the EU

Participants saw risks that the tactics of local and international actors might misfire if they were not more deeply informed by fact finding, analysis and debate and by a commitment to the idea of a united Cyprus with two recognised communities and a number of minority groups.

Strategies and risks for the future include:

- Confidence building measures and constructed deals which condone changes on the ground (on property, mobility). It was important that key actors think through carefully how some incremental changes open or close options towards a comprehensive settlement.

- Waiting for the right time and seizing “windows of opportunity” for reconciliation requires changes in perceptions, attitudes and incentives. However, decision makers and opinion leaders on both sides need to address the question under which conditions they consider reconciliation a desirable option.
• Giving scope for economic factors to play a positive role in paving the way for reunification. Economics were a sticking point in 2004 because both sides pointed to the income gap between the two sides. Today, both sides enjoy rising levels of economic development, albeit development that is much higher and more sustainable in the south, and more problem-laden in the north.

In this context, the European Union is crucial. To assess its potential role we must take into account at least three realities. First, the EU, like other international actors, has limited capacities in that it cannot “impose” a solution, especially having lost the pre-accession conditionality card vis-à-vis the Republic of Cyprus. Second, the *acquis* defined in a broad sense to include the process of learning across national experience, constitutes a strong new constraint in defining the contours of a new settlement. Third, the vision of Cyprus’s future as a EU hub in the Eastern Mediterranean differs substantially from its current role as a flashpoint and source of difficulties for the EU.

So the workshop tabled a paradox: the EU as a constrained giant may be poorly equipped to promote new solutions for status issues of its own members - witness Northern Ireland - and yet can be a powerful force in shaping the basic parameters of outcomes in a process “managed” by the key local actors and the UN. Perhaps in the belief that this ambiguity can be used fruitfully, all participants seem to converge on the call for the EU to adopt a more active role, progressing simultaneously on different layers of the Cyprus issue. There were differences of views on whether in doing so the EU should privilege the UN framework as an anchor, the view of most Turkish Cypriot participants, or whether it should promote the ‘Europeanization’ of the conflict resolution process, as generally favoured by the Greek-Cypriot side.

The gap between these two positions may be a function of the uncertainties and ambiguities associated with the idea of Europeanization itself. Could a non-territorial solution beyond or building on the bi-zonal model provide security guarantees for the two communities and the country’s minorities? To what extent can the practices of multi-level governance and shared sovereignty in the EU be harnessed for the resolution of the conflict without compromising Turkish Cypriot expectations for equal status? And, under which conditions would Turkish Cypriots and Turkey consider revisiting the notion of a constituent state with a regime of derogations that might clash with European laws and practices (including on mobility)?
The EU could play a more constructive, pro-active and creative role in exploring alternatives. The Annan Plan was influenced by historical models of bi- or multi-community governance such as Belgium or Switzerland and sought to conceive a grand plan for Cyprus by adapting some combination of these models. It therefore lacked the dynamic qualities of the European project, the idea that realities are shaped by spillovers and constructed solidarities, and by the constraints of legal enmeshment. The EU could widen the “portfolio of paradigms” by bringing into the conversation about the future of Cyprus notions such as devolution, subsidiary, proportionality and supremacy, which govern the relationship between levels of governance among its member states as well as the many local experiments that are now reshaping the very essence of the nation-state in Europe.

In the absence of new policy proposals however, the discussion repeatedly returned to the question of how current changes could be shaped to lead to a comprehensive agreement acceptable to both sides. There was also agreement that if current changes do not pave the way for a settlement, they should at least avoid unintended consequences. Even if creeping divergence now best describes processes on the ground, options that further augment the division and cause inter-community relations to deteriorate would do disservice to all parties involved.

While recognizing the political facts in Cyprus, Turkey and the EU, the open-ended spirit of the meeting led participants to call for decision makers and opinion leaders on all sides to consider whether aspects of the ‘Europeanization’ scenario might create windows of opportunity to break the status quo and prevent the most undesirable scenario of conflictual divorce.
II. Responses by workshop participants

The following papers are responses to the report by some of the workshop participants, in alphabetical order:

- Aydin Mustafa, Sevinç Derya and Fazıloğlu Ömer, Economic Policy and Research Institute (TEPAV)
- Gürel Ayla, Peace Research Institute Oslo, Cyprus Centre
- Hadjidimitriou Takis, former Head of Cyprus EU negotiating team
- Ker-Lindsay James, Kingston University
- Kotzias Nikos, University of Piraeus
- Liacouras Petros, University of Piraeus
- Sözen Ahmet, Eastern Mediterranean University, Cyprus Policy Centre
Time for a reality check in Cyprus: Is federalism still the only game on the island?

Mustafa Aydın, Derya Sevinç, Ömer Fazlıoğlu

In this brief response, we aim to put together some critical comments on the content of the workshop report, which we fear reflect pessimism and disappointment after developments that took place in the post-Annan Plan referendum period. We have tried to refrain from writing an advocacy paper in principle; however we adopt a critical attitude towards the conclusions presented in the workshop report.

Diagnosis of the Problem

1. Although “the diagnosis of the current state of affairs” in the workshop report refrains from taking a retrospective analysis in order to prevent a blame game between parties, the motivation to write an impartial report clearly results in “creating” an imaginary of a just and symmetric setting between the parties on the island. While diagnosing the present conjuncture it should be taken into account that the Turkish Cypriot people, their leadership and Turkey have represented their clear will towards reunification in a bicomunal and bizonal federation with the Annan Plan referenda. Mr Annan also pointed out that “the Turkish Cypriot vote has undone any rationale for pressuring and isolating them”. In addition, Mr Annan called upon “all states to eliminate unnecessary restrictions and barriers that have the effect of isolating the Turkish Cypriots and impeding their development”

2. By the same logic, the EU stated its determination to put an end to the isolation of the Turkish Cypriot community in order to facilitate the unification of Cyprus through encouraging the economic development of Northern Cyprus. It is unfortunate that the EU’s determination has remained limited to the realm of good intentions. In reality, direct trade regulation is blocked and the amount of the money granted under the fiscal aid regulation scheme is lowered.

---

3 Economic Policy and Research Institute (TEPAV), Ankara.

4 United Nations, Report of the Secretary-General on his mission of good offices in Cyprus, S/2004/437, 28 May 2004
1.1. A serious misunderstanding prevails regarding the Turkish Cypriot’s stance towards the Annan Plan. Recent writings regarding the Cyprus question including this workshop report, as well as J.H.H. Weiler and Andreas Auer’s recent papers all assume that the Turkish Cypriot side considers the Annan Plan to be satisfactory in its entirety. This, however, is not the case. Although the Turkish Cypriots had serious anxieties regarding some provisions of the Annan Plan, they accepted it as a compromise for a settlement. Thus, it would be counterproductive to demand adjustments in the Annan Plan in order only to satisfy Greek-Cypriots’ anxieties without addressing the Turkish Cypriots’ equally justified grievances.

1.2. Another problematic argument raised by some of the participants during the workshop suggests that the Republic of Cyprus (hereinafter: RoC) should not be blamed for the referendum results, as the referendum reflects the will of the Greek-Cypriot people. It should be stated here that due to the technical complexity of the Annan Plan, both Turkish and Greek-Cypriots were affected by their political parties’ and even governments’ official stance towards the Plan. In this light, it was and is still not the Greek-Cypriot people but Mr Papadopoulos, the government at the time and the Greek-Cypriot political parties that hindered the settlement on the island.

1.3. The Annan Plan did not enter into force. Therefore, it has no legal effect on the status of the parties. However, one should accept that the Plan is the culmination of ideas and principles that were first set out in the intercommunal talks starting from 1975, including the 1977 - 79 High Level Agreements and the Ghali Set of Ideas. As a result, a future settlement proposal cannot disregard the general principles of the Annan Plan. Especially the modus operandi of the United Republic of Cyprus should be guaranteed. The most important principles of the Annan Plan that cannot be discarded from any future settlement are the existence of two constitutive states on equal status, rotation principle of the Presidential Council, co-decision making mechanism, property rights and limitation of property rights under the public good.

5 Those principles are the outcome of the culminating memory of the Cyprus problem itself. However, they are mostly applicable only in pursuit of a bizonal and bicommmunal federal solution.
2. We acknowledge that the workshop report intends to give an analytical framework for future scenarios of the Cyprus problem. The “diagnosis of the present” should, however, be bolstered by analyzing political and socio-cultural trends that occurred in the post referendum process. Most recent developments appear to be largely disruptive to a settlement on the island. Nationalist movements have been rising both in the RoC and Turkey. Recent polls indicated a significant increase in preference for a two state solution among all Cypriots. Turkish political elite and state elite have differing ideas about their views regarding Cyprus policy. These developments will inevitably affect the future evolution of the problem, most likely, in a way unfavourable to a sustainable settlement.

Economics of the Cyprus question

3. Regarding the analysis of the economic situation in Cyprus, the report rightly pointed out that the sustainability of the growth trend in North Cyprus is questionable as it is heavily dependent upon external factors. The experience of German reunification - albeit in an entirely different political and economic setting - indicates that the economics of reunification had significant impact on the political settlement. The economically more developed side has the tendency to avoid any compromise in order to avoid the economic burden of convergence between the communities.

3.1. The Green Line Regulation enables the crossing of goods, services and persons under special rules. However, the Green Line Regulation, like any other transitory measure is allowing substantial labour mobility but only limited circulation of capital and goods. There are significant effects of crossing a physical border on trade even when no barriers to trade exist, as the case of the United States and Canada demonstrates. One would expect such “border effects” to be quite significant in Cyprus even if administrative barriers were not in place. In this respect, even an efficiently functioning Green Line Regulation with substantial services mobility would be a far-off second-best solution. We argue that the most appropriate panacea for overcoming the regional disparity in the island is the North’s full integration into the global economy. It is the first-best trade policy.

3.2. At this point the EU’s stalemated direct trade regulation can be functional in terms of integrating the North into the EU market and end its economic isolation. The direct trade regulation, which appears to be the only coherent policy towards linking up northern Cyprus with global markets, could contribute significantly to sustainable economic convergence on the island. Conditional and incremental approaches linking the opening of the Famagusta Port and Ercan Airport with the revitalization of the Varosha do not serve this aim, and are hence counter-productive. The revitalization of Varosha in a “piecemeal deal” is far from promising, as it fails to recognise that this had already been accepted by the Turkish Cypriot side as part of a comprehensive settlement. Besides, such a deal would have significant implications in Turkish domestic politics especially just before the elections that will take place in 2007.

The property regime

4. The workshop rightly pointed to the property question as the major issue obstructing settlement since it is one of the reasons for Greek-Cypriot rejection of the Annan Plan. Özersay and Gürel⁷, however, remind us that the new property regime designed by the Annan Plan was accepted by Turkish Cypriots not because they believed that this was a particularly good deal, but despite the fact that they were ambivalent regarding its outcomes. Let us recall that the property regime designed by the Annan Plan not only necessitates the relocation of a large number of Turkish Cypriots; it would also put considerable financial strain on both the Turkish Republic of Northern Cyprus (hereinafter: TRNC) and Turkey as the Turkish Cypriot side would have to pay a considerable amount (over 4 billion CYP) as compensation.

4.1. Regarding the property issue, the Greek-Cypriot side demands a solution strictly conforming to the jurisdiction of the European Court of Human Rights (hereinafter: ECHR), which amounts to wholesale re-instation. Ironically, the custodian law which regulates the property regime regarding the Turkish Cypriots’ immovable goods also does not conform to ECHR jurisdiction. At this point, the necessity arises to reconsider the essence and limits of the property rights. Practices that allow for a loss or limitation of property rights are commonly accepted as legitimate in international

---

⁷ Özersay & Gürel, The Turkish Yearbook of International Relations, 2006
law under certain conditions and given that appropriate compensation is paid. Protocol No. 1 of the European Convention of the Protection of Human Rights also recognises such limitations for the sake of public interest and social peace. The Annan Plan’s attempt to balance individual property rights with the principle of bizonality should be understood in this light. Besides that, there is need for realistic solutions. It is unfeasible to reinstate all immovable properties, which amount to 14,000 lawsuits waiting before the ECHR.

Which way for a settlement?

5. Lastly, we would like to comment on alternative future scenarios set out in the workshop report. As the issues at stake and the official positions of the states involved are obvious we feel that some basic premises can be formulated beforehand.

5.1. Our basic premises are as follows:

- The Cyprus problem is unique in terms of its legal background, and it has its own historical path-dependence. Any sustainable scenario for the resolution of the conflict has to respond to this legal background and historical memory.

- Turkey will be on the EU track for the foreseeable future. Turkish republican ideology, the stance of pro-western state and political elites in Turkey, and the existence of a so-called transformation coalition (major political parties, military, business world, etc) are the safeguards of this premise;

- As long as Turkey’s EU accession stays on track, Turkey will certainly not annex the Turkish Republic of Northern Cyprus. The annexation scenario is far from credible; as such a policy choice could have easily been implemented during Mr Denktash’s term of office.

- The conflictual divorce scenario (à la Yugoslavia) is highly unlikely due to practical facts. At the moment, there is not sufficient interaction between the communities to trigger violence. An escalation would beg the involvement of Greece and Turkey, which would lead to a total collapse of NATO and the EU’s Eastern Mediterranean perspective. Hence, too many interests in the region stand against such a scenario.

5.2. In light of our premises, we can easily dismiss the conflictual divorce scenario (à la Yugoslavia). The structural stalemate scenario (à la Taiwan) can only be seen as a
transitional option, as it creates another kind of political limbo. In our first best scenario, the Taiwan model can be useful during a transition period towards a (con)federal republic. The Taiwan model could enable the TRNC to trade with the rest of the world, to join the Bologna Process of the EU, and other cultural and sports activities without necessitating outright recognition. However, there is the problem of delegated sovereignty.

5.3. The second most likely scenario is the amicable divorce (partition). There are serious doubts about the legal basis of such a partition scenario. Can partition be justified on the grounds of EC law? Turkey has been arguing for the legality of partition in order to legitimize the TRNC for decades with a reference to the European Commission Arbitration Commission decision dated July 4, 1992 which states that “The federal institutions of the Socialist Federal Republic of Yugoslavia (SFRY) were incapable of functioning [as] originally designed in the Yugoslav Constitution and that the SFRY should therefore be considered to have dissolved and ceased to exist.” Although this legal argument has not been adopted by any other state so far, the case of the secession of Montenegro from Serbia and Kosovo’s autonomy might create a favourable conjuncture for partition in Cyprus. We should keep in mind though that the legal status of the north is also set out by the Accession Agreement of the RoC and the Additional Protocol 10 to the Act of Accession. These are the primary sources of the EC law. Therefore, this scenario would only become probable, if the EU changed dramatically its perspective on Cyprus.

5.4. We believe that the results of the upcoming elections in RoC will also have an effect on the evolution of the Cyprus question. AKEL’s position in the 2008 presidential elections in the Republic of Cyprus will have significance. If Mr Papadopoulos is re-elected with AKEL’s support in the presidential elections, Cyprus is likely to move towards partition. However, if AKEL supports a pro-solution candidate, a confederal solution will become more likely to come into picture. Only new and legitimate political leadership can resuscitate the so-called Gambari process and facilitate a settlement with a confederal framework.

5.5. In the end, we fear that unless Turkish Cypriot efforts towards a solution are reciprocated by the RoC and rewarded by the international community, Turkey will witness the return to hawkish policies, which had been shunned by the Erdogan government. Such a Turkish relapse into the position that “The Cyprus Question was
resolved in 1974, the North is the North and the South is the South” would be a hard blow to the future of Cyprus.
Can the European Union help to ‘reunite’ Cyprus?

Ayla Gürel

The EU’s expectation was to have as its member a Cyprus reunited under a federal government of Greek-Cypriots and Turkish Cypriots. Instead it had to let in a still divided Cyprus represented by a government run by Greek-Cypriots alone. This happened because the UN-brokered and EU-backed plan to reunite the island, the so-called Annan Plan (AP), was accepted by the Turkish Cypriots but rejected by the Greek-Cypriots. The result proved greatly disappointing for almost all the actors involved - except for the Greek-Cypriot and Greek governments. The outcome was of course all the more disconcerting for those whose discourse and policies about Cyprus had for so long been informed by an ardent belief in the EU’s role as a “catalyst” for peace in Cyprus.

Many who are concerned about solving the Cyprus problem are now left to ponder whether the idea of the EU as a facilitator of conciliation between the two Cypriot communities still offers hope. This thought forms the focus of the report of the March 2006 SEESOX workshop “Cyprus after Accession: Thinking outside the Box”. In summary of the deliberations at the workshop, the report characterises the situation in Cyprus after EU accession as “creeping divergence” and presents four possible scenarios to which this situation might lead, all of which assume a continuation of the present de facto division: structural stalemate à la Taiwan, amicable divorce, conflictual divorce and cooperative status quo. Then the following - somewhat unclear - questions are asked: ‘Would the need to adapt the parameters of conflict resolution to the legal, institutional and political realities of EU membership make such efforts easier? Under what conditions would “Europeanization” of the conflict lead to incremental re-unification or to a scenario of amicable divorce (italics by author)?’

With EU accession, albeit of an incomplete kind, Cyprus as a whole has undoubtedly been ushered into a new setting. Not unexpectedly, this has energised a whole new debate about whether “the EU could play a more constructive, pro-active and creative role in exploring

8 The report of the March 2006 SEESOX workshop “Cyprus after Accession: Thinking outside the Box”.

South East European Studies at Oxford
alternatives”9. The starting point here seems to be that the Annan Plan (AP) failed as a proposal to reunite the island because it was the product of a process that could not take full advantage of all the possibilities and potential the EU has to offer. And, as suggested by some of the views recounted in the workshop report, this deficiency might be dealt with by turning to a new “Europeanized” conflict resolution process to be assisted by “the dynamic qualities of the European project” and the EU’s wider “portfolio of paradigms” from which new concepts and ideas could be drawn. Presumably, this European process would achieve what the decades-long UN-sponsored intercommunal talks could not: it would help the two Cypriot communities see their divisions from completely new perspectives, and gradually transform their attitudes, perceptions and intentions allowing new parameters to emerge on which the two sides would be able to agree. And are there not sufficient incentives and opportunities for this to be a reasonable prospect? After all, the EU continues to see its interest in a reunited Cyprus and not a divided one, the Turkish Cypriots know that their part of the island can properly join the EU - which is a primary goal for them - only in a united Cyprus, and the Greek-Cypriots persist with their desire for a reunited island. Meanwhile, Turkey seems to be determined to continue on its EU membership route and Turkish Cypriots don’t wish to become an obstacle to that; Greece and the Greek-Cypriots prefer Turkey to remain on its accession course; and the EU - together with the wider international community in the west - wants to keep Turkey on board and therefore its accession process progressing.

In the same context of possibilities offered by the EU membership of Cyprus, there has also been much talk about a relatively more specific idea - one that concerns a “European solution” to the Cyprus problem. The phrase is often used to refer to a general trend that supposes that the parameters of a Cyprus settlement should be sought in the EU and that a “Europeanized” conflict resolution process should supersede the UN-sponsored intercommunal talks as the main framework within which to solve the Cyprus problem. For example, a certain proposal for a “European solution” describes it as a form of settlement that is to be obtained “by applying the fundamental norms of international and European law”; norms which are allegedly flouted in most of the AP provisions10. In the mind of its

9 Ibid.
10 See, for example, the 2005 report of the International Expert Panel of the Committee for a European Solution in Cyprus.
defenders, such a “European solution” is the only viable alternative to the AP and represents “the only principled basis for a just and lasting Cyprus settlement”.

The common assumption in suggestions of the kind mentioned above seems to be that, since its accession to the EU, new “legal, institutional and political realities” have become relevant in Cyprus. Thus the UN-sponsored conflict resolution approach that has been tried in Cyprus for decades is no longer appropriate, and the solution parameters established so far no longer quite satisfactory. What is therefore now needed is a more “European” approach that will help the search for a Cyprus settlement based on the new realities of EU membership.

Of course the vagueness of what is signified by a “Europeanized” conflict resolution approach is a serious difficulty here. However, prior to addressing that issue, a crucial question that needs to be raised about these appeals to a new EU-inspired approach is this: To what extent are they conducive to the enhancement of the Cyprus peace process; and, in particular, how useful are they with regard to preventing further entrenchment of the present division on the island? My answer is that under the present circumstances they are really quite unhelpful on both accounts. In fact, such appeals probably serve to toughen the logic of conflict rather than increase the possibility of peace. In the following section I will try to explain why.

1. First let us note that nullifying the AP and moving away from a primarily UN-mediated conflict resolution framework to a more “Europeanized” one is a scheme which finds strong advocates on the Greek-Cypriot side, whilst on the Turkish Cypriot side it is commonly viewed with great suspicion and any related suggestions are flatly reject. These divergent positions represent a major disagreement between the two sides which can itself be traced to their fundamentally conflicting perspectives on the Cyprus problem. An overview of the developments since the beginning of Cyprus’s EU accession process helps to clarify this.

2. Arguments in favour of the idea that EU accession/ membership could essentially facilitate or “catalyse” a Cyprus settlement have been around since 1993. This was when the European Commission announced its positive opinion about the eligibility of Cyprus for EU membership in response to an application submitted by the south.

---

11 Here I use ‘Cyprus’ to refer to the present Greek-Cypriot-run Republic of Cyprus that does not include Turkish Cypriots in its administrative and political structures, as distinct from the constitutionally bi-communal Cypriot state created in 1960.
earlier. Applying for EU membership, as everybody knows, was originally a Greek-Cypriot and not a Turkish-Cypriot idea. The application was made by the Greek-Cypriot government in 1990 under the title of the Republic of Cyprus (RoC) and on behalf of the whole island but, of course, without any Turkish Cypriot participation in the decision. Although the applicant government was regarded as the only internationally recognised one on the divided island, it was clear that the application was an expression of the Greek-Cypriot community’s will only. This politically problematic shunning of the Turkish Cypriots was of course one of the direct consequences of the Cyprus problem. The Greek-Cypriot application was made regardless of this situation and despite the fact that the leaders of the two Cypriot communities together with the UN Secretary-General were supposed to be engaged in another process to achieve a negotiated settlement.

3. At this point, it might be useful to digress a little and recall that no common agreement exists about what the Cyprus problem is. In fact the two Cypriot sides view the problem from virtually irreconcilable perspectives:

For the Greek-Cypriot side, the Cyprus problem is the result of an illegal invasion and continuing military occupation by Turkey of the northern part of their country. In 1974 Turkey, using as pretext the coup by the Greek Junta against the legitimate government of Cyprus, invoked the 1960 Treaty of Guarantee to invade and then to divide the island as part of its expansionist agenda. Therefore, the Greek-Cypriot idea of a fair and correct solution of the Cyprus problem entails a reversal of the consequences of the 1974 Turkish military operation and the restoration of the situation roughly to the way things were before 1974. This means the withdrawal of Turkish troops, dismantling of the TRNC, and removal of all the invasion-caused injustices.

From the Turkish Cypriot perspective, on the other hand, the Cyprus problem began not in 1974 but goes back to at least 1963. This, according to Turkish Cypriots, was when the Greek-Cypriots unilaterally attempted to amend the constitution of the bi-communal RoC in order effectively to reduce the Turkish Cypriot community’s status from that of the political equal of the Greek-Cypriot community to a minority in a Greek state. Since then purely Greek-run governments have come to be accepted by the international

12 Obviously, one of the two great anomalies in Cyprus is the presence of a 35,000 strong Turkish military force in Cyprus controlling the northern one third of the divided island. The other - less openly admitted - anomalie, of course, is the continuing existence of a wholly Greek-Cypriot, and hence plainly unconstitutional, government in the south implausibly posing as the legitimate government of the whole island.
community as ‘legitimate’ RoC governments despite the fact that no renegotiation of the internationally approved 1960 Accords has taken place. As regards 1974, the Turkish Cypriot perception is, not surprisingly, the complete opposite of the Greek-Cypriot one: the Turkish military operation was a legitimate intervention under the 1960 Treaty of Guarantee against the Greek/Greek-Cypriot coup of 15 July 1974 the explicit aim of which was _enosis_ (to unite Cyprus politically with Greece), and it ended the suppression of the Turkish Cypriot community by the Greek-Cypriots who, between 1963 and 1974, deprived them of the economic, administrative and financial resources of the RoC and used the title of “Cyprus government” as an instrument to bring about their complete capitulation. The division was not due to Turkish expansionism, as the Greek-Cypriots claim. Turkey unfortunately had to divide the island because it proved impossible to reach an equitable agreement for the Turkish Cypriots with the Greek-Cypriot side about forming a new Cyprus government in which the two Cypriot communities would share power.

4. Returning to the issue of EU accession, Van Coufoudakis reminds us in his newly published study on the Cyprus problem\(^\text{13}\) that the plan behind the Greek-Cypriot application for membership (developed and implemented in close cooperation with EU member Greece) had two key components: (a) Cyprus’s EU accession process should be divorced from any requirement to achieve a resolution of the island’s political problem (in other words, it had to be ensured that a Cyprus settlement was not made a precondition to its EU accession); and (b) accession would encourage the solution of the Cyprus problem by providing new opportunities, alternatives and options for addressing the long-standing issues involved. Needless to say, an essential instrument of this plan was Greece’s ability to stall the strategically important EU enlargement to eastern Europe in case a problem arose with Cyprus’s accession because of a failure to resolve the Cyprus problem.

5. Naturally the Turkish Cypriot reaction to this unilateral Greek-Cypriot application was very negative. From the Turkish Cypriot perspective, the main Greek-Cypriot motive was political in that the Greek-Cypriots wanted to use EU membership as a trump card in the ongoing diplomatic battle between the two sides. So the Turkish Cypriot reading of

the above-mentioned Greek-Greek-Cypriot plan was as follows. As the first step, ‘Cyprus’, i.e., the present Greek-run RoC would be brought into the EU. Then there would exist the striking anomaly of an EU member state over a third of which was militarily occupied by a foreign, non-EU power. This in turn would ease the way to a solution that would entail the dismantling of the TRNC and the ejection of the Turkish army from Cyprus. And all that would occur without having to negotiate a compromise agreement with the Turkish Cypriots and hence without adulterating the Greek character the RoC had acquired since the early 1960s.

6. The Turkish Cypriot side condemned the Greek-Cypriot application and argued that it was illegal because it contravened the 1960 Treaties and because the RoC constitution did not give the Greek-Cypriots the right to make such an application on behalf of the whole island without the consent also of the Turkish Cypriots. Turkish Cypriot representations against the application had little impact on the EU, however. In its 1993 opinion, the European Commission accepted the application as valid for the whole island. Notwithstanding the Turkish Cypriot objections, it endorsed the idea that accession would be a catalyst for rapprochement between the two Cypriot communities. The text of the Commission opinion was embellished by claims such as “Cyprus’s accession to the Community … would help bring the two communities on the island closer together” and “Cyprus’s integration with the Community implies a peaceful, balanced and lasting settlement of the Cyprus question”. Although a vague acknowledgement was included in the Commission opinion of at least the presence of Turkish Cypriot concerns, even this was tempered by the pronouncement that the leaders of the Turkish Cypriot community were “fully conscious of the economic and social benefits that integration with Europe would bring to their Community”. This emphasis on the “social and economic benefits” of accession for the Turkish Cypriots, while overlooking their political concerns, was later on to become the basic principle informing the EU’s policies towards the Turkish Cypriots and continues to this day.

7. Anyone with an understanding of the historical and political contentions that have so irreconcilably divided the two Cypriot communities could not have failed at the time to see that this unilateral Greek-Cypriot bid for EU membership was bound to seriously upset the Turkish Cypriots and thus further complicate matters in the Cyprus peace process. For in Turkish Cypriot eyes, once again using the illegally usurped title of the “government of Cyprus”, the Greek-Cypriots were attempting to shift the ground of
negotiations for a settlement from the UN to the EU. From there they were hoping to be able to alter the already established key parameters of a settlement, such as bizonality and political equality, and to push for dilution - if not abolition - of the 1960 Treaties of Guarantee and of Alliance. More generally for the Turkish side, any proposed joint venture that involved regarding the present government of “Cyprus” as quite unproblematically legitimate was bound - then as it still is now - be a non-starter. For the Turkish Cypriots, recognition of purely Greek-Cypriot governments in Cyprus is precisely what the Cyprus problem is all about.

8. Throughout the 1990s, the accession process of “Cyprus” progressed while the EU and the “Cyprus” government both persistently maintained that this would assist a settlement regardless of the increasing frustration and alienation this was causing among the Turkish Cypriots. Apparently the assumption in the EU was that the accession process on the one hand and the UN-sponsored conflict resolution process on the other would evolve in parallel and that one process would facilitate the other. What was being ignored, however, was the obvious contradiction between the two processes. The objective of the UN negotiation process has been to establish a bi-communal, bi-zonal federal Cyprus government, in which both Cypriot sides would once again share sovereignty on the basis of political equality. This new government was to replace the present (purely Greek-Cypriot) “Cyprus” government. The EU, on the other hand, has been dealing with the latter as if nothing was wrong with it, thus contributing to the further isolation and political marginalisation of the Turkish Cypriots and in effect becoming a party to the Cyprus problem apparently on the side of the Greek-Cypriots.

9. But then, in November 2002, the UN presented both sides with a proposal for a comprehensive settlement of the Cyprus problem, the AP. Within the framework of a compromise, the AP showed admirable sensitivity towards the two sides’ very different fundamental positions. And one of its greatest virtues was that, had the AP been accepted by both sides, they would have entered the EU together, as the United Cyprus Republic, thus removing the chief Turkish objection to EU membership for the present Greek-run “Cyprus”. Moreover, the AP was widely endorsed by the international community, in particular by the EU.

10. In a speech broadcast on Greek-Cypriot TV on 7th April 2004, the Greek-Cypriot president addressing himself to “the Greek-Cypriot people” averred that “If the sovereign people reject the Plan by their vote, the Republic of Cyprus will become a full and equal
member of the European Union. We would have achieved the strategic goal we have jointly set, i.e. to upgrade and shield politically the Republic of Cyprus.” (My italics.) He then tearfully pleaded with his electorate to vote against the AP: “Taking up my duties [as president of Cyprus], I was given an internationally recognized state. I am not going to give back ‘a Community’ without a say internationally and in search of a guardian…I urge you to defend the Republic of Cyprus, saying NO to its abolition.” This was indeed a revealing statement. For surely any mutually agreed Cyprus settlement would entail the abolition of the present RoC which is, in its current form, a wholly Greek-Cypriot state.

11. Speaking to the European Parliament three days before the AP referenda, the EU Commissioner for Enlargement, Gunter Verheugen, expressed his strong disappointment with the Greek-Cypriot government in the following words:

From my perspective, this is a deeply depressing situation for two reasons. Firstly, when we changed our strategy on Cyprus in 1999 and, at the urgent request of the Cypriot Government, pledged to the Greek-Cypriot Government that the solution to the Cyprus conflict would not be the precondition for the island’s accession to the European Union, this was based on the clear understanding that we would do everything possible to facilitate Cyprus’ accession, and, by the same token, the Government of the Republic of Cyprus would do everything in its power to achieve a settlement, and that under no circumstances would a settlement fail as a result of Greek-Cypriot opposition…The second point that I wish to make is this:…at every stage of the process, the Government of the Republic of Cyprus reaffirmed that it endorsed the basic framework of the Annan Plan…President Papadopoulos’s statements after the end of the talks in Switzerland amount to the fundamental rejection of the basic principles set out in the plan…I can now only conclude that the Government of Cyprus now rejects the federal solution to the Cyprus problem, which is based on the coexistence and equality of the Greek and Turkish-Cypriots and is endorsed by the United Nations and the entire international community.

12. In two separate referenda on 24 April 2004 the Turkish-Cypriots overwhelmingly accepted the AP and the Greek-Cypriots even more overwhelmingly rejected it. What is more, notwithstanding the situation described in Commissioner Verheugen’s above-quoted words, the EU allowed the Greek-Cypriots into the EU as representing the whole island on the basis of their original unilateral application, thus making any further negotiations much more difficult.

13. Since May 2004 and mainly due to the EU’s “legal, institutional and political realities” and constraints, the Turkish-Cypriots have been experiencing further difficulties, disappointments and frustrations in their relations with the EU. To give a few examples, one can mention problems concerning EU financial aid and direct trade regulations for
the economic development of the Turkish-Cypriot community, the European Parliament’s reluctance to grant even observer status to the elected representatives of the Turkish-Cypriot community, and the still prevailing widespread opinion in most EU institutions that “Most of [the] problems [related to the isolation of the Turkish-Cypriot community] stem from the fact that the northern part of the island is under the control of an authority which is not internationally recognised because it is the result of an illegal occupation”\textsuperscript{14}.

Given all this, and, more generally, the fact that the EU - despite its better intentions - has so far spectacularly mismanaged whatever potential it has got to act as a “catalyst” in the creation of a reunited peaceful Cyprus, who can blame the Turkish-Cypriots for not believing in a “Europeanized” conflict resolution process as a framework within which to solve the Cyprus problem?

Clearly under any conceivable compromise settlement in Cyprus, the present situation will be altered in two major ways: (a) the Turkish troops will withdraw from the northern part of the island; and (b) the present “Cyprus” government will be replaced with a federal government of a reunited Cyprus that will have two constituent states, where the latter will essentially come from a transformation of the existing two Cypriot administrations. The AP, which the EU along with the wider international community strongly endorsed, was a comprehensive set of arrangements essentially designed to effect these two fundamental requirements.

After the Greek-Cypriot rejection of the AP and the subsequent EU accession of “Cyprus”, the EU found itself trapped in an evidently self-contradictory policy towards Cyprus: on the one hand, it supports a solution of the Cyprus problem along the principles of the AP, while on the other hand, it treats the Greek-Cypriot administration as the entirely unproblematic government of an EU member state. Moreover, as a result of the latter part of this policy, it continues to frustrate and alienate the Turkish-Cypriots by dealing with them as nothing more than a “community” living in what it chooses to call “those areas of the Republic of Cyprus in which the government of the Republic of Cyprus does not exercise effective control”. Indeed, going along with this obviously one sided Greek-Cypriot perspective, the EU has made it very difficult for itself to make any move that remotely suggests an

\textsuperscript{14} Draft report to the Conference of Presidents of the European Parliament High-Level Contact Group for Relations with the Turkish Cypriot Community in the northern part of Cyprus, January 2006.
acknowledgement of the Turkish-Cypriot community as a politically organised entity that is to become one of the two politically equal components of a prospective federal Cyprus.

This is the unenviable predicament of the EU in terms of its ability to be a “catalyst” in a conflict resolution process in Cyprus. And unless a more constructive way of dealing with this situation is found, the EU’s role in Cyprus is likely to be more of an obstacle than a facilitator as regards finding a solution to the island’s long-standing political impasse.
The Cyprus crisis after the referendum

by Takis Hadjidakis

A compromise solution leading to reunification and power sharing is still the only alternative

Almost everything has been said and written on the Cyprus problem. All international organizations have been used and all governments directly or indirectly related to the problem have been involved. Almost all alternatives that may have existed - military, political and diplomatic - have been exhaustively examined and used. It is really difficult for one to think of something new or, even more, to imagine other initiatives beyond those we all have witnessed during the last fifty years.

The referendum held on 24 April 2004 constitutes a borderline on the cumulative experiences of the past. While the status quo continues without any prospect of change in the future and everything heaped up in the past takes on a new life with aggravating repercussions, the future remains uncertain and indefinable if not ominous. Anything that has been said or written since the referendum has no relationship whatsoever with any solution strategy as regards the Cyprus problem. More important, while it is becoming clear with time that no return is possible to previous tactics and strategies, there is a sheer lack of new, comprehensive and convincing policy envisaging a solution of the Cyprus problem.

The question arises whether the absence of any political initiative results from the inability to conceive of alternatives or whether it is intentional. What is certain, verified by statements of government officials, is that the Cyprus government has not so far submitted any proposal for a solution although it had every opportunity to do so even after the referendum, simply because it does not want the Annan Plan to come to life again.

Since the rejection of the Annan plan, two issues related to the Cyprus problem have been constantly discussed. One has to do with the obligation of Turkey to open its ports and airports to Cyprus-flag ships and airplanes. The other, directly linked with the substance of the Cyprus problem and based on relevant decisions of EU institutional bodies, calls for initiating and facilitating direct trade with northern Cyprus. In practical terms, this means free trade of the self-styled “Turkish Republic of Northern Cyprus” with EU member states.
without any involvement of the Republic of Cyprus, a move which may entail a number of 
political and economic consequences.

It is clear that the attention of the EU has been focused on side issues having completely 
bypassed the substance of the Cyprus problem. The violation, in particular, of the 
conventional obligation of Turkey towards Cyprus along with all other issues cited in the 
Commission’s Progress Report of 8 November 2006 has led to a critical point in Turkey’s 
accession negotiations which may represent - as the press colourfully suggests - a ‘train 
crash’. However, this would be costly for Europe and even more so for Cyprus who would 
be in the first wagon.

Turkey’s accession process has caused serious tremors in the EU. It has led to protracted 
disputes, tensions and fatigue over Cyprus. If there are people who do not want Turkey in 
the EU, it is also true that others consider the Cyprus problem a nuisance and the accession 
of a Cyprus with its unresolved dispute a mistake. At this juncture the question arises what 
we are discussing - the solution or the management of the Cyprus problem? Furthermore, 
are the subsidiary issues that have been raised linked in some way or another with the 
solution? In other words, do they open the way to the solution of the Cyprus problem?

Internal developments

As these debates have been unfolding things move on and change on the island. What is 
getting ever more apparent is that the relations between Greek and Turkish-Cypriots have 
undergone a serious transformation. During the pre-referendum period there was a hope that 
the notion of the impossibility of coexistence of Greek and Turkish-Cypriots would subside 
one day. There was also a strong belief that it was the lack of communication and contact 
imposed by the barbed wire of the occupation line that impeded cooperation and mutual 
understanding as well as common purpose at the level of the people.

Yet now that the prohibitions have gone, communication has seriously receded after the 
referendum, and the dynamic resurgence of April 2003 to April 2004 along with its 
perspective have been completely lost. A new stage is being witnessed in the separation of 
the two communities, one might say an unofficial institutionalization of separation at the 
level of the people. What Rauf Denktas and the occupation army failed to achieve in thirty 
years has been accomplished since the referendum.
Apart from international implications, other by-products of the Cyprus problem include issues of a social, economic, and environmental nature as well as issues relating to health, drug trafficking, organized crime, and contraband. All these factors contribute to a chaotic situation from which the only ones to profit are criminal elements at the cost of the whole of society especially the youth in both northern and southern Cyprus. Any proposition or initiative to deal with this situation raises issues of official interpretations or piques opposition connected with professional or other interests.

Under such conditions wherein the citizens’ trust in the prospect of a solution has been shattered, people have been taking their fortunes in their own hands, seeking to broker solutions on issues related to personal interests particularly with regard to property. Press reports about cooperation of Greek and Turkish-Cypriots in land development as well as about Greek-Cypriots having lodged appeals to the “Compensation Committee” of the Turkish-Cypriot regime implying acknowledgement of its legitimacy to deal with such cases are just indications of the direction in which things are moving. Indicatively, the status of the north seems to have been upgraded in political and economic terms. Meanwhile, those in power in the Republic of Cyprus show themselves incapable of realizing the consequences of such developments, i.e. that the upgrading of the representation of the Turkish-Cypriots leads to the downgrading of the authority, the prestige, and reliability of the Republic of Cyprus. The emergence of these activities in the north, in a final analysis, are contrary to a comprehensive solution. Consequently, the agents of such interests opt for the continuation of the existing situation.

The resounding Greek-Cypriot “no” to the 24 April 2004 referendum was considered a great success and complete vindication of President Papadopoulos’ school of thought. Those sharing this reasoning see the crux of the President’s success in the continued existence of the Republic of Cyprus. They consider this a great advantage in the hands of the Greek-Cypriots which, they claim, would have been lost if we endorsed the proposed solution. The continued existence of the Republic of Cyprus is certainly a fact. It is also a fact that there continue to exist unchanged and, presently at least, unquestioned, the party system, the linkages and dependences as they have been organized in the two-thirds of the island. And yet when the interests of Cyprus and the people of Cyprus as a whole are considered, these interests do not seem so relevant.

In fact, the Republic of Cyprus is not an exclusive possession of the Greek-Cypriots. The uncritical monopolization of it might be considered by third parties as misappropriation. It is
high time to see that invoking the above mentioned argument is not in any respect conducive to the solution of the Cyprus problem. On the contrary, it feeds and strengthens separation with the Republic of Cyprus and the Greek-Cypriots in the South, and the Turkish-Cypriots in the North with their own institutions. Permanent division might be the end result of the “survival” of the Republic of Cyprus.

The negative developments which followed the referendum led to tensions not only in the international field and between the two communities but also among the Greek-Cypriots themselves. Such tensions continue unabated along with the sustained attempt of those in power to silence differing views and approaches. Indicative of this was the attempt to silence voices of moderation and compromise with accusations of bribery. In an unprecedented and unfounded move, NGOs, journalists, and even political figures who stood up for a “yes” vote to the proposed solution, have been accused of and stigmatized for supposedly being involved in bribery to promote the “yes” campaign in the run up to the referendum.

As long as the anomaly is protracted and the absence of a solution is perpetuated shortcomings in the functioning of democracy will be entrenched both within the Greek-Cypriot community -owing to the hypertrophic executive powers of the presidency, and within the Turkish-Cypriot community owing to the heavy shadow of the occupation army. One of the preconditions for reaching a settlement is unfettered dialogue and unbiased thinking between fully informed citizens. Yet instead of open discussion and introspection into the causes of the perpetuation of the Cyprus problem, political positions continue to take the form of slogans or proclamations. As long as the mentality of conflict and confrontation does not give way to the culture of mutual understanding and compromise there is no prospect for the political will to forge a win-win attitude and cooperation.

Indeed, since the referendum both the Greek and the Turkish-Cypriot leadership have unwittingly built up a mentality of conflict which permeates down to the people. The Turkish-Cypriots, having lived under the spell of Denktas for decades, realized by the end of the twentieth century that Denktas represented a dead-end. In a historic revolt against him, they voted “yes” to the proposed solution and reunification. This however was temporary. The rejection of the solution by the Greek-Cypriots on the one hand, and the policy of confrontation to which their leadership has reverted again has taken them back to the period of intercommunal tension. All these happen at a time when Cyprus desperately needs a
decisive turn towards new unifying values and the promotion of common interests both of which would give perspective and vision to the people of Cyprus as a whole

Foreign policy

The Cyprus problem has also been marginalized at the international level. Conditions have drastically changed compared to the past. Cyprus no longer constitutes a threat to international peace nor is it a field of antagonism between the superpowers. Today, both the US and Russia get involved in the problem insofar as such involvement does not affect their interests in the region and, specifically, their relations with Turkey.

They have separately reached a common conclusion that tension in the Middle East has greatly increased the role and the importance of Turkey. Both the US and Russia, not wishing to undertake particular responsibilities and obligations with regard to Cyprus, limit their involvement in expressing their disagreement with the partition of Cyprus and the creation of two separate states. They count that such an eventuality will change the balance of power in the region and negatively influence their own role.

Nevertheless, since the referendum it has been questioned whether Cyprus can for long escape partition simply by verbal support of foreign powers. Particularly, when domestic political forces, despite their declarations for reunification, act in such a way as to lead things in the opposite direction. While no one and no party comes out openly in favour of partition, their actual policies make partition appear increasingly likely.

Is partition a solution?

Can the partition of Cyprus and the creation of two separate states really be the solution of the Cyprus problem? It might be examined as a possibility, if certain preconditions were fulfilled.

First, if it came as a result of agreement which would create stable and harmonious relations between the two parts or states. Second, if it created two genuinely independent states without any foreign intervention particularly by the “mother countries” Greece and Turkey. Third, if such an option would solve all the problems of individual citizens leaving no feelings of bitterness to poison the atmosphere along the way. Forth, if there could be optimal communication and contact between the two sides. Fifth, if partition could solve problems relating to membership and representation at the EU and its institutional bodies, though it is difficult in this regard to imagine that the EU would accept the participation of
two separate Cypriot states with diverging loyalties and confrontational cultures. Nonetheless, all these are no more than mere speculation. The existence of two separate entities in Cyprus emerged as a result of a confrontation the main characteristic of which was ethnic conflict but which had and has wider repercussions in the region involving Turkey and Greece. Hence, partition could only emerge as a result of crisis and tension, not as a result of mutual agreement and understanding. There will certainly be two hostile states suspicious of each other’s intentions, maintaining armies, and pursuing conflicting interests.

Within such a framework, one should exclude the possibility of a workable common representation of such separate entities at the EU. Such representation presupposes the existence of common interests as well as unifying mechanisms which could not be found or built in such a situation. After all, what possibilities of recognition might have a Turkish-Cypriot state, built on occupied territory and depending on the Turkish occupation army? How viable would such a state be and to what extent could it safeguard political or economic stability? Would it not be wholly depend on Ankara for its survival and be completely identified with Turkish policies? Would it not stand out in solidarity with Turkey in the case of tension with the EU? Owing to reasons of this kind, would it not rightly be considered a “Trojan horse” in the EU? When the Republic of Cyprus takes opposing stands on Turkish positions, would not the ensuing tension be transferred to north-south relations on the island? Wouldn’t the interminably hostile relations between the Republic of Cyprus and Turkey perpetuate confrontation of the two separate entities in Cyprus not excluding violent eruptions every now and then? In such an eventuality, what would the position of Cyprus be in the EU? Would it not annul the very essence of Cyprus’s accession to the EU? Last but not least, in the case of partition, will the Turkish-Cypriot state accede to the EU as an extension of the Republic of Cyprus’s accession or will it have to start anew the accession procedure? In such case, how will this procedure unfold independent of Turkey’s accession process? How will the Turkish-Cypriot state convince third parties that it is not an extension of Turkey?

Turkey’s presence in the northern part of Cyprus is overwhelming with the stationing of a 35,000-strong occupation army and an indefinable number of mainland settlers exceeding 120,000. Turkey’s political influence is further strengthened by direct interventions of Turkish governments in decision making in the political, economic, educational, and recently even religious arenas.
On the other hand, the Republic of Cyprus will most probably not be able to represent Cyprus forever. The Republic of Cyprus was established based on the effective participation of the two communities in the government and reflects a particular political and population structure. Cyprus’s independence cannot be monopolized either by the Greek-Cypriots or the Turkish-Cypriots. The state of Cyprus, its independence, the continued existence of the two communities, and the preservation of their national and cultural identity, can best be safeguarded in coexistence and cohabitation, in the preservation of basic historical features of the population especially the demographic structure. The European motto “unity in diversity” fits well in this respect. Cyprus’s independence is one and undivided embracing the whole of the people and the land. Overturning either the unity of the state or the demographic structure of the population will not lead to separate independencies. It will just do away with both Greek-Cypriot and Turkish-Cypriot independence. It will be the end of Cyprus both as a state and as a historical and cultural entity.

The failure to reach a compromise solution and, on the other hand, the inviability of partition brings the Cyprus problem back to the interminable deadlock of the pre-referendum period. The question is how long this situation can be maintained without a solution, of how stable is the status quo. Moreover, one must consider the eventual impact of long run changes such as substantive transformation of the island’s demographic structure.

The situation is too complex to allow the pronouncement of a final verdict. However, evaluation of the past 30 years leads an attentive observer to think that the problems piled up year after year will some time constitute an unbearable burden the consequence of which is likely to be a new major crisis with unforeseen repercussions.
Reconceptualising the “European Solution” for Cyprus

by James Ker-Lindsay

There were a number of reasons why the UN plan for the reunification of Cyprus was rejected by Greek-Cypriots in the April 2004 referendum. But one factor that appeared to shape the decision of many to vote against the proposals was the belief that European Union accession would open the way for a new agreement that would conform more closely to perceived European values. In other words, the way would be opened for the introduction of a “European Solution” to the Cyprus problem. Since then, the notion of the European Solution has not only persisted, it has seemingly grown in popularity. A poll conducted in the spring of 2005 indicated that almost 70 per cent of Greek-Cypriots would prefer to see some form of European Solution instead of a reformulation of the Annan Plan to bring it more into line with Greek-Cypriot demands. But what does a European solution really entail? Proponents insist that it should enshrine three main ideas. First of all, a truly democratic system should be created on the basis of majority rule. Secondly, the principle of the respect for human rights should ensure that any settlement will guarantee the full return of Greek-Cypriot property. Finally, the acquis communautaire, the EU’s body of laws, must be universally applied without exception. However, the European Solution, as currently defined, can in fact be shown to be based on a narrow and unrealistic reading of European principles. Instead, efforts need to be made to understand where Cyprus fits into the wider European experience. Only once this happens will a truly European solution emerge.

Democracy has many forms

One of the core elements of the European Solution is a belief that the principle of democracy is essentially founded on the principle of one-man-one-vote and that the logical extension of this principle is that all representation must be proportional to the exact size of the two communities. In other words, the political structures of a reunited Cyprus would exactly reflect the roughly 80:20 split between the Greek and Turkish-Cypriot communities. Moreover, there is a belief that somehow the European Union enshrines this principle. In reality, there is absolutely no foundation for either view. There are very few, if any states, which have created such a system. While many countries will accept the principle of each citizen having an equal vote this rarely translates into a political structure where every vote
is given equal weight in the resulting political institution. For example, in the United States, seats in the House of Representatives are allocated in proportion to the sizes of the states. However, the Senate consists of two representatives per state. Proportionally, the citizens of Rhode Island or Hawaii have a far greater say than the citizens of New York or California. In Britain, even with recent changes to the number of seats in the House of Commons, the voters of Scotland are far over-represented. All across Europe there are examples of where the principle of one-man-one-vote is not applied to the political structures of the state.

The requirement to avoid such a narrow reading of democracy becomes even more obvious when one considers ethnically or religiously divided communities. In these instances, the systems that are developed must meet a wholly different set of demands than the systems put in place in more homogenous societies. This is neither anti-European nor anti-democratic. Take Northern Ireland as an example. There a power-sharing system has been constructed that forces the two traditions - the mainly protestant Unionists and the mainly Catholic nationalist/republicans - to share out government portfolios. The European Union has not deemed this to be contrary to democracy. Instead, it is understood by all observers to be the only way to ensure equal representation in the structures of power. In Northern Ireland, as much as Cyprus or any other country divided in some manner or another, the principle of one-man-one-vote universally applied to a political system would amount to nothing more than the tyranny of the majority. This idea has been rejected within the European Union.

In the European context there are plenty of examples of cases where the equality principle of one-man-one-vote at the level of the citizenry is not applied to the political structures in place. Just look at the European Parliament. Cyprus has six seats. Germany has ninety nine seats. In this context, either Cyprus is overrepresented by five seats, or Germany is under-represented by 541 seats. Where is the equality there? More to the point, it is unlikely that those calling for a European Solution would be willing to see Cyprus given a single seat in the European Parliament. Similarly, this argument can be carried through in the Council of Ministers. On issues of unanimity the president of Cyprus, representing approximately 750,000 people, has equality with the German chancellor, representing 80,000,000. In other words, Cyprus, which represents just 0.2 per cent of the population of the European Union, can veto the will of the other 99.8 per cent of the Union. Even under qualified majority voting rules, the citizens of Cyprus have a proportionally larger say in European decision making than the citizens of Germany, Britain, France and Italy. Despite all of these arguments, the proponents of a European Solution continue to advance the idea that any
proposed system whereby 18 per cent of the population would be given political equality with the remaining 82 per cent of the population is inherently undemocratic and contrary to European norms. As the above examples show, there is absolutely no foundation for either view.

**Human rights must necessarily have some limits**

The second element of the European Solution as presented is a demand for the full application of human rights. In reality, the call for the full application of “human rights” is shorthand for the return of all property to its legal owners and the right to settle and live wherever one wants. While the EU certainly does take a very strong position on matters relating to the protection of human rights, the European Solution proponents make several key mistakes in their interpretation of European views on this matter. They argue, for example, that the expropriation of Greek-Cypriot property is an affront to human rights and that Europe, which places an emphasis on the protection of human rights, will naturally help to ensure that all land will be returned. However, Article 17, paragraph 2 of the Universal Declaration of Human Rights does not say that, “no one shall be deprived of his property”. Instead it says that, “no one shall be arbitrarily deprived of his property”. The Turkish invasion and occupation of Cyprus has been judged an arbitrary deprivation. However, the decision to offer compensation to property owners as part of a peace settlement accepted under international law would not constitute an act of arbitrary deprivation. Across the EU it is recognised that the rights of the individual must sometimes be subsumed to the interests of the wider public good. In the context of Cyprus, what could be regarded as more in the interests of the public good than a peace agreement reuniting the island?

Secondly, there is also an unwelcome reliance on absolutism. Very often, the rights presented as fundamental are rights that cannot be universally applied in any healthy democratic society. Limits must be drawn. The demands for the respect of human rights called for by advocates of the European Solution seem to take little or no account of the corresponding rights of the Turkish-Cypriot community to enjoy political autonomy and self-rule. The creation of a predominantly Turkish-Cypriot entity under the terms of the 1977 and 1979 High Level Agreements would be rendered irrelevant if Greek-Cypriots enjoyed an unfettered right to take up residence wherever they wished. The European Union fully understands this and is willing to accept limitations of the right of residence. Indeed, this point ties in closely with the third, and final, element of a European Solution.
The *acquis* does not need to be applied universally and immediately

The degree to which international law is seen to be immutable has also had an effect in terms of how Cyprus approaches the question of the *acquis communautaire*. At some point the belief has set in that the EU *acquis* must be adhered to in its entirety and without exception. There is no foundation for such a view. Across Europe, important, and in some cases permanent, derogations have been put in place. In some cases these have imposed restrictions on the core freedoms. One of the most famous limitations on the rights of European Union citizens to move and reside freely across the EU concerns the Aland Islands in Finland. Almost wholly inhabited by Finnish citizens of Swedish ethnic origin, it is accepted that permission from the islands’ authorities needs to be secured in order to take up residence there. This is a clear contravention of the EU *acquis*. It is nevertheless accepted in the name of treaty provisions that were put in place to ensure harmonious ethnic relations in the country. Similarly, Denmark has managed to secure an important derogation restricting the purchase of secondary residences by EU nationals not residing in the country. Although not stated directly in the accession protocol, this was understood to have been designed to prevent Germans from buying property in the southern parts of the country. Again, this move was accepted as a price that needed to be paid in the name of the greater good. Malta also has a limit on the right of foreigners to buy property. Certainly, no one likes to see derogations introduced, especially if they are permanent. However, there is an ingrained pragmatism over these issues.

**Cyprus and the European experience**

So why do these views persist if they have little basis in the realities of the founding principles of the European Union? There would appear to be two main reasons. First of all, while Cypriots may have been some of the most enthusiastic supporters for the idea of European Union membership, polls have shown them to be some of the least well informed citizens of the Union. Secondly, the European Solution feeds off the inherent sense of exceptionalism that exists on the island. Most Greek-Cypriots seem either to be unaware, or unwilling to acknowledge that the catastrophic events that took place on the island thirty years ago do not set them apart from the rest of Europe. Instead, the Turkish invasion and occupation has given them a first-hand understanding of the European experience. 1974 makes Cyprus, in a cultural and historical sense, quintessentially European. Having escaped the ravages of the Second World War, the death and destruction wrought by the Turkish
invasion and occupation of the island have given Cyprus its own seminal conflict experience. Just as Europe in 1945 was a continent filled with refugees and displaced persons, who had lost the homes and valuables, so it was in Cyprus thirty years later. Even to this day, there are many millions of Europeans who are just one or two generations removed from someone displaced in the aftermath of the Second World War. One need look no further that the large number of Germans who are descended from those who lost their ancestral properties in Prussia, Silesia, Pomerania, Moravia and Bohemia - areas that now make up parts of Poland, Hungary, the Czech Republic and Slovakia. While some of the descendents of these refugees continue to press for the return of their properties, the majority of them accept that it is time to move on and that there will be no reparations or restitution.

And yet, despite this, there is still far too much of a tendency for people in Cyprus to look inwards and fail to understand that the experience of Cyprus is the experience of Europe in microcosm. Far too few Greek-Cypriots seem to understand that there is hardly a family in Europe who has not been touched by warfare at some point in the past century. Millions died in the bloody conflicts that ravaged the continent in the first half of the twentieth century. Millions more carried the deep psychological scars of those wars. If Greek-Cypriots feel that they do not receive the sympathy they feel they deserve from Europe it is not because Europe does not understand their plight. Nor is it that Europe is trying to minimise their suffering. It is because Europe has been through a similar experience and has moved on. Cyprus must not react to seeming European indifference by stepping up its information campaigns. This will have no effect. In fact it is counterproductive. Europe is sympathetic. However, it has little time for what many see as Cypriot self-pity or self-indulgence. This is unfair. Cyprus deserves to have its pain recognised. However, Cypriots must also understand that its European partners have all suffered the same plight. They do not need to be told about the consequences of war. They know all too well. What they want to hear from Cyprus is greater understanding of the European experience. European partners are looking to the island to remember its painful past and use these memories to make a contribution towards realising the European vision of reconciliation and integration. At the moment, most Europeans believe that the people of Cyprus are far too concerned with their own experience and are failing to understand how their experience could contribute to the European project. The longer this continues the more isolated Cyprus will become. Cyprus needs to start looking outwards to its European partners for inspiration. It is only by truly trying to
appreciate the European experience that Cypriots will be able to start to understand the ways in which the European Union can offer models for the reunification of the island.
Contradictions, Conflicts and Paradoxes - A Framework for a Solution

by Nikos Kotzias

In the spirit of this project, I will try to think outside the box about the future of Cyprus. A future solution for Cyprus could be based on four different models. The first possible solution might be a “velvet divorce”, based on the Czechoslovak model. The second option is the consolidation of the status quo, which could lead to a situation similar to Taiwan. The third option, which is largely the Annan Plan option, can be referred to as the Bosnian model. Finally, the fourth option, which contains elements from the Belgian model and other similar arrangements can be described as the “modern federation” model. Up to now, discussions have been geared more towards the first three models and less towards the fourth model.

The “modern federation”, in my view, would maximise opportunities for Cyprus as a whole as well as for both communities on the island. Nevertheless, if the “modern federation” solution is not acceptable to the relevant actors, the first solution, that of the velvet divorce, appears the most realistic option and preferable to the status quo.

In this paper, I will first examine the feasibility and desirability of each approach. In the second part, I turn to the problem of minorities in Cyprus and examine ways in which the political recognition of minorities could contribute to reaching an alternative solution.

15 Some analysts champion a return to a United Cypriot Democracy, but this is no longer possible after the events of the 1970s.

16 It is worth noting here that the rejection of the Annan Plan by the majority of Cypriots (according to the total sum of ‘no’ votes in both communities) raises the question: Can one think outside the high level agreements of 1977 and 1979, as concluded by the two communities’ leaders, or not? Some believe that no solution can be reached outside the framework of those agreements because that would undermine deals agreed by both sides as a compromise. From this point of view, what has been agreed upon should be respected and not abandoned in the context of the negotiation process. Others contend that thirty years after the first rapprochement of both communities since 1974, no agreed solution has been achieved. For long years these agreements have not produced or contributed anything towards a mutually agreed solution. Solutions may be sought even if we think outside the framework of the said agreements.
Finally, I highlight the reasons why the deadlock in intercommunal relations is mistakenly attributed to the political problem in Cyprus, whereas in fact it is due to the regime of guarantees established under the 1960 settlement which are still in force.

Paradoxes and Alternative Models

**Velvet Divorce on the Czechoslovak model:** The first possible solution could be the division of the territory through a velvet divorce, based on the Czechoslovak model; in other words, the recognition of northern Cyprus as a separate state, in exchange for the return of territory to the Republic of Cyprus. Under this proposition, the territorial settlement outlined in the Annan Plan could be useful, particularly the proposals prior to the fifth version of the plan. As a pre-condition for this first solution, the EU would accept that the new state under the control of the Turkish-Cypriots immediately becomes a member: the two Cypriot communities will be together in the EU under the same obligations and immediately under the regime of the four Freedoms.

I am well aware that a clear-headed discussion of a solution along these lines is difficult in the present circumstances. Indeed, it could be argued that this solution requires the legal recognition of a situation which was caused by the illegal invasion and the ensuing occupation of northern Cyprus in the first place. This is obviously very difficult for the Greek-Cypriots to accept, especially those dislocated from their homes in the north. Last but not least, if the northern area of Cyprus manages to survive with the support of the Republic of Cyprus and of the EU, Turkey risks the chance of losing overall control even in the northern part of Cyprus. 17

A series of political paradoxes explain why, despite the various objections to a “velvet divorce”, many in both Cypriot communities are in favour of this solution (as was the case in Czechoslovakia), especially if it were to guarantee the interests of northern Cyprus vis-à-vis the EU. First, the invasion and subsequent occupation of northern Cyprus by the Turkish

---

17 Obviously, such a territorial division would also pose various problems the EU, because it would be difficult to leave this new state out of the Union. On the other hand, the cost of an independent accession of northern Cyprus EU would be acceptable, especially if Turkey does not join as a member the Union at the same time (a scenario that now seems quite possible). Past EU practice in similar cases (especially in the cases of Andorra, San Marino, and Monaco) suggests that if such a model were to be adopted, the Union could pursue a strategy for northern Cyprus.
military authorities have to some extent “homogenised” the Republic of Cyprus further.
Despite the constraining clauses contained in the 1959 Zurich Accords, the Republic of
Cyprus has acquired total control over all the territory that was not occupied. In other words,
territorial limitations in turn have actually made territorial sovereignty in some way absolute
(so far it is possible inside the EU and under the conditions of the Globalisation), thus
completing the process launched by the Greek-Cypriots right after 1963 - though at
considerable cost. On the contrary, specific proposals for the unification of Cyprus,
including the fifth version of the Annan plan, could dramatically limit the sovereignty of the
Republic of Cyprus, particularly if the clauses concerning the intervening role of the
guarantor powers came into effect. It is reasonable to assume that the Greek-Cypriots would
also have to share power with the Turkish-Cypriots. Paradoxically, because of the
occupation of one third of the territory, the Republic of Cyprus has gained the greatest
possible control over the remaining unoccupied part of its territory, and thus both “full”
sovereignty and security.

Secondly, for a number of years a large part of the Turkish leadership and military
authorities have unequivocally declared their intention to annex northern Cyprus into
Turkey, or proceed with its formal international recognition, unless the Republic of Cyprus
agrees to their demands.

Thirdly, the Turkish-Cypriot community is more attached to the unification of Cyprus as this
would result in their immediate entry into the EU, the withdrawal of the bulk of Turkish
troops from northern Cyprus and improved economic prospects. Paradoxically, precisely
because the fifth version of the Annan Plan contained more concessions to the Turkish-
Cypriots than any of the previous versions, this had the effect of blocking their most
important objective - the unification of Cyprus and entry into the EU. This paradox was
caused both by constant interventions by the Turkish military establishment while
negotiations were being held between the third and fifth version of the Annan plan, and the
absence of any counter-intervention by the Greek side to redress the balance and ultimately
prevent the Annan Plan from being rejected.

**Maintenance of the status quo according to the Taiwan model:** A second possible
solution to the Cyprus problem is the “wait and see” approach premised on the tolerance of
the status quo by political forces on the island and their primarily concern with the idea of
restoration. However, in the current era of globalization and rapid change the rejections of
various potential solutions on the ground that they are not the best possible solutions - unless
this goes hand in hand with an adoption of the “Czechoslovak model” - could pave the way to a worsening of the situation. The status quo is no second best solution for two reasons.

First and perhaps paradoxically, in recent years, the Republic of Cyprus has achieved a relative economic miracle. Having successfully integrated into international markets, especially in the fields of banking, services, public works and tourism, the Republic of Cyprus cannot be totally exempt from the general tendency towards secession of resourceful regions from nation states. This is a by-product of globalisation. In the internationalist era, the creation of new nation states was primarily a consequence of the secession of poor provinces from empires, so that national elites in these areas could create their own markets and systems of governance. In the era of globalisation, this tendency is accompanied by a parallel trend towards the secession or demands thereof of rich regions from nation states (such as the Czech Republic from Czechoslovakia, Slovenia from Yugoslavia, northern Italy from the rest of the country, Catalonia from Spain, and so on). Rich regions no longer regard the unified, local state as the only source of cheap labour, essential resources, or geostrategic advantage. More accurately, they no longer view the state solely from this perspective. On the contrary, they regard the state as a burden - a place where they must “sacrifice” a percentage of their budget under worse conditions than in the international market. Relatively cheap resources - once only available domestically - can now be acquired at better rates in the global market, which offers low-priced primary resources, new materials, and lower labour costs. So the Greek-Cypriots’ will to pay for the unification with North Cyprus is not as strong as it was in the past.

Second, those among the voters who objected to the Annan Plan on the grounds that it granted too many favourable concessions to Turkish-Cypriots, have essentially “dug their own grave”, because circumstances cannot remain static until the next round of negotiations. Significant changes have already taken place since the rejection of the Annan Plan, with mostly negative consequences for Greek-Cypriots. For instance, more and more Turkish-Cypriots are moving to the south of the island, where they are calling for recognition of their rights and benefits as the Republic’s citizens. At least 78,00018 Turkish-Cypriots have acquired Cypriot passports or IDs and are therefore entitled to social welfare, healthcare, and

18 Almost half the total Turkish Cypriot population (not including settlers), more than half of whom continue to live in northern Cyprus and have not emigrated to the south.
pensions, even though the majority do not pay taxes. Some of them have claimed the return of their property. At the same time, the number of Turkish settlers in northern Cyprus is increasing; northern Cyprus faces the threat of becoming more and more of a Turkish colony, to the detriment of all Cypriots and the Republic of Cyprus. It is therefore obvious that the status quo is untenable.

The Bosnian Solution and the Annan Plan: A third possible solution to the Cyprus problem would be the implementation of the basic principles of the fifth version of the Annan Plan, along the lines of the Bosnian model. In my opinion, the premise of such a solution would be an attempt to create a unified state through formal processes, but in such a way that it would maintain ethnic differences, without creating bridges to transcend those differences. However, in today’s globalised world citizens are not only defined by their nationality; they have multiple identities. They might be Turkish-Cypriot or Greek-Cypriot, but at the same time they have different social, cultural, and political identities. They might be citizens on the left or the right, employees or owners of companies. All over Europe, a heated debate is taking place about the hierarchy of identities - for example, whether citizens are first British then Muslim, or first French then Arabs. Yet the Annan Plan approaches the Cypriots from a one-dimensional perspective, as members of two distinct communities, rather than as citizens of Cyprus. Any genuinely democratic and viable solution to the Cyprus problem must forge links between the two communities beyond institutional links - links that will encourage a process of osmosis and social fusion.

I fear that the Annan Plan will be dysfunctional as it provides the explosive potential to break up the Republic of Cyprus, without any safety valves. For instance, it inhibits the revision of the Constitution by either community, which serves the interests of third parties to leave the establishment intact, rather than serving the interests and policies of the citizens of Cyprus. The architects of the Annan Plan intended to create a legal framework that could be amended, even if the majority of Cypriots on all sides agreed upon this. Nevertheless, banning constitutional amendments does not prevent real changes from taking place. In the case of Cyprus it simply impeded the process as the Treaty of Establishment of 1959 did not equally provide for adequate democratic procedures for amendments, i.e. agreed by both communities. As a result, instead of problems being solved by constitutional means conflict

19 This will put enormous pressure on fiscal policy and social services in the Republic of Cyprus.
became the only means of breaking the deadlock, through ethnic cleansing, bombing campaigns, an Athens-instigated military coup against Archbishop Makarios and the Turkish military invasion followed by occupation.

In short, a new solution for Cyprus must include the basic democratic right of all Cypriots to amend their own Constitution, with increased majorities and the approval of both communities, as well as other interest groups such as minorities. A creative solution must provide for a process of cross-cultural cooperation and social fusion in Cyprus, a process of unification no longer defined only by ethnic identity and dividing lines, but also by community interests and social or political strategies. These would create opportunities for new alliances and agreements, as we propose in the fourth and final possible solution.

It is worth noting that the Annan Plan is also dysfunctional because it frequently runs counter to past experiences in international affairs. This is especially evident in the clauses regarding shared institutions. In my analysis of the second model above, I referred to the new global tendency towards secession of the rich. This tendency would be exacerbated by the Annan Plan because it calls on the Greek-Cypriots not only to cover the costs of unification, and to accept responsibility for the economic deficits and budgetary requirements of a Turkish-Cypriot constituent state/entity within a unified Cyprus, but also to relinquish control of the Central Bank of Cyprus (CBC). A sixth version of the Annan Plan might be acceptable to a Greek majority, if it endorsed the old principle according to which, he who pays, enjoys rights. The American Revolution was staged under the banner “no taxation without representation”. The same principle guided the unification of Germany: the central bank of what was then West Germany was not subject to controls by East Germans or foreign bankers. On the contrary, the Annan Plan proposed for the shared control CBC, comprising a representative of the flourishing and financially successful Greek-Cypriot community, a representative of the impoverished Turkish-Cypriot community and a foreign representative.

One of the fundamental shortcomings of the Annan Plan is that in the name of the absolute equality of both communities, one community is called upon to subsidise the other without being granted the right to control the institution that will cover the costs. As with the case of minorities, discussed below, this goes against international standards and existing principles of state creation applied in other Western countries such as Germany and the United States. Obviously, if the CBC remained under Greek-Cypriot control it would be much easier for Greek-Cypriots to accept any future plan, whereas it would not be such an important point
for the Turkish-Cypriot community. In a globalised world, it does not matter who issues the cheque, under whose name, but who cashes it. In short, the most important factor for the Turkish-Cypriots is not who signs off the transferral of funds from the Greek-Cypriot side to the Turkish-Cypriot side, but a guarantee that these funds will be duly transferred and collected by the Turkish-Cypriot constituent state/entity.

A “Post-modern” Federation: A fourth possible solution for Cyprus could lie beyond the “self-evident” notions that ruled the negotiations during the last 32 years and promote a new type of bi-zonal, bi-communal solution that would encourage cultural, political and social alliances, which go beyond ethnic dividing lines. Of course, any such solution cannot ignore the current situation, including the high level agreements of 1977 and 1979, the various plans already on the table, and the extent to which and means by which each of these proposed plans has been accepted by both communities. But even within this complex historical framework, and the negative commitments contained therein, there is still room for creative thinking.

The variations of the Annan Plan were all premised on two self-sufficient communities and two sub-state entities, which could only interact around the institutions of the centric Cypriot state. In addition, the Annan plan contained a multitude of transitional provisions that could impede osmosis between the two sides and the creation of a genuine common Cypriot state. The Annan Plan finally aimed at the social separation of the two communities rather than enforcement by the central organs and institutions. If such a model were to be endorsed, the first option of a “velvet divorce” would appear to be more preferable for all the Cypriots, along with some of the proposals outlined in the other three models suggested in this paper.

I believe there is a strategy for Cyprus that would contribute to positive progress and provide long term democratic stability guaranteeing at the same time fundamental rights and generating creative potential for all citizens from both communities. In my opinion, the key to such a solution is the guaranteed existence of a constituent state/entity for each community, through which the central state apparatus would operate and the equality of Turkish-Cypriots and Greek-Cypriots would be recognised. Although this solution will be difficult to achieve, it remains the only viable solution (along with the first model outlined above); the second and third models would inevitably be short-lived.

Three additional factors should be taken into consideration to make this model more viable. The first factor is the minorities living in Cyprus discussed below, the second factor is the
creation of a common federal state shared by both Greek and Turkish-Cypriots (and whoever else is willing to participate), beyond the creation of two territorially separate states. This federated state could be established in the city of Nicosia, with equal participation by both communities, not only in numbers but also in practice. In today’s united Europe, it is a political shame that Nicosia, the most politically and socially developed city in Cyprus, remains divided. This should not be the case in a reunited Cyprus. As the vital capital of the Republic of Cyprus, Nicosia could play a similar role to that of Brussels in Belgium. As a result, the domestic policies of the Nicosia entity would increasingly reflect the various political and social identities of its residents, not just their ethnic identity. The inhabitants of such a capital city would develop a strong sense of both Cypriot and European identity. The EU and the United Nations must recognise that the citizens of Nicosia cannot be defined exclusively in terms of the ethnic community to which they belong; otherwise, we would have to resort to the first model – the deliberate, premeditated divorce. On the other hand, the creation of a bi-communal zone in Nicosia would automatically change the way new institutional mechanisms are established in Cyprus, as well as their composition. Since some people are sceptical about the possibility that such a “unified” solution based on the Brussels model could be accepted, two sub-systems could be established in the city - one for each community - for a limited transitional period.

The third factor is the establishment of three or four regions within the two constituent entities/states of the federation, which would operate both as sub-systems of the authorities of the federal states/entities from the Republic of Cyprus as well as from other independent bodies. As such, they could undertake joint initiatives, not just within their own communities but also with other neighbouring regions. Neighbouring regions that belong to different constituencies (for instance, Morphos and Paphos in western Cyprus) often have greater common interests than regions in the east and west of the same constituent state/entity. This could also provide a framework to resolve the governance of the Karpassia region.

This model opens up the possibility of a democratic, unified, and federal Cyprus, organised through a system that operates on multiple levels. Representatives of the constituent states representing each of the two communities could participate at the level of the federal government. Alongside this, there could be a third, mixed constituent state based in Nicosia. Wherever a problem of imbalance arises additional emphasis could be given to the participation of minorities whose independent rights of representation would be guaranteed in all other cases. Below the federal level, a system of regions could be created. These
regions, possibly eight or ten altogether (plus two from Nicosia) could reserve the right to take action within their constituent state with relative autonomy, provided they are in accordance with the federal constitution. This would encourage political alliances combining regional and nationwide social issues, so that the future of Cyprus would not be heavily influenced by pressing ethnic demands. In addition to these ten regions, an eleventh independent body for minorities could also be established. In such a federation, federal laws on issues specified by the Federal Constitution would outweigh community laws and there would be clear guarantees for the Republic of Cyprus concerning implementation of the solutions outlined in the agreements, particularly for the transitional period.

This model could create opportunities to develop common approaches and interests among different sections of the Cypriot society on the basis of regional cooperation. In turn, this could lead to the formulation of common social and political interests, as well as common social and political leaders.

However, the fourth model is only a meaningful option if one looks forward to a Cyprus that is not merely united through formal legal and constitutional mechanisms, but is united in substance. This means a thoroughly demilitarised Cyprus with no foreign troops stationed on its soil and no right of intervention by any foreign powers, whether they are labelled as guarantor powers or other incidental ones. This means a Cyprus that takes into account the different identities of contemporary society (religious, ethnic, national, regional, European, social, political) and aims to bridge the divide between Cypriots who belong to different ethnic communities without undermining their own particular identity, while guaranteeing equal rights and equal participation for all members of each community. That is why I call this model “the (post)-modern federal solution”.

I argue that this proposal could provide a genuine alternative to the Annan Plan without undermining the unity or jeopardising the interests of either community. It could be reached by combining the traditional route of reaching an agreement between the Greek- and Turkish-Cypriot communities, the guarantor powers, the United Nations and the EU and the drafting of a new constitution in accordance with democratic principles. Thus any new plan (such as “Annan 6”) would guarantee equal democratic representation of all parties through a Constitutional Convention. If this strategy cannot be implemented, which is quite possible, priority should be given to the first model, the “velvet divorce”.

Institutional recognition of minority rights - a vital contribution to a sovereign Cyprus and an active EU member

I called the fourth model a (post-)modern federation because I believe that in the current context of globalisation it will be impossible to build a federal state in Cyprus which only recognises the rights of the Greek and Turkish-Cypriot communities. Until now, all parties involved in Cyprus fail to consider the presence of minorities on both sides of the island and systematically leave them out of any proposed solutions. I believe that the autonomy and independence of the Armenian, Latin and Maronite minorities must be recognised in Cyprus, as in any other modern state. In 1960, these minorities were forced to formally join one of the two recognized communities: the Greek and Turkish communities, according to the 1960 Constitution. They showed their preference to join the Greek-Cypriot community, a situation which was accepted without any further thought by the Annan Plan. As a result, their role in a possible solution for the island is consistently overlooked.

The three minority groups in Cyprus (and there are other minorities as well, not yet recognised by the constitution or international treaties) are, indeed, small. But they still deserve to be recognised as independent groups, rather than being assimilated with one of the two constitutionally accepted communities. The role of minorities in the solution to the Cyprus question should not be viewed only from the perspective of representative self-determination or at least the constitutional and international protection of minority rights. Instead, it should be viewed as a positive factor that could help overcome various uncertainties concerning the balance of institutional power in a future united Cyprus. Moreover, since the EU recognises the participation of EU citizens in the affairs of European countries other than their own, nationals from other EU member states could also participate in local representative institutions in Cyprus in the future.

A solution in Cyprus requires solving an inherent contradiction: on the one hand, the Greek-Cypriot community cannot decide on the future of the whole state alone, without taking into consideration the real interests of the smaller Turkish-Cypriot community; on the other hand, the Turkish-Cypriot side should not have the exclusive right to veto, thus rendering the whole decision making system dysfunctional. The Annan Plan proposed as a solution for this

20 The total number of residents in Cyprus who do not belong to the Greek- or Turkish-Cypriot community is close to 10% of the total population of the island.
contradiction, that foreign judges should be appointed to the Supreme Court of Cyprus. With six judges from each community and three appointees from other countries (as laid out in Annan V) judges from the two Cypriot communities could form a majority (such as seven versus five, four and three of each community, or vice versa) yet they could be overruled by the minority (three plus two or vice versa) if the three foreign judges sided with the minority. Thus, in an independent, sovereign state, the majority in the Supreme Court could be made up of outsiders. The same problem occurs in the Annan Plan with regard to other institutions such as the Repatriation Committee, the Property Court, and the Property Commission, which would all include foreign members unaccountable to the citizens of Cyprus, regardless of which community or minority they belong to.

With regards to the Supreme Court, the problem is magnified because it would not only arbitrate on legislative and constitutional issues but also be involved in political decisions in case of stalemate in the Presidential Council. Thus, the three foreign judges would not only be empowered to take decisions as the highest ranking legal arbiters, but would also comprise the highest political authority. Is this democratic? Would this be conducive to creating a sovereign Cyprus? What impact would a Supreme Court of this kind have on the EU, given that nationals from third countries would be able to decide whether and how Cyprus should vote in EU affairs?

A simple solution to this problem would be to ensure that these three judges would automatically become Cypriot citizens; however, this is not feasible in the Annan Plan as it stands because they would have to become simultaneously members of one or other of the two communities and take the internal citizenship of the constituent state, and therefore take sides. Alternatively, one of the Cypriot minorities could provide a seventh judge, or more radically, could be appointed as a member of the Presidential Council, to ensure it could not be blocked as with the proposed dysfunctional provisions. If this is thought to give minorities a disproportionate weight in the central decision making body, representatives from minority groups could instead comprise the third arm of the Supreme Court. No matter how small numerically the minorities are, they represent the reality of Cypriot society to a larger extent than foreign appointees who have never experienced Cyprus, except perhaps as visitors, and who, rightly or wrongly, can be perceived as agents of their original country.

My proposal therefore aims to strengthen the role of minorities, a positive presence that could play an active role in a united, democratic Cyprus. They could potentially help Cyprus overcome the status of protectorate which will be inevitable if foreign nationals and third
parties can influence critical decision making bodies. This would in turn improve the functionality of the institutional system overall, and ensure that the Cypriot vote in the EU represents the will of the Cypriot people, and not the interests of a third party.

A bi-communal problem or a problem of guarantees?

Last but not least, I believe that one of the fundamental problems in Cyprus is not inter-communal relations per se, but the guarantor status of third countries, which undermines the sovereignty of the island (insofar as sovereignty can exist in the context of globalisation and European unification)\(^\text{21}\). Today, the Cyprus question is, of course, connected to antagonism between the two communities, but this is primarily a consequence of the Greek junta’s coup in Cyprus and the subsequent Turkish invasion - a fact that many Greeks tend to forget. On the other hand, the consequences of the coup were “cleansed” by the restoration of democracy to the Republic of Cyprus after 1974. On the contrary, the consequences of the Turkish occupation have multiplied, a fact that many Turks try to cover up. It is no coincidence that one of the most difficult and complex problems is the issue of settlers who were brought in to the island from Turkey after the invasion. This factor can not be related to inter-communal relations but is a consequence of the protracted and ongoing Turkish occupation.

Furthermore, the stalemate in Cyprus is to a large extent a product of the positions and geo-strategic interests of the Turkish military establishment a fact to keep in mind when advocating the fourth model which is predicated inter alia on the final withdrawal of Greek or Turkish troops. Yet, history has shown that the Turkish military has not defined Turkey’s interests in accordance with the views of the Turkish people let alone Turkish-Cypriots. Thus, when the Turkish army talks of the interests of the Turkish-Cypriots, it is really referring to its own interests. To a certain extent, the same applies to Greece (a fact borne out by the events of summer 1974), which is the reason why all Greek troops should also be withdrawn from the island.

\(^{21}\) The problem of property ownership is equally critical. The proposed restrictions in the Annan Plan concerning the right to settle and to own property, respect for ownership rights, and so on are very important issues, but limitations of space do not allow us to explore them here.
Consequently, I believe that Turkey does not favour a fully independent Cyprus, since it places its strategic need to control Cyprus over and above the interests of the Cypriot people. This also explains why it is so difficult for Turkey to accept a real independent Cypriot state, without the intervention of foreign guarantor powers. From this perspective, one could conclude that the weakest element of the Annan Plan is that, with regard to the presence of foreign troops on the island, it puts the interests of the Turkish military authorities above the needs of the Turkish-Cypriot community. Many well-intentioned analysts may disagree, citing the fact that the Annan plan anticipates that after decades of occupation the number of Turkish troops remaining on the island would be significantly reduced. In any case, the distance between Turkey and Cyprus is so small that if Turkey maintained the status of guarantor power, it could intervene even if it did not have a single soldier stationed on Cyprus. Even a small military unit on Cyprus could act as a beachhead. Obviously, the presence of foreign troops - whether they are classified as an army of occupation or as a security guarantee - in an independent EU member state is fundamentally a political problem. We all know, for example, that after the reunification of Germany, Russia agreed to withdraw all its troops from the country.

Conclusion

In conclusion, I advocate a solution based on the fourth model, that of a (post-)modern federal solution. All sections of the population including the numerically least significant ones should have the right to participate in the state apparatus. Such a solution must be promoted through a democratic Constitutional Convention founded on international law and the European *acquis*, as well as respect for human rights. This solution will be based on the needs, will, and hopes of both communities in Cyprus, rather than the will, expediency, or interests of any guarantor powers. In this context, the principle of equality, the right of those who pay to make decisions, and the independent role of minorities, could all play a decisive part in the search for effective institutional solutions. Cyprus would have the same degree of sovereignty as all other EU member states in today’s globalised world, and nothing less; otherwise, the functionality of the EU, as well as the principle of justice, will be compromised.

Finally, if the fourth model is not feasible, the second best solution would be not a passive acceptance of the *status quo* based on the Taiwan model, but a velvet divorce, whereby
territories are exchanged for recognition and there is still an EU future for the Turkish-Cypriots.
Cyprus: Legal dimensions of an old conflict

Petros Liacouras

The initial constitutional arrangement

The initial Republic of Cyprus as adopted at Zurich in 1959 was based on the model of bi-communality. Powers were devolved and shared between the two constituent communities which were qualified as unequal partners. The system of political balance\textsuperscript{22} between a community representing the majority of the island’s population and a community which numbered only eighteen per cent of the total population at that time borrowed some basic patterns from consociational democracies\textsuperscript{23}

The Cypriot Constitution was adopted without the participation of the population concerned. As adopted, the constitutional arrangement did not gain popular support among the Greek-Cypriots. It did not reflect the power of the majority to represent the whole of the population as occurred in the rest of the former colonies that emerged in the process of decolonization. The imposed constitution could not serve as the basis for the organization and functioning of the Republic. Nor did it provide a basis for establishing a working system of stable decision making. However, the fragile constitutional arrangement lasted for three years.

Support was granted to the constitutional practice that followed after its breakdown. The Greek-Cypriot community undertook the management of the Republic and succeeded in operating a viable state. Ever since, the withdrawal of the Turkish-Cypriot community from the state apparatus of the Republic has led to an endless effort to reconstitute the initial system of sharing power between the two communities.

It is strongly asserted that efforts - with the assistance and mediation of the UN and of some single states - were oriented towards the construction of a federation in the island in order to retain the indivisible character of the Republic. The stance of the UN on this matter has


remained unchallenged. Through numerous resolutions the UN kept the Republic’s legal personality intact, although the invasion of Cyprus in 1974 by Turkey threatened this status.

The leaders of both communities played a key role in the process of prospective peace making and the reconstruction of the integrity of the Republic. The self-governance of the Turkish-Cypriot enclaves, proposed as a means of exit from the deadlock of the 1964-1974 period, did not bear fruit. The 1974 summer events altered the background against which a new pattern was to be established. It soon became evident, however, not long after the de facto division of the island due to Turkey’s invasion, that the only solution would be the search for a federation that would divide both communities and from that situation of territorial pluralism would emerge the unity of the Republic.

The prospective federal alternative after 1974

The de facto division that followed the Turkish invasion awakened the international community to the need to preserve the Republic which was in danger of falling apart. The inevitable process of establishing a federation was begun. The Greek-Cypriot community was very much concerned with instituting a federation rather than permitting division. The effort was repeatedly disrupted by unilateral claims and acts of the Turkish-Cypriot community which promoted a territorial base for her own entity and claimed equal representation as a partner in the functioning of the planned federal Republic. Federation, however, cannot be a process of reciprocal unilateral claims but the resulting product of the will of both communities. This will is a double-faceted coin. On the one hand it manifests a will to proceed to agreement; on the other hand it has to set out the framework of the intended federation.

The drafting of a new constitution depends on a prior agreement to revise the existing one. The previous high level agreements of 1977 and 1979 between the two community leaders provided a basic understanding and an obligation to make efforts which would inevitably lead to establishing a federation. The draft sets out general principles according to which there should be a territorially divided political structure which will serve the respective communities, provided that central government’s powers are representatively shared and local powers are accorded to the territorial communities. This reflects the bi-zonal, bi-communal character agreed upon.
The 2002-2004 UN draft on Foundation Agreement

Between 1978 and 2004 several drafts of a framework designed to establish a federal arrangement have been presented to the community leaders as a basis for negotiation. The last draft, prepared by the mandated ex-Secretary General Kofi Annan, is a complete and very detailed version of the intentions of the international actors and is addressed to the community leaders. The draft was modelled on the Swiss Federation and some of its basic principles were copied as a skeleton of the proposed federation. To mention but a few of them: the rotating collective presidency, the power of veto of the numerically inferior community to block a decision, the residual powers to be left to the constituent states from which the sovereignty of the central federal government derives. In addition, only 33 percent of the Greek-Cypriots might go back to the Turkish-Cypriot community and a percentage lower than 33 percent of them will be permitted permanent residence in the northern constituent state. The limitation in the freedom of residence in the north will mostly affect Greek-Cypriots who would expect to transfer their business activities to the area and contribute to its economic growth. Restraints and transitory provisions which excludes a number of Greek-Cypriots from either acquiring property or residing in the north has been largely criticized as not conforming to the relevant provisions of the European Convention on Human Rights.

The human rights argument is central to the challenging of the UN plan. It is properly argued that the free flow between the two constituent states will assist in minimising the divergence and division within the population. The free flow of people and capital would present a golden opportunity to integrate the population into one national state. In addition, the outdated guarantees would still be valid, although Cyprus may under this scheme be controlled by Turkey in terms of managing her sovereignty and above all of deciding to participate in the ESDP. It is surprising that EU member Cyprus is under guarantee of Turkey whose candidacy is controlled by the former. However, it is widely contested that the proposed state would not be empowered with sufficiently extensive and effective authority to face up to the task of conducting a central federal state’s affairs. In that respect the observer concludes that symbolic exercise of central power does not coincide with effectiveness. The dysfunctional character of the proposed central authorities, as opposed to the sovereign powers of the constituent entities, is notable. The last version of these provisions increased the effectiveness of the central government by cutting the number of heads to be appointed - three from six - and by doubling the period of appointment - from ten to twenty months. It
became evident that minor alterations would not be sufficient to restore the fundamental characteristics of a viable state.

The latest proposed plan (Annan) is based on the combined pattern of loose, highly decentralized federation and consociational democracy. This model is the alternative to conflicts and would help to prevent secession\(^{24}\). Federal powers are shared by the two equal partners on a three to one ratio, but equality is dependent on the status of the constituent entities in their relations with each other\(^{25}\). Every entity is sovereign in its own region and enjoys non-interference from the others as well as being hierarchically equal.

The draft foundation agreement of 2002 to 2004 is on the same lines as previous efforts of the UN. It comes a step nearer to a decentralized federation. It is a common theme that every successive plan is favourable to the Turkish-Cypriot community with a view to persuading them to participate in the unification process. One may wonder if the proposed plan corresponds to the definition of federation and, in particular in the case of Cyprus, to the qualification of the concept of bi-communal state. The communities have agreed on the bizonal and bi-communal character of the federation, but have not agreed on the extent of the powers each of the entities should enjoy nor even less on the political enrichment of the entities at the expense of the central federal structure.

Each community reserves the right to gain as much as possible from the outcome of the negotiation process, given that certain facts have to be taken into account. The Greek-Cypriot side represents the Republic and should be reminded that it constitutes the majority of the total population.

The Turkish-Cypriot community represents only eighteen per cent of the population but it is considered to be one of the pillars of the Republic. The Turkish-Cypriot side holds that after 1974 their entity has held authority and control over the everyday affairs of the territory. However, the European Court of Human Rights has held Turkey liable for human rights breaches in the north, because through her armed forces Turkey controls the entrance points


leading to the north. This liability is based on international law and Turkey cannot evade liability even when the breaches are attributed to Turkish-Cypriot officials.

However, in private law cases the Turkish-Cypriot entity seems to have been acknowledged. Recently the European Court of Human Rights has required that applications brought before it concerning property loss, borne of the invasion in Northern Cyprus, should first be examined by the domestic Turkish-Cypriot courts or specially instituted committees to try to find local solutions. It should be noted, however, that such a development cannot be deemed equivalent to recognition of the Turkish-Cypriot entity in international law. The Court supports this process for three reasons. First it adopts such an approach convinced by the development of the negotiations that solutions can be forthcoming. Second, it follows the English practice in previous cases concerning property in northern Cyprus. The British High Court in those cases did not overrule decisions of private law made by the authorities of the Turkish-Cypriot community which do not affect the integrity of the Republic of Cyprus. Thirdly, the European Court, in an effort to alleviate the Court from an enormous number of applications for property grievances, relies on local solutions not officially recognised in international law.

Turkish-Cypriot leadership has maintained that unless a federation is readily being agreed upon, it would endorse secession and either remain as an independent entity or unite with Turkey. It recalls that in 1998 a union agreement was concluded with Turkey to strengthen economic ties between the parties with a view to exerting pressure to achieve a favourable solution. Although, on many occasions, the Turkish-Cypriot community has championed the cause for secession, later events have revealed that the ultimate aim has been the partnership of sovereigns in a federal Cyprus.

The aftermath of the 2004 referendum

In the April 2004 referendum Greek-Cypriots, by a vast majority, rejected the proposed plan of creating a federation in Cyprus. Turkish-Cypriots, by clear majority, upheld the solution. The Republic of Cyprus is a member of the EU and enjoys all the privileges of membership.

In the meantime, the Turkish-Cypriot entity is isolated from the structure and function of the Republic and EU *acquis communautaire* is suspended in the north. It is clear that EU officials expected that the solution of the Cyprus problem would coincide with the accession of Cyprus to the organization. The result of the referendum has, however, upset that simultaneous solution/accession calculation. That development caused a series of reactions. However, the EU has reacted to the continuation of the outstanding Cyprus problem with a series of measures.

The EU is exerting pressure to establish relations with the Turkish-Cypriot community as regards direct trade relations with the north. Moreover, the opening of the airport and some ports in the north might be envisaged. By way of reciprocity some positive measures vis-à-vis Varosha might transpire. Some of these regulations might underline the acknowledgment of the Turkish entity. The situation implies that everyday citizens’ affairs can be included in treaty arrangements stemming from EU or other international organizations. In this scheme the trade regulation is revealing. World public opinion, and especially public opinion in Europe, may look more favourably on the Turkish-Cypriot community unless they are indifferent or biased about Turkey’s accession.

Turkey’s response to the question of entering into a treaty with the Republic of Cyprus was important. Turkey reacted to the outcome of the referendum when she was asked to sign the Protocol for extending tariff agreements with the new member states, including the Republic of Cyprus, which was required to enter the accession negotiations phase with the EU. Turkey signed but submitted a reservation as regards Cyprus. She withdrew recognition after the 1963 constitutional amendment incident by challenging the Republic of Cyprus and continues to argue that Cyprus has a Greek-Cypriot government. She insisted on extending recognition to the after 1983, although she is not obliged to do so. She is in favour of functional recognition as far as Cyprus is concerned.

The 2004 reservation has produced no effect whatsoever in terms of the application of the Protocol. In the aftermath of her opening negotiations with the EU the question of recognizing the Republic of Cyprus seemed unavoidable. A compromise was reached and the question of the effect of Turkey’s reservation on her EU application was not considered. The EU simply requested that the application of the tariffs agreement be extended to the Republic of Cyprus. The question was confined uniquely to the application of the Protocol.
Despite all this, the longstanding problem of a Cyprus constitution remains unresolved. The Greek-Cypriot side seemed reluctant to accept a multicultural state sharing power with an ethnic rival. The impasse may raise some scenarios of “the day after”. It is taken for granted that the deadlock cannot continue. The same or similar plan will be tabled leading to a comprehensive agreement, but political leadership on both sides is a determinant factor in finding a diplomatic solution. The stepping down of Rauf Denktash from office paved the way to cultivate a favourable mainstream among Turkish-Cypriots who appreciated the future benefits of membership of the EU as a means of responding positively to the reunification of the Cypriot Republic. Developments in the Greek camp cannot be foreseen nor can it be predicted how the political leaders of the community will react to such diplomatic mediation.

Whilst waiting for a solution to be found, the Cypriot Republic as a unitary state continues to enjoy membership to the EU. The Greek-Cypriot community recognised that the successful accession of the island to the EU was a miracle, and achieved despite the strong objections raised before the 1999 Helsinki period as well as afterwards. It should be noted that the association agreement with the EU was concluded in the 1960s when the Greek-Cypriot community was solely in charge of the Republic. It is clear that the policy of European orientation of the island was made possible mainly through the effective state apparatus that existed at the time of the association agreement and the time of final accession as well as through the sensitive guiding force of the Greek-Cypriot community.

Evaluation

Since its establishment the Republic of Cyprus has traversed through the following stages.

a. 2004 to the present: the Republic of Cyprus as a member of EU is still represented by the Greek-Cypriot community. The non-recognized “TRNC” is isolated.

b. 1983-2004: the Republic of Cyprus is represented by the Greek-Cypriot community limited to the south owing to the presence of the Turkish armed forces stationed there after the 1974 invasion. The self-proclaimed “TRNC” threatens to unite with Turkey.

c. 1974-1983: the Republic of Cyprus is represented by the Greek-Cypriot community, territorially limited to the south owing to the presence of the Turkish armed forces stationed there after the 1974 invasion. The Turkish-Cypriot community claims the status of a federal constituent.
d. 1964-1974: the Republic of Cyprus is represented by the Greek-Cypriot community which controls and exercises overall jurisdiction of the whole island. The Turkish-Cypriot community is withdrawn to enclaves. There is a de facto constitutional reform.

e. 1960-1963: both communities live together in a single bi-communal state with representative sharing of power in sole central government. A political balance between the two communities exists, but there is no division of territory.

There are some possible outcomes arising from the present situation. There is no going back to the situations in the periods 1960-1963 or 1964-1974. Any outcome short of constitutional rearrangement might resemble the present status quo. Three possible scenarios revolve around the present status.

a. The final secession of the Turkish-Cypriot entity is realized and division of the island into two states is accomplished. The Cyprus Republic is the sole member of the EU. The *acquis communautaire* is still suspended in the north and EU enters into closer direct contact with the Turkish-Cypriot entity. Functional recognition replaces fruitless imposed non-recognition. A possible confederation agreement may be concluded. The frontier dividing the island acquired the qualification of an international border. Relations with a Turkish-Cypriot self-proclaimed state are based on acute rivalry. Under this scheme the “TRNC” is the next new actor – mini-state - in the global village.

b. A new diplomatic round begins with a view to alterations towards strengthening the effectiveness of the central governmental structure. The 2002 to 2004 UN plan remains a possible starter. All human rights and property issues would properly be met to satisfy the demands of the population to be able to cross the dividing lines of the federal constituencies, as well as to restore property benefits or transfer capital from south to north with all appropriate guarantees. The central government’s structure is of importance in creating a viable and working federal state.

c. Prolong the stalemate to the benefit of the Greek-Cypriot side. This might serve to regularise the present state of separation, but at the same time it complicates the application of the *acquis communautaire* to the whole of the territory. The EU may reasonably exert pressure to force the Republic of Cyprus to conform. The status quo means that Turkish armed forces will continue to be stationed on the island. It equally prohibits Greek-Cypriots from inhabiting the northern parts of the island. It establishes the de facto separation borne of
the unwillingness of the Greek-Cypriots to accept the solution after it managed to incorporate Cyprus into the EU. Certainly, in the long run the status quo indirectly provides the legitimate basis for claiming secession. Repercussions may extend not only to the increase of tension between the two communities, but also might affect the Greek-Turkish rapprochement. Under this scenario EU-Turkey relations will not be left unaffected. The only argument in favour of stalemate is to give time to all concerned to reconsider a new plan and negotiate in due course on the basis of preserving the state’s vital interests and the inalienable human rights of the population on both sides.
The Cyprus Impasse: And the Way Out?

Ahmet Sözen

Where we are on the Ground in Cyprus Today

The Cyprus conflict remains one of the unresolved and long-lasting issues of the international community. This conflict has cost both the Greek-Cypriots and the Turkish-Cypriots dearly: lost lives, orphaned children, economic loss and psychological destruction. The conflict began in the 1950s, erupted violently with bloodshed at the end of the 1950s and in December 1963. The conflict culminated in 1974 with the interventions of Greece and later Turkey that led to the island’s current de facto division as the Greek-Cypriot south (Republic of Cyprus) and the Turkish-Cypriot north (TRNC: Turkish Republic of Northern Cyprus). The Cyprus issue has been addressed over the past four decades by dozens of UN Security Council resolutions that have proved futile to date in terms of resolving the problem.

The most recent and comprehensive solution proposal, a UN blueprint known as the Annan Plan included internationally endorsed parameters for a Cyprus solution and was put to separate and simultaneous referenda among Greek and Turkish-Cypriots on 24 April 2004. The plan called for the reunification of the island, as the United Cyprus Republic, in a bizonal federal structure comprised of two constituent states, the Greek-Cypriot State and the Turkish-Cypriot State. The settlement plan was supported by 65 percent of the Turkish-Cypriots, yet voted down by 76 percent of the Greek-Cypriot community.

Today, public opinion polls show that the two sides by and large maintain their referenda positions. President Papadopoulos, the Greek-Cypriot leader, enjoys significant public support for his “no” policy. On the other hand, President Talat, the Turkish-Cypriot leader, converted support for the Annan plan into successive electoral victories. On 20 February 2005, Talat’s party, CTP-BG, became the winner of the parliamentary election in North Cyprus. Moreover, on 17 April 2005, the Turkish-Cypriots, this time in the Presidential election, once again demonstrated their continued commitment to a comprehensive solution in Cyprus and integration with the EU by electing Mr. Mehmet Ali Talat as their President.
The two election results show a clear victory for the pro-EU and pro-solution (Annan Plan) policies in North Cyprus. The EU and the US also interpreted the results in this manner by showing their pleasure at Talat’s victory who swiftly offered an olive branch to Greek-Cypriots in his post-election victory speech. He called “on the Greek-Cypriot’s side leadership to take our hand which we are extending in peace to them. We will continue to put our best effort for reconciliation and a solution to the Cyprus problem”29.

The international community has acknowledged the democratic will of the Turkish-Cypriots. According to the EU Commission, “the results indicate a clear desire of the Turkish-Cypriot community to continue preparations for their full integration into the EU”30. Furthermore, “the results also show that the Turkish-Cypriots are committed to the reunification of Cyprus”31.

The current Greek-Cypriot political leadership under President Papadopulous, however, has neither the intention nor the motivation to accept a compromised solution based on power sharing with the Turkish-Cypriots. Alvaro De Soto, the previous UN representative to Cyprus, recently confirmed the Greek-Cypriot position by arguing that the Greek-Cypriot economic position and their EU membership left no motivation for them to accept a compromised solution such as the Annan Plan32. Even Greek-Cypriot former Foreign Minister, Nikos Rolandis, indicated that the current Greek-Cypriot political leadership was not interested in a solution in Cyprus33.

Preference Orderings of the Two Communities vis-à-vis the “Solution”

Given the above analysis, it is quite obvious that the current preference ordering of the Greek-Cypriot leadership vis a vis the “solution” to the Cyprus problem is as follows:

1. **Osmosis**34: Papadopulous’ first preference is the solution of the Cyprus problem through “osmosis” where the current de facto Greek-Cypriot dominated Republic of Cyprus would

33 Sunday Mail, 27 February 2005.
34 See the full text of Papadopulous’ speech at the UN General Assembly in 2005 at http://www.cyprusemb.se/Dbase/cypemb/archive_352.asp.
continue to exist and that gradually the Turkish-Cypriots would be assimilated in the Republic as mere individual citizens in which they would not enjoy either political equality or communal rights as envisaged both in the UN documents and also in the original 1960 constitution of the Republic of Cyprus.

2. **Status Quo**: If the “osmosis” strategy is perceived to be unattainable, then the next preference for Papadopulous (and the wider ruling Greek-Cypriot leadership) is the continuation of the current situation (i.e., the status quo) in Cyprus which he prefers to a bi-zonal and bi-communal federation based on the political equality of the two communities as described in the relevant UN Security Council documents.

3. **Permanent Division/Divorce**: Since the separate and simultaneous referenda on the Annan Plan in April 2004, there are increased signs from the Greek-Cypriot leadership that even the permanent division or a complete divorce of the two communities, provided that the Greek-Cypriot side receives a sizeable piece of land from the Turkish-Cypriot side – i.e., “land for peace”, is more preferable to a solution based on the political equality and power sharing between the two communities. However, without a huge side-payment (i.e., a sizeable land) the permanent division of the island is the last preference for the majority of the Greek-Cypriot political elites.

4. **Federation à la Annan Plan**: It seems like that a federation, based on the power sharing and the explicit political equality of the two communities, which would be bi-zonal with regard to the territorial aspects and bi-zonal with regard to the constitutional aspects, is regarded as the worst case option for the current Greek-Cypriot leadership (though many in AKEL disagree with this). However, it should be indicated that there are also a good number of Greek-Cypriot political elites who prefer a federal solution to the permanent division of the island.

Given the analysis in the beginning of the text, the preference ordering of the current Turkish-Cypriot leadership, using the above utilized terminology for Greek-Cypriot leadership, is as follows:

1. **Federation à la Annan Plan**: The current ruling Turkish-Cypriot leadership has been repeatedly indicating since the referenda in 2004 that it is committed to the bi-zonal, bi-communal federation based on the political equality of the two communities à la Annan Plan. It should be also indicated that there is a sizeable number of the Turkish-Cypriot
political elites, especially in the opposition, who prefer a “two-state” solution (i.e., permanent division/divorce) to a federation in Cyprus.

2. **Permanent Division/Divorce**: The current ruling Turkish-Cypriot elites, in case a federal solution is impossible to attain, would prefer a “two-state” solution in which the Turkish-Cypriots would be the masters of their house (state).

3. **Status Quo**: The current situation is only the third preference of the current ruling Turkish-Cypriot political elites. Compared to all the actors who are involved in the Cyprus conflict, Turkish-Cypriots constitute probably the least happy actor with regard to the current situation (status quo) on the ground in Cyprus. Their perception is that through their “yes” vote in the referenda, they deserved to be emancipated from the isolation and restrictions which persist. In that regard, they find the status quo in which the Greek-Cypriots acceded to the EU despite their “no” vote and the Turkish-Cypriots continued exclusion from the the EU despite their “yes” vote to reunification to be unjust.

4. **“Osmosis”**: Despite the fact that the Turkish-Cypriots despise the current situation (status quo), they still prefer the status quo to the “osmosis” outcome in which they believe they would be reduced to a minority in a Greek-Cypriot dominated Republic of Cyprus, in which case they would lose their political equality and the right to the power sharing mechanisms of the central government as described both in the UN documents and also in the original 1960 constitution of the Republic of Cyprus.

**Alternative Scenarios**

Given the above analysis of the preference orderings of the two leaderships in Cyprus, it is quite obvious that a “creeping divergence” is the net result currently on the ground in Cyprus. Based on the analysis above and the terminology used in the workshop in March 2006 at Oxford, today we are more informed to speculate on the future scenarios in Cyprus. The following are the probable scenarios listed starting from the most probable and going towards the least probable one:

1. **Structural Stalemate à la Taiwan**: This is the most realistic scenario given the realities on the ground in Cyprus today. In this scenario, the TRNC continues to be internationally unrecognized while at the same time continuing to perform most of its functions just like the other recognized sovereign states. Gradually, the international community lifts the restrictions and the isolations on the North Cyprus which would eventually Taiwan-ise the
TRNC. In such a case, the international recognition of the TRNC would be a natural evolution – which might first come from some Muslim or Central Asian Turkic speaking countries, provided that there would not be a change in the political positions of the two leaderships (i.e., the Greek-Cypriot preference for “osmosis” and the Turkish-Cypriot preference for federation).

2. **A Co-operative Status Quo**: This is the second possible scenario given the realities on the ground in Cyprus today. This scenario is possible only if meaningful negotiations between the two sides in Cyprus start. In that sense, the Gambari process\(^{35}\) could be the catalyzing element. The two sides agreed in July 2006 to: (a) establish technical committees to deal with daily issues; (b) to form working groups to deal with the substantive issues of the Cyprus problem; and (c) to implement confidence building measures to improve the atmosphere in Cyprus. If such a process could be started and maintained, then the non-cooperative mode of the relations (status quo) could be transformed to a co-operative one which in return could lead to either a federal solution as described in the UN documents or to an “amicable divorce à la Czechoslovakia” through the free and mutual consent of the two sides.

3. **Amicable Divorce (or partition) à la Czechoslovakia**: An amicable divorce where the two sides mutually recognize each other and commit themselves to non-confrontational politics is possible when the Greek-Cypriot elites perceive that the international recognition of the TRNC would be probable or when in a federal solution the Turkish-Cypriots would get “more than what they deserve”\(^{36}\) (explicit political equality) in which case the Greek-Cypriot elites would want to negotiate the “two-state” solution probably with a “land for peace” approach in which they would require a sizeable piece of land from the north to be transferred to the South.

4. **Conflictual Divorce à la Yugoslavia**: This is probably the least possible and the most undesirable scenario for all the actors involved. Such a scenario presupposes some sort of

---

\(^{35}\) On 8 July 2006, Ibrahim Gambari, Kofi Annan’s political adviser managed to bring the two leaders together to agree on the principles of a future solution, such as political equality; bi-zonal, bi-communal federation in addition to the establishment of technical committees to deal with daily problems. For more information see [http://www.unficyp.org/news/Press/2006_08July_%20Gambari%20reads%20statement%20by%20two%20leaders.htm](http://www.unficyp.org/news/Press/2006_08July_%20Gambari%20reads%20statement%20by%20two%20leaders.htm).

\(^{36}\) This is the Greek-Cypriot argument regarding such arrangements in the 1960 constitution of the Republic of Cyprus as the Vice-President being a Turkish Cypriot with veto rights and that decisions on certain issues needed separate majority of the two community members in the House of Representatives.
violence or at least a “limited war” on the island (which would automatically involve Turkey) after which the abyss between the Turkish and Greek-Cypriots become permanent. Such a scenario, though highly improbable, would mean the permanent derailing of Turkey’s EU accession process which neither Turkey nor the EU can afford.

The Way Forward

Based on the analysis above, a comprehensive solution to the Cyprus problem is not on the horizon. Can an interim solution be found in order to transform the non-cooperative atmosphere in Cyprus and thus gradually pave the way for a comprehensive solution in the future? Given the intransigence of the Greek-Cypriot leadership regarding the resumption of meaningful peace negotiations, it is up to the international community to find ways to motivate the Greek-Cypriots to genuinely return to the negotiation table. The international community can make a good start by simply honoring its pre-referenda promises of lifting the restrictions and isolation on the Turkish-Cypriots. This may suggest to the Greek-Cypriot leadership that their current policy would lead to the permanent division of the island without the possibility of Greek-Cypriot side getting any side-payments. In addition, lifting the isolations on the Turkish-Cypriots would enhance the role of the moderates, who supported the UN blueprint in the north, giving them an incentive to sustain their pro-solution vision. This is also compatible with the UN Secretary General’s 28 May 2004 report on Cyprus, in which he observed:

The decision of the Turkish Cypriots is to be welcomed. The Turkish Cypriot leadership and Turkey have made clear their respect for the wish of the Turkish Cypriots to reunify in a bicomunal, bizonal federation. The Turkish Cypriot vote has undone any rationale for pressuring and isolating them. I would hope that the members of the Council can give a strong lead to all states to cooperate both bilaterally and in international bodies, to eliminate unnecessary restrictions and barriers that have the effect of isolating the Turkish Cypriots and impeding their development.37.

After the referenda the Turkish-Cypriots who voted for the compromised solution and the reunification of the island are still out in the cold. They face isolation and restrictions, despite the pre-referenda promises of the EU and other countries that the Turkish-Cypriots would not be punished for their “yes” vote to the solution.

Meanwhile a permanent rift between Turkey and the EU due to the customs union agreement is poisoning the Turkey-EU relations. The EU expects Turkey to fulfill its legal obligations

by opening its sea and airports to the vessels carrying (Greek-Cypriot) Republic of Cyprus flags. This is very difficult for Turkey however given the Turkish public opinion. The Turks want to see a step taken by the EU to actualize its moral, political and legal commitments towards lifting the isolation of the Turkish-Cypriots which the EU Council promised on 26 April 2004, only two days after the referenda in the two parts of Cyprus when the Turkish-Cypriots voted in support of the UN blueprint to unite Cyprus and make the united Cyprus a member of the EU.

An Interim Solution before a Comprehensive Solution?

It is clear that a balanced solution formula can be found to prevent the rift between Turkey and the EU and add positive dynamism to the search for resolving the Cyprus problem. The EU can work on a deal which would include the fulfillment of both Turkey’s legal obligations to the EU and the EU’s moral, political and legal obligations to the Turkish-Cypriots. Turkey’s opening its sea and airports to the vessels carrying Republic of Cyprus flag and the EU’s lifting the isolations on the Turkish-Cypriots by adopting the direct trade regulation with the Turkish-Cypriots simultaneously should be the essence of the deal. More practical measure to actualize this is to include north Cyprus into the customs union where intra-island free trade and free trade between the Turkish-Cypriots and the EU will be established. In other words, the EU should find ways of applying the *acquis communautaire* in the north (where it is suspended) regarding the inclusion of the north into the EU customs union. Moreover, the suspension of the *acquis* on education should be lifted in the north, so that the Turkish-Cypriots could start integrating with the EU educational systems, such as Erasmus, and start enjoying one of their most basic human rights – education.

Although Ibrahim Gambari, Kofi Annan’s political adviser managed to bring the two leaders together to agree on the principles of a future solution – principles such as political equality and a bi-zonal, bi-communal federation as well as the establishment of technical committees to deal with daily problems - in July 2006 the ground remains unsuitable for a comprehensive solution in Cyprus. In that sense, some CBMs (confidence building measures) can be adopted to play a catalyzing role towards a comprehensive solution of the Cyprus problem. The UN’s creative and balanced CBMs proposal of 1993 should be retabled. The UN proposed, the simultaneous opening of the fenced area of Varosha and the resettlement of its inhabitants as a free trade zone between the two sides in the island under the UN administration, and the opening of Nicosia International Airport in the buffer zone.
under the UN administration to the cargo and civilian passenger traffic of the two sides in Cyprus. Here, the EU administration can also be utilized for the two CBMs. In that way, it will be possible to integrate the two economies in Cyprus that will have a huge positive impact on finding a comprehensive solution in Cyprus. Moreover, such steps would make it possible for both the EU and the UN to honor their pre-referenda promises of lifting the isolations and restrictions on the Turkish-Cypriots.

It is such concrete steps which can motivate the Greek-Cypriot political leadership to resume the peace negotiations towards a comprehensive solution. Otherwise, the Greek-Cypriot side would be more than happy with the continuation of the current status quo in which they continue to hold the title of the “legal” government of the Republic of Cyprus (without the Turkish-Cypriot presence) and the Republic of Cyprus under a purely Greek-Cypriot participation is a full member of the EU.\textsuperscript{38} It should be noted, however, that the abovementioned steps to lift the isolation of the Turkish-Cypriots should not be taken just for the purpose of motivating the Greek-Cypriot leadership to resume the peace negotiations, but primarily for humanitarian reasons.

\textsuperscript{38} The view that the current Greek-Cypriot leadership is not ready to negotiate a solution based on power sharing with the Turkish Cypriots and the above proposed CBMs are very compatible with the latest report of the International Crisis Group report on Cyprus that needs closer attention from the international community. For the full report see \url{http://www.crisisgroup.org/home/index.cfm?id=4003&l=1}.  

\textsuperscript{73} South East European Studies at Oxford
Workshop Convening Committee

Othon Anastasakis
Olga Demetriou
Kalypso Nicolaidis
Kerem Öktem
Max Watson

Workshop Participants (in alphabetical order)
Mustafa Akinci, Peace and Democracy Movement (BDH)
Michael Attalides, Intercollege, Nicosia
Mustafa Aydin, Economy and Technology University, Ankara
Gilles Bertrand, Institute d’Etudes Politiques de Bordeaux
Derya Beyatlı, Bearingpoint
Ayşe Dönmez, Bearingpoint
Murat Erdal, St Cross College, Oxford
Emine Erk, Lawyer
Ömer Fazlıoğlu, Economic Policy Research Institute (TEPAV), Ankara
John Groom, University of Kent
Ayla Gürel, Peace Research Institute Oslo, Cyprus Centre
Takis Hadjidemetriou, former Head of Cyprus EU negotiation team
Nikos Kotzias, St Antony’s College, Oxford
Petros Liacouras, Piraeus University
James Ker-Lindsay, Kingston University
Carlos Martinez Mongay, EU Commission, DG ECFIN
Elaine Papoulias, Kokkalis Program, Harvard University
Zenon Pophaides, United Democrats Party
Edmond Rhys-Jones, FCO
Derya Sevinç, Economic Policy Research Institute (TEPAV), Ankara
Haris Sophoclines, Cypriot Brotherhood, London
Ahmet Sözen, Cyprus Policy Center
Angelos Syrigos, Panteion University, Athens
South East European Studies at Oxford (SEESOX) is part of the European Studies Centre at the University of Oxford. It focuses on the interdisciplinary study of the relationship between European integration and the politics, economics and societies of the Balkans, Greece, Turkey and Cyprus. Drawing on the academic excellence of the University and an international network of associates, it conducts policy relevant research on the multifaceted transformations of the region in the 21st century. It follows closely conflict and post-conflict situations and analyses the historical and intellectual influences which have shaped perceptions and actions in the region. In Oxford’s best tradition, the SEESOX team is committed to understanding the present through the longue durée and reflecting on the future through high quality scholarship.

SEESOX has the following objectives:

- To support high-quality academic and policy-relevant research on South East Europe;
- To organise conferences, workshops and research seminars;
- To promote multi-disciplinary study of the region’s development within Oxford University (e.g. politics, international relations, law, sociology, economics) working in collaboration with other Centres and Programmes within the University, including student societies;
- To spearhead intellectual exchanges and debate on these issues among networks of individuals and institutions beyond Oxford;
- To foster cooperation between the academic and the policy making communities.