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Critical Juncture in Cyprus Negotiations

by Nilgün Arısan and Atila Eralp

ABSTRACT

The negotiations in Cyprus are at yet another critical juncture. Time is running short for a comprehensive settlement on the island. The present conducive environment is not likely to last indefinitely, as has been observed in previous rounds of negotiations. In fact, the Cyprus negotiations reflect some clear missed opportunities. Much valuable time has been spent on this process, and it should be apparent to all that drawing out the negotiations benefits no one. All actors involved should at this point be seeking a rapid conclusion of the talks.

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Introduction

The negotiations in Cyprus are at yet another critical juncture. Time is running short for a comprehensive settlement on the island. The present conducive environment is not likely to last indefinitely, as has been observed in previous rounds of negotiations. In fact, the Cyprus negotiations reflect some clear missed opportunities. Much valuable time has been spent on this process, and it should be apparent to all that drawing out the negotiations benefits no one. All actors involved should at this point be seeking a rapid conclusion of the talks.

In Cyprus, the various political actors have used timing as a tactic in negotiations. When the Turkish Cypriots finally came to appreciate the time factor in 2003-2004, the Greek Cypriots thought that time was on their side and played on this. They believed that they had the best alternative to a negotiated settlement: they would become members of the EU without the resolution of the Cyprus dispute. This attitude of the Greek Cypriot leadership continued during the negotiations between Demetris Christofias, Greek Cypriot leader and Mehmet Ali Talat, Turkish Cypriot leader in 2008-2010, when they refused to set clear timetables as discussion proceeded to more difficult issues related to property, territory and security. It became evident that there was a marked divergence in the timetables of the actors in carrying out the negotiations.

The present negotiations on the island between the two leaders, Mustafa Akıncı, Turkish Cypriot leader and Nicos Anastasiades, Greek Cypriot leader started last May in a positive and optimistic mood. There was even an implicit although slightly ambitious timetable to complete negotiations in March and have referenda on both sides of the island in April 2016 before the elections in the South on 22 May. The reports from the island indicate that there has been substantial progress in the negotiations regarding governance, economy and issues related to the EU framework, but the parties were unable to meet the time challenge as the pressure of the elections in the South started to change the conducive environment. As

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important issues on property, territory and security gained the upper hand on the agenda and as the South got into the election cycle, it became difficult to maintain the momentum in the negotiations. Consequently, we are at a critical juncture. Usually, the negotiations on the island start in an optimistic mood, then face several hurdles and progress begins to slow significantly. Will the present situation become a repeat of history, or is there the possibility of change and a “breakthrough” at last? The answer will be clearer after the elections in the South, but there are some factors which point to the possibility of a “breakthrough” in the negotiations and inject hope that the present hurdles can be overcome.

What is new and changing in the present negotiations?

First of all, the two sides have leaders who are committed to a bi-communal, bi-zonal federal settlement. It is likely to be the “final” chance for such a settlement, because it is the last generation which believes in the possibility of a bi-communal, bi-zonal federation. Both leaders have worked to achieve a comprehensive settlement for a long time, they had a valuable, positive role during the UN brokered Annan Plan negotiations in 2004 and demonstrated their commitment to a federal solution. The Turkish Cypriot leadership has understood the cost of non-settlement and believes that there should be a clear timetable to solve the long-lasting dispute. It seems that the Greek Cypriot leadership belatedly realises the risks and costs of non-settlement and there is a “latent” convergence on completing the negotiations and having referenda on both sides of the island by the end of 2016. The recent visit of Anastasiades’ DISY (The Democratic Rally) to the North and the statement of the party leader Averof Neofytou to the Assembly of the Republican Turkish Party (CTP) was a major “breakthrough” in the relationship. In his statement, Mr. Neofytou also underlined that time was ripe for settlement and pointed to the high costs of non-settlement.¹

Secondly, the economic and financial crisis in the EU and the ensuing crisis in the South has clearly shown the elites in the South that EU membership will not be a magic bullet to solve their problems and create sustainable economic wellbeing, as some might have imagined. As the expectations concerning the EU dwindled, the possibility of an economic up-turn with a comprehensive settlement on the island found a more conducive climate. Such attitude coincided with the discovery of offshore hydrocarbons in the Mediterranean close to the island and the possibility of their exportation. The discovery of hydrocarbons is not the only “catalyst” which led to a more conducive environment for the negotiations, but they present an important potential for the economic future of the island and clearly show the risks and costs of non-settlement of the Cyprus dispute. The discovery could be a “blessing” if there is a settlement on the island or it could be a potential source

¹ “DISY leader Averof Neofytou addressed CTP party Assembly meeting”, in *The Cypriot Puzzle*, 23 March 2016, <http://www.thecypriotpuzzle.org/?p=14522>.

of instability if the dispute continues.² As a result of these new factors affecting the South, there is an increasing appreciation of the cost of non-settlement and support for a comprehensive settlement, as observed in the attitudes of both major parties – The Democratic Rally (DISY) and the Progressive Party of Working People (AKEL) – and also in the attitudes of the Church and the business elite.

In this climate, the reports from the island indicate that both sides have agreed to work on the Joint Declaration dated 11 February 2014,³ which emphasised carrying out the negotiations in the context of well-established UN parameters as well as the EU *acquis communautaire*. One of the key challenges in the present negotiations is to bring together the UN parameters on bi-zonality, bi-communality and political equality with the EU *acquis* on the four freedoms. The Turkish Cypriot actors are more sensitive to the UN parameters and the Greek Cypriots to the EU *acquis*. It is not an easy challenge, but as the cost of non-settlement is increasing, it may be possible to find convergence points with the support of both the UN and the EU. Both sides also have experienced and strong negotiators with an extensive accumulation of knowledge both on the substance and process of negotiations. They have worked in the previous round of negotiations and formulated “convergence papers” on critical issues affecting the negotiations. At present, they are improving their points of convergence on issues of governance, economy and the EU framework. They have also formulated important principles on the thorny issue of property based on the jurisprudence of the European Court of Human Rights. However, important issues related to territory and security have not been discussed yet. The negotiations will focus on these sensitive issues after the elections in the South, and when the negotiations reach their final stage. At that point, it would be prudent for the negotiators to complete their negotiations in an “isolated” environment, because on these sensitive issues there are always leaks to the media which damage the negotiations and trust among the parties.

Furthermore, the turbulent geopolitical context and developments in the neighbourhood increase the risk and cost of non-settlement of the Cyprus dispute. We witness “a ring of fire” surrounding the EU and Turkey. The rising sectarian tendencies and violence in the Eastern Mediterranean, as well as the resilience of authoritarian tendencies create a turbulent context. Cyprus still remains an island of “peace” but there is always a possibility of spillover of regional problems to the island. Consequently, at present we witness increasing efforts of international actors to facilitate a comprehensive solution on the island. In addition to the efforts of the UN, high-level visits from the United States, EU and EU Member States, are a testament to the progress of present negotiations. International economic

² Ayla Gürel, “Eastern Mediterranean Gas: Source of Prosperity for the Region?”, in Silvia Colombo, Mohamed El Harrak and Nicolò Sartori (eds.), *The Future of Natural Gas. Markets and Geopolitics*, Hof van Twente, Lenthe/European Energy Review, May 2016, p. 117-138, <http://www.iai.it/en/node/6340>.

³ Joint Declaration by G/C leader Nicos Anastasiades and T/C leader Dervis Eroglu on the re-launching of the talks on the Cyprus problem, 11 February 2014, <http://www.moi.gov.cy/MOI/pio/pio.nsf/All/627FB126018F4B8BC2257E60002DBAD4>.

institutions such as the International Monetary Fund (IMF) and the World Bank are involved for the first time to encourage a settlement and to help the financing of a comprehensive solution. The guarantors, Turkey, Greece and the UK are also supportive. There is more interaction between Turkey and Greece on this issue. The visit of the AKEL leadership to Turkey and the meetings with Turkey's political actors⁴ also signify a significant development in the relationship. The invitation of the leaders of both communities, Akıncı and Anastasiades, to Davos for the first time also is worth mentioning. This is an important indication of the support of the international community for the negotiations on the island. The EU is also more actively involved this time in helping to prepare the North for the implementation of the EU *acquis* in the case of a comprehensive settlement. The creation of the *ad hoc* committee on this issue involving Turkish Cypriots, Greek Cypriots and members of the European Commission is a "milestone" in facilitating a solution on the island and helping to build confidence between the Turkish and Greek Cypriots.

All these factors and developments indicate that time is finally ripe for the comprehensive settlement of the long-lasting Cyprus dispute. The costs of non-settlement of the dispute are realised more clearly by the relevant actors. There is also a growing belief of the involved actors as regards the possibility of a success story in Cyprus which is much needed in the gloomy regional and global context. The settlement of the Cyprus dispute could help to create a closer NATO-EU collaboration which is urgently needed in the present turbulent context. This settlement also provides not only Cyprus, Turkey, Greece and the EU, but many other actors with a critical success story and will help to foster a different and a more co-operative climate in the Eastern Mediterranean between Turkey, Greece and Cyprus. Such a contextual change in the relationship between the three will help not only an effective utilisation of energy resources in the region and a more "regional" framework to tackle their economic problems, but will also set an example and an inspiration to those actors trying to find more co-operative solutions to the problems of the region. The long-lasting non-settlement of the Cyprus dispute has shown civil society actors in Turkey, Greece and Cyprus the costs and risks of non-settlement. There is an increasing dialogue among such actors, which is badly needed in the present context. It is essential that the formal negotiation process should be supported by informal and societal channels in order to build trust in the relationship. In such critical moments, there are always domestic constraints in the North and South such as the present change of government in the North or the election debates in the South. However, all actors should realise that the time is now ripe for change, and the present negotiations should not end up on the long list of missed opportunities.

Finally, the settlement of the Cyprus dispute could help to revitalize the stagnant Turkey-EU negotiations. It has become evident in the recent EU-Turkey summits on the refugee crisis that co-operating on the issue could facilitate and revitalise the

⁴ Jean Christou, "Istanbul meetings positive, say Kyprianou and Cavusoglu", in *Cyprus Mail*, 24 January 2016, <http://cyprus-mail.com/?p=74543>.

Turkey-EU relationship. However it cannot “re-energise” the accession negotiations of Turkey. The summits have also demonstrated that the settlement of the Cyprus dispute is a necessary factor in the “revival” of the accession negotiations. Without the settlement of the Cyprus dispute, consecutive summits have indicated that the blockage on thirteen chapters will continue. It was not politically feasible to lift the blockage on crucial chapters such as chapter 15 (Energy), chapter 23 (Judiciary and Fundamental Rights), chapter 24 (Justice, Freedom and Security) and chapter 31 (Foreign, Security and Defence Policy). The Turkey-EU relationship continues to face the cost of non-settlement of the Cyprus dispute. Without the settlement of this dispute, it is politically difficult to transform the present “partnership” between the parties into a “re-energised accession” process. The settlement of the Cyprus dispute is not a sufficient condition to “re-energise” the accession negotiations, there are also important political problems to be overcome and a need for political reform. However, the settlement of the Cyprus problem would facilitate the lifting of the blockage on some crucial chapters such as 23 and 24 which are critical in terms of the political reform process. If not, the present relationship would consolidate into a partnership relationship, the risks of which cannot be calculated.

In conclusion, the costs of non-settlement of the long-lasting Cyprus dispute have become more evident for all the relevant actors; it is in the interest of all actors to facilitate the comprehensive settlement of the dispute in a timely manner, since it could become more difficult to find a conducive conjuncture for the solution of the problem in the future.

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