

THE CYPRUS PROBLEM IN 2014: THREE DIFFERENCES FROM 2004 AND ONE SIMILARITY

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All the signs are that in Autumn, 2013, negotiations on the Cyprus problem will resume. Negotiators have been appointed by the parties to the negotiations, and the United Nations have produced their own written version of the results of the negotiations to the present moment. The already controversial "convergences" document one assumes contains positions which the UN consider agreed in black, and non-agreed positions in red and blue respectively. The aim of the negotiations will presumably be to turn everything black.

There are three significant differences to the situation in 2004, when the "Annan Plan" gained the opposition of 76% of Greek Cypriots. Two of them probably have a positive impact on the likelihood of an agreement, and one of them has a negative impact. The first big difference in the situation, lies in the fact that both communities are now in dire economic straits. In 2004 one of the issues impeding a solution was that the economically overconfident Greek Cypriot community was convinced by its leaders that a solution would mean that it would need to subsidize the poorer Turkish Cypriots. Particularly, the worry was about the cost of "three governments", one in the Greek Cypriot region, one in the Turkish Cypriot region, and a Federal Government. Estimates of this cost mounted to many millions. (Though not billions). Also, the over-paid and underworked Greek Cypriot civil servants were convinced that a solution would be bad for their career prospects and might lead to their being transferred from a safe job in the "Greek Cypriot Republic" to an unsafe job in the federal government.

In 2014, not only are Turkish Cypriots indebted to the tune of billions, to Turkey, but also the Greek Cypriots are having to cover debts of billions which have been created by their bankers, by irresponsible business men borrowing tens or hundreds of millions which they cannot repay, and by overspending by the State. They will get the loans they need from the "Troika", but on harsh terms which create recession. Everyone is looking for means to stimulate renewed development. The solution of the Cyprus problem has emerged as one such key to development.

Along these lines, one recent analysis, in an admittedly perennially pro-resolution newspaper, listed five positive impacts which a solution of the political problem would have on economic activity: There would be a positive impact on the depressed building industry because of the need to reconstruct areas which would be returned to the Greek Cypriots, such as Varosha and Morphou. Also there would be a need for more construction to house Turkish Cypriots who would be resettled from this area.

Secondly, the reunified Cypriot economy would probably contain at least 250 000 more consumers with the addition of the Turkish population who now live in relative economic isolation from the main economy. Thirdly, a positive economic impact can be expected from the opening and normalization of economic relations with Turkey, with its still lively economy. It is also conceivable that some wealthy Turks might want to keep their money invested in an area of the European Union, Cyprus. The augmented stability and security in the country after a solution would lead to greater foreign investment and more tourism.

Finally, a solution would make Cyprus the only country in the Eastern Mediterranean which genuinely has zero problems with all its neighbours. This would augment its chances in the immediate future of hosting Liquid Natural Gas facilities for the region, and would in the longer term allow it to become a hub of stability in the region, or even for what the Cyprus Foreign Minister has ambitiously termed "regional integration."

The second significant difference in the situation is the discovery and the initial steps for the extraction of hydrocarbons in the exclusive economic zone of Cyprus. Despite the fact that Turkey has promoted and is the only country which has recognized an independent Turkish Cypriot state in the area of Cyprus which its troops occupy, when it comes to the Exclusive Economic Zone of what it terms "Greek Cyprus", it lays claim to its wealth, either through an illogical assertion that the Turkish Cypriots have a right to them, or through an assertion which largely ignores the Law of the Sea, which states that Turkey itself has a claim to this wealth.

The European Union, the United States and other significant international players have on the whole rejected these assertions of Turkey, and, as things are developing, Turkey may be excluded from direct or indirect benefits from the exploitation of hydrocarbon resources, which are considerable, in the Eastern Mediterranean. The Cyprus Foreign Minister has recently indicated that "The deposits significantly alter the significance and weight of Cyprus, in relation to the European Union, and in relation to the wider area. It is a fact that Turkey, as a developing country is seeking energy resources, which at the moment it lacks. A correct handling of this issue can turn the sound solution of the Cyprus problem into a motive for Ankara."

Minister Kasoulides has also, in the same interview, not excluded, that after a solution of the Cyprus problem, Cypriot natural gas resources could be exported through a pipeline to Turkey.

It is probably true that Ankara needs a renewed motivation to interest itself in a solution, as the third, and very important change in the situation, since 2004, has had the effect of decreasing the commitment, never intense, of Ankara to a Cyprus solution. In 2004 the then recently elected AKP Government had good reasons to worry about the possibility

of a military coup by the Turkish army that would overthrow this party's government based on political Islam. It considered the European Union as a safe haven that would help it in its effort to control the military and make Turkey safe for the AKP. It is in this context that the apparent willingness of Turkey to arrive at an agreement on Cyprus in 2004 can be seen. By the end of 2005 the aim of becoming a candidate for EU membership was partially achieved, though the negotiating framework of Turkey left open the doubts of some European leaders about the suitability of Turkey as an EU member.

Since that time, the objections of the two largest member countries have become manifest, and though Hollande is less unbending than Sarkozy, it is clear that Turkish negotiations with the EU are frozen. Within Turkey, Erdogan's dominance has turned Turkey to new orientations and pursuits and indifference to a solution in Cyprus.

Finally, there is one constant in the situation and this is "the *acquis* of the intercommunal negotiations." What this "*acquis*" is precisely is of course contested, and this is represented by the contest about the contents and status of the content of the United Nations tricolor document. But its main points are known, and encompassed by three key phrases, "bicomunal bizonality", "political equality" and "guarantees".

The *acquis* was formed during the process of negotiations in highly unequal conditions since the invasion in 1974. Some on the Greek Cypriot side argue that the *acquis* basically represents a codification of the elements necessary for the legalization of the situation of division and ethnic cleansing created by the invasion in 1974. Without going as far as that, it is clear that the "*acquis*" contains elements which cannot easily be reconciled with contemporary democratic principles.

There were a number of reasons for the rejection of the solution plan by 76% of the Greek Cypriots in 2004. One was the positions taken by their political and religious leadership, another lay in the economic facts of the situation. But it is also clear that the contents of the "*acquis* of the Cyprus problem" were a contributory factor. This *acquis* has not improved since then. If anything it has been made worse for the Greek Cypriots by the diplomatically inept moves of President Christophias. If there is to be a tilt in the balance in favour of a solution in 2014, there is a need to make, in one way or another, the contents of the *acquis* more attractive for Greek Cypriots.