
The Cyprus Issue Project

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Examining The Momentum Of The Joint Declaration

Vasileios P. Karakasis

Introduction

On 11.2.2014¹ and after several months of intense haggling and negotiating dystocia, a Joint Declaration was signed by Greek and Turkish Cypriot leaders. This evolution has brought the Cyprus question back into the spotlight. Although this document does not pretend to constitute a solution *per se*, it lays certain “ground-rules” upon which the stalled peace talks aiming at the island’s reunification could be revived.

This event was warmly received by certain international actors, long involved (even to a different extent) in the conflict. The EU, the US and the UN claim that they do foresee in this declaration the (open) avenues for a final settlement. The President of the European Commission, José Manuel Barroso and the President of the European Council, Herman Van Rompuy, issued a statement welcoming this agreement that “lays a solid foundation for

¹As a matter of historic irony, 55 years ago, on 11 February 1959 in Zurich, the Foreign Ministers of Greece, Turkey and United Kingdom initialed the basic structures of the Republic of Cyprus, the Treaty of Guarantee and the Treaty Alliance.

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resumption of negotiations for a fair and viable comprehensive settlement of the long-standing Cyprus problem” (European Commission 11.2.2014). Adopting a similar tone, the White House spokesman Jay Carney congratulated Greek Cypriot leader Nicos Anastasiades and his Turkish Cypriot counterpart Derviş Eroğlu for their *“courage and vision”* in reaching a joint statement which “reflects a spirit of compromise and lays a solid foundation for results-oriented talks” (Statement by the Press Secretary). The Secretary General, Ban-Ki Moon, commended “the leaders for their commitment to resuming negotiations and for their hard work in the past months to reach what is an important statement of shared principles and invaluable basis for renewed talks”.

Nevertheless, this development did not come out of the blue. While the attention of internal and external stakeholders might be drawn to the substance and the (ambiguous) content of the announcement, one of the main points of this paper is to explain the timing as the key variable in the launch of the negotiations. It aims to address the interplay of “carrots and sticks” beyond the declaration that makes negotiators consider the momentum of a settlement more than convenient. It will delineate the reasons why EU, US and UN officials strongly believe that the “ripe moment” to permanently resolve the Cyprus question has finally arrived.

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Taking the above said into account, this piece will be structured as follows. Firstly, it will elaborate on the notion of “ripeness”, as developed in the academic literature of conflict resolution studies. This part will set forth the theoretical conditions that lead to the emergence of the “ripeness” in a conflict. Having laid the theoretical background, it will examine the degree to which these conditions apply to the peculiarities of the Cyprus issue.

The theoretical background of the “ripe moment”

Although most studies on the peaceful settlement of dispute cast light on the core substance of the negotiations (the points of friction), the timing during which the negotiations are launched cannot be neglected. Regardless of the perceptual, legal, economic and political complexities inherent in any conflict, parties decide to negotiate for a resolution only when they feel ready to do so. Finding themselves trapped into an uncomfortable and costly predicament, the disputants become amendable to proposals and formulas that supposedly provide them with “a way out” (Zartman, 2003). This timing is captured by the term “ripe moment”, as expounded by Zartman (2001, 2003). Quoting Campbell (1976; 73), “ripeness of time is one of the absolute essences of diplomacy”.

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What are the main indicators that illustrate the emergence of a “ripe moment”? The first one is the experience of a “mutually hurting stalemate” (MHS) among the disputing parts. In a MHS condition, disputants realize that neither of them can benefit but will suffer from continued conflict or a problematic status quo, perceiving themselves locked in a “lose-lose” situation (Jonsson, 2009). Feeling trapped in a situation from which they cannot escalate to (what they understand as) victory, they have to understand that the existing impasse is painful to both of them (although not necessarily in an equal degree or for the same reasons). It should be stressed, though, that the perceptive factor plays crucial role in the existence of the MHS. In other words, if the parties do not acknowledge “clear evidence” of the deadlock, a MHS would not be in place (Zartman, 2003).

The concept of MHS deals with certain limitations, since it is able to address only the inaugural stage of the negotiations. Empirical evidence has shown that negotiations solely pursued under the shadow of a MHS, cannot conclude to a long-lasting settlement. The disputants need something more than a MHS to sit on the negotiation table. They need prospects for an attractive co-existence future. This is what the negotiators should offer them in order to pull them out of their conflict. The keyword and second indicator that explains this rationale is the Mutual Enticing Opportunity (Zartman, 2001; 14).

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The initial absence of “ripeness” in the setting of the Cyprus

Having laid the theoretical ground, the crucial point here is to explain how the above mentioned notions could apply to the conflict setting of the Cyprus case. For a long period of time the Turkish official position (and the Denktas’s² position as well) was that the military intervention in 1974 has resolved the Cyprus question despite the consecutive resolutions of the Security Council that were designed to revise the post-1974 status quo in the island. For almost 30 years, Turkey was viewed in the eyes of the international community as the spoiler of any solution while, in contrast, Republic of Cyprus, was considered the “victim of the Turkish obstructionism”. Based on this assumption, admitting Republic of Cyprus in the EU, regardless of any settlement on the island, was driven by the motivation to provide the necessary impetus to shift Turkey’s “entrenched behavior paradigm” (Christou 2012). The rationale of the EU behind this decision was to sign a clear message against the Turkish longstanding intransigence.

However, the referendum in April 2004 on the UN sponsored Annan Plan that resulted in a ‘no’ vote in the Republic of Cyprus and a ‘yes’ vote in the northern part of the island, reflected a critical juncture for an eventual redefinition in the above described discourse

² The diachronic leader of the Turkish Cypriots, who died in 2012

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(ibid.). Turkish Cypriot officials, viewing that this plan was addressing their concerns on the island, manifested their eagerness to support it. On the contrary, Greek Cypriots perceived it as inadequate to echo their own security concerns. This assumption, consequently, led to its rejection.

The rejection, nevertheless, had a significant impact on the view of the international community as regards “who is the spoiler of the solution”. The blame for non-resolution was not laid anymore on the Turkish and the Turkish Cypriot side but shifted to the Greek Cypriots. Certain UN, EU and American officials “labelled” the latter as the intransigent actors and the spoilers of the solution. An official in the European Commission told me personally in 2012 that the Greek Cypriots, by stating ‘no’ to the Annan Plan while already being admitted to the EU “had cheated on us [the Europeans]”.

However, the fact that Republic of Cyprus got admitted to the EU without a previous settlement, made Turkish officials claim that the EU was not a partner they could rely upon. This assumption made them redefine their policy vis-à-vis their EU candidacy commitments. Turkey had decided not to undertake its obligations stemming from the

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Additional Protocol to Ankara Agreement in its entirety³ (Republic of Turkey Ministry of Foreign Affairs). The Cypriot EU presidency in July 2012 added more chill to the problematic Turkish EU relations. The Turkish Deputy Prime Minister Besir Atalay had clarified at the time: “if the peace negotiations there (Cyprus) are not conclusive, and the EU gives its rotating presidency to southern Cyprus, the real crisis will be between Turkey and the EU”(The Telegraph 19.9.2011).

Turkish officials claimed that, by supporting the Annan Plan, had paid their dues with respect to their intention to settle the conflict. They stated than no further compromise on their behalf was feasible. While questioning EU’s reliability as an impartial broker in the Cyprus question, they raised doubts whether the EU admission could constitute a panacea for their interests. They stated that the EU needs Turkey more than Turkey needs the EU. In the words of Egemen Bagis, the Turkish former chief negotiator for EU talks, “Turkey’s need for the union continues to decrease while the union’s need for Turkey grows bigger with each passing day” (Demirbas 7.7.2011). He pointed the finger to the “Greek Cypriot

³ Turkish officials have decided that negotiations on 8 chapters cannot be opened at present (“1-Free Movement of Goods”, “3-Right of Establishment and Freedom to Provide Services”, “9-Financial Services”, “11-Agriculture and Rural Development”, “13-Fisheries”, “14-Transport Policy”, “29-Customs Union” and “30-External Relations”) <http://www.mfa.gov.tr/relations-between-turkey-and-the-european-union.en.mfa>

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administration” as the central reason for the stalemate in the EU-Turkish relations. Furthermore, he added that “today Europe is mired in a serious economic crisis. And before them is an economic power they are watching admiringly: the Republic of Turkey” (ibid.).

In a similar fashion, the Turkish Prime Minister, Tayyip Erdogan claimed: “EU wants to forget us but it can’t. It is reluctant. We will be more comfortable if it says so. Instead of stalling us, let it say so and we will go our own way” (Gursel 10.1.2013). To demonstrate the alternative choices that Turkey had vis-à-vis the EU, he stated that being admitted to Shanghai Five would be a much better option. As regards the Cyprus question, November he alleged: ‘there is no country named Cyprus’. Replying to questions after a conference in Poland on Turkey-EU relations, he claimed that the ‘south Cyprus Greek administration’ had been accepted into the EU for political reasons and not because its admission was in harmony with European laws (European Parliament 10.11.2013).

Given the above mentioned, the problematic status quo in the island, in spite of its unsavory character, seemed -in the eyes of the international negotiators- preferable to any conceivable peaceful settlement of power sharing (in other words no solution is a solution). Despite the fact that neither conflicting part seemed sufficiently satisfied with the territorial division, this was not adequate to urge them to make the difficult compromise,

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which would be essential –in the negotiator’s view- for settling the dispute. On the one hand, the Republic of Cyprus, being admitted to the EU and constituting for decades a functioning, prosperous and well-governed democratic state with one of the highest GDP per capita, would not jeopardize its standing by uniting with the poorly developed north with which its citizens would feel estranged and culturally different (Heraclides, 2011; 100). On the other hand, EU membership was not a “carrot” for Turkey. Hence, the compliance with the *acquis* along with the consequent commitment to a peaceful settlement on the island had not been flagged as the highest priority for the Turkish officials.

These developments made the international negotiators believe that the conditions of “ripeness” were not at place. There was no mutual hurting stalemate that would urge the disputants come into a compromise. In their view, the absence of MHS was a potent obstacle for a peaceful settlement of the Cyprus question (Heraclides, 2011).

The emergence of the MHS

Nevertheless, certain developments made the international negotiators review the situation and jump into the conclusion that the “ripe moment” had finally arrived. More specifically:

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a. The banking crisis in the Republic of Cyprus

The emergence of the Euro crisis -firstly sparked in Greece with contagious effects on the Republic of Cyprus' economy too-, the exposition of the Cypriot banking system to the Greek bonds⁴, which was disproportionate to the size of the Greek Cypriot economy, along with other macroeconomic factors brought the Republic of Cyprus into the brink of a financial collapse. The Republic was “practically cut off from financial markets”. In order to solve her problems, she needed to borrow money from the EU, the ECB and the IMF under certain conditions. The essence of economic conditionality, in general, rested upon the Cypriot government's agreement to adjust its economic policies to overcome the problems that pushed her in asking financial aid from the international community. The decision, the officials came up with, to force bank depositors in Cyprus to share in the cost of the country's bail-out set off an increasing outrage and turmoil in the island. More than 11.000 Greek Cypriot banking depositors lost big chunks of their savings. The GDP shrank by 6% in 2013 and the unemployment rate reached a 17% record (The Economist 15.2.2014).

In the mindset of analysts and politicians, the crisis that erupted in the island could offer the conditions of a hurting stalemate and consequently offer the “ripe momentum” to

⁴ That were subject to a hair-cut and had lost their initial value

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(re)solve the conflict. In the words of Barber (18.2.2013) "Cyprus's emergency presents European governments with the best chance in almost 40 years to overcome the island's division...Europe's leaders now have a chance to tell the Greek Cypriots, in a friendly but firm way, that financial aid requires progress on a diplomatic settlement". Cem Ozdemir, chairperson of Greens' opposition party in Germany, said that Europe should make a bailout for Greek Cyprus conditional on reviving talks about reunification of the island divided since 1974" In the debate about financial help for Greek Cyprus the question of reunification of the island does not figure, regrettably". His position, however, was not officially echoed by his party (Today's Zaman 7.3.2013).

In any case, the officials of the European Commission shared this position. Olli Rehn, the European Commissioner for Economic and Monetary Affairs, in his speech related to Cyprus financial crisis came up with the following conclusion: "I worked hard for five years as Commissioner for enlargement to facilitate the reunification of Cyprus. I regret that there has been no decisive progress. Today, it is worth recalling that the reunification of the island would give a major boost to the economic and social development of Cyprus. Now it is indeed high time to revitalize the process leading towards reunification". (European Commission 09/05/2013).

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Hence, close to the economic conditionality, a diplomatic conditionality was also placed. In order to borrow money from the lenders, the Greek Cypriots should not solely proceed with the agreed economic measures. Certain compromising steps on behalf of the Greek Cypriots towards a settlement would be also needed. The European officials believed that the latter, while dealing with their own economic turbulence, would not have the “diplomatic luxury” to embrace any “intransigent position” towards a settlement of the conflict. Assuming that the economic destiny of the Republic of Cyprus depended on the loans provided by the EU, they thought they had the upper hand to put the resolution of the Cyprus conflict on the negotiation table in proximity with the respective economic deal. To clarify, they rhetorically conditioned the loans offered to the Greek Cypriots on the latter’s attitude towards the prospect of a diplomatic settlement. In other words, the current crisis, in their mindset, might be “used as a leverage” to bear upon the Greek Cypriots’ standing on the conflict. Taking this into consideration, adopting an “intransigent position” on a potential settlement would be costly in economic terms too. Lack of settlement, attributed to their own responsibility, could leave the Greek Cypriots both isolated and poorer on the far eastern tip of the EU (Pope 14.2.2014). Thus, the burden of a hurting stalemate had been placed on the “economic and diplomatic back” of the Greek Cypriots.

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b. Adding Turkey to the MHS equation

The hurting stalemate for the Turkish Cypriots has been long-lasting. Dealing with an economic isolation and an increasing dependence on the Turkish economy, an important part of the Turkish Cypriots has repeatedly manifested its wish to see the revision of the status quo (even not in its entirety).

As regards Turkey, her foreign policy in the Middle East encountered during the last year unprecedented challenges which “lowered previously heightened ambitions and raised the question of readjusting strategy and tactics” (Grigoriadis, January 2014). As Grigoriadis (ibid.) states, the stalemate in the Syrian civil war (in contrast with their expectations as regards the fall of Assad’s regime), the emergence of the Kurdish issue in its regional dimension, the military coup in Egypt along with certain domestic developments (the Gezi events, 17 December 2013 graft investigation, and severe under-evaluation of the Turkish lira) called for reappraisal of the above described policy paradigm⁵.

In the face of the forthcoming elections, Erdoğan’s regime has been looking for ways to improve his party’s image. To this end, while removing prosecutors from the corruption

⁵ According to which the EU admission is not the only viable option

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investigations, the AKP started to strike softer tones with its EU partners (Solmaz 12.2.2014). Erdogan stated that “2014 will be a year in which full membership talks with the EU and the democratization reforms will speed up” (Today’s Zaman 1.1.2014).

However, besides the rhetoric, mediators in the Cyprus conflict wanted to observe more tangible commitments to this direction. Consequently and in order to fulfill her European aspirations, Turkey is also expected to contribute, with its stance, to a peaceful settlement of the Cyprus conflict. According to the international negotiators, in doing so, she cannot but abandon any hardline position towards this direction. Otherwise, the country would deal with a frozen EU accession process. The economic losses from this evolution would be severe for Turkey because they could result into the steady drain of the resources needed to prop up the Turkish Cypriot administration (Pope 14.2.2014). This assumption, made the mediators conclude that Turkey might be dealing with hurting stalemate as well, even to a much lesser degree than the Republic of Cyprus.

Mutual Enhancing Opportunity

As explained before, the mutual stalemate is sufficient for the launch of negotiations. It is not adequate, nonetheless, for their successful conclusion. The actors involved in the

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Cyprus conflict settlement have to illustrate certain prospects offering a glimmer of hope for the successful conclusion of the new round of talks. In their mindset, the following developments could seem promising in this respect:

a. the recent replacement of Alexander Downer⁶ by Lisa Bittenheim (USA). The former is considered a *persona-non-grata* in the Republic of Cyprus. Meeting the Turkish Foreign Minister Ahmet Davutoglu at the Turkish 'embassy' in December 2013 in the north had initially torpedoed, in the eyes of the Greek Cypriots, any possibility for the resumption of a substantive dialogue. They argued that this meeting would give ground for recognition of the illegal entity - "at the highest possible level - the UN Secretariat" (*In Cyprus* 18.12.2013). President Anastasiadis, while referring to him, claimed that "we do not need a divine figure. What we need is objectivity from those serving the principles of the United Nations and respect to what - from time to time - has been agreed between the two sides" (*In Cyprus* 08.01.2014). Given Downer's non-impartial image in the eyes of the Greek Cypriots, the negotiations would be hard to initiate.

b. Recent developments signal a greater American involvement in the negotiations course. The Assistant Secretary of State for European and Eurasian Affairs, Victoria Nuland paid a

⁶The UN Special Adviser to the Secretary General since 2008

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visit to the Republic of Cyprus aiming to “iron out the impediments in having the declaration signed” (Paul 15.2.2014). This caught many by surprise since Washington had traditionally a passive role on the issue⁷ (ibid.). The US seems to have taken a leading role in pressing for this round of talks to start. The Economist (15.2.2014) uses the term “Obama plan” to capture the revitalization of the reunification talks. It could indicate that they foresee a genuine commitment from the disputants. Furthermore, US aim to support Israel since the latter appears to search for an insurance policy against the turbulence in the Middle East. Hence, creating a stronger alliance both with Cyprus and Turkey would be essential in the American point of view. Nevertheless, the energy dimension seems to be the catalyst behind the American decision for this active involvement.

c. The eastern Mediterranean became home to vast reserves of natural gas since enormous deposits of natural gas have been detected off Cyprus’ southern side. According to estimations made by US Geological Survey more than 120 trillion cubic feet of recoverable gas reserves lies beneath the waters of the Eastern Mediterranean and especially a region called the Levant Basin. In September 2011, the American oil company, Noble Energy

⁷ This passive role might be attributed to the negative perceptions that the Greek Cypriots were holding on the American role during the Turkish military intervention. As a consequence, for four decades, Americans have not been considered as an honest broker in the Cyprus dispute.

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began exploratory drilling in Cyprus Block 12 (Aphrodite) along with its operations in Israeli waters and found between 5 and 8 trillion cubic feet (Iseri and Andrikopoulos, March 2013). This evolution evoked the Turkish reaction. The Turkish military carried out large scale exercises around this region signaling a message that Turkey would not let Israel and Cyprus continue with these plans without considering her and Turkish Cypriots' interests in the region.

Albeit the problematic character of the Turkish-Israeli relations, Gideon Tadmor, President of Israeli Delek, which owns parts of the Leviathan reserves offshore Cyprus, stated that an underwater pipeline to Turkey would be an expeditious way and the least expensive option for gas to flow into international markets (Natural Gas Europe 10.12.2013). They could create a pipeline from the gas fields to the Karpas peninsula in Eastern Cyprus and from there to Ceyhan in Turkey, where the shallow waters all along this route could make this project feasible. But such a pipeline would have to pass through Republic of Cyprus's Exclusive Economic Zone. As it has been reported, though, there is no chance Nicosia would allow that to happen "before a Cyprus settlement is agreed, or, at the least, before there is a very good prospect of one" (Pope 14.2.2014). The prospect to become Europe's

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energy corridor, might give Turkey the impetus to alter its intransigent stance, so far, towards the Cyprus issue⁸.

In Ankara, Athens and Nicosia, officials are describing the discovery of the gas reserves as a game-changer that has made a settlement pressing (Smith (10.2.2014)). It became clear that exploitation of the hydrocarbons would require regional stability not only in Cyprus but between Israel and Turkey as well. According to Hubert Faustmann, associate professor at Nicosia University, “Turkey and Israel’s energy cooperation has triggered an American intervention and forced both sides to agree on a joint statement leading to a resumption of talks... “Washington has put so much weight behind this latest peace effort because oil and gas is a game changer in the wider context” (Hurriyet Daily News 13.2.2014). The American interests have been dictated partly by their aspiration to see the EU decrease its dependence on natural gas from Russia.

⁸The Ambassador of Turkey in Athens gave an interview in Anadolu Agency (14.2.2014) where he claimed that the prospects of energy cooperation between Turkey and the Republic of Cyprus would be really beneficial for the Turkish Cypriots. As he mentioned, according to international law, 80% of the private property in the northern Cyprus belongs to the Greek Cypriots. The Turkish Cypriots, due their problematic economic standing, are not able to compensate the Greek Cypriots. The economic profits, however, that might emerge from the energy cooperation could be channeled into a special fund that will be designed to compensate the Greek Cypriots. The full interview in Turkish is cited in <http://www.aa.com.tr/tr/s/287976--turkiyenin-ab-uyeliginin-anahtari-kibris> An English summary of the interview is <http://www.aa.com.tr/en/economy/288194--gas-reserves-key-for-cyprus-resolution-turkish-ambassador>

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To this end, the mediators believe that the replacement of Alexander Downer, the increasing involvement of the American factor and the energy-dimension are parameters based on a win-win rationale. In other words they indicate the emergence of Mutually Enhancing Opportunity.

Conclusion

Aim of this paper was to delineate the interplay of MHS and MEO, beyond the Joint Declaration. It sought to convey the “carrots and sticks” that the mediators might present in the course of the negotiations. Bearing all these in mind, the next piece will be devoted to the content of the Joint Declaration.

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