



# Cyprus: Reunification Proving Elusive

**Vincent Morelli**  
Section Research Manager

June 16, 2010

Congressional Research Service

7-5700

[www.crs.gov](http://www.crs.gov)

R41136

## Summary

Attempts to resolve the Cyprus problem and reunify the island have undergone various levels of negotiation for almost 40 years. Beginning in 2008, Cyprus President Dimitris Christofias, a Greek Cypriot, and the former Turkish Cypriot leader Mehmet Ali Talat engaged in what appeared to be a positive and concerted effort to reach some type of acceptable solution. However, by the end of March 2010 time and politics ran out on both.

On April 18, 2010, Turkish Cypriot voters selected a new leader, Dervis Eroglu of the National Unity Party (UBP). Eroglu, a 72-year-old physician, and long-time politician, led a political party that included some who have advocated a permanently divided island and international recognition for the Turkish Republic of Northern Cyprus (TRNC). During the political campaign in the north, Eroglu criticized Talat for what he thought were too many concessions to the Greek Cypriot side. However, since then Eroglu has reassured everyone that he will continue with the negotiations.

For his part, Republic of Cyprus President Christofias had experienced his own internal political difficulties as one of his governing coalition partners, the Socialist Party (EDEK), quit the governing coalition over disagreements with the President's negotiating strategy. Almost immediately following the EDEK decision, hard-liners in the other coalition partner, the Democratic Party (DIKO), also criticized Christofias for what they considered to be too many concessions to the Turkish Cypriot side. These disagreements continued into May when the Greek Cypriot National Council, the political body that advises the President on Cyprus settlement issues, apparently failed to agree on a joint communiqué outlining the negotiating strategy for the new round of talks with Eroglu. This lack of consensus raises the question of whether Christofias can be guaranteed support for whatever negotiated solution he could achieve with Eroglu.

The change in leadership in the north from Talat to Eroglu initially raised the question of whether prospects for a settlement that would end the political division of Cyprus would enter a period of retrenchment with possibly more difficult negotiations ahead dominated by harder-line views on both sides. It also called into question whether the "understandings" reached between Christofias and Talat would form the basis for the new round of talks. Both sides had repeated that the talks would resume from where they left off, although it is somewhat unclear exactly where Christofias and Talat left off as neither side officially revealed any of the so-called "convergences" that they had apparently arrived at before Talat left office. Nevertheless, the first round of the new talks was held on May 26, 2010, and continued briefly on June 3 and again on June 15. Four additional sessions have been scheduled through the end of July. Both Christofias and Eroglu have stated their desire to reach a solution, but most predict a difficult period ahead.

The United States has long maintained a position of strong support for a negotiated settlement. This has been reaffirmed by the Obama Administration. Many Members of Congress have continued to maintain their interest in Cyprus during the 111<sup>th</sup> Congress, partly due to keen constituent concern. Hearings could be anticipated on the future of the negotiations as the new round of talks begin. This report will be undated as necessary.

## **Contents**

Background .....	1
Annan Plan .....	2
The Christofias -Talat Negotiations: 2008-2010.....	3
Leadership Change in North Cyprus.....	6
New Round of Negotiations and Identifying the Issues .....	7
Issues .....	7
EU Trade with North Cyprus.....	9
Assessment .....	10

## **Figures**

Figure 1. Map of Cyprus .....	12
-------------------------------	----

## **Contacts**

Author Contact Information .....	13
----------------------------------	----

## Background<sup>1</sup>

The island Republic of Cyprus gained its independence from Great Britain in 1960. Of the total population living on the island, approximately 77% are of Greek ethnic origin, and roughly 18% of Turkish ethnic origin. (Maronite Christians, Armenians, and others constitute the remainder.) At independence, the Republic's constitution defined elaborate power-sharing arrangements between the two main groups. It required a Greek Cypriot president and a Turkish Cypriot vice president, each elected by his own community. Simultaneously, a Treaty of Guarantee signed by Britain, Greece, and Turkey ensured the new Republic's territorial integrity, and a Treaty of Alliance among the Republic, Greece, and Turkey provided for Greek and Turkish soldiers to help defend the island. However, at that time, the two major communities aspired to different futures for Cyprus: most Greek Cypriots favored union of the entire island with Greece (*enosis*), while Turkish Cypriots preferred to partition the island (*taksim*) and possibly unite the Turkish Cypriot zone with Turkey.

Cyprus's success as a stable, new republic lasted from 1960-1963. After President (and Greek Orthodox Archbishop) Makarios III proposed constitutional modifications that favored the majority Greek Cypriot community in 1963, relations between the two communities deteriorated, with Turkish Cypriots increasingly consolidating into enclaves in larger towns for safety. In 1964, Turkish Cypriots withdrew from most national institutions and began to administer their own affairs. Intercommunal violence occurred between 1963 and 1964, and again in 1967. On both occasions, outside mediation and pressure, including by the United States, appeared to prevent Turkey from intervening militarily on behalf of the Turkish Cypriots. On March 4, 1964, the United Nations authorized the establishment of the United Nations Peacekeeping Force in Cyprus (UNFICYP) to control the violence and act as a buffer between the two communities. It became operational on March 27, 1964, and still carries out its mission today.

In 1974, the military junta in Athens supported a coup against President Makarios, replacing him with a more hard-line supporter of *enosis*. In July 1974, Turkey, citing the 1960 Treaty of Guarantee as a legal basis for its move, deployed its military forces in two separate actions to the island, and by August 25, 1974, had taken control of more than one-third of the island. This military intervention<sup>2</sup> had many ramifications. Foremost was the widespread dislocation of both the Greek and Turkish Cypriot population and related governance, refugee, and property problems.

After the conflict subsided and a fragile peace took root, Turkish Cypriots pursued a solution to the conflict that would keep the two communities separate in two sovereign states or two states in a loose confederation. In February 1975, the Turkish Cypriots declared their government the "Turkish Federated State of Cyprus" (TFSC). In 1983, Turkish Cypriot leader Rauf Denktaş declared the "Turkish Republic of Northern Cyprus" (TRNC)—a move considered by some to be a unilateral declaration of independence. At the time, Denktaş argued that creation of an

---

<sup>1</sup> Parts of this report are drawn from a more comprehensive history of the Cyprus negotiations found in CRS Report RL33497, *Cyprus: Status of U.N. Negotiations and Related Issues*, by Carol Migdalovitz.

<sup>2</sup> Turkey officially refers to its action as a "peace operation." The Greek Cypriots and much of the international community refer to it as an "invasion." According to the International Institute for Strategic Studies, *The Military Balance—2009*, Turkey still has 36,000 troops on the island. However, the Greek Cypriots claim that the figure is 42,000 to 44,000. "Defense Committee: UNFICYP Figures on Occupying Troops are False," Cyprus News Agency, February 6, 2009, BBC Monitoring European.

independent state was a necessary precondition for a federation with the Greek Cypriots. However, he ruled out a merger with Turkey and pledged cooperation with United Nations-brokered settlement efforts. Twenty-seven years later, only Turkey has recognized the TRNC.

Between 1974 and 2002, there were numerous, unsuccessful rounds of U.N.-sponsored direct and indirect negotiations to achieve a settlement. Negotiations focused on reconciling the two sides' interests and reestablishing a central government. They foundered on definitions of goals and ways to implement a federal solution. Turkish Cypriots emphasized bizonality and the political equality of the two communities, preferring two nearly autonomous societies with limited contact. Greek Cypriots emphasized the freedoms of movement, property, and settlement throughout the island. The two parties also differed on the means of achieving a federation: Greek Cypriots wanted their internationally recognized national government to devolve power to the Turkish Cypriots, who would then join a Cypriot republic. For the Turkish Cypriots, two entities would join, for the first time, in a new federation. These differences in views also affected the resolution of issues such as property claims, citizenship of Turkish settlers who had come to the island, and other legal issues.

## **Annan Plan**

Negotiations for a final solution to the Cyprus issue appeared to take a dramatic and positive step forward when on November 11, 2002, then-U.N. Secretary-General Kofi Annan presented a draft of The Basis for Agreement on a Comprehensive Settlement of the Cyprus Problem, commonly referred to as the Annan Plan. The plan called for, among many provisions, a "common state" government with a single international legal personality that would participate in foreign and EU relations. Two politically equal component states would address much of the daily responsibilities of government in their respective communities. The Annan Plan was a comprehensive approach, and of necessity addressed highly controversial issues for both sides.

Over the course of the next 16 months, difficult negotiations ensued. Turkish Cypriot leader Denktash was replaced as chief negotiator by a more pro-settlement figure, and newly elected "prime minister," Mehmet Ali Talat. Greek Cypriot President Glafkos Clerides was replaced through an election with, according to some observers, a more skeptical President, Tassos Papadopoulos. The Annan Plan itself was revised several times in an attempt to effect compromises demanded by both sides. Complicating the matter even more, on April 16, 2003, the Republic of Cyprus signed an accession treaty with the European Union to become a member of the EU on May 1, 2004, whether or not there was a settlement and a reunited Cyprus.

Finally, after numerous meetings and negotiations and despite a lack of a firm agreement but sensing that further negotiations would produce little else, on March 29, 2004, Secretary General Annan released his "final revised plan" and announced that the Plan would be put to referenda simultaneously in both north and south Cyprus on April 24, 2004. The Turkish Cypriot leadership split, with Denktash urging rejection and Talat urging support. Greek President Papadopoulos, to the dismay of the U.N., EU, and United States, but for reasons he argued were legitimate concerns of the Greek Cypriot community, urged the Greek Cypriots to reject the referenda. On April 24, what remaining hope existed for a solution to the crisis on Cyprus was dashed as 76% of Greek Cypriot voters rejected the Plan, while 65% of Turkish Cypriot voters accepted it. In his May 28, 2004, report following the vote, Annan said that "the Greek Cypriots' vote must be respected, but they need to demonstrate willingness to resolve the Cyprus problem through a bicomunal, bizonal federation and to articulate their concerns about security and implementation of the Plan with 'clarity and finality.'"

For roughly the next four years, to little avail, Cyprus muddled through a series of offers and counter-offers to restart serious negotiations even as the Greek Cypriots solidified their new status as a member of the EU, a status not extended to the Turkish Cypriots despite an EU pledge to try to help end the isolation of the north.

## The Christofias -Talat Negotiations: 2008-2010

On February 24, 2008, 61-year-old Dimitris Christofias of the Progressive Party of Working People (AKEL) was elected to a five-year term as President of Cyprus. Mr. Christofias was educated in the Soviet Union and is a fluent Russian-speaker. He joined the communist-rooted AKEL party at the age of 14 and rose through its ranks to become leader in 1988. Christofias was elected president of the Cypriot House of Representatives in 2001 and won reelection in 2006.

Christofias's election had the backing of the Democratic (DIKO) Party and the Socialist (EDEK) Party. Christofias, in part, tailored his campaign to opposing what he believed was an uncompromising approach toward the Turkish Cypriots by former Cypriot President Papadopoulos and the stagnation in the attempt to reach a just settlement of the Cyprus problem. Although serious differences existed between the Greek Cypriot and Turkish Cypriot sides over a final settlement, Christofias took the outcome of the vote as a sign that Greek Cypriots wanted to try once again for an end to the division of the island. In his inaugural address, President Christofias expressed the hope of achieving a "just, viable, and functional solution" to the Cyprus problem. He said that he sought to restore the unity of the island as a federal, bizonal, bicomunal Republic, to exclude any rights of military intervention, to provide for the withdrawal of Turkish troops and, ultimately, the demilitarization of the island. Christofias also reaffirmed that the 2004 Annan Plan, which he himself opposed at the time, was null and void and could not be the basis for a future settlement.

After Christofias's election, Turkish Cypriot leader Mehmet Ali Talat, a long-time acquaintance of Christofias, declared that, "a solution in Cyprus is possible by the end of 2008."<sup>3</sup> He also declared that "the goal is to establish a new partnership state in Cyprus, based on the political equality of the two peoples and the equal status of two constituent states."<sup>4</sup> As early as 2004, Talat, as Turkish Cypriot "prime minister", was credited with helping convince the Turkish Cypriots to support the Annan Plan and had been seen as perhaps the one Turkish Cypriot leader who could move the Greek Cypriots toward a more acceptable solution for both sides. For his efforts at the time, Talat, on April 17, 2005, was elected "president" of the TRNC over the UBP's Dervis Eroglu, receiving 55.6% of the vote in a field of nine.

On March 21, 2008, Christofias and Talat met and agreed to establish working groups to address issues related to a comprehensive settlement, including governance and power-sharing, EU matters, security and guarantees, territory, property, and economic matters. They also created seven technical committees to address day-to-day issues of crime, economic and commercial matters, cultural heritage, crisis management, humanitarian matters, health, and environment.

On July 2, 2008, the two leaders met and agreed in principle on a single national sovereignty and citizenship and decided to start full-fledged negotiations by September 3. On July 18, U.N.

---

<sup>3</sup> "I am Hopeful about a Solution, TRNC President Talat," *Anatolia*, February 25, 2008, BBC Monitoring European, February 26, 2008.

<sup>4</sup> Letter to the Editor, *Financial Times*, March 5, 2008.

Secretary-General Ban Ki-moon named former Australian Foreign Minister Alexander Downer to be his Special Advisor on Cyprus and to lend the good offices of the U.N. to the negotiation process. On July 20, 2008, Turkish Prime Minister Recep Tayyip Erdogan, perhaps recognizing that Turkey's own future as a potential member of the EU was very much tied to a successful settlement on Cyprus, extended full support to Talat and said that "a comprehensive solution will be possible in a new partnership where the Turkish Cypriot people and the Turkish Republic of Northern Cyprus will equally be represented as one of the founder states. This new partnership will be built upon such indispensable principles as bizonality, political equality, and Turkey's effective guarantorship."<sup>5</sup> The last part of that statement sent red flags throughout Greek Cyprus and reignited the ongoing debate over the continued presence of some 30,000 Turkish military forces on the island and the intense desire on the part of the Greek Cypriots to have all Turkish troops removed. Nevertheless, on September 11, 2008, substantive negotiations on governance and power-sharing began.

While the negotiations between Christofias and Talat appeared to get off to a fast start, the differences in positions quickly became apparent and the talks, although held on a regular basis, started to bog down. Talat wanted to pursue negotiations on the basis of the provisions of the old Annan Plan, while Christofias, mindful of the Greek Cypriot rejection of that plan, was keen to avoid references to it. Old differences quickly resurfaced. As the negotiations dragged on well into 2009, it appeared that impatience, frustration, and uncertainty were beginning to mount against both Christofias in the south and Talat in the north.

Two political events in the spring of 2009 seemed to have hamstrung the ability of either side to take the dramatic steps needed to boost the negotiations into a final phase. In March 2009, the Democratic Party (DIKO), one of the main governing coalition partners of President Christofias, held party elections in which hard-line candidates won all three posts contested. The new leadership suggested that the party consider withdrawing from the coalition due in part to a belief that Christofias was not keeping them informed of his negotiating positions or of the concessions he may have offered to Talat. The outcome of this vote left many wondering whether Christofias would face difficulties in gaining approval for any agreement he would reach with Talat that included concessions unacceptable to the coalition partners. In the north, parliamentary elections were held on April 19, 2009, in which the opposition UBP won 26 out of the 50 seats in the parliament. The election propelled UBP Party leader Dervis Eroglu into the forefront of the presidential elections scheduled for April 2010 and presented Mr. Talat with a less sympathetic parliament to deal with, one whose disapproval of any agreement would likely play an important role in any referenda in the north.

By the end of 2009 perspectives on both sides of the island seemed to have begun to change. Some suggested that the Greek Cypriots sensed that the talks could not produce a desired outcome before the April 2010 elections in the north, in which Talat was trailing in the polls to Eroglu, and thus the negotiations were likely to have to begin anew, possibly with an entirely different Turkish Cypriot leadership. Under that scenario, many Greek Cypriots, including members within the political parties of the governing coalition, seemed leery of weakening their hand by offering further concessions. Some Turkish Cypriots, on the other hand, appear to have begun to think that the Greek Cypriot side would not offer Talat a negotiated settlement, betting from the opinion polls in the north that Eroglu would win the April elections and would pull back

---

<sup>5</sup> "Erdogan Warns Against Attempts to Water Down Parameters of Cyprus Settlement," *Turkish Daily News*, July 21, 2008.

from serious negotiations, at least for a while as he consolidated his new government and re-ordered his strategy. The Greek Cypriots could then blame the anticipated hard-liners in the north and their presumed patrons in Ankara if the talks collapsed.

As the negotiations entered 2010, it appeared that the window of opportunity to reach a final settlement, at least between Christofias and Talat, was closing fast. Despite the fact that the two sides had been in negotiations for almost 18 months and in close to 60 meetings, they appeared to have very little to show for their efforts. In his new year message to the Greek Cypriots, Christofias suggested that while some progress had been made in a few areas, the two sides were not close to a settlement.

The intensive dialogue between Christofias and Talat resumed on January 11, 2010, but after three sessions the talks seemed to be at a standstill, prompting U.N. Secretary-General Ban Ki-moon to travel to the island on February 2, 2010. Secretary-General Ban said that he was there to provide “personal support” because it was “important to recognize how important it is to continue to build momentum on what the leaders have achieved up to now” and that both sides needed more “courage and determination in the period ahead.”<sup>6</sup>

The visit of Secretary-General Ban failed to produce any tangible results and by March 2010 it was clear that although both sides continued to insist that progress had been made in several areas, the gap between the respective positions of President Christofias and Mr. Talat on many of the tougher issues seemed to be insurmountable. On February 9, 2010, Christofias’s coalition partner EDEK quite the coalition claiming that, in their opinion, “the President has been following a mistaken strategy which the other side is using to its own advantage.”<sup>7</sup> EDEK argued that the concessions Christofias apparently had made regarding a rotating presidency and the acceptance of 50,000 settlers had to be withdrawn. Soon after the EDEK decision, some factions within the DIKO party, the other member of the governing coalition, began agitating for a similar vote to leave the government, citing very similar reasons, including their disagreement over a rotating presidency. On February 23, the DIKO central committee met but decided to remain in the coalition for the present.

The last formal negotiating session between Christofias and Talat concluded on March 30, 2010, with apparently no new developments. In the run-up to the final session there was some speculation that both sides would issue a joint statement assessing the negotiations up to that point and perhaps even announcing some of the areas in which “convergences” between Christofias and Talat had been achieved. Speculation was that Talat, had wanted something positive to take into the final days of the election campaign and had presented Christofias a report summarizing what the Turkish Cypriots understood to have been achieved. Christofias, however, was already under pressure from his coalition partner, DIKO, and former coalition partner, EDEK, not to issue such a statement that could have been interpreted as an interim agreement.

On March 30, Christofias and Talat issued a short statement suggesting that they had indeed made some progress in governance and power sharing, EU matters, and the economy, but they did not go beyond that. On April 1, Talat, feeling he needed to say more to his Turkish Cypriot constituents about the negotiations, held a press conference at which he outlined his

---

<sup>6</sup> Remarks of United Nation secretary General Ban Ki-moon at a joint press conference at the Nicosia airport, February 2, 2010.

<sup>7</sup> “EDEK quits government,” *Cyprus Mail*, February 9, 2010.



understandings of what he and Christofias had achieved thus far. Christofias would neither confirm nor deny what Talat had presented but did indicate that the issues would be considered by the National Council, the Greek Cypriot political body that advises the President on Cyprus settlement issues.

## **Leadership Change in North Cyprus**

On April 18, 2010, Turkish Cypriot leader Talat lost his re-election bid to his rival Dervis Eroglu of the National Unity Party (UBP). Observers believe Talat's defeat was due to a combination of his failure to secure a settlement of the Cyprus problem after almost two years and his inability to convince the EU and others to help end the economic isolation of the north. Some observers noted that an overwhelming number of Turkish settlers, who continue to identify more with mainland Turkey and who have little interest in unification with Greek Cyprus, voted for Eroglu because they believed his views were consistent with theirs.

Eroglu, a 72-year-old physician, and long-time politician, won the election with just over 50% of the vote. Eroglu was seen as having a style and harder-line views similar to former Turkish Cypriot leader Rauf Denktash, seeking more autonomy for each community. Eroglu also headed a party in which some in the party had advocated a permanently divided island and international recognition for the Turkish Republic of Northern Cyprus (TRNC). It was reported that during the campaign he may have suggested that perhaps Cyprus should consider a kind of "soft divorce" similar to what the Slovaks and Czechs did when they separated. During the campaign, Eroglu also criticized Talat for what he thought were too many concessions to the Greek Cypriot side, including the agreement that a reunited Cyprus would hold a single sovereignty through which both sides would reunite. Nevertheless, even while criticizing Talat's positions, Eroglu insisted that negotiations would continue under his presidency.

Interestingly, in early March Turkish Prime Minister Erdogan invited Greek Cypriot media representatives to Turkey to meet with him to discuss Turkish views on the Cyprus peace process. During the meeting, which was unprecedented, it was reported that Erdogan spoke about his support for a bizonal, bicomunal federation; the eventual withdrawal of Turkish troops from the island; and a pledge of Turkish support for a "lasting comprehensive settlement" at the earliest possible time.<sup>8</sup> Erdogan's comments were mostly seen as positive support for the continuation of the negotiations and read by some in Cyprus as an indication that even if Talat was not reelected in April, his successor would not be allowed to "walk out of the talks."<sup>9</sup> In his post-election statement, Eroglu told Turkey's NTV television that "no one must think that I will walk away from the negotiating table. The talks process will continue."<sup>10</sup> Subsequently, Turkish Prime Minister Erdogan congratulated Eroglu on his election and promised to continue to support the Turkish Cypriots. However, appearing on television right after the vote, Erdogan apparently did suggest that Eroglu would have to continue negotiations within U.N. parameters and that Ankara wanted a solution to the Cyprus issue by the end of 2010.<sup>11</sup> This "deadline" has also apparently been adopted by the United Nations Secretary-General who has suggested that he would issue a

---

<sup>8</sup> Account of the press conference between representatives of Greek Cypriot media and Turkish Prime Minister Recep Tayyip Erdogan as reported in the *Cyprus Mail*, March 2, 2010.

<sup>9</sup> "What was the meaning behind Erdogan's words?," *Cyprus Mail*, March 7, 2010.

<sup>10</sup> "Nationalist Dervis Eroglu wins northern Cyprus election", *BBC News*, April 18, 2010.

<sup>11</sup> "Turkey wants Cyprus deal in 2010 after Eroglu win," *Reuters UK*, April 18, 2010.

new report by the U.N. good offices in November assessing the progress at that time and suggesting that the U.N. good offices initiative could end at that time if no substantial progress had been made.

Upon assuming his new office, Eroglu wrote a letter to U.N. Secretary-General Ban Ki-moon expressing his willingness to resume the negotiations under the good offices of the U.N. and at the point where the negotiations had left off. Despite Eroglu's position regarding the resumption of talks, which he had also reiterated during his swearing-in ceremony on April 23, 2010, it appears all political elements on the Greek Cypriot side saw Eroglu's election as a negative development and expressed their skepticism as to what the future holds.

## **New Round of Negotiations and Identifying the Issues**

President Christofias and Turkish Cypriot leader Eroglu held their first formal negotiating session on May 26, 2010. They were accompanied by their principle advisors, George Iacovou for the Greek Cypriots and Kudret Ozersay for the Turkish Cypriots. The meeting was held under the auspices of the U.N. Secretary-General's Special Advisor on Cyprus, Alexander Downer and focused on the difficult issue of property rights which up to this point had not been seen as an issue that Christofias and Talat had made any progress on at all.

Although the meeting was described as positive, low-key, and business-like, a controversy arose when it was reported that Downer apparently read a statement from U.N. Secretary-General Ban congratulating the parties for starting the talks again from where they left off including the confirmation of existing convergences agreed to by Christofias and Talat, for agreeing to abide by U.N. Security Council resolutions on Cyprus, and suggesting that a final agreement could be reached in the coming months. The first part of the controversy involved criticism from several of the Greek Cypriot political parties that were concerned that the references to the "convergences" arrived at by Christofias and Talat were being considered as agreements by the U.N., a position not shared by the Greek Cypriots. In addition, some Greek Cypriots have become more concerned over the unofficial time-line of the end of 2010 to reach a solution that they believe is being imposed on the negotiations. On the other hand, apparently after the May 26 meeting, Eroglu made a statement that the Turkish Cypriots would not be bound by the statement of the U.N. Secretary General, especially with regard to previous U.N. Security Council resolutions, some of which do include calls for Turkey to withdraw its troops from Cyprus. While Eroglu was apparently trying to clarify that he accepted U.N. resolutions on the parameters of the negotiations, some in the Greek Cypriot leadership seem to question whether Eroglu was trying to redefine the basis under which he would proceed with the negotiations.

A second negotiating session, scheduled for June 3, was almost postponed by Christofias because, according to some, the Greek Cypriots were not satisfied with Eroglu's explanation of his earlier comments. The meeting did take place but lasted only fifteen minutes as the principals asked their staff to meet and clarify the concerns and then to set a new schedule for talks. Talks were held again on June 15 on the property issue and four additional meetings between Christofias and Eroglu have been scheduled through the end of July.

## **Issues**

Both sides agreed to begin the new round of negotiations where the Christofias/Talat negotiations supposedly left off. However, other than the concepts of a bi-zonal, bi-communal federation with

political equality, a single citizenship, and a single international personality, it is somewhat unclear exactly where Christofias and Talat left off as neither side revealed any official document listing any of the so called “convergences” that were apparently arrived at before Talat left office. Even if Christofias and Eroglu have exchanged proposals or even if the U.N. Special Advisor had a copy of the “convergences,” neither side would likely acknowledge them as anything more than unofficial understandings as both sides thus far have adhered to the idea that “nothing is agreed until everything is agreed.” However, based on comments by the two leaders, critiques by leaders of the Greek Cypriot political parties, Talat’s April 1, 2010 press conference, and other sources, the issues and the problems can be somewhat stitched together.

In his April 1 press conference former Turkish Cypriot leader Talat stated that 31 “joint documents had been prepared addressing a range of issues on which the parties have agreed or where differences still existed. For instance, there would be a federation with a federal government and two separate states each with their own constitutions. The federal government would have powers over external relations, EU relations, citizenship, budget and economic coordination. It seems that another understanding may have determined that one side would hold the portfolio of the foreign minister and the other the EU portfolio. The states would cover most of the remainder of the governance issues. It appears that the two sides had agreed on a Senate, equally represented, and a House proportionally based on population. There may have also been a “convergence” on a new judicial court that would have equal Turkish and Greek Cypriot representation and that Cyprus would be represented in the European Parliament by four Greek and two Turkish Cypriot MPs.

At the same time, both sides continued to differ over how a new united Cyprus would be created. The Greek Cypriots assumed the new unified state would evolve from the existing Republic of Cyprus. The Turkish Cypriots wanted the new state to be based on two equal “founding states.” Greek Cypriots proposed the election of a president and vice president on the same ticket in a direct election for a six-year term. The president would be a Greek Cypriot for four years and the vice president would be a Turkish Cypriot; they would then rotate offices, with the Turkish Cypriot becoming president for two years. Turkish Cypriots initially proposed that the executive have two alternating presidents elected by the Senate. Turkish Cypriots were opposed to a single list of Greek Cypriot and Turkish Cypriot candidates to be elected by all of the people because then the Greek Cypriots, by virtue of their majority, would elect the Turkish Cypriot candidate. At some point Talat seemed to have made a significant concession in agreeing to accept the Greek position for a president and vice president even though he continued to have doubts about direct popular voting. On January 7, 2010, Talat tabled a new proposal calling for a 3:2 rotating presidency (three years for a Greek Cypriot president and two years for a Turkish Cypriot president) instead of the 4:2 proposal on the table. Similarly, the Turkish Cypriot proposal for a cabinet included a 7 (Greek Cypriot):5 (Turkish Cypriot) split instead of a 6:3 split. The proposal also called for basic freedoms for all Turkish settlers who had come to the island whereas Christofias only appeared willing to accept 50,000 settlers. The Talat proposal called for the separate states to administer ports and airports in their respective territory. It was not clear if any of these proposals were included in the 31 joint documents.

Property issues also appeared to remain unresolved. Greek Cypriots insist that the original and legal owners who lost properties in the north must have the right to decide how to deal with their property, while Turkish Cypriots, although apparently recognizing rights of original ownership, believe that the current inhabitant must have priority and that the issue should be resolved through compensation, exchange, and restitution. The question of territory is also in dispute. The Turkish Cypriot side of the “green line” includes approximately 37% of the island and includes

several areas, such as Varosha, Morphou, and Karpas, that had been almost 100% Greek Cypriot inhabited before the 1974 division. Greek Cypriots want that territory returned, which would leave the Turkish Cypriot side controlling about 29% of the territory.

Next to the property issue, the issue of security guarantees continues to be one of the most difficult bridges to cross. The Greek Cypriots had long argued that all Turkish military forces would have to leave the island. They argued that the European Union (EU) could offer guarantees to all of its member states and even offer guarantees to third countries. Therefore, once north Cyprus was part of the EU, they saw no reason for guarantees from third countries such as Turkey, Greece, or the United Kingdom.<sup>12</sup> Turkish Cypriots and Turkey maintain that the 1960 Treaties of Guarantee and Alliance must be reaffirmed in any settlement and Turkish security guarantees should not be lifted until Turkey joins the EU because, without guarantees, the Turkish Cypriots would feel insecure based on their history with ethnic violence on the island in the 1960s.

It remains unclear which if any of these differences were resolved by Christofias and Talat, or whether Eroglu agrees with every “convergence” that was purportedly reached. This is also important for Christofias because he has come under harsh criticism and the loss of political support from his two governing coalition partners as well as from the opposition for his positions on issues as volatile as a rotating presidency or the acceptance of any Turkish settlers at all. This internal difficulty for Christofias was evident when between May 15 and May 20, 2010, the Greek Cypriot National Council held heated debates over the negotiations and failed to agree on a joint statement outlining a comprehensive strategy to be pursued by President Christofias.

Of course, only time will tell how each leader has defined exactly what the term “convergence” refers to or what the term “starting where things left off” really meant.

## **EU Trade with North Cyprus**

During the lull between the last negotiating session on March 30 and the April 18 elections in the North, a potentially problematic issue rose unexpectedly for the Greek Cypriot side. It was reported in the news that as early as December 2009, the European Commission had sent a list of potential proposals for consideration to the EU Parliament as part of the Parliament’s new authorities under the Lisbon Treaty that took effect on December 1, 2009. One of those proposals apparently was the idea of initiating direct trade between the EU member states and north Cyprus, a proposal initially put forward by the EU in 2004 after the Turkish Cypriots agreed to accept the Annan Plan for reunification. The EU, as an acknowledgment of the positive Turkish Cypriot vote, had agreed to take measures to help end the isolation of the north and to stimulate the north’s economy. Since the European Union had taken the position that the whole of Cyprus was part of the Union, trade with the north was considered an internal market issue and thus, under the EU’s rules, changes were subject to the acceptance or veto of the Cyprus government. The trade issue was ultimately vetoed by the Cyprus Government in the EU Council on the grounds that such trade would effectively recognize the Turkish Republic of Northern Cyprus and would lessen the urgency in the north to negotiate a final settlement.

---

<sup>12</sup> “Cypriot FM: No Derogations from Acquis During a Solution,” Cyprus News Agency, November 14, 2008, BBC Monitoring European, November 17, 2008.

The news reports in Cyprus indicated that on March 1, 2010, the Commission sent a formal notification to the Parliament asking for actual consideration of the direct trade issue, a process under the new rules of the Lisbon Treaty, the Greek Cypriots would have a harder time trying to prevent, especially if the Parliament determined that it would address the trade issue as an issue of international trade with a third party. The Cypriot Government claimed that they were never notified by the Commission, as required, nor were its members in the Parliament briefed. Turkey had long associated the opening of direct trade with the north with its requirement under the Additional Protocols to open Turkish ports to Cypriot trade. Accusations and finger pointing grew more intense in Cyprus with the Government and representatives of the political parties claiming that such a decision to initiate direct trade with the north would endanger the unification negotiations and would give the Turkish Cypriots less of an incentive to make concessions. It was unclear at the time if and when the EU Parliament would consider the proposal or how the proposal would actually be adopted and implemented. Nevertheless, this distraction, along with the possibility that the Turkish Cypriots would elect a new “president” with a different disposition toward a settlement, added another dimension to the uncertainties of the future of the negotiations.

After several weeks of discussions between the Parliament and the Cyprus government and the Greek Cypriot members of the EU Parliament and their European People’s Party group leadership, the majority political group in the Parliament, it was agreed that the Parliament would postpone any consideration of the direct trade issue until the end of 2010 pending an assessment of the status of the negotiations by that time.

## **Assessment**

The election of President Christofias in 2008 ushered in a period of higher expectations for a settlement than at any time since 2004, when the Annan Plan was considered by both Cypriot communities. The personal relationship between Christofias and Talat and their personal commitments to finding a solution to the Cyprus problem suggested that if these two leaders could not achieve a negotiated settlement, not perfect for either side but acceptable to both, then it might take a long time before two like-minded leaders would again find themselves in a position to find a way to unify the people of Cyprus.

Yet, after two years and close to 80 meetings and despite the strong commitment, good intentions, and warm relations between the two leaders, progress in the talks seemed to have fallen victim to the harsh realities of almost four decades of separation, mistrust, misunderstanding, and in some cases, indifference to the need for a final settlement and unification of the island. Even a possible change in leadership in the north, and thus perhaps a different negotiating strategy and more uncertainty for the future, did not appear to be enough of an incentive to overcome the differences to find a final solution.

The inability of these two pro-solution leaders to reach an acceptable accommodation had led some observers to question whether a settlement could still be achieved at all, a question now given renewed emphasis as a result of the change in leadership in the north. In the fall of 2009, the International Crisis Group (ICG), in a report it published suggested that after all the fits and starts of the current round of negotiations, “the island may be accelerating a slide toward permanent partition and that some elements in both communities given 36 years of futility and the

wide differences of opinion over each item on the table from property rights to Turkish settlers to governance, may be willing to concede the possibility of a permanently divided island.”<sup>13</sup> Such a final outcome is one many observers feel would be a disaster for all sides on the island, as well as those with direct interest in a solution, such as the EU and Turkey. In his March 18, 2010 speech to the nation, Christofias referred to such talk and stated that abandoning the negotiations “would be a disastrous mistake ... and that he would not seek reelection to a second term as President if there was no solution to the Cyprus problem by 2013.”<sup>14</sup>

Some say the lack of a final settlement would not necessarily affect the benefits enjoyed by the people of the Republic of Cyprus as members of the European Union and thus there is less of an incentive to negotiate away parts of their authority and power to govern. The emergence of strong opposition to the idea of a rotating presidency among the most prominent Greek Cypriot political parties is a case in point. Yet, without a settlement, it would seem that potential economic opportunities and growth across the entire island may not materialize. In addition, Greek Cypriots will be less likely to receive fair compensation for any property they still claim. A recent decision by the European Court of Human Rights (ECHR) to recognize the Immovable Property Commission (IPC) in the north means that all efforts to settle claims for compensation or restitution by Greek Cypriots who fled to the south as a result of events in 1974 and lost their property would have to be exhausted in the IPC before claims could be filed with the ECHR. This decision by the ECHR, could force many Greek Cypriots who had hoped to avoid dealing with Turkish Cypriots or Turkey in seeking compensation or restitution for their property, to now demand a political settlement that includes remedies for property claims. Finally, the failure to reach a settlement would mean that Greek Cypriots may forever face a large and powerful Turkish army just a few kilometers away from infamous “green line.”

For their part, the lack of a settlement for Turkish Cypriots could likely mean further isolation, little or no recognition for the TRNC, no benefits as an EU member, and continued dependence on Turkey for financial assistance.

For some on both sides, these may be risks worth taking. As the ICG pointed out in its report, there appears to be a growing younger generation on both sides of the island who have never interacted with the other and see no reason to, do not have as much of a stake in the property issue, and may not wish to face the uncertainties and potential problems that a settlement neither side likes, but accepts, could create. If these reports are accurate and the negotiations continue to falter, then a possible division of the island can no longer be seen as the simple musings of a small group of separatists.

Outside of the island, no one involved in the Cyprus issue wants to see the negotiations end or take such a significant step backward that it would take years to return to where the negotiations currently stand, even if many are not sure just how much progress toward a solution had actually been achieved between Christofias and Talat. These interested third parties certainly do not want both Cypriot sides to conclude that maybe a permanent separation is the least painful solution because such an outcome will likely affect not only Cypriot-to-Cypriot relations but also Cyprus-Turkey, Greece-Turkey, EU-Turkey, and NATO-EU relations. Clearly, for the moment, not even Ankara can allow Mr. Eroglu to entertain that option.

---

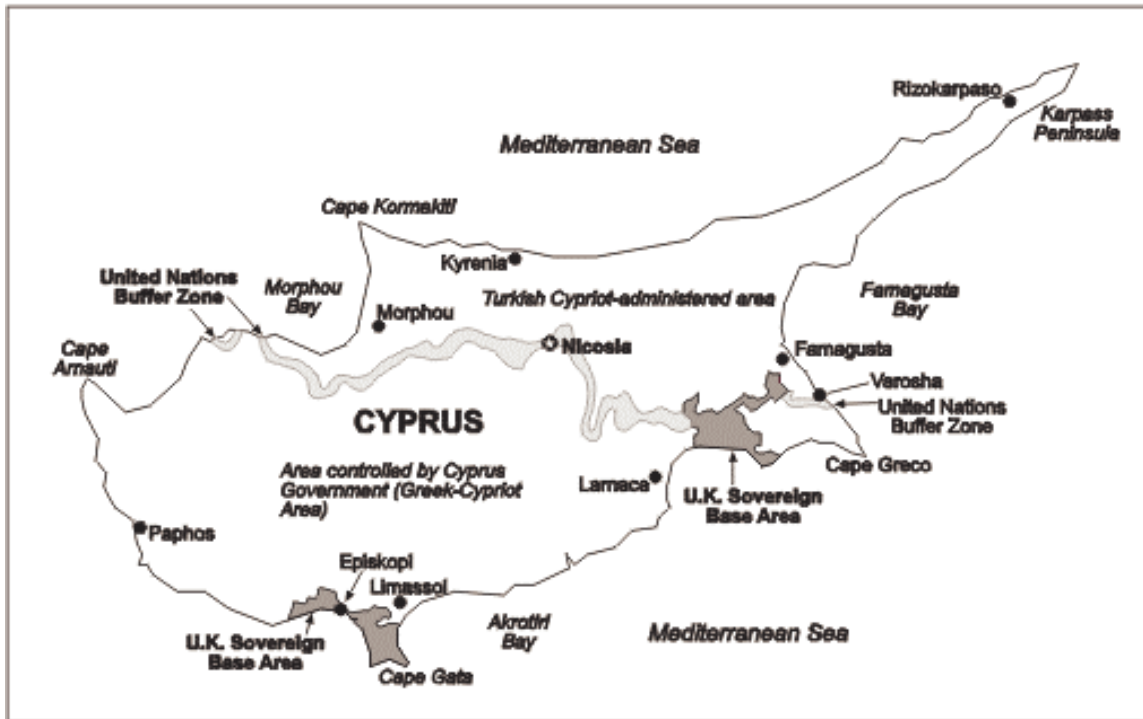
<sup>13</sup> *Cyprus: Reunification or Partition?* Europe Report 201, The International Crisis Group, September 30, 2009.

<sup>14</sup> Op. Cit., speech by President Christofias.

Sensing an earlier period when the talks were faltering, Turkish Prime Minister Erdogan suggested that, as a way to move the negotiations forward, a five-party international conference be held to try to help settle the major differences between the two Cypriot sides. The initial Greek Cypriot reaction was that such a conference was not needed and that a solution would have to come from the Cypriots themselves. However, in his March 18, 2010 speech, Christofias did seem to suggest that an international conference that included the permanent members of the U.N. Security Council, the EU, Greece, Turkey, and the two Cypriot sides could focus on what he termed the international aspects of the problem, namely troop withdrawals, settlers, and future security guarantees. With the election of Mr. Eroglu, the international conference option has again come to the fore for some analysts. For now, observers will wait until the initial meetings between President Christofias and Mr. Eroglu and their advisors are completed and a better sense of exactly where the two stand becomes more clear. Such a conference could be a positive option for Turkey in the eyes of the EU as it would give Turkey a more visible and active role in the negotiations, critical to their EU accession prospects. It could also, however, be a negative if their negotiating position is too rigid to accommodate the Greek Cypriot demands.

Now that the new round of formal negotiations have resumed, all interested parties will focus on the relationship that develops between the Greek Cypriots and the new Turkish Cypriot leadership and under what conditions. Even if the initial transition goes fairly smoothly, the difficult work of finding the elusive settlement that has begun anew will not likely be any easier.

Figure I. Map of Cyprus



Source: Map Resources. Adapted by CRS.

## **Author Contact Information**

Vincent Morelli  
Section Research Manager  
vmorelli@crs.loc.gov, 7-8051