

Speech by Hugh Pope (International Crisis Group)

It's an honour to address such a distinguished audience, somewhat intimidating too. I lived in Cyprus for a year and I've been covering events there off and on for the past quarter century. But when I started researching our recent Crisis Group report (available in English, Turkish and soon Greek at www.crisisgroup.com), I realized how really complicated it has become, especially if you are going to write a public report that you'll have to stand by. You have to learn a whole new language. When British officials visit the island, they are handed a whole list of vocabulary, words to avoid and words to use. Then one is sometimes engaging with actors who are still on stage after more than half a century. In fact, I sometimes felt I was being led through a great mansion filled with endless corridors and rooms.

On both sides, some people actually appeared to feel comfortable with the Cyprus Problem. Or at least, they felt better in the current "status quo" than taking the risk of move to a new situation. It felt unreal, like a habit. For one side, the pre-1974 situation was unacceptable, for the other, the post-1974 situation. Neither side was really listening to the other, neither side wanted to change. They felt the current situation wasn't the worse option. I think this was possibly most eloquently epitomized by the meetings after 8 July 2006, when the two sides managed to have 52 meetings over 14 months and to fail to agree on anything at all.

Like in Ireland or many other stalemated disputes, the basic deal had been known for decades. For an agreed settlement, Turkey would have to withdraw its troops; Greek Cypriots would have to allow the Turkish Cypriots to have their own administration in northern Cyprus. But for both sides, the price of the loss of perceived advantage has

been seen as greater than any possible gain from the concession required. Both have been clearly determined to impose their position on the other. The only time we see mutual concessions is at times of massive international pressure. What was completely lacking was a political will to compromise. Both sides want the other to submit to their will, and, at the political level, have until now show little sign of truly wanting to live and work together.

However, there are new factors, many of which crystallized around 2004 and the aftermath. There is no longer a status quo. There are new dynamics.

- Most remarkable is the Turkish turnaround of 2004. It had to do with the EU, with internationalization, with prosperity, with confidence, with greater democracy. Right now, this process is developing negatively. This is scary for Greek Cypriots, and plenty of Turks too. But we should remember that the blockage in Cyprus has had an absolutely critical role in this negative development.

- A new willingness among Greek Cypriots to consider alternatives to the assumption that one ideal day in the future the pre-1974 situation can be fully restored. For instance, I remember that back in the mid-1980s I would never volunteer to open the question of the Cyprus problem when talking to a Cypriot, from either side. The wounds were too deep, and people were very emotional. Last year, however, most of the 50 people while researching our report were honestly seeking a way forward.

- The Turkish Cypriots are no longer so desperate to settle at any cost. Now half as rich as Greek Cypriots. Minimally part of the EU. Getting more recognized.

- The Greeks have set a good example in their relationship with Turkey since 1999. The result is huge rises in investment, tourism, trade and confidence.

- The EU now has a real problem with Cyprus. If there is no settlement of Cyprus by 2009, this could have big consequences for EU-Turkey and EU-NATO ties.

In the light of these, there are three paths forward.

1. A continuation of the current situation.
2. A formal agreement on partition.
3. A formal agreement on a comprehensive reunification.

1. Continuation of the current situation

This is comfortable, but could be expensive. I'd say it is like the situation for someone who knows they have to fix up their house but keeps putting it off. A look at the new conjuncture show that the costs of keeping up the current situation are now now escalating fast. It seems clear that time is not on the side of a comprehensive solution. That's the case for all parties:

For the Greek Cypriots

- Both sides used to believe that time was on their side. The previous government's game plan aimed at persuading individual Turkish Cypriots to join the Greek Cypriot state. The Turkish game plan used to be that "in the end the TRNC will be recognized." Neither is likely to work. Waiting just holds back development for everybody. The excellent and timely PRIO study by Fiona Mullen, Ozlem Oguz and Praxoulla Antoniadou Kyriacou shows exactly how much Cyprus is losing -- adding 10 per cent of the GNP in seven years with increased tourism, trade, education. Irrelevant to talk about who would benefit more. Everyone would benefit.
- Four decades has proven that Cyprus cannot force Turkish troops off the island and restore the status quo, however just or legitimate this may be seen. Each year the potential deal gets worse or more difficult to implement.
- The TRNC is becoming increasingly tolerated on the international scene
- Turkish Cypriot building boom on Greek Cypriot properties

- More immigrants from Turkey

For the Turkish Cypriots

- Slower development
- tougher struggle against criminal elements
- indefinite suspension of their rights as EU citizens

For Greece

- Cannot move to the next stage of its rapprochement with Turkey, solving problems of the Greek community in Turkey, Aegean Sea rights, etc.

For Turkey

- Cannot move forward on its EU plan as long as Cyprus unresolved. There is no Plan B in Turkey.

For the EU

- Disasterous situation where the Cyprus problem is already poisoning all kinds of important areas of EU policy. It has caused delays or damage to the European Neighborhood Policy, EU-Turkey relations, EU-NATO ties, even Chinese shoe imports.

2. A formal agreement on full partition

This is a taboo, but let's consider it for a while. If only because it is one outcome that would finally unify the Greek and Turkish Cypriots -- the Europeans would absolutely hate it! But I raise the point because when I was at one conference at a table with people who'd been involved for years, and I suggested we all raise our hands if we thought that Greek and Turkish Cypriots actually wanted to live together again. Nobody

did. This is an option that Marios Matsakis put on the table; if he's supposed to be a man with populist instincts, perhaps we should give him credit for feeling what the Greek Cypriot in the street is actually thinking. We have to face the reality that since 2004, inter-communal activities have dried up and the number of Turkish Cypriots working on the Greek Cypriot side has halved, and the Annan Plan looked like a nightmare to implement.

So for a minute let's consider what impact an agreement on partition would give:

For the Greek Cypriots

Would allow them to keep their current state, avoid having to share with Turkish Cypriots. But these same desires could probably be satisfied within a more confederal comprehensive solution.

For the Turkish Cypriots

Superficially it would mean recognition of TRNC, a great goal being fulfilled. But it would mean even greater dependence on Turkey.

For Turkey

Partition might meet many of Turkey's goals. But to get a partition deal it would have to accept the removal of its troops with no real security for the Turkish Cypriots.

For the EU

The EU will hate this. It would be forced to play along, and eventually have eventually one Greek Cypriot and one Turkish Cypriot voice in the Council.

Talk about partition seems a distraction, doesn't seem to me very realistic; it seems to me yet another way of avoiding facing up to the essential compromise of the comprehensive solution.

3. A comprehensive agreement on reunification

There are two ways of looking at the Annan Plan debacle of 2004. For some it showed that the deal can never be struck. For others it showed how close the two sides were getting. There are many advantages to a comprehensive solution:

For Greek Cypriots:

It is the only realistic way to get soldiers off the island, to get back land, to get compensation for occupied property, even to get back some of the British base areas. Normalization with Turkey would reinvigorate the island economically, as the PRIO report shows. Free-spending Turkish tourists are now a big part Greek island economies, and they could do the same for Cyprus' sagging tourism industry. On their own Greek Cypriots cannot be a major financial and services hub in the east Mediterranean. All its neighbors -- Egypt, Israel, Lebanon, Syria and even Greece -- are aligning themselves with Turkey, which has the biggest and most dynamic economy in the region. The 1994 ECJ ruling has hit Cyprus as well as Turkish Cypriots, forcing Cyprus-registered vessels down from 4th place to 11th place. (It didn't hurt Turkey). Cyprus has to avoid looking like a gated community in the wrong neighborhood.

For Turkish Cypriots:

The only way to win real prosperity and avoid complete domination by Turkey

For Turkey:

The best way to get its EU convergence on track, and complete its policy of good neighborhood.

For the EU:

A settlement would solve a major issue that is costing time and energy in EU councils, and sort out a major problem causing frictions on its southeastern flank.

In conclusion, I'd just like to underline these common points of conflict-resolution theory that can be forgotten people in Cyprus who've been locked for decades into the same positions,:

- an approach based on positions leads to failure; an approach based on interests has a chance of success
- the solution never looks quite what anyone expected it to be
- there is no one paradigm. Even the same group of people negotiating on different days might reach a different agreement. But if they are all committed to it, it can still work
- the better everyone has talked and compromised, the longer a solution will take, but the more likely it is to work.

I think in Cyprus everyone has talked enough; the outlines of the solution are clear; the status quo has been revealed as no longer that predictable false friend it has seemed for so long. There is a chance we should all seize to win in 2008 what we should have achieved in 2004.