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Cyprus: Entering Another Stalemate?

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- The Cyprus problem appears to have entered a new stalemate. The referendum of 24 April 2004 was approved by the Turkish Cypriots but rejected by the Greek Cypriots. No further UN-brokered negotiations have been held since. The leaders of the two communities have not met during this period either. An increasing number of people both on the island and abroad are beginning to conclude that the Cyprus problem is unsolvable.
- Turkey has just started accession negotiations to join the European Union. There remains considerable opposition within the member states to its joining. The government of the Republic of Cyprus sees an opportunity to elicit key concessions from Ankara during the negotiations. It hopes to 'Europeanize' the solution to the Cyprus problem via the EU Council with the threat of many vetoes. There is a danger that the negotiations could be converted into discussions on the Cyprus issue, rather than on Turkey.
- The extended round of UN-brokered negotiations leading up to the 24 April referendum appears to have altered the positions of the sides little. Any new negotiations would almost certainly fail without the binding arbitration of the UN Secretary-General, but this is something the Greek Cypriots refuse to countenance happening a second time. Negotiations can be organized at any time under any conditions, but such type of negotiations will fail.
- Severe doubts must remain as to whether any reunification would work. Irrespective of any constitutional settlement, power-sharing between the communities will almost certainly lead to the two sides squabbling over even the smallest of issues. There is little or no communication/trust between the bulk of the population on either side. The Greek Cypriots will never be able to accept the involvement of Turkey in the island's internal affairs.

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The Cyprus problem remains unresolved, the island divided. Eighteen months have passed since the failed referendum of 24 April 2004. It is now over 31 years since the Turkish military invasion, 42 years since the two communities last shared power together. The constitutional framework conferred onto the Republic of Cyprus (ROC) upon independence in 1960 collapsed after three years. It is 22 years since the Turkish Cypriot leadership declared an independent Turkish Republic of Northern Cyprus (TRNC), currently only recognized by Turkey. The 'Annan Plan', the comprehensive UN settlement to the Cyprus problem, is already three years old. These have become over-extended anniversaries. It is such an irony that Cyprus should be the birthplace of the goddess Aphrodite.

In 2004 the Turkish Cypriots voted 2:1 in favour of reunification; the Greek Cypriots 3:1 against. A popular judgment on two and a half years' hard work by the United Nations, the sides and other interested actors, the result came as a nasty shock for the international community. Mistakes may have been made by all, but the sides showed what proved to be a catastrophic unwillingness to compromise. Any solution of this type is bound to be unsatisfactory, but the negotiating positions and final negotiations had not been sufficiently serious to yield a more settled text. For some, conscious that they could only end up supporting or rejecting the final position, it was probably a deliberate policy. The arguments used during the referendum campaign seemed long prepared and rehearsed.

The first draft of the Annan Plan was the result of the failure of the Greek and Turkish Cypriot sides to make any progress during almost a year of negotiations (in 2002). The then Greek Cypriot President Glafcos Clerides, who had shown a little too much willingness to compromise, was defeated in the first round of presidential elections (February 2003) by the renowned lawyer Tassos Papadopoulos. Papadopoulos had sat in the first government of President Makarios and was known for taking a more hardline position on the Cyprus question – he had voted against the Zurich and London Agreements in 1959. By the time of his election, the Copenhagen European Council (of December 2002) had already confirmed that reunification of the island was not a precondition for Cyprus' entry into the European Union. History may judge this a monumental error, but coming literally days before the commencement of the presidential election campaign and not wanting to do anything to undermine ('crush' might be a better word) President Clerides' chances, the Council was left with no option but to confirm this point. In the end it made no difference as Tassos Papadopoulos was elected.

A meeting in The Hague was convened on 10 March 2003, only weeks into the new administration of President Papadopoulos, with the Annan Plan already into its third draft. It had been hoped that an agreement could be reached which would enable a referendum to be held on 30 March 2003. If successful this would have enabled Cyprus to sign the EU Accession Treaty united. However, all hope was scuppered by the then Turkish Cypriot leader, Rauf Denktash, who refused to put the Plan to a

referendum, having raised fundamental objections to it. Consequently, President Papadopoulos signed the Accession Treaty, on 16 April 2003, with the island still divided. A Protocol on Cyprus provided simply (Article 1(1)) that: 'The application of the *acquis* [*communautaire*] shall be suspended in those areas of the Republic of Cyprus in which the Government of the Republic of Cyprus does not exercise effective control'. Yet, curiously, as it would turn out, President Papadopoulos had agreed conditionally, in The Hague, that the Plan be submitted to referendum and expressed the willingness not to reopen negotiations on the Plan itself if Mr Denktash reciprocated in kind. This cynical tactic has now been exposed.

The decades-long intransigence of Denktash could not deliver a solution. Much of the remainder of 2003 was thus spent, no doubt with the connivance of the Erdogan government in Ankara, encouraging a new leadership to emerge in the Turkish-held north. At the end of 2002 tens of thousands of Turkish Cypriots had already shouted their demand for change in huge demonstrations organized by local NGOs in the north. It came as little surprise, therefore, when in December 2003, by a narrow margin, the Republican Turkish Party (CTP) of Mehmet Ali Talat won parliamentary elections. This enabled him to replace the former rightist nationalist and rejectionist government with a centrist and reformist one which included the party led by Rauf Denktash's son Serdar (the Democrat Party, DP).

The new government in the north held out hope for a solution in the New Year. However, to guard against continued protracted negotiations, at a meeting in New York on 13 February 2004, United Nations Secretary-General (UNSG) Kofi Annan persuaded the two sides (including Rauf Denktash) to commit themselves to a referendum and the binding arbitration of the UNSG (the 'filling in of the gaps') should an agreed text not have been finalized by the end of the 31 March. The high-level summit at Burgenstock, Switzerland failed to generate agreement between all the sides and the final text of the Annan Plan was presented in the early hours of 1 April. With the assistance of 'Prime Minister' Talat, now styling himself – despite the continued presence of Denktash (who had refused to attend) – as the Turkish Cypriot leader; with the assistance of Turkish Prime Minister Erdogan; and with EU membership for the Turkish Cypriots potentially only one week away (if they voted 'yes'), they voted overwhelmingly in favour. Owing to the forcefulness and persuasive techniques of President Papadopoulos, the Greek Cypriots – fearful that the solution would cripple their much stronger economy and knowing that, whatever the outcome, they would still join the EU on 1 May – voted overwhelmingly against. The Annan Plan had been rejected; Cyprus would not enter the Union united.

Much recrimination has flowed since, both across and within the two communities. There have been no new negotiations. At the Brussels summit, in December 2004, Ankara was given a date to commence accession talks. Its one requirement, to sign the 'Ankara Protocol' (to the 1963 Ankara Agreement (Association Agreement)) extending the customs union of 1995 to the new EU member states, including the ROC, was fulfilled on 29 July 2005. This ought to have removed

any final obstacles leading up to the determined date, 3 October 2005, when Turkey's accession negotiations were due to begin. However, final agreement was only reached on 3 October itself. This bounced the opening ceremony into the early hours of 4 October, owing to Austria's request that the EU consider the option of a 'privileged partnership' for Turkey as an alternative to full membership. In the end Vienna withdrew this demand.

Turkey's EU negotiations

No one expects the accession negotiations to run smoothly. Many current member state governments have reservations about Turkey's entitlement to or credentials for membership and others have concerns about human rights, the treatment of the Kurds, the Armenian question and the lingering role of the military (to cite just a few). The Papadopoulos administration has already spent the last 12 months pressing Ankara to recognize the Republic of Cyprus and open its ports and airports to commercial traffic. This Ankara refuses to do.

Upon signing the Ankara Protocol, on 29 July, the Turkish government published a Declaration on Cyprus. It reaffirms its commitment 'to finding a political settlement of the Cyprus issue' (paragraph 1). However, it states (at paragraph 4):

signature, ratification and implementation of this Protocol neither amount to any form of recognition of the Republic of Cyprus referred to in the Protocol; nor prejudice Turkey's rights and obligations emanating from the Treaty of Guarantee, the Treaty of Alliance, and the Treaty of Establishment of 1960.

Consequently, (at paragraph 3):

Turkey will thus continue to regard the Greek Cypriot authorities as exercising authority, control and jurisdiction only in the territory south of the buffer zone, as is currently the case, and as not representing the Turkish Cypriot people and will treat the acts performed by them accordingly.

While acknowledging that Turkey's Declaration on Cyprus had no legal effect on Turkey's obligations under the Protocol, the EU Council of Ministers felt compelled to adopt a Counter-Declaration, prior to concluding the negotiation framework document for Turkey's accessions talks. On 21 September 2005, after two months of discussion and a number of drafts, EU ambassadors from the Committee of Permanent Representatives (COREPER) approved the text of the Counter-Declaration. It makes clear (at paragraph 3):

Turkey must apply the Protocol fully to all EU Member States. The EU will monitor this closely and evaluate full implementation in 2006.

The European Community and its Member States stress that the opening of negotiations

on the relevant chapters depends on Turkey's implementation of its contractual obligations to all Member States.

Failure to implement its obligations in full will affect the overall progress in the negotiations.

The evaluation in 2006 (date unspecified) will only encourage the ROC to continue its campaign into next year and probably beyond – as non-fulfilment by Turkey does not envisage termination of the negotiations, but only 'the overall progress' of them.

Just as UN-brokered negotiations on Cyprus over the decades have been withering, so the European Union now risks being haunted by the unrelenting apparition that is the Cyprus problem. Turkey will continue to refuse to have any direct dealings with the Greek Cypriot administration. Irrespective of any other factor, this will not enable Ankara to extend the rights of free movement to Cyprus that implementation of the customs union agreement (from 1995) with the other nine new member states will give rise to. The Papadopoulos government will, as a result, be forced to spin media discussion of the issue in order to keep the electorate satisfied. Even if such an approach succeeds, it will only accentuate hostility towards Turkey among Greek Cypriots.

Ankara's refusal to recognize the ROC will, consequently, affect Turkey's progress in negotiations. This is evidenced in the Negotiating Framework agreed by the Council on 3 October 2005. There should be (paragraph 6(3)) 'progress in the normalisation of bilateral relations between Turkey and all EU Member States, including the Republic of Cyprus'. Further (at paragraph 21):

... the Council, acting by unanimity on a proposal by the Commission, will lay down benchmarks for the provisional closure and, where appropriate, for the opening of each chapter... Where relevant, benchmarks will also include the fulfilment of commitments under the Association Agreement, in particular those pertaining to the EU-Turkey customs union and those that mirror requirements under the acquis.

Thus, certain of the 35 chapters (of the *acquis communautaire*) may not be opened, including possibly the chapter on transport policy. Some others will entitle the Greek Cypriots to raise points of concern/non-compliance (during negotiations), whether in the field of agriculture and rural development, the environment or financial and budgetary provisions (state aid to the TRNC). The Papadopoulos government has countless potential vetoes in the EU Council.

New UN-brokered negotiations

Extended discussions within COREPER over the Counter-Declaration and the likely future disruption of Turkey's accession negotiations because of the Cyprus problem have almost certainly brought 'talks about talks' forward, rather than back. Neither the European

Commission nor member governments will want Turkey's accession negotiations turned into discussions on Cyprus. Greek Cypriot legal advisers will, as indicated, seek to introduce hurdles within chapters that might not obviously touch on Turkey–Cyprus relations. Meanwhile, all interested parties have repeated the need for any future talks to lead finally to a settled agreement.

Divisions on substance between the sides remain enormous. However, the more immediate question is whether agreement could be reached on the negotiation framework. President Papadopoulos has ruled out the arbitration of the UN Secretary-General (to 'fill in the gaps'), a deadline or time schedule, and a referendum unless an agreement has been reached by both sides. There is a desire among Greek Cypriot political parties for the European Union to play a much more active role in any talks. Turkey is implacably opposed to any undermining of the authority of the United Nations. The UNSG would not want negotiations to commence without a definite cut-off point, even if willing to discard the possibility (once again) of being able to 'fill in the gaps'. The Turkish Cypriots will do whatever Ankara tells them.

The opportunity for negotiations is often frustrated by forthcoming elections (whether in the north/south or, now, for the European Parliament). Parliamentary elections are the next, due in May 2006 in the south. It is unlikely that the UN would have either the time or the willingness to re-start negotiations before then. Exploratory visits would probably occur, but nothing else. A much more likely window for negotiations emerges during the period between the autumn of 2006 and the end of 2007. No major elections are scheduled to take place on the island during this period. This window will end at a moment, as yet undetermined, prior to the February 2008 Greek Cypriot presidential elections. If little change is observed in the positions of the sides (particularly the Greek Cypriot) up to late summer 2006, it is highly probable that the UN will be persuaded, by others, to wait for the outcome of the February 2008 election.

Aware that the short term may be on their side, hardline elements within the current Papadopoulos government will, in the meantime, demand that a sustained guerrilla campaign be employed by the Greek Cypriots in Brussels. Their aim will be to have accepted within the Council key principles contained within the *acquis* (such as free movement) as a means of solving the Cyprus problem via Turkey's accession negotiations and, thus, they hope, securing the broad integrity of the 1960 constitutional system – the so-called 'European Solution'. The weeks leading up to 3 October 2005 demonstrated the relative ease with which they have been able to find partners, despite the fact that those countries have different agendas from that of Nicosia. Those agendas may not alter, or alter little, in the short to medium term. Turkey will be confronted with concerns on other subjects besides Cyprus and will, therefore, have to be constantly on its very best behaviour to avoid falling into the various traps laid for it.

Obstacles to a solution

Turkey cannot join the European Union until 2015 at the earliest, and not before a new EU budget for the period beginning 1 January 2014 has been adopted. It is widely acknowledged that if the next set of talks fails, the outcome will be the permanent partition of the island – possibly into two internationally recognized states. The key players do not currently prefer a 'two-state' solution and so there will be little desire to accelerate anything until the prospects for success, in any negotiations, are virtually guaranteed. Ankara's position is unlikely to shift and the Turkish Cypriot side will continue to enjoy the moral high ground from having voted 'yes'. It will therefore be for the Greek Cypriots to dramatically reduce their demands.

The changes requested by President Papadopoulos are extensive and would require the virtual rewriting of the more sensitive sections of the Plan. He has sanitized his demands by continually stressing the need for the Plan's 'functionality'. However, these demands are so far removed from the current text that it is impossible to regard them as merely a maximal opening rejoinder before compromises can be reached in any later negotiations. Ankara would never accept them and it is extremely doubtful whether Washington or London would seek to place any kind of pressure on Ankara to agree to most of them. Consequently, as long as Papadopoulos continues to hold to these positions, the prospects for any reunification occurring under him are almost zero.

However, it became evident soon after the referendum that there would have to be changes to the submitted Plan (often referred to as 'Annan Five'). Its overwhelming rejection by the Greek Cypriots has to be acknowledged. Ankara and the Turkish Cypriot political establishment will consequently have to accept that simply expecting the Greek Cypriots to approve the current text, in a second vote, would not only make a mockery of the basis for the original referendum (that is, 'you can only vote yes'), but also considerably weaken their currently strong (moral) vantage point. They will have to move a little, but this would not have to mean that the bulk of the changes demanded by Papadopoulos would be secured. A certain level of retrenchment, preferably over some headline issues (illustrated via examples in this section below), would enable Ankara and the Turkish Cypriots to keep their footing.

An adjusted Republic of Cyprus with an amended 1960 Constitution, desired by many of the most vocal Greek Cypriot rejectionists, will not provide the outcome. A bizonal, bicomunal federation cannot fit into such a model. The 'Greek state' that the Greek Cypriots have enjoyed since the end of 1963 will cease to exist. The contribution of the Turkish Cypriot community in federal organs of government and administration will be much more extensive than that provided for under the 1960 constitution; the factors of self-government will be completely unrecognizable. The Turkish Cypriots may not be excluded from decision-making or outvoted. This is the essence of the political equality that they will enjoy.

Papadopoulos is on firm ground on some issues. The Treaty of Guarantee, retained (almost unchanged) under 'Annan Five', should lapse upon Turkey's accession to the European Union. By then, with Cyprus, Greece, the United Kingdom and Turkey members, some form of EU Constitution would probably have long been adopted within which the security of Cyprus' citizens will be itemized. If there are future inter-communal disturbances on the island, all Cypriots will not be answerable only to Turkey for their behaviour, and Turkey will not be the only country to intervene.

The Annan Plan permits 650 Turkish troops to remain on the island (with an equivalent Greek contingent) following the end of the final transition period. Greek Cypriots overwhelmingly, and probably a majority of Turkish Cypriots, are desperate to secure the eventual full demilitarization of Cyprus. The presence of Turkish troops will only create a psychological moat for the Turkish Cypriots. In the event of any conflagration, both the United Nations and the European Union would only condemn any unilateral intervention on the part of the Turkish military. Their continued presence is therefore of no use and will not promote peace and reconciliation between the two communities in the future.

Finally, the mechanism entitling 'refugees' to return is limited, convoluted and, in civil rights terms, indefensible. There should be no restrictions on settlement in the constituent state of the other community, whether for 'refugees' or non-refugees. Any person who wishes to settle (permanently or not) in a constituent state where, numerically, their community is a minority should have the right to do so, with only the minimum of delays. This will not lead to a flooding of Greek Cypriots into the Turkish Cypriot State (or vice versa). Few will elect to live permanently in a very Turkish-feeling north. However, simply having the right to so settle – prohibition, of any type, hardly ever works – will calm the hearts of all Cypriots.

From a 'no' to a 'yes'

Only one of the four leading political parties on the Greek Cypriot side recommended a 'yes' vote in the referendum: the centre-right Democratic Rally (DISY). Their historical rival as most popular party, AKEL (the Communist Party), commanding close to one-third of the vote and with a disciplined electorate, disappointed when they recommended a softer 'no' ('for a yes') than that of Papadopoulos. AKEL, whose members had been barred from the EOKA movement and had been killed in the days following the Greek Cypriot coup of 15 July 1974, had long maintained the best ties with their Turkish Cypriot brothers. At a meeting of the party's Political Bureau, on 6 April 2004, all had seemed set for a 'yes' when its members voted 10 in favour, 4 against and 1 abstention. However, at a meeting of the party's Central Committee, extended into a second day of discussions, it was decided on 10 April to demand a postponement of the referendum, in order to 'explain the Plan to the people'. This request – rejected by the United Nations – forced AKEL General Secretary Dimitris Christofias to explain, during

the final days leading up to the referendum, that through a 'no' vote he wanted to secure a strong 'yes' later, as a weak 'yes' would considerably weaken the prospects for successful reunification.

Had the Central Committee recommended a 'yes' and had this been supported by key figures within the party, this would have given the leadership of DISY greater confidence. The Greek Cypriots – despite Papadopoulos' firm rejection – would have come very close to voting 'yes' and might even have just managed it. Had the result been a narrow 'no' – the most likely result – Papadopoulos' authority would have been so weakened that he would have found it impossible to dictate any future and more immediate negotiations. A close 'no' would have given the moral authority to the Greek Cypriot side, not Ankara, and they could have demanded key changes to the Annan Plan which would, by now, already be in the early stages of its implementation. Instead, the 'resounding no' of Tassos Papadopoulos deeply offended the international community and tendered the moral high ground to Ankara and the Turkish Cypriots.

AKEL's approach since the referendum has been deeply frustrating. If anything, their position has hardened. In the process, they have poisoned their relations with Mehmet Ali Talat's CTP, transporting the party seamlessly into the arms of DISY. AKEL remain the main party in the government, but their conservative leadership has been unable/unwilling to place significant pressure on the President to soften his stance.

On the other hand, AKEL's 'soft no' could have proved to be the correct decision – and one for which history would have lauded them – had they proceeded, during the time since the referendum, to make 'sufficient trouble' for Papadopoulos to accelerate the opening of new negotiations. Those negotiations could have already been conducted and key changes to the Plan secured; but AKEL completely missed their moment. Instead, they are likely to enter the 2006 parliamentary election campaign tacitly divided and with a significant section of their supporters increasingly angry and disillusioned. It is unlikely that the party's conservative and over-cautious leadership will do anything to convey a more positive message until 2007 at the earliest; and if AKEL do not move, none of the other 'no' parties will move either.

Popular silence

President Papadopoulos may have proved an outstanding symbol and spokesman for the 'no' camp, but significant opposition to the submitted draft of the Plan would have come from no shortage of other leading political figures anyway. Even if the 'no' camp had not had so much organization and commitment, the 'no' vote (from among Greek Cypriots) would still have been very high – they feeling that the solution was being rushed upon them. Only that the period since the referendum has been marked by silence on the streets. This silence has extended to the north, thus calling into question the motivation for the Turkish Cypriot 'yes'.

By the start of 2005, much of the rancour of the previous year had been forgotten. Until today, the Greek Cypriots (in particular) have not demanded reunification, and not enough 'refugees' have shown any anger at not being able to reclaim their property. Instead, a significant proportion of Greek Cypriots are beginning to acknowledge that the Cyprus problem has been solved and that this will lead to something other than reunification. Many of these view this as a better outcome. Better, at least, than the present framework of the solution. Those who voted 'yes' have neither the appetite nor the credibility to undertake any campaign or struggle.

The Cypriots and their motherlands

Greek Cypriots continue to be unwilling to accept a situation where 18% of the population can be judged to enjoy political equality with the 80%. Too many Greek Cypriots regard Cyprus as a Greek state: only their new-found wealth evaporated their demand for *Enosis* (union) with Greece. Enough will never vote for any settlement plan that, in their words, 'legitimizes the Turkish invasion'. Probably, they will prove to be one of the last communities to accept the political exigencies and economic opportunities that lie at the heart of globalization. For them the (British) Sovereign Base Areas (of vital strategic importance for Washington and NATO) are a humiliation, breeding a resentment towards their last colonial master that frequently clouds their judgement and tactics. The Turks are the enemy, never to be trusted.

Athens will remain a loyal defender of the rights of the Greek Cypriots, both within and outside the European Union. Its policy has been to support Nicosia, modestly guiding it at most. This passive approach has, at times, proved frustrating for the key outside actors. However, the Cyprus problem is an important one for the Greek people, whose support for the Greek Cypriots remains undiminished. Headline-grabbing progress in relations between Athens and Ankara should not mask the continued suspicions/hostility felt by the ordinary people towards Turkey. Yet, in the event of the Greek Cypriot leadership reaching any final deal, Athens can be relied upon to give its full support. In the light of the respect with which Greece's foreign policy is currently held in Ankara, this will have a positive impact on the likely success of the solution. This is very important and should not be overlooked.

The largest problem remains Turkey. The military victory of 1974 is one which carries with it a considerable sense of national pride. Consequently, any government seen to be selling out Cyprus (first) and the Turkish Cypriots (second) risks popular, rather than military, removal from office. Ankara's approach is frequently provocative. It rotated troops during the referendum campaign, Erdogan's speech at Burgenstock was triumphalist and sure to antagonize the Greek Cypriots. The abandoned former east coast resort town of Varosha remains a closed zone, preventing Greek Cypriot refugees from being escorted to their former homes (often for their own safety), let alone being opened to United Nations patrols. Ankara

has a perfect right to seek to secure its interests and those of the Turkish Cypriots, but its change of heart towards reunification is belated and somewhat suspect, (again) almost certainly tactical; one can only doubt how long it would endure in the event of a solution. This is ill-fitting for a candidate country of the European Union.

Ankara's tone, reflected in other issues of concern to the European Union, promotes more general (Europe-wide) hostility to Turkey's eventual membership, helps justify a certain sympathy for many Greek Cypriot arguments and brings into sharp focus doubts as to the success of any future reunification. Greek Nicosia desires to negotiate directly with Ankara (following any recognition of the ROC) precisely because it correctly realizes that Turkish Nicosia's opinion is largely irrelevant. Thus, many Greek Cypriots feel that the Annan Plan would presage not reunification, but unification – with Turkey.

The forthcoming accession negotiations provide an important but, potentially, highly beneficial test for Ankara. It has the opportunity to prove that its critics, not only in Cyprus, have been wrong. The recognition issue will thus be rendered not even of secondary importance if Turkey can be seen to give concessions to key Greek Cypriot demands during any future negotiations.

The former isolation of the Turkish Cypriots has virtually been lifted. This began with the decision, in April 2003, to allow crossings to take place across the 'Green Line'. A high percentage of Turkish Cypriots are now EU citizens, having obtained Republic of Cyprus passports. They can travel directly to other countries by departing from Larnaca airport (in the south). Increasingly, foreign tourists intending to holiday in the north land in Larnaca. The economy of the north lacks hotel rooms and a mass tourist marketing strategy rather than direct flights (into Ercan airport). No doubt, irrespective of political developments on the island, direct flights (particularly charter flights) to Ercan will become more commonplace and business at the port of Famagusta will continue to grow – although a population of 250,000 and a completely established trading relationship with Turkey will guarantee that there is only so much business/trade the economy of the north can consume.

The Turkish Cypriot leadership remains frustrated at the continued failure of the EU Council of Ministers to pass the regulation on direct trade which it had long demanded be adopted at the same time as the regulation on financial assistance (totalling €259 million until the end of the current EU budgetary period in 2006). Recently, Mr Talat indicated that he would no longer actively oppose the decoupling of the aid and trade packages because, as non-EU members, the Turkish Cypriots were not consulted on the issue or involved in EU decision-making. The Papadopoulos government has no objection to the adoption of the €259m package, but EU member states remain reluctant to adopt the regulation opening direct trade with the north, so long as the ROC maintains its objections to it.

There is a widespread fear among Greek Cypriots that direct trade with the north will lead to the Turkish

Cypriots turning their back on reunification. This is wrong. The Turkish Cypriots will not want their membership of the European Union to depend upon the fortunes of Turkey's accession. Further inward investment and rising living standards will render the highly European (in outlook) Turkish Cypriots and Turks who, through marriage or residence, have been adopted as Turkish Cypriots more disdainful towards the 'motherland', not less. Like the Greek Cypriots before them, they will not want to share their newfound wealth with some 70 million people. Soon, the effect of all these shifts will be that no major political party in the north will advocate opposition to the Annan Plan.

Can reunification work?

The Annan Plan, almost 10,000 pages in length, is a monumental piece of work. Never before has the United Nations constructed a new state and entire legal framework to such an extent. Just about any solution in any country, however complex or whatever the historical rivalries, can succeed provided there is sufficient sustained will to make it work. What is of central importance is whether the Cypriots themselves have the capacity to make *their* solution succeed.

The United Nations, at the World Summit of 14–16 September 2005, approved establishment of a Peacebuilding Commission. Peacebuilding, if not the direct involvement of the Peacebuilding Commission itself, will be sorely needed in Cyprus after any solution is agreed. Locally, the politicians have not inspired the confidence that they will be willing to continue making the necessary compromises in the early decades after any solution. Political dialogue across the divide has resorted to talking across, rather than to each other; the content is often childish. If politicians name-call and are so vulnerable to insults today, it must be doubtful whether they will have the wisdom to effectively govern a reunified state and member state of the European Union in which they will have to respond to the external demands of other countries' interests, sudden events and a globalized world.

The attitudes of many Cypriots, not only those living on the island but those in the diaspora, will have to change also. Too often prejudices towards members of the other community are basic at best, and, at worst, out of kilter with the spirit of modern Europe. It

is no longer good enough, in the early 21st century, to merely excuse such conduct on the basis of some earlier suffering. This should in no way be forgotten or shrugged off, but other communities in other parts of Europe have chosen to bury just as bitter experiences and look to the future, instead of moulding their anger into a national character.

There are really only three options: a loose federation very similar to the one outlined in the Annan Plan; confederation; or two separate states. The north's *de jure* incorporation into Turkey is extremely unlikely given Ankara's desire to become a full member of the European Union. Such an outcome would, in any case, be rejected by the United Nations because it would set a worrying precedent for other parts of the world. Unfortunately for the Greek Cypriots, the international community, let alone Ankara, will never countenance a reformed (1960) Republic of Cyprus. In international affairs it is extremely difficult to re-create what has been undone, and the Republic of Cyprus was undone 42 years ago. The Greek Cypriots will increasingly, therefore, have to decide what type of solution they want. It is not inconceivable that they will opt, in the end, for partition – viewing it as the least bad option. At least then they will be able to keep the 'Greek state' many suspect they have always desired. However, until there is a little more realism among the politicians and clarity from the people, the current stalemate will continue.

Since 24 April 2004, the 'no' camp on the Greek Cypriot side has proudly proclaimed that the Annan Plan is dead. It is not dead and there is no need for it to die. It may have to be renamed for smoother public digestion. Ankara will probably have to accept certain new realities in Cyprus following Turkey's accession to the European Union. Some, as indicated, will satisfy the Greek Cypriots. It is possible that if the Greek and Turkish Cypriot leadership agree, the expectation of any second referendum may be dispensed with. Of course, the Annan Plan and its philosophy *may* die. However, before the Greek Cypriots adopt such a course, they should not forget that every new proposal has always advocated more separation between the communities, rather than less. There is no reason to suppose that this will alter. As has been the case since July 1974, the lack of a solution cannot provide a solution and it does not have to be the solution, but if key compromises are not made by the sides it may just become the solution.

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