

The Wyndham Place Charlemagne Trust

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Cyprus: Missed opportunities and the way ahead

given by Lord Hannay of Chiswick GCMG

It is a privilege indeed to be invited to deliver this annual Corbishley lecture and on a subject, Cyprus, rather far removed from the normal scope of this distinguished group's main focus. Is it also far removed from the main focus of the person in whose honour this lecture is held and who made such a major contribution to pioneering an ecumenical approach to the problems of the world, and in particular of Europe? Without trying to attribute views to a person no longer with us, a practice which I deplore, I would argue that it is not. But I would accept that it is quite a big stretch to argue for an ecumenical approach to Cyprus, which encompasses not only the healing of a long-running historical and political ethnic feud between different peoples - Greeks and Turks - but has to cross another great divide, that between Orthodox Christianity and Islam. In a sense it is a microcosm of the discussion Europe is going to have to have in the years ahead about Turkey's own place in Europe and whether it should be admitted to the European Union. And it is related also to the question of how we are going to integrate into our societies and politics, and also into our European Union, those millions of our citizens who are not Christians. There is plenty to think and talk about there; but I will try not to stray too far from my small Mediterranean island.

When I gave up my job as British Special Representative for Cyprus in May of this year, I had been doing it for seven years. At the end of last year and the beginning of 2003 we had, I believe, come very close to achieving that comprehensive settlement of the Cyprus problem which has been the Holy Grail of so many diplomats over the years, but which has so far eluded them all. But the talks broke down pretty definitively in March with Denktash's flat refusal, supported by the Turkish government, to put Kofi Annan's twice revised proposals for a settlement to a referendum of his people. Annan concluded, rightly in my view, that until there was a firm political commitment to a settlement based on his plan by all parties concerned, it made no sense to continue the negotiations. Since then a divided Cyprus has signed its accession treaty with the European Union and will join it on 1 May 2004; and the application of the *acquis communautaire* in the northern part of the island will be suspended until there is a political settlement.

How did we come so close, and why did we yet fall short of success? I will spare you all the ins and outs, the ups and downs of seven years of negotiations about negotiations, and then, from 1999 - 2003, of actual negotiations, the sparring and the manoeuvring, the walk-outs - one by Clerides lasting three days, one by Denktash lasting fourteen months. And I will spare you the history lesson which both sides in the dispute like to deploy - not the same lesson, of course, but a dramatically opposed version of events which seems not to relate to the same place and to the same people at all. And I will spare you also an account of the many previous attempts to resolve the Cyprus problem, particularly those by UN Secretaries General - Javier Perez de Cuellar (in the 1980's) and Boutros-Ghali (in the 1990's), which failed, but which built the foundations for the Annan proposals which came so near to success a few months ago. Broadly speaking, what was on the table at the end and remains on the table to this day?

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Well, first there was a territorial adjustment to the benefit of the Greek Cypriots and to the detriment of the Turkish Cypriots. The case for such an adjustment has never really been contested, given that the Turkish Cypriots, who make up roughly 18% of the population, are currently occupying some 37% of the island. And, if anyone did have any objections, they could hardly survive last year's public comments by the Turkish General Evren, who commanded the military operation in 1974 and went on to be President of Turkey, and who said that of course the Turks knew they had taken more of the island in 1974 than they needed and that they should be ready to give some back as part of a settlement. Annan's proposals were, quantitatively, similar to those of Boutros-Ghali in 1992, with the proportions being adjusted to very roughly 29% - Turkish Cypriot, 71% - Greek Cypriot, but in the detail they were more sophisticated than the earlier proposals, allowing more Greek Cypriot refugees to return and requiring fewer Turkish Cypriots to be displaced. They took very full account of Turkey's strategic concerns, allocating the Karpas peninsula, the unicorn's horn of Cyprus which goes closest to Turkey, to the Turkish Cypriots. And they contained one entirely new element, the willingness of the British Government to hand over, in the context of a comprehensive settlement, nearly half of the Sovereign Base Areas (45 square miles out of 99), mostly to the Greek Cypriots but with a small piece to the Turkish Cypriots.

The governance of the new Cyprus was to be divided between on the one hand a federal movement with relatively limited responsibilities, many of which would in due course be exercised more in Brussels and Frankfurt than in Nicosia, and on the other two ethnically defined constituent states which would be masters in their own house for all issues not specifically allocated to the federation. The federal executive and the legislature were carefully balanced to avoid domination by either side, with the presidency rotating frequently between members of the executive council, rather on the Swiss model. A supreme court, in which non-Cypriots would be added to the equal number of Greek and Turkish Cypriot judges, would provide a tie-breaking mechanism should one be needed. The vexed issues of continuity (with the 1960 republic and with the Turkish Republic of Northern Cyprus [TRNC]) and of sovereignty, were settled by subtle legal drafting to produce what was called the virgin birth of a new Cyprus. And substantial progress had been made in drawing up a joint Greek Cypriot and Turkish Cypriot compendium of the international treaties and domestic legislation that would apply in the new Cyprus.

Security issues were dealt with by the maintenance in force of the 1960 Treaties of Guarantee and Alliance which gave to the Guarantor powers an ultimate right to intervene and also to station troops on the island - 6,000 each, which in Turkey's case would have been a reduction from roughly 37,000, in the Greek case less. Moreover the treaty of Guarantee would now be extended to underwriting the territorial integrity and constitutional order of the two constituent states (which of course had not existed in 1960). All Cypriot armed forces would be dissolved and their arms removed from the island. An arms embargo would have been put in place. And a UN-mandated international force would have been deployed island-wide to help underpin the settlement.

On property, most claims would have been dealt with by compensation, but a limited right of return would be recognised. This would operate within strict quantitative limits, would not in any case affect the political control by Turkish Cypriots of their constituent state. It would be subject to a five-year moratorium at the outset. Provision was made for international support for the re-housing of those Turkish Cypriots displaced either by the territorial adjustment or by the property settlement.

Finally, the re-united Cyprus, which would have come into being, if referenda on both sides (to have taken place in the first week of April) had approved the settlement, would have signed the EU Treaty of Accession in Athens later in April and would have joined in May 2004. The European Union, showing a degree of flexibility for which it is seldom given credit, had made it clear that it would accommodate this settlement without requiring any re-negotiation of the terms of accession of a re-united island, thus accepting a number of transitional arrangements and derogations required to assure the Turkish Cypriots that they would not be submerged in a flood of incoming migrants and capital.

Why was this settlement not accepted and by whom? It is tempting to answer both questions by a single word Denktash - and leave it at that; but, while that is a substantial part of the answer it is not the whole of it. Denktash's responsibility is really not in doubt. The fact that everything had to be done at the last moment, under the shadow of the EU enlargement timetable, was entirely his doing. He wasted two years - between 1997 and 1999; he wasted fourteen months following his walk-out from the negotiations in November 2000; he failed to appoint his representatives to the working groups on future international obligations and domestic legislation from October 2002, when they were set up, until December; he simply blocked any idea of their continuing to work in March 2003 in what would have been a last ditch effort if the referenda were to have taken place in April. As he began to realise, towards the end of 2002, that the mood of his people had swung decisively towards acceptance of the Annan Plan and membership of the European Union and that therefore they were likely to endorse a settlement in a referendum, whatever he himself said, his longstanding enthusiasm for a referendum rapidly waned and by the end he was prepared to employ any device available to avoid one. Moreover at every stage he deployed his very considerable influence in Ankara to argue against any settlement that might have been negotiable and, in the final weeks, to misrepresent and distort the successive iterations of the Annan Plan which objective observers - and many Turkish Cypriots too - regarded as the most favourable package for Turkey and the Turkish Cypriots ever to be put on the table.

What of the Turkish government which, in the end, endorsed Denktash's refusal in The Hague on 10 March to put the Annan Plan to a referendum? The views on Cyprus of the new Turkish AK Party government which was formed after the general election in November 2002 were certainly different from those of its predecessor. The Ecevit/Gürel government in office before the election would probably not have hesitated long before rejecting the Annan Plan. Their views, like those of the present opposition in Turkey, are effectively the views of Denktash. Ecevit believed, contrary to all evidence, that he settled the Cyprus problem in 1974. But the new Erdoğan/Gül government said and believed that no solution in Cyprus was no solution and I am sure they mean it. Between saying that, however, and converting that view into a well articulated negotiating position which might have resulted in a settlement, there was a large gap. And they got no help either from the establishment or from the military in filling it. Quite the contrary. They were hindered at every stage. And in addition they had to cope in their first few weeks in office with a positive tidal wave of difficult issues: the transition from Gül to Erdoğan; the handling of Turkey's EU candidature; a fragile economy; and above all the looming war in Iraq, with the US and UK request to use Turkish territory for their troops. In the end it was perhaps as much a case of policy overload as anything. The outcome was a major missed opportunity which may not recur in such a favourable form.

Was there no responsibility on the other side? Certainly there was, although I am as convinced as one can be about anything that has to be a speculative judgement, that, if Denktash and the Turks had been ready to do a deal at either Copenhagen in December 2002 or at The Hague in March 2003, then Clerides on the first occasion and Papadopoulos

on the second would have felt the need to go along with that and would have done so, the former somewhat more willingly than the latter. But further back their record was little different from that of Denktash. Kyprianou's endless filibustering, Clerides' rejection of Boutros-Ghali's Set of Ideas for purely opportunistic electoral reasons, Clerides' dropping of the major package of confidence-building measures in 1994; all these are a matter of record. But in this latest set of negotiations they were not, in my view, at fault. Why this sudden change?

Because they knew that the European Union would not tolerate a "no" from a candidate country, when the Union's own interest was to admit a re-united and not a divided island. The sad irony was that the Turks and Denktash believed that the Greek Cypriots had a blank cheque for membership, but the Greek Cypriots themselves never believed that for a moment. So much for the immediate causes of failure. But behind them lay, and still lie, many layers of distrust, suspicion and sometimes hatred which have to be overcome. The nightmare of the Turkish Cypriots is that, however good an agreement looks on paper, those fiendishly clever Greek Cypriots will find some way of hijacking the institutions of the new Cyprus, as they did in 1963. The nightmare of the Greek Cypriots is that Denktash's ultimate objective is secession, even if that is banned in any settlement. The zero sum calculations that each side's gain must necessarily be the other's loss which make most Cypriots fail to understand that a settlement followed by EU membership would not be a zero sum. The lack of communication, for example, between the two peoples on the island, and between the Greek Cypriots and the Turks. The atavistically crude way in which the press characterise any move towards a settlement; and in which each side teaches its children about the other in their educational systems. I could go on with this litany but I will not.

So, where do things go from here? Is there any hope of a settlement before Cyprus joins the European Union next May? Or should we be coming to terms with the prospect of there never being a settlement? To answer the last question first, I will resist the temptation to which other Cyprus negotiators have fallen prey in the past, and avoid the suggestion that the problem is insoluble. I do not believe it is, which is a little bit different from saying that it will necessarily be solved, and that soon. But the interest that all concerned in the region - including the two motherlands, Greece and Turkey - and all outside it, have in healing what is now one of the few remaining open wounds in Europe from previous history, seems to me clear and likely to remain so; and the interest for all to do that before Cyprus joins the European Union on 1 May 2004 is just as clear. Nor are the technical elements of a solution hard to find. They are there on the table in the Annan Plan. If anyone believes that radical surgery to, or the abandonment of, that plan will produce a settlement, then I believe they are deluding themselves. The consequences of not healing that wound are serious too, and negative, whether one is looking at the future of Greek - Turkish relations, for some years now on a modestly improving trend, or at the prospect for Turkey's EU candidature, or at the maximisation of the economic benefit for all concerned from European integration.

But before one can hope for a settlement, there will, I think, need to be three important, underlying shifts in the politics of the region. The first is in the north of Cyprus, where the events of the last year, the massive pro-settlement demonstrations at the end of 2002, the joyous and mature response to the opening up of the Green Line and the peaceful mingling of the two peoples for the first time for decades, has sent some powerful and welcome signals. Will that be followed up and reflected in the parliamentary elections to be held at the end of this year? I do not know. That is none of the business of anyone except the Turkish Cypriots themselves. What I am quite sure of is that, so long as the present leadership in the north of Cyprus is in place, there will not be a settlement.

Then in Turkey itself there needs to be a shift towards an understanding that it is in Turkey's own interest for there to be a Cyprus settlement and that such a settlement is available on terms which do not constitute a sacrifice of either Turkey's interests nor those of the Turkish Cypriots, that this is not a question of sacrificing Turkey's Cyprus policy on the altar of its EU ambitions. It really does need to be understood, however, that Turkey's present Cyprus policy and those EU aspirations are not in the longer term mutually compatible, not because there is some legal requirement for a Cyprus settlement before Turkey joins the EU - there is not - but because of the politics of the situation which amounts to the same thing. The longer this political shift takes to come about the less good the outcome, in particular for the Turkish Cypriots, will be.

And thirdly there needs to be a gear-change in Greek-Turkish relations to carry them from the present fragile rapprochement to a settlement of the major underlying differences between them over the continental shelf and the sea and air boundaries. There is to be a Greek general election next year. Is it too much to hope for an effectively bi-partisan policy towards Turkey, whatever the outcome, designed to build on the good foundations laid by the present Simitis/Papandreu government? A major move ahead in Greek-Turkish relations will not of itself solve the Cyprus problem - and failure to solve that problem could well impede and slow down that move - but it would contribute, with the other elements I have mentioned, to a situation where the momentum towards a Cyprus settlement becomes irresistible.

There will however, have to be developments outside the region too and the European Union will be at the heart of them. I will mention only two. The first relates to Turkey's EU candidature. The European Union will need to decide at the end of 2004 whether to open accession negotiations with Turkey. Much will depend on Turkey's will and capacity to fuel the Copenhagen criteria, on which its recent legislative decisions are remarkably encouraging but on which a good deal remains to be done in terms of practical implementation and achievement. The decision for the European Union will not be an easy one. But my own view is that it would be a historical error of major significance if we were to temporise or to rebuff Turkey now that we have decided that the Union is no longer about uniting part of Europe but the whole of it. Be that as it may, we should have no illusions. If the European Union cannot bring itself to be as good as its word and to treat Turkey's candidature in the same way as it has treated the others it has now admitted and those it will admit in future, this will have important negative implications for the whole range of issues I have been addressing this evening.

The second issue for the European Union is not to back away from its firm commitment to accommodate a UN settlement within the terms of accession of a re-united island. Voices have been raised, in Cyprus in particular, suggesting that the flexibility shown by the EU last year and this, in some way will be damaging and unworkable. Would the Commission have allowed things to proceed as they did if they had believed that? Of course not. Would the members have reiterated their commitment to accommodate a settlement at Copenhagen, when they agreed to admit a divided Cyprus, if they had thought that? Of course not. Would they have repeated that again in the Treaty of accession and, after its signature, at Thessaloniki, if they had thought that? Of course not. The fact is this EU flexibility remains an essential element of any Cyprus settlement. Without it there will not be one.

I will conclude, I am afraid, by simply ducking predicting whether it will prove possible for a re-united Cyprus to enter the European Union in May 2004. That it is in the widest interest

that this should happen I am in no doubt. Whether it will happen depends on others who, unlike me, still have responsibility for the decisions that will be needed if it is to happen.

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