



SUMMARY

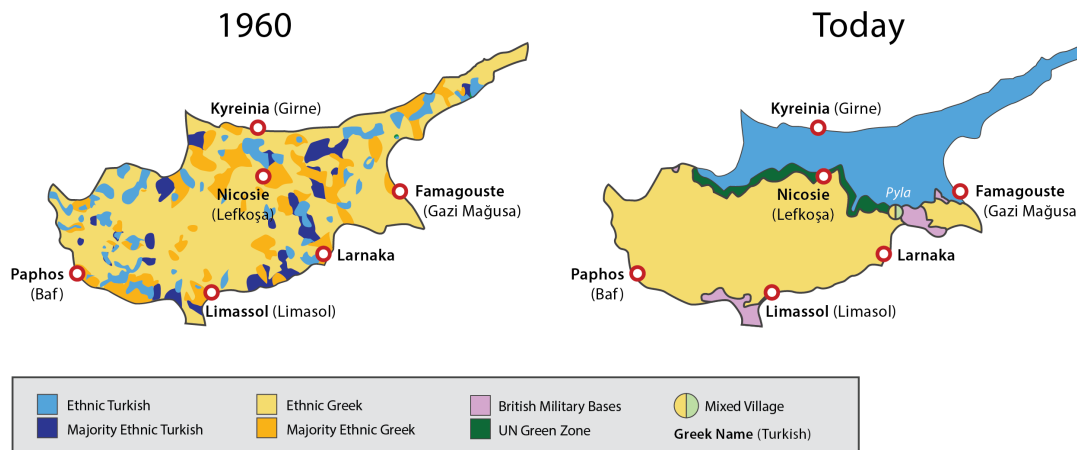
- The island of Cyprus has long been home to both Greek and Turkish Cypriot communities. After Cyprus gained its independence in 1960, the communities entered into a partnership agreement.
- In 1964, political disagreements led to communal violence, prompting the UN to establish a peacekeeping force. A political separation along ethnic lines was also introduced.
- In 1974, after a Greece-backed coup d'état, Turkey deployed troops to the northern part of the island. Eventually, Turkish forces came into control of over 1/3 of the island.
- In 1983, the Turkish Republic of Northern Cyprus unilaterally declared independence.
- In 2004, the Turkish Cypriot and Greek Cypriot communities voted in a referendum to decide whether to implement a reunification plan negotiated under UN Secretary General Kofi Annan. While the Turkish Cypriot community voted to implement the plan, the Greek Cypriot community rejected it.
- The current negotiations process continues under the terms set forth by the February 2014 Joint Statement. Major negotiation issues include questions of political power-sharing, property and territory, security guarantees, and the use of energy resources in the Mediterranean Sea.

THE CYPRUS DISPUTE AT A GLANCE

Nestled in the eastern corner of the Mediterranean Sea, the island of Cyprus has long been home to ethnic Greek Cypriot and Turkish Cypriot communities. When the Republic of Cyprus gained independence in 1960 from the United Kingdom, a power-sharing partnership agreement between the two communities was laid out in its newly-minted constitution. Three years later, however, Cypriot President Archbishop Makarios III attempted to change the constitution, and Turkish Cypriots were expelled from the government. This caused intercommunal violence to break out. In 1964, the United Nations established the United Nations Peacekeeping Force in Cyprus (UNFICYP) to prevent further violence, and a political separation took effect along ethnic lines.

This political stalemate endured until 1974, when a coup d'état – backed by Greece – ousted Makarios' government. He was replaced with a hardliner regime, one which sought "Enosis," the unification of Cyprus with Greece. Such a union was explicitly illegal per the 1960 Treaty of Guarantee; as one of the Guarantors under the treaty, Turkey, deployed troops to the northern part of the island. [1] By August of 1974, the Turkish military had taken control of over a third of Cyprus' territory. While a ceasefire was quickly brokered, the political separation became physical as well, with thousands of people relocating based on their ethnicity (Turkish Cypriots fled North, while

Greek Cypriots fled south). The United States responded by imposing a three-year arms embargo on Turkey, which led to a souring of U.S.-Turkey relations. Almost a decade later, in 1983, the Turkish Republic of Northern Cyprus (TRNC) unilaterally declared independence. To date, Turkey is the only country that recognizes the TRNC.



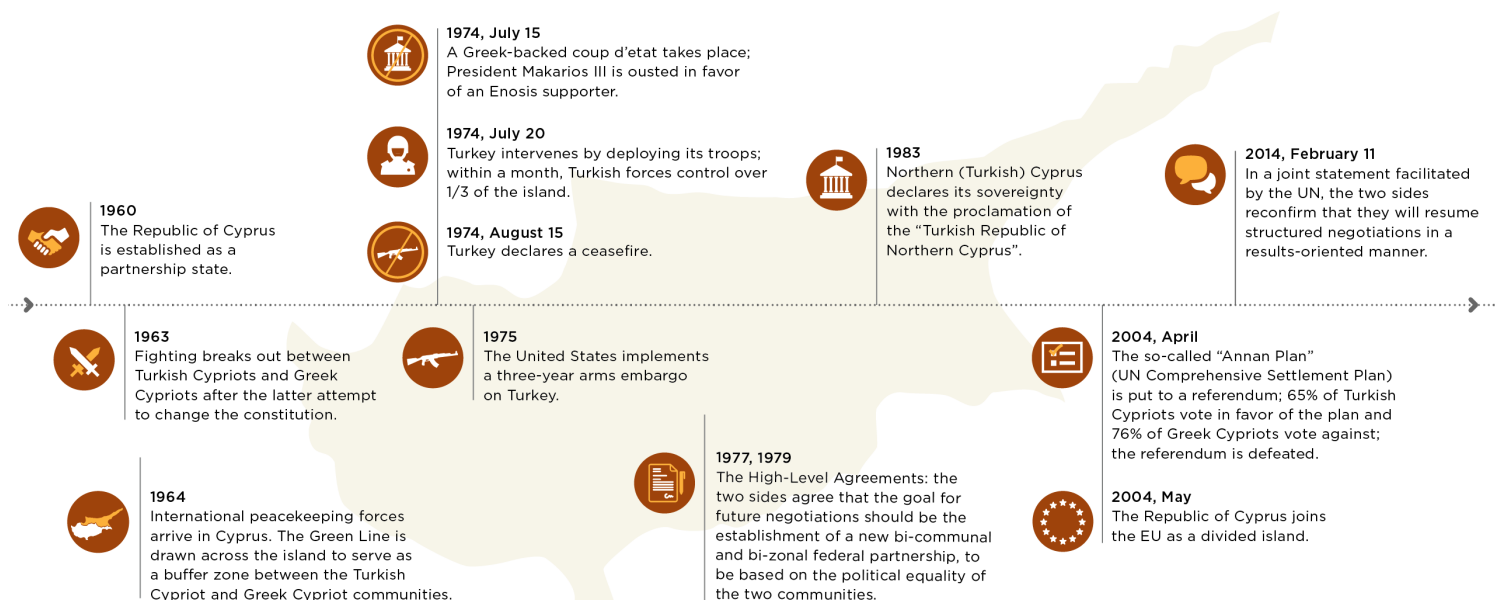
Negotiation History

Negotiations for unification have been an ever-present part of political life on the island, and this drive has only intensified since the year 2000. Currently, the two sides negotiate based on the principles and parameters prescribed by the relatively recent February 2014 Joint Statement.

While neither side's demands can be described as monolithic – the details have changed over time and can vary within each side's respective electorate – general end-points and goals are clear. The Turkish Cypriot goal is the establishment of a bi-zonal, bi-communal federation with political equality. [2] The Greek Cypriots also desire settlement and unification but remain less keen on the equal sharing of power and other aspects concerning the mechanisms of political equilibrium. Unification aside, a host of other concerns remain unresolved, as will be discussed later in this brief.

While the years between 1974 and 2000 saw their fair share of negotiation attempts, it was in the early 2000s that negotiations reached their most promising point. In 2004, Turkish Cypriots and Greek Cypriots separately and simultaneously voted on a referendum to approve a UN plan negotiated by Secretary General Kofi Annan. The plan called for a common state government and a single international personality with “two politically equal component states which would address much of the daily responsibilities of government in their respective communities.” [3] The referendum was passed in the North but was rejected by Greek Cypriots in the South.

Since the referendum defeat, subsequent Greek Cypriot and Turkish Cypriot governments have worked to resolve the dispute. There has been little to show for it, as constantly shifting political realities within the two democracies have forced lead negotiators and presidents to alter existing “convergences” on a variety of issues. In 2015, the election of moderate Mustafa Akinci to the TRNC presidency was feted by proponents of unification. To many, this represented the best chance for a permanent resolution to the dispute since 2004. Indeed, Akinci and his Greek Cypriot counterpart, Nicos Anastasiades, moved quickly to re-start settlement negotiations. The talks are ongoing despite having been bogged down due to differences over the translation of the principle of political equality into practical terms, disputes over offshore hydrocarbon extraction, and a Greek Cypriot commemoration of a 1950 Enosis referendum. Several 2016 meetings under the auspices of the UN in Geneva were followed by April meetings in the island's buffer zone.



Negotiation Issues

- **Creation of the New Cypriot State:** The two sides disagree on the name of any new state and its genesis. The Turkish Cypriots demand the new state be “based on two equal ‘founding states’” – namely, that the TRNC is preserved within a new federation. [4] The Greek Cypriots, however, prefer any new state to be born of the existing Republic of Cyprus.
- **Rotating Presidency:** This issue is part of the larger debate over political equality, power-sharing, and electoral proportionality. The Greek Cypriot position is that the president of the new federal partnership should always be from the Greek Cypriot community. The Turkish Cypriot position is that, based on the principle of political equality and the equal status of the two Constituent States, there should be a rotating presidency between the two communities/Constituent States based on agreed upon terms. The Turkish Cypriots also want effective participation in the decision-making of federal organs, while the Greek Cypriot side favors a majoritarian decision-making mechanism.
- **Security:** The two sides cannot agree on the continuation of the 1960 Guarantee System and the presence of Turkish forces on the island, as allowed under the 1960 Treaty of Alliance. Greek Cypriots argue that EU member status (granted to the entire island in 2004) obviates the need for security guarantees such as those represented by the 1960 Treaty of Guarantee. Turkish Cypriots insist that the 1960 Treaty be reaffirmed in any future settlement and that Turkish EU membership precede any lifting of Turkish security guarantees.
- **Property:** In the wake of 1974’s fighting, an estimated 150,000 Greek Cypriots living in the North and 50,000 Turkish Cypriots living in the South moved, or were forced to move, to the zones held by their respective ethnic communities. The scope of rights to their pre-1974 property is a crucial – and emotional – part of contemporary negotiations.
- **Territory:** Both sides have a variety of demands concerning the physical boundaries of any future bi-communal state. While there have been a few changes over the years, the Greek Cypriots generally propose a Turkish Cypriot zone that covers only 28% of the island (as opposed to the approximately 36% they control today). They also demand the return of cities such as Verosha and Morphu, which would be resettled with up to 90,000 Greek Cypriots. These areas, as well as a few enclaves and the eastern Karpas shoreline, would come under the direct administration of the Greek Cypriot community. The TRNC demands the retention of at least 29% of the island. It also refuses to allow enclaves, caps the number of returning Greek Cypriots at 72,000, and would turn over Karpas only with a Cypriot guarantee that it become a state park.
- **Citizenship:** In the decades since the establishment of the TRNC, thousands of Turks from the mainland immigrated to Turkish Cyprus. The right of these immigrants to remain is a major question in negotiations, as the Greek Cypriots are opposed to their presence in a future state due to their potential influence on demographics. Citizenship numbers remain a key part of the debate, though some progress is reported to have been made on this subject.
- **Energy Resources:** A recently discovered gas field off the coast of the island has added a new wrinkle to negotiations. The TRNC is concerned that unilateral Greek Cypriot exploration and exploitation of these resources violates the federal partnership objective and the good faith of ongoing negotiations. The Greek Cypriot community claims these actions are within their rights as a sovereign republic. Additionally, the two sides cannot agree on whether the topic should be discussed as part of negotiations or post-unification.

Impact on U.S.-Turkey Relations

Geopolitical Considerations

The U.S. State Department views the status quo on Cyprus as “unacceptable.” [5] They support the establishment of a bi-zonal, bi-communal federation through intercommunal negotiations facilitated by the UN. The U.S. strongly desires a resolution; former Vice President Joe Biden took a marked interest in the issue, and former Assistant Secretary of State for European and Eurasian Affairs Victoria Nuland visited Cyprus several times throughout 2016 to encourage ongoing talks. For its part, Turkey maintains a uniquely supportive relationship with the TRNC. However, the Turkish government has recently been preoccupied with a host of security issues – e.g., the 2016 coup attempt, a resumption of hostilities with the PKK, and ISIS attacks – and has been less focused on the Cyprus issue. [6]

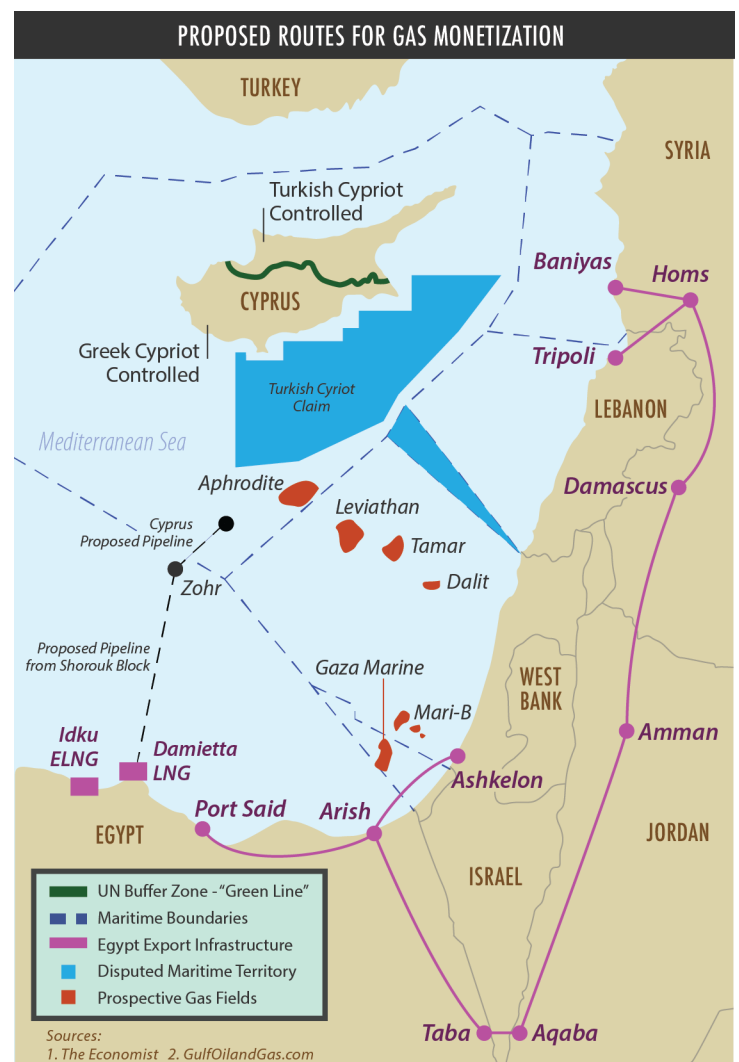
The U.S. and Turkey would both benefit from a fair and equitable settlement to the Cyprus dispute. The issue has historically put a strain on bilateral relations – most notably during Washington’s 1975-1978 arms embargo on Turkey – and its resolution could only help the relationship. Insofar as the dispute fuels bad blood between Greece and Turkey, any such disagreement between NATO members is bound to displease the U.S. A political agreement would also end one of the longest-running sources of instability in the eastern Mediterranean – a region with its fair share of instability.

In the context of deteriorating relations between the West and Russia, a peace deal would be both a blow to Moscow and a win for Washington. Such a development would diminish tensions between Turkey and the EU, would allow for formal cooperation between NATO and the EU (which has been precluded by Turkey’s refusal to recognize the Republic of Cyprus), deprive Russia of two crucial natural gas customers (see more below), and give Brussels and Washington a morale-boosting diplomatic victory. [7] While Turkey’s renewed friendship with Russia has been cause for concern in NATO, there are several indications – including recent tensions between Ankara and Moscow over the latter’s cooperation with the Democratic Union Party (PYD) and support of the Assad regime in Syria [8] – that the relationship is not so solid as to preclude a resolution of the Cyprus issue.

Energy Considerations

On the subject of energy resources, Turkey has recently reasserted itself as the preeminent guardian of Turkish Cypriot interests. During 2014 and 2015, Turkey deployed its own seismic study vessel into waters surrounding Cyprus to send a message that Greek Cypriot claims to a newly discovered offshore gas field were in violation of the joint ownership rights of Turkish Cypriots. As the Greek Cypriots continue to unilaterally sign deals concerning the future of this resource, Turkey has protested these decisions as “unacceptable.” [9] Indeed, these recent moves by the Greek Cypriot government have caused negotiations between Greek Cypriots and Turkish Cypriots to break down.

The potential benefits of the newly discovered offshore gas fields, and the fierce disagreements the discovery has engendered, should also spur the two communities and their international partners to aggressively seek a settlement. Without a political resolution, most of the region’s gas will likely remain un-extracted. A settlement, however, would facilitate the cooperative and peaceful exportation of Mediterranean gas from Egypt, Israel, and the island of Cyprus and would reduce overdependence on Russian gas in the European market. [10] This would be a welcome geopolitical development in Washington. Moreover, Turkey’s position on the issue has left it sidelined in regional energy discussions. [11] Both Ankara and the U.S. stand to gain from a more regionally-



interconnected Turkish energy presence. The discovery of the resource has already contributed to a rapprochement between Turkey and Israel, both key U.S. allies; as Congresswoman Ileana Ros-Lehtinen stated in a 2016 Congressional hearing on eastern Mediterranean energy, “the potential to collaborate on natural gas developments played a central role” in the reestablishing of relations between Israel and Turkey. [12]

Prospects for a Resolution

The Greek Cypriot community has recently shown a disregard for negotiation sensitivities, particularly concerning the aforementioned exploitation of newly discovered energy resources and the attempt to commemorate the 1950 Enosis referendum. Yet with Ankara engrossed elsewhere and President Akinci’s earnest investment, the TRNC is still in a unique position to get results.

Respect for Turkish Cypriot political equality and steps to reduce Turkish Cypriot political/economic dependency on its neighbors (Turkey and the Republic of Cyprus) are crucial to any settlement. These measures would help de-politicize the Cyprus issue and lay the groundwork for meaningful cooperation and interdependence. Grassroots cooperation between the two communities in a politically and physically secure environment must complement top down efforts for cooperation at the political level.

The U.S., Turkey, and Greece have long pushed for the Turkish Cypriots and Greek Cypriots to resolve their disputes over the years. While these governments are beholden to a variety of internal interest groups on the matter, there is no doubt that the Greek Cypriot and Turkish Cypriot communities and their international partners only stand to benefit from a peaceful resolution to this decades-old issue.

Sources

[1] The 1960 Treaty of Guarantee was signed by Britain, Greece, Cyprus, and Turkey, and it guaranteed the new republic’s territorial integrity. Cyprus was “not to participate, in whole or in part, in any political or economic union with any State whatsoever.” The three powers reserved the right to re-establish the status quo as of 1960, should territorial integrity be violated. See: United Nations. (1960, August 16). *Treaty of guarantee*. Retrieved from <http://peacemaker.un.org/cyprus-greece-turkey-guarantee60>

[2] Olgun, M. E. (2017, February). Cyprus update: Prospects and challenges [PowerPoint slides].

[3] Morelli, V. L. (2016, December 15). *Cyprus: Reunification proving elusive*. Washington, D.C.: Congressional Research Service, p. 3. Retrieved from <https://fas.org/sgp/crs/row/R41136.pdf>

[4] Ibid, p. 20.

[5] U.S. relations with Cyprus. (2016, September 29). *U.S. Department of State*. Retrieved from <https://www.state.gov/r/pa/ei/bgn/5376.htm>

[6] Morelli (2016).

[7] Stefanini, S. (2017, January 12). Cyprus fears Russia could wreck reunification. *Politico*. Retrieved from <http://www.politico.eu/article/cyprus-fears-russia-could-wreck-reunification/>

[8] Jones, D. (2017, April 12). Concerns over Syria threaten resurgence of Russian-Turkish tensions. *Voice of America*. Retrieved from <https://www.voanews.com/a/concerns-over-syria-threatens-resurgence-of-russian-turkish-tension/3807170.html>

[9] Greek Cyprus' hydrocarbon bid 'unacceptable': Turkish Foreign Ministry. (2017, April 7). *Hurriyet Daily News*. Retrieved from <http://www.hurriyetaidailynews.com/greek-cyprus-hydrocarbon-bid-unacceptable-turkish-foreign-ministry-.aspx?pageID=238&nID=111735&NewsCatID=510>

[10] U.S. House Committee on Foreign Affairs. (2016, September 8). *Eastern Mediterranean energy: Challenges and opportunities for U.S. regional priorities* (Serial No. 114-220). Retrieved from <http://docs.house.gov/meetings/FA/FA13/20160908/105275/HHRG-114-FA13-Transcript-20160908.pdf>; and Higgins, A. (2017, February 5). Cyprus fears Russian meddling in its settlement talks. *New York Times*. Retrieved from <https://www.nytimes.com/2017/02/05/world/europe/cyprus-fears-russian-meddling-in-its-settlement-talks.html>

[11] Dogan, Z. (2015, July 24). Cyprus settlement could open trade routes for Turkey. *Al-Monitor*. Retrieved from <http://www.al-monitor.com/pulse/originals/2015/07/turkey-cyprus-greece-eastern-mediterranean-settlement.html#>

[12] U.S. House Committee on Foreign Affairs (2016).

We would like to thank THO team members Alex Snow, Maria Jonafe Aguila, and Audrey Williams for their contributions to this issue brief.

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Turkish Heritage Organization (THO) is a young, independent, nonpartisan, nonprofit 501(c)(3) organization that promotes discussion and dialogue around Turkey's role in the international community and issues of importance in the U.S.-Turkey bilateral relationship.

Founded by a group of Turkish-Americans with backgrounds in community leadership and run by a staff with demonstrated interest in and commitment to Turkish-American relations, THO strongly believes that any successful bilateral relationship rests on cooperation and constructive discussion between the people of both countries.

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