

# BULLETIN

No. 25 (358) • March 9, 2012 • © PISM

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## **The Potential for the Intensification of the Turkish-Cypriot Dispute: Consequences for the European Union**

Karol Kujawa

*Once the Republic of Cyprus takes over the Presidency of the Council of the European Union in the second half of 2012, the Turkish-Cypriot dispute over the status of the island, which has been going on for more than a quarter of a century, may deteriorate, and therefore weaken Turkey's relations with the EU. The discovery of gas deposits in the eastern part of the Mediterranean Sea makes the governments in Ankara and Nicosia less prone to reach an agreement that could lead to the unification of the island. In order to keep close relations with Turkey and strengthen their positions in the Middle East, EU countries should become more actively engaged in efforts to continue unification talks. It should also send a positive signal to Turkey in order to revive accession negotiations.*

At the end of January 2012, another round of negotiations between the leaders of the two communities of Cyprus (Turkish and Greek) on the reunification of the island ended in failure. During the talks initiated by UN Secretary General Ban Ki-moon, the parties did not agree on issues related to: property rights, citizenship, or the terms of a unified state. The meetings ended without giving an exact date for the next talks. The Turkish-Cypriot dispute over the status of the island, which has lasted for more than 30 years, entered a new phase in October 2011, when American company Noble Energy, acting on behalf of the government in Nicosia, began searching for natural gas deposits in the eastern Mediterranean. These decisions by the government in Nicosia sparked protests from the northern part of the island (which is controlled by Turkey) as well as Ankara. Along with the assumption of the EU Council Presidency by the Republic of Cyprus at the beginning of July 2012, the situation is further complicated by the Turkish authorities' promise to freeze relations with the European Union. They also threaten the annexation of the Turkish Republic of Northern Cyprus to Turkey if the next talks on the reunification of the island fail.

**The Politics of Cyprus.** The Cypriot authorities have been trying for years to unify the island. However, they fear that adopting this solution could result in losing political control over the state. They are also aware that by unifying the island they would risk having to share profits from gas deposits discovered recently in the country's territorial waters with the Cypriot Turks. In addition, they are planning to establish close cooperation with countries that maintain similarly strained relations with Turkey first of all with Israel, both for military purposes (Israel received approval to use an air force base in Paphos, in the south-western part of the island) and infrastructure (the Israel-Greek-Cyprus pipeline construction project at the bottom of the Mediterranean Sea). Moreover, the authorities in Nicosia are also open to cooperation with individual EU Member States that are interested in strengthening its position in the Mediterranean region. At the end of January 2012, Cyprus and France signed a year-long plan for joint military training. Cyprus is a close ally of Russia, which fully supports the sovereign right of Cyprus to make use of its natural resources. Representatives of Russian gas company Gazprom, in turn, declared the company's intention to take part in a tender for gas exploration planned for spring 2012.

**The Politics of Turkey.** The Turkish authorities are in favour of unification of the island on the basis of a federation of the two communities, Greek and Turkish. They believe that adopting this solution would bring many benefits in the form of accelerated negotiations with the EU, a reduction in the cost of living the northern part of the island (which is totally condemned to Turkish economic aid)

and increase living standards for Turkish-Cyprus, which for years has suffered from its isolation from the EU. The unification of Cyprus would also make it possible for Turkish Cypriots to participate in the collection of profits from the extraction of gas deposits in the eastern part of the Mediterranean Sea. Therefore, Turkish authorities claim the Republic of Cyprus must not take any decisions in this respect without first determining the status of the island. The Turkish authorities are also critical about the Israel-Cyprus pipeline project, which circumvents the territory of Turkey, because it undermines the position of that country as an important energy player as a bridge between the Middle East and Caspian Sea regions, both of which are rich in natural resources, and the EU countries.

In order to limit the activity of the Republic of Cyprus in the eastern part of the Mediterranean Sea, Turkey initiated cooperation with Arab countries. However, it counts on effective support from Egypt, which has been said to have tense relations with Israel after the Arab Spring and opposes its attempts to build an alliance in the region. During last year's visit by Turkey's prime minister in Cairo, both countries established the Strategic Council whose aim is to strengthen their political and economic interests in the region. Egypt is also considering intensifying military cooperation and expressed an interest in purchasing Turkish equipment. The Turkish authorities also have offered their assistance in gas prospecting in the Mediterranean Sea basin.

**Prospects and Recommendations for the EU.** The Republic of Cyprus' assumption of the EU Council Presidency at the beginning of July 2012 and its continued search for natural gas will most probably cause a further exacerbation of the conflict between Cyprus and Turkey. The government in Nicosia seems to be determined not to give in to pressure from Turkey or tie mineral prospecting and extraction work to the status of negotiations with the government in Ankara. They see the country's newly discovered natural riches as an opportunity to rebuild its economy and increase its role in the region; therefore, in order to secure production, Cyprus will expand its military cooperation with Israel and France. Cyprus may also use its EU presidency to restrict Turkey's actions in order to halt gas production on the southern coast of Cyprus.

Turkey, in turn, probably will not limit relations with all EU countries during the Cypriot presidency, mainly for economic reasons (the EU is one of the most important trading partners of Turkey). Its disapproval of the Republic of Cyprus' Presidency of the EU is likely to be expressed by a boycott of meetings led by the Cypriots. However, Turkey might start to persuade some countries and Muslim organizations to recognize the sovereignty of the Turkish Republic of Northern Cyprus, though it should not be expected that Turkey will decide to annex the area. Annexation would not only further complicate the process of integrating Turkey into the EU but also would isolate the country internationally. While threatening annexation, Turkey only wants to exert more pressure on the EU and the United States, which in recent years have not taken significant steps towards the regulation of the status of the island.

For EU countries interested in developing closer political and economic relations with Turkey, resolving the conflict between Cyprus and Turkey should be a priority. Bringing the hostile sides closer to agreement is key to solidifying the position of the EU as a reliable partner and effective mediator. It is also key to the EU's neighbourhood policy towards its eastern neighbours. In this context, if Turkey freeze relations with the European Union during the Cyprus Presidency it may undermine its positive image, even if it would not translate into political or economic consequences. Therefore, member countries should see to it that the negotiations between Turkey and Cyprus planned for spring 2012 will take place before Cyprus takes over the EU presidency. It should draw the attention of the Greeks and Turks to the benefits that could come from unification of the island.

In order to retain close relations with Turkey and reignite accession negotiations, it would be advisable to open at least one negotiation chapter during the Danish Presidency. It would be also worth attempting the concept of the "positive agenda" proposed by Štefan Füle, the acting commissioner for EU enlargement and neighbourhood policy in the European Commission. This concept assumes the establishment of a working group whose job would be to support reforms in Turkey, intensify economic cooperation, strengthen cooperation in combating terrorism and push for the liberalisation of the regime's approach towards Turkish citizens. The execution of the last task, especially, can contribute to a change in the Turkish public's perception of the EU, which in recent years has been marked by increasing frustration about the lack of progress in the accession negotiations.