

A COMPREHENSIVE SET OF IDEAS FOR REACHING AN AGREEMENT ON HOW THE CYPRUS PROBLEM COULD BE SOLVED



THE RATIONALE FOR OUR CHOICES

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This document is also available
In Greek and Turkish

Contents

Page

A1	The Idea of a Federation	1
A2	A Weighted Voting System	3
A3	Proposed Limited “Overlapping” of the Federal and the Constituent States	4
A4	The Rotating Presidency	4
A5	Need for a “Federal Coordination Minister”	4
A6	Separation of Competences	4
A7	The Feeling of Belonging to One Home-Country	5
A8	Involving the EU in the Conflict Resolution Mechanism	5
A9	The Proposed State Symbols	5
A10	Security and Guarantees	6
A11	The European Rapid Deployment Force	6
A12	Territory, Property, Citizenship, Right of Establishment	7
A13	The so called “Red Lines” of the two Sides	7
A14	Restriction of the Rights of EU Citizens	7
A15	A “Fast Track” Approach	8
A16	Offshore Natural Resources	8
A17	Which is the Best Form of Federation?	8

A1 The Idea of a Federation

A1.1 It is true that a “federal structure” of government is not common. The structure of the relatively few, long-lasting federations in the world, is the result of historical developments and the circumstances of each individual case. Hence, there are no two federations, which are identical. A federation is an attempt to satisfy conflicting objectives. The target is to have a government system able to function effectively and efficiently, satisfying the needs and the interests of all the citizens of the country, and, at the same time a system, which takes into consideration the particularities interests of the citizens of each constituent state of the federation. Inevitably, federal systems are more complex structures than unitary states.

A1.2 The total operating costs of government structures must, of course, be kept under control, otherwise the risk of the federal structure collapsing, because its total operating costs prove to be unsustainable is readily visible. This is particularly true of small federations, such as Cyprus, which already has the tendency to have an oversized civil service. As the following table clearly indicates,

Cyprus is likely to be the smallest federation in the world (at about 1/10th of the size of the next larger) and the sole federation with only two constituent states.

World Federations

<u>Country</u>	<u>Originally established</u>	<u>Constituent States</u>	<u>Total Land Area (km'000²)</u>	<u>Total Population (mn)</u>	<u>Gross Domestic Product (US\$ bn)</u>	<u>Commentary</u>	
Cyprus	-	2	9	1	27	Smallest federation worldwide	
European	Austria	1955	9	84	9	481	Post-WWII arrangement
	Belgium	1831	3	31	12	582	Federal capital: Brussels
	Germany	1871	16	357	83	4,230	Post-WWII arrangement
	Switzerland	1848	22	41	9	811	Linked to the EU
Non-European	USA	1789	50	9,834	335	20,940	Federal capital: Washington DC
	Argentina	1860	23	2,780	46	384	Rather unstable federation
	Australia	1901	8	7,741	26	1,331	Post-colonial arrangement
	Canada	1931	10	9,984	39	2,221	Post-colonial arrangement
	Mexico	1857	32	1,973	126	1,076	1920-2000: 1-party rule
Cyprus / USA	-	<u>4.0%</u>	<u>0.1%</u>	<u>0.3%</u>	<u>0.1%</u>		

A1.3 In fact, restricting the federation to two constituent states (North Cyprus & South Cyprus) increases the risk of “polarisation”, which could lead to conflict. It follows that the federal structure must have a series of “built-in” safety valves that would protect the system and, ideally, preemptively defuse such tendencies.

A1.4 It is evident that a properly structured federation should discourage constituent states from withdrawing from the arrangements entered into and, indeed, it should provide incentives for all constituent states to act in a manner that would secure the long-term survival of the system. The mere legal (treaty) prohibition of a constituent state withdrawing from the federation has been proven grossly ineffective (as it was shown in 1964, when the Turkish Cypriots withdrew from all governing bodies of the Republic of Cyprus). Admittedly, Cyprus was not a federation at the time, but the point remains totally valid. In fact, this is one of the main concerns of the Greek Cypriots, i.e., the danger of sharing the control they have over the Republic of Cyprus with the Turkish Cypriots (in the context of a federation) and shortly thereafter, on some kind of a pretext, the latter withdrawing from the arrangement entered into and leaving the Greek Cypriots “hanging in the air”.

A1.5 This legitimate concern renders it necessary to ensure that under the new, federal arrangement, both communities have strong incentives to “stick together”. It is a well-known fact that the “TRNC” is not economically self-sufficient and that it relies heavily on the economic support of Turkey for its survival. This dependence not only inevitably makes the “TRNC” politically subservient to Turkey, but it is an arrangement that will probably encourage Turkish Cypriot extremists (who consider it anathema to have anything to do with the other community) to seek pretexts, which would pave the road for a complete separation. The philosophy of the new structure should guard against this possibility. Anticipating problems and being ready to confront them is both prudent and wise.

A1.6 For all the above good reasons, one can easily conclude that a sustainable system would be one under which:

A1.7 Those elected to govern the federation and the two constituent states should broadly fall within the same segment of the political spectrum and they should be on “good speaking terms” between them (hence, the concept of an “allied” election platform and of a “weighted voting system”).

A1.8 The proposal is that the “rules of the game” should be formulated jointly by the two constituent states (save the rules that are of secondary importance, in which case the formulation such rules will

be delegated to the constituent states). An important aspect of this arrangement is that the federal rules will be jointly formulated (on the basis of political equality and effective participation) by all parties involved in the implementation of the rules at the constituent state level. In this process, both constituent states will have the protection of the “one-positive-vote” and ALL those involved in the government of the federation and of the constituent states will be aware of the logic and the arguments that have led to the formulation of the “rules”, in the way they have been formulated. This is a provision of critical importance, in the sense that, if the government of one of the two constituent states considers a certain “rule” (law) as being against the interests of the whole country, it is only fair that it should have the means of preventing its adoption. In contrast, an arrangement which would enable the government of a constituent state to formulate the rules as it pleases, will inevitably lead to disarray.

A1.9 We have carefully studied the process of rule-formulation in a number of federal arrangements and we have firmly concluded that, in practice, in all the long-lasting federations, the rules are effectively formulated jointly by all constituent states. Of course, this does not mean that the rules are formulated unanimously, either at the federal or at the constituent state level. What constitutes an issue of secondary importance (which is delegated to the constituent states for “rule-making” purposes) is, itself, a matter that will be decided at the federal level, on a case-by-case basis (given that the empowerment for enacting the “secondary” legislation will be embodied in the “primary” legislation, which will be enacted at the federal level). This provides maximum flexibility for shifting the dividing line between “federal” and “constituent state” levels and it avoids imposing a “straightjacket” on the federal structure. It is interesting to note that what may appear to be an exception to the general rule of favouring rule-forming uniformity throughout the federation (for example the case of education in Germany), is the result of historic developments, specifically aiming at the avoidance of past, undesirable side-effects, rather than an intention to encourage diversification, in terms of education goals, standards or methodologies.

A1.10 In the case of Cyprus, education and culture (and, of course, the economy and the European Union) could and should be the driving force which will bring the two communities together.

A2 A Weighted Voting System

A2.1 A weighted voting system is, by definition, a relatively complicated arrangement. Unfortunately, any attempt to strike a compromise between a “totally proportional voting” and a “first-past-the-post” system entails a degree of complexity. What is being proposed is not really that complicated; it is based on the premise that the “weight” attributed to the votes cast in each constituent state (for a given “alliance”) should not exceed the percentage of the voters of that constituent state, in relation to the total voters in the entire federation, i.e., the weighted result should not carry more weight than the participation of the affected constituent state carries in the voting population of the entire federation.

A2.2 Exceptionally, to avoid the allegation that the system effectively deprives candidates from standing, if they fail to secure an “ally” in the other constituent state, the (theoretical) possibility of a non-allied candidate standing for election is anticipated. However, for such a candidate to be elected, he/she must secure, on a federation-wide basis, the highest number of votes, while his/her elected “co-pilot”, in the other constituent state, is the person who has secured the highest number of votes in that constituent state. It follows that the conclusion that a candidate, who has no support in one of the constituent states could be elected is correct but, at least, the problem is mitigated in such a case by electing the candidate in the other constituent state that has secured most votes in that constituent state. Under Scenario 3, the elected persons will be those, who have secured the most votes in their respective constituent states, i.e., under Scenario 3, the weighted voting system is effectively deactivated. Of course, electing an extremist in the North and an extremist in the South could lead to a political crisis, but, in such a case, there is a diffusing valve, namely forcing a new election, after a 3-month unsuccessful period of attempts to solve the problem.

A3 Proposed Limited “Overlapping” of the Federal and the Constituent States

A3.1 The proposed “overlapping” of the federal and the constituent states governments confines any “overlapping” to the formulation of the “rules of the game”, i.e., to the “primary” legislative process. Expanding the jointly formulated rules (through subsidiary legislation) and, more importantly, the implementation of the jointly formulated rules will be entirely in the hands of the constituent governments.

A3.2 In most of the existing long-lasting federations, the legislative powers of the constituent states are more extensive than what is contained in our proposal. However, as already mentioned above, Cyprus will be the smallest federation in the world and the sole federation with only 2 constituent states. Limiting the cost of the government machine to the minimum is critical for the survival of the new arrangement. The fact is that each one of the two constituent states will have an executive and a judiciary arm, which will stand entirely on their own, and only the legislative arm will be restricted to issues of secondary significance (on the basis that the case of more important matters, i.e., in relation to all federal legislative acts, a “one-positive-vote” by both constituent states will always be required).

A4 The Rotating Presidency

A4.1 Our proposal anticipates a rotating presidency during the same mandate period. This is what has been agreed already. What we have attempted to do here is to avoid the danger of each president seeking to set his/her priorities and the directions which the federation should pursue, but, rather, have an arrangement under which the rotating presidents and vice-presidents will jointly address these issues, thus ensuring that the “switching of roles” will not have a significant impact on the strategies, policies and actions planned for the entire 5-year term of the elected government. Some argue that even a 5-year term is too short a period for developing and implementing a successful government plan properly. In democratic countries, it is not sheer coincidence that we often see governments being elected for two consecutive terms, thus maximising the “added value” they can generate while in office. Of course, the re-election for a second 5-year term is entirely in the hands of the electorate.

A5 Need for a “Federal Coordination Minister”

A5.1 As already indicated, we are of the opinion that the federal positions on all important matters, including EU matters, should be jointly formulated by the rotating presidents and vice presidents and should be approved at federal cabinet level. A “Federal Coordination Minister” is anticipated (#7 in our list) for supporting the presidency in discharging its functions in this respect. Additional “coordination mechanisms” are, likewise, anticipated during the transition period to a federal structure.

A6 Separation of Competences

A6.1 Our proposal does not provide for a predetermined, fixed “separation of competences”. It has been left out on purpose. The issue of the “allocation” of competences has been attracting a lot of attention throughout the negotiation process. At some stage, an agreement had been reached on some 125 competences being “assigned” to the federal government. At the suggestion of Nikos Anastassiades, this number was brought down to 25 competences. The drastic reduction of this number is indicative of the confusion prevailing in the minds of those involved in the negotiation process. It is interesting to note that - timewise - this reduction coincided with the “brain-storm” of president

Anastassiades, his foreign minister Nikos Christodoulides, and his chief negotiator Andreas Mavroyiannis, and with the collapse of the re-unification process at Crans Montana.

A6.2 We believe that a rigid approach to allocating “competences”, in advance, is undesirable. As things develop, whatever arrangements are made are likely to prove “too much” or “not enough”. An “evolving federal model” (under which the constitution could easily be changed for the purposes of shifting more competences in the one or the other direction) has, in fact, been considered. Our conclusion is that it would be unwise to encourage amendments to the constitution on an ongoing basis, because such a process would be destructive and time consuming. It would also be defocusive and inconclusive, as it has been in the negotiations, because it would be an abstract, theoretical discussion. In contrast, what we are proposing is a flexible approach, which allows the federal legislative arm of the state to determine, for each piece of legislation enacted, the degree of subsidiarity that is appropriate in that particular case.

A7 The Feeling of Belonging to One Home-Country

A7.1 In drafting our proposals, our overall goal was to enter into arrangements that would make all Cypriots feel that they belong to one home-country: Cyprus. This goal is shared by most Greek Cypriots and Turkish Cypriots. As in the case of air temperature, what really matters is the temperature which one feels, rather than what the thermometer indicates. For example, depending on where you go in Switzerland, the “principal” language may be different, the religious denomination may be different, the mentality may be different, even the work ethic may be different, but it is Switzerland all the way. This is what really counts for the man in the street and this is what our proposal seeks to secure.

A8 Involving the EU in the Conflict Resolution Mechanism

A8.1 Those who are in favour of partition may argue that involving the EU in the conflict resolution mechanism will be problematic because it is tantamount to infringing the sovereignty of a member state or because such an involvement is outside the competences granted to the EU. It goes without saying that its proposed involvement will be with the full and unconditional consent of the voting population of Cyprus. It is also clearly understood that whatever arrangements are made will be sanctioned by all other members of the European Union. Such a “voluntary” arrangement will provide an invaluable service to a member state that is confronted with an existential problem, but it will also pave the road for consolidating the unity and cohesion of the Union.

A9 The Proposed State Symbols

A9.1 The proposed state symbols are intentionally impersonal, in order to render them emotion-free. Many Greek and Turkish Cypriots have lost loved ones in the intercommunal conflicts, which have dominated the Cyprus scene since independence. In addition, relations between Greece and Turkey have been acrimonious on numerous occasions, ever since Greece acquired its independence from the Ottoman Empire, in 1821. Under these circumstances it would be a serious mistake to adopt state symbols that would be reminiscent of the past. On the contrary, it makes a lot of sense to adopt state symbols that focus on the future. This is exactly what we have attempted to do. We are of the opinion that the proposed emotion-free state symbols in no way underrate the value of the cultural diversity prevailing in Cyprus, which should be viewed as an asset rather than as a liability. In any case, we should not ignore the fact that there are numerous cultural similarities between Greek and Turkish Cypriots; probably more similarities than differences.

A10 Security and Guarantees

A10.1 Regarding the issue of security and guarantees, our position is very similar to that adopted in connection with the involvement of the EU in a conflict resolution mechanism. Undoubtedly, Greece and Turkey cannot remain guarantors of Cyprus. They have both tragically failed to discharge their role: In the case of Greece, by overthrowing the legal government of Cyprus (in 1974), and in the case of Turkey, by invading Cyprus shortly afterwards, on the pretext of seeking to restore constitutional order, but failing to withdraw its forces for a period extending over almost half a century. We believe that the only competent and already partly empowered organisation to serve the role of a guarantor of the constitutional order and of the security of Cyprus, is the European Union. In effect, the Union already serves this role (protecting the fundamental rights of its citizens), in relation to all member states. And, indeed, it does a fairly effective job, despite the inevitable difficulties. Clearly, the implementation of these proposals would entail an amendment of the treaties governing the operations of the Union, but this would be a positive step in the right direction. The need of the Union to consolidate its position in order to strengthen its collective ability to confront threats (such as the one it is currently facing in the Ukraine) is readily evident.

A11 The European Rapid Deployment Force

A11.1 Cyprus maintains a military force of approximately 12,000 men, most of them being conscripts, who serve a term of 14 months. Career military officers occupy senior positions. A small group (including a number of women) serve in the lower ranks. This force is referred to as the Cyprus National Guard. As far as we know, in the northern part of Cyprus, there is no equivalent military force, given the presence of an estimated number of 40,000 Turkish troops. Under our proposal, it is anticipated that the conscript service will be abolished and all the permanent staff of the Cyprus National Guard (plus a corresponding number of Turkish Cypriots, who will be recruited for this purpose) will be allotted to the proposed European Rapid Deployment Force. This will be Cyprus' contribution to what is generally acknowledged to be an urgently needed peace and security system. At the same time, the establishment in Cyprus of the permanent base of the European Rapid Deployment Force, in what is indisputably a key strategic location in the Eastern Mediterranean, will facilitate the effective discharging of the role of the Force (possibly with some form of coordination with the British forces stationed at the Akrotiri military base, in the south of the island). In our view, stationing the European Rapid Deployment Force at the most exposed frontier of the European Union (at the south-eastern part of the Mediterranean) is a logical proposition.

A11.2 We believe that the mere presence of the European Rapid Deployment Force in Cyprus (and the "oversight", which will thus be automatically exercised) will serve as the best form of a "safety valve" that will discourage the growth of paramilitary forces in either of the two constituent states of the Cyprus Federation (as it happened in the period immediately following independence, back in the early 60's). The suggestion to include the 950-strong Greek contingent and the 650-strong Turkish contingent, presently stationed in Cyprus under the London-Zurich agreements, is aimed at providing the Greek Cypriot and Turkish Cypriot communities with added comfort that their security will not be jeopardised in any way. It also provides a solution to the problem that will arise with the annulment of the Treaty of Guarantee. We understand that the withdrawal of these forces and the timing of such withdrawal was one of the main reasons that led to the collapse of the peace negotiations at Crans Montana, in 2016/17.

A11.3 Greece, as a member state of the European Union, would, in any way, have the right and the obligation to contribute manpower for the formation of the European Rapid Deployment Force. We have assumed that Turkey would be more than happy to make a similar contribution, under an arrangement that would form part of her possible future accession to the European Union. Such an arrangement would provide Turkey with an assurance that nothing sinister is going on behind her back. From a substantive point of view (sharing confidential information etc.), we have again assumed that there will be no problem, given Turkey's membership of NATO. In fact, if Cyprus joins NATO, it would be an ideal arrangement permitting military collaboration, until such time as Turkey qualifies to become

a full member of the European Union. Needless to say, all the troops forming part of the European Rapid Deployment Force will be under the unified command of the European Union.

A11.4 The **UNFICYP** resources, both in terms of human resources and equipment, could be absorbed in the European Rapid Deployment Force, but such involvement should be confined to resources belonging to EU member states, to the exclusion of non-EU member states (other than those already mentioned), thus facilitating the withdrawal of the United Nations, whose involvement – in practical terms – has been rather ineffective, for a variety of reasons.

A11.5 With regard to the police, what we are suggesting (two constituent state police units and a federal police unit) is, in fact, what in our view is necessary and appropriate. It may be appropriate to re-emphasize the fact that the civil service of each constituent state will be under the full management and control of each state. The suggestion of a heavy international involvement, at the federal police level, particularly during the first transitional stage, is based on considerations, which are similar to those that are associated with the European Rapid Deployment Force.

A12 Territory, Property, Citizenship, Right of Establishment

A12.1 With respect to territory, we have adopted the position, which we understand was reached at Crans Montana (between Messrs. Akinzi and Anastassiades), and is depicted on a map that is under the safe custody of the United Nations.

A12.2 The issue of property is a fairly complex one. At the stage of striking an agreement, we believe that it is sufficient to reconfirm what had been agreed at Crans Montana, after extended negotiations and, indeed, this is what is suggested in our proposal. Given that it would not be possible to deprive Cypriot citizens of human rights emanating from international treaties (recourse to the European Court of Human Rights), we have included a “dual-track” approach in arriving at the necessary property valuations, which will expedite the process and will contain its costs.

A13 The so called “Red Lines” of the two Sides

A13.1 We believe that what is stated in our proposal is the absolute limit beyond which neither the Greek Cypriots nor the Turkish Cypriots would be willing to go. Proceeding on the basis that Cyprus has already been partitioned and that it is merely a matter of formally recognising what has happened, is a recipe for failure. That the two communities have been - to a very large extent - living separately from each other, since 1974, is a fact that cannot be disputed. Nevertheless, the objective is to re-unite Cyprus, under a federal umbrella, within the Guterres Framework and this has consistently been our frame of reference throughout the compilation of this proposal, which fully respects the new realities that came about in 1974.

A13.2 Any solution, which would lead to significant population displacements, either from the country or within the country, would probably lead to serious implementation difficulties. However, it is unrealistic to hope that a solution would ever be found that could be implemented without any problem. The difficulties should be managed with patience, integrity, good faith and a lot of hard work.

A14 Restriction of the Rights of EU Citizens

A14.1 As far as the restriction of the rights of EU citizens (Greek citizens, in this particular case) to establish themselves in Cyprus is concerned, it is understood that it will need to secure a unanimous consent on the part of all 27 member states (including Cyprus). We believe that such a measure will

allay the fears of Turkey that Cyprus may end-up being flooded by Greek citizens, thus upsetting the current population equilibrium. In the long-term, such a clause would likewise protect Cyprus from a flood of Turkish citizens, in the event of Turkey becoming a full member state of the European Union. In any event, it would be a travesty of justice to allow all EU citizens the right to settle in any part of Cyprus, but deprive the Cypriots themselves of such a right (as we rightly do, to a partial extent, in our proposal).

A15 A “Fast Track” Approach

A15.1 In our opinion, the Cyprus Problem can only be solved through a “fast-track” approach. The uncertainty, which will inevitably result from a “step-by-step” approach, will undermine the economy of Cyprus and the “fatigue factor”, which will inevitably come into play in a long transition process, will seriously undermine the overall prospects of success. In a long transition process, those few, who are fanatically in favour of the partition of Cyprus into two separate states, will then have a plethora of opportunities to throw spanners in the wheels.

A16 Offshore Natural Resources

A16.1 Our proposal concerning the offshore natural resources of Cyprus anticipates the appointment of a Cyprus Offshore Wealth Management Board, which is appointed “after consultation between the Presidents of the two Constituent States, in a way that leads to the selection of 7 members having the right to vote and stand for election in the South State and 4 members with a similar right in the North State”. In the absence of a legitimately constituted South and North state, it is evidently impossible to legitimately appoint the members of this Board and/or allocate the profits and the losses of this activity to non-existent states. Admittedly, during the transition stage, broadly similar arrangements to those reflected in our proposal could be made under the umbrella of the Republic of Cyprus, but, in the absence of an overall agreement, such arrangements are unlikely to be accepted by Turkey or the Turkish Cypriots.

A16.2 Finally, one cannot lose sight of the fact that the solution of the Cyprus Problem is long overdue and that the passage of time allows developments that are gradually becoming increasingly difficult to reverse. It follows that time is of the essence. A long transition period is bound to cause friction and to compound further the problems and the difficulties. The goal should be to solve the “Cyprus Problem”, as opposed to merely “relaunching the negotiation process”.

A17 Which is the Best Form of Federation?

A17.1 We believe that this is a naïve question. There is no such thing as “a best form” of a federation. The optimum form of a federation is the one which is well adapted to the specific circumstances that it is called upon to function in, has an adequate number of “checks and balances”, has a series of properly functioning “safety valves” and is tailored to the size of the federation it is intended to serve. This is, indeed, the reason for which there are no two identical long-lasting federations in the world.

A17.2 We believe that our proposal has the desired characteristics referred to in the preceding paragraph. The proposal should be looked at as a whole and “cherry-picking” would not be fair. We are convinced that, if the transition process is honestly and competently managed, it is a formula that would immensely benefit all the parties forming part of “the Cyprus Problem”.

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