Mediating Power-Sharing? Institutional Design and Federalism in Cyprus

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Mediating Governance:

This section of the book introduces an alternative proposal in negotiating power-sharing and governance issues in a reunited Cyprus. Power-sharing could take different forms each of which could be reflected in an alternative electoral system, for instance, in the form of a parliamentary or presidential democracy, or as suggested below in a positively self-reinforcing combination of the two. Before proceeding to the analysis of the suggested arrangement, it is important to set the broader criteria and objectives for evaluating alternative electoral systems in divided societies. An electoral system should firstly carry the promise of functioning smoothly even if elected hardliners veto important legislation in an attempt to challenge federal unity. Equally, if political parties from the two communities fail to form a governing coalition (as for instance in Belgium during its record-breaking 541 days without an elected coalition government in 2009-10), mechanisms to resolve deadlocks should be present to secure the proper functioning of the central government.

Secondly, it is necessary to consider how an electoral system accommodates the interests of different political parties, a central question in the current Cyprus peace talks. This is an essential aspect as individual parties are unlikely to endorse an electoral system in the peace talks or subsequent referendums if the latter threatens their basic interests and future influence. The book presents a revised approach to our earlier endorsement of cross-voting (Loizides & Keskiner, 2003), which aimed at privileging moderates, in favour of a system that is broadly neutral and inclusive to all political parties. The current proposal is also different to both the Annan Plan’s parliamentary system based on coalition governments and the cross-voting arrangements negotiated by Talat and Christofias (but subsequently rejected by Eroglu and equally challenged by the Greek Cypriot opposition). In other sense, it builds on current and past arrangements in an attempt to provide a framework for potential improvements.

For the Greek Cypriot side, the current Turkish Cypriot leadership carries a degree of political responsibility for derailing an already pre-agreed and attractive formula in the area of governance. However, one might also recognize that it is extremely difficult for Eroglu to endorse an electoral system which, in his view, ‘was negotiated by Talat for Talat’s CTP to stay in power’ condemning its own UBP into a post-settlement isolation. On this point, an expert on the Cyprus peace talks has stated that for Eroglu to endorse the current cross-voting arrangements is like ‘turkeys voting for Christmas’. Although the UN team is most likely concerned with the reversal in Turkish Cypriot positions, this statement also indicates that Eroglu
might escape clear UN condemnation for his ‘intransigence’, as his Greek Cypriot counterparts hope if current negotiations end up in a deadlock.

The book’s argument on this point is simple: there is a multiplicity of electoral systems that can accommodate the interests of both Greek and Turkish Cypriots. As the elected representative of the Turkish Cypriots, Eroglu could be accommodated on this issue especially if concessions are made on other critical areas for the Greek Cypriots. And finally, If Eroglu is offered the best electoral system possible and still rejects it, then it will be obvious that the current Turkish Cypriot leadership and Ankara carry clear responsibility for the deadlock. The doctrine of the Greek Cypriot reunification policy should be equally simple: either reaching a viable settlement (which should be the absolute priority in the near future) or at least obtaining a clear UN judgment condemning Eroglu’s intransigence. Alternatively, Greek Cypriot insistence on its current positions particularly cross-voting might allow Eroglu to escape from responsibilities and hide behind the ‘questionable features’ of this arrangement as an excuse. The same logic applies ceteris paribus in the accommodation of Greek Cypriot ‘hardliners’ whose parties fear exclusion from the cross-voting arrangements. The book’s suggested formula addresses the concerns of these political parties particularly UBP but also builds on the progress already made in the chapter of governance negotiated by Christofias and Talat. More generally, potential obstacles are identified in advance in an effort to mitigate those through the most appropriate institutional design.

D’Hondt plus Cross-Voting:

Specifically, the new formula involves a semi-presidential system with the introduction of d’Hondt at the legislative and executive levels while maintaining cross-voting mechanisms for the joint presidency. In the d’Hondt cabinet or similar methods, political parties will be entitled automatically ministerial positions by virtue of their representation in the parliament, which will be elected through proportional representation. The ministerial council will involve a ratio (for instance 4GC/2TC) as well as rotating first and second prime-minister positions from the two communities. The joint presidency will involve a cross-voting formula as agreed by Christofias and Talat in 2009-10. Executive power will lie primarily with the cabinet but the two co-presidents will still maintain important duties such as key arbitration powers and issues involving security. The most important responsibility of co-presidents will be to mediate and arbitrate deadlocks at all levels of government. If there are unresolved issues, community vetoes or protracted stalemates elsewhere in the system, a consensus by the two presidents will be sufficient to resolve such disputes before they arrive to the constitutional court or another arbitration mechanism. The presidential arbitration mechanism will add another democratic layer of governance to the reunification structure; a buffer zone between the constitutional court and the most inclusive form available of executive cabinet.
General Justification:

The d’Hondt executive is a Northern Irish innovation to power-sharing which entitles political parties not only to be proportionally represented in the parliament according to their votes but more importantly to automatically translate their parliamentary representation into ministerial positions. By inviting everyone to join the cabinet, d’Hondt skips a problematic, lengthy and politically risky aspect of consociationalism that of forming inter-ethnic majority coalitions.

D’Hondt and other fairly similar calculation methods provide a set of very simple formulas in estimating the number of ministries for each party as well as drawing the sequence with which parties choose ministerial positions. The d’Hondt formula is extremely useful and only requires simple divisions by two, three and four etc. The party with the largest number of MPs in each community chooses its preferred position in the government and then its parliamentary representation is divided by the d’Hondt divisor. Then the party with the largest ratio chooses again until positions are filled up. Participation is entirely voluntary but if a party stays out of the coalition the positions go automatically to rival political parties from the same community. If hardliners decide to opt out of this voluntary inclusive coalition, positions are assumed by default by others most likely moderates. The advantages of an inclusive d’Hondt formula are the following:

- D’Hondt is the simplest and fairest way to share power in a society that is deeply divided not only in ethnic terms but also between left and right. During the first days of the settlement, Cypriots will see their party leaders having an opportunity to collectively represent them in the parliament and government. The formula is based on the pragmatic assumption that a single party alone from each community cannot address successfully the challenges of reunification. Broad d’Hondt coalitions allow everyone to participate in democratic governance without encouraging exclusions, which might become permanent turning significant constituencies against the peace settlement.

- There is no need to enter post-election negotiations to form a coalition which elsewhere has delayed setting up a government for months (e.g. as mentioned above even in the case of western democracies such as Belgium such coalition negotiations have left the country without an elected government for a prolonged period). If parties do not voluntarily assume their assigned cabinet posts, others will be entitled to step in. This is a major improvement from the parliamentary system of the Annan Plan which has been on this issue rather similar to the Belgian model.

- The d’Hondt system in a federal Cyprus will essentially enable moderate parties to cooperate with each other without alienating ‘hardliners’ or upsetting current coalition preferences among political parties for government or municipal posts. By relying only on cross-voting, a moderate party might face two equally
problematic situations: to be excluded from future coalitions or to run the
government alone against the united opposition of its own community. By
extension, parties risk losing critical allies or being outflanked (e.g. if AKEL
forms a federal government together with moderate Turkish Cypriot parties, then
DISY will align with DIKO and EDEK to exclude AKEL from state and
municipal posts or vice versa). D’Hondt eliminates the fear of exclusion and
minimizes political risks for all actors enabling constructive collaborations.

- Inclusive consensus democracies according to several studies are not only better
in managing ethnic diversity but also in running more effective economic policies
particularly in times of crisis. Lijphart in his most influential work on Patterns of
Democracy has identified a set of fiscal indicators (e.g. inflation) in which
consociational democracies outperform majoritarian ones. International markets
and the EU Commission have pointed to the same direction as demonstrated in
recent calls for consensus-building and power-sharing in the Eurozone. Broad
inclusivity builds consensus and adds to a government’s capacity to deal with
fiscal crises and other major challenges.

- Finally, the d’Hondt executive does not make a distinction between hardliners or
moderates. All parties receive their fair proportional representation in
government. Once in the cabinet moderates and hardliners face the same
incentives to compromise by trading on issues that are less important in exchange
for issues that are absolute priorities. Advocates of d’Hondt argue that hardliners
making compromises while in power are much preferable than hardliners
obstructing the peace process from the opposition. The Northern Irish experience
also demonstrates that even when former hardliners increase their support, they
only do so by substantially moderating their positions.

On this issue a major critique of d’Hondt is that a government of all parties will lack
coordination and consensus. What if parties use their cabinet posts to block an important
legislation? Furthermore, disagreements might arise at different levels of governance within the
cabinet, the parliaments or any sub-unit of the federation. The Annan Plan aimed at resolving
these disputes through the arbitration of the constitutional court.

The book’s proposal adds another layer of arbitration to the reunification structure by entrusting
co-presidents with the authority to mediate by consensus future conflicts. Combined with a
d’Hondt executive, cross-voting will have multiple positive effects.

- Hardliners will be less likely to veto a legislation knowing that a co-
  president from their own community might reach a different compromise,
  which would not necessarily reflect their preferences.
• Co-presidents will make decisions faster and in a more democratic fashion. The co-presidents will have more flexibility in terms of time than the constitutional court and they will be in a position to negotiate linkages across different issues thereby maximizing gains for the two communities.

• The mechanism carries multiple benefits but no costs. If the proponents of cross-voting exaggerate its merits, presidential deadlocks will be transferred to the constitutional court also comprising for instance ECHR judges (as in Bosnia). If however advocates of cross-voting are right, presidential arbitration might add moderation to the system. Co-presidents will be entitled to form a de facto executive, if a d’Hondt cabinet fails to produce results for prolonged periods.

• Even though the d’Hondt executive is the most inclusive form of government, no single party could veto a decision by itself. Depending on the final agreement, a majority could be defined by two Greek Cypriot and one Turkish Cypriot vote. This arrangement creates a dynamic of moderation by way of inclusion rather than exclusion. The Annan Plan had similar arrangements ‘splitting the Turkish Cypriot veto’ but these could have been neutralized by coalition dynamics (i.e. if the Turkish Cypriot representatives in the coalition hailed from the same party, they would have most likely voted together).

• The D’Hondt plus Cross-Voting proposal adds a triple lock to the governance system. A consensus at any level: d’Hondt cabinet; cross-voted presidency; or constitutional court will be sufficient to resolve a dispute. Unlike most political systems, co-presidents will not be able to veto or alter a compromise already made at the d’Hondt executive level. As Bieber argued for Bosnia, adding overlapping veto points might unavoidably obstruct decision-making (2012). The logic of checks and balances most common for non-consociational democracies needs to be reversed for consociational arrangements in divided societies; instead institutional designs should eliminate multiple veto points and add alternative arbitration mechanisms instead.

**Benefits for Each Party**

Apart from the general advantages of this formula, its negotiability lies primarily in maximizing gains for each political party. As mentioned above, the merit of the proposal is that it avoids two equally problematic outcomes; (a) being excluded from ruling coalitions or b) winning an office but with no majority from one’s own community having to face fierce intra-ethnic opposition. I
summarize below the specific advantages of the suggested formula for each main political party in Cyprus:

- **Eroglu (UBP):** this is probably by far the best arrangement Eroglu and UBP could get from any negotiation on governance. UBP could easily lose power under any previous proposal as Greek Cypriot political parties will be hesitant to enter a coalition with UBP or support its presidential candidate. Instead, with d’Hondt, UBP will automatically secure one of the prime-ministerial positions if it remains the largest party among the Turkish Cypriots. UBP will also keep an important cabinet position if it stays the second largest party. With regard to the co-presidency, UBP might choose to vote for its former ally and moderate Mustafa Akinci (whose TKP formed an alliance with Eroglu in the late 1990s) in exchange for the support of TDP (today’s successor of TKP) in regional or municipal elections.

- **Christofias (AKEL):** If Christofias accepts this proposal but Eroglu still rejects it, there will be no doubt as to who is responsible for the current deadlock. As we stand now, it is hard to blame Eroglu for rejecting a formula that condemns his party to permanent post-settlement isolation. For one thing, by accepting the book’s proposed formula Christofias could expect concessions on other issues. For another, this formula will still enable AKEL to form majority opinion in a politically less costly manner. AKEL could form majority in the cabinet with CTP’s support and two (or even possibly one) of DISY, DIKO, EDEK depending on the final arrangements. AKEL will also elect co-presidents with CTP which is still the most likely scenario. Moreover, the formula allows AKEL to disengage from cross-voting agreed in 2009-10 in a dignified manner. The co-presidents will be there to embody the public face of Cypriot unity abroad and mediate deadlocks domestically. But unlike current agreements that have been criticized as favouring AKEL, this formula is undoubtedly flatly fair and even-handed towards all other political parties. By reaching an agreement on this issue before the end of his presidency, Christofias will overcome criticisms of acting as a partisan leader and, combined with a settlement, it could restore his legacy as a successful president for all Cypriots.

- **CTP:** As in the case of AKEL under the 2009-10 arrangement, CTP might win an office but with no majority support in its own community. Decisions will be blocked in parliament and each president will effectively face overwhelming opposition from all other political parties at home.
With d’Hondt, CTP will have a secure seat in the cabinet as currently the second largest party. Even if UBP maintains the largest vote and claims the T/C prime-ministerial post, CTP will be the kingmaker. Both Turkish Cypriot cabinet members will have to agree in order to veto a decision thus CTP will hold the winning vote in most issues. CTP will be the most obvious choice among the Greek Cypriots for the co-presidency. A CTP co-president could mediate these deadlocks or refer them to the constitutional court but always with a valid reasoning that either Greek or Turkish hardliners have caused the problem.

- **DISY:** A d’Hondt executive will entitle DISY with the Greek Cypriot prime-ministerial position and possibly a second of the four seats (more likely through d’Hondt but possibly not with the alternative Sainte-Lague method which favours socialist EDEK). The Democratic Rally has been excluded from governing coalitions in Greek Cypriot politics as AKEL could frequently outbid the former in concessions made to potential allies. Given the party’s loyal base, AKEL could more easily guarantee that its voters will follow the leadership and thereby it maintained alliances even with reluctant and difficult allies. With d’Hondt, neither AKEL nor DISY will have to worry about coalitions and therefore Greek Cypriot internal party competition will be less damaging. The d’Hondt executive will encourage DISY and AKEL to constructively work together with minimum political costs. Moreover, an inclusive government will be preferable to DISY because it will allow the party to make coalitions with different partners at the same time. For instance, it could vote with CTP (and AKEL) on federal reunification issues and with UBP and DIKO on the economy. In principle, DISY could ‘steal’ CTP from AKEL under the 2009-10 formula but this attempt will require major concessions on all fronts particularly the economy. With our current formula, DISY can still vote for CTP for the co-presidency but align with UBP and DIKO on economic issues in the cabinet. By extension, d’Hondt will encourage constructive engagement of both leftwing and rightwing parties in the administration of a reunified Cyprus.

- **EDEK & DIKO:** This is also by far the best arrangement EDEK and DIKO could get from any negotiation on reunifying Cyprus. As in the case of UBP, both DIKO and EDEK will be the first to be left out of coalitions under previous proposals. There is no reason for Turkish Cypriot political parties to enter a coalition with these parties if they could do so with AKEL and DISY. Instead with d’Hondt, DIKO will automatically secure one of the cabinet positions if it maintains its current percentages. EDEK
might also hold the fourth seat in cabinet depending on its percentages and calculation method (the Sainte-Lague method will be preferable to EDEK instead of d’Hondt).

- **TDP & DP:** TDP and DP will most likely be left out of the cabinet with their current percentages under this proposal. However, they will be represented proportionally in the parliament and they could trade their influence across different levels of government. For instance, TDP (which has been in coalition with UBP before) could gain the latter’s support for the federal co-presidency in exchange for TDP supporting UBP in state or municipal elections. UBP is more likely to do so if the co-presidency has limited functions. If, instead, the co-presidents have the powers negotiated in 2009-10, UBP will try to beat moderates by playing the nationalist card and overwhelmingly block decision-making, if successful.

- **Others:** An arrangement could be made to offer additional seats in the cabinet to any non-Turkish Cypriot non-Greek Cypriot party winning at least (seven) per cent simultaneously from both communities (counting Maronites as part of the Greek Cypriot community). TDP might additionally benefit from this arrangement by seeking coalitions with smaller Greek Cypriot moderate parties (e.g. EDI and the Maronites depending on final provisions on minorities). An alternative proposal is to create two or more special cabinet seats for the Morphou/Guzelyurt, Famagusta areas or displaced persons in general transcending the boundaries of constituent states. For instance an electoral district could include a minority from the Greek Cypriot community along with a Turkish Cypriot majority while the second district could be designed with reversed demographics.

**Conclusion:**

In previous co-authored articles on this topic (Loizides & Keskiner, 2003), I supported cross-voting as an amendment to the Annan Plan under the prevailing political conditions at the time. The book still maintains the view that cross-voting arrangements negotiated in 2009-10 are far better than the Annan Plan (with the exception of current arbitration mechanisms). However, a mixed system combining a broad, inclusive ‘Lijphartian’ consociational d’Hondt cabinet with a ‘Horowitzian’ centripetalist cross-voting for the presidency appears to be a much more realistic and effective alternative after Eroglu’s election to the leadership of the Turkish Cypriot community. Living and working in Northern Ireland for five years between 2006-2011, I experienced the multiple advantages of the d’Hondt formula as well as certain of its most problematic aspects. D’Hondt proved to be robust enough to the province’s problematic record of inter-ethnic cooperation and as a result consociationalism functioned relatively well in
Northern Ireland despite major obstacles to the contrary. The suggested arrangement, which combines Northern Ireland's d’Hondt executive with the 2009-10 negotiated agreement between Talat and Christofias could resolve the current deadlock and lead to a comprehensive settlement.

In general, cross-voting alone which aims to favour moderates might not be the best alternative for a divided society in search for a new political settlement. For one thing, moderates are by definition supportive of compromise and do not need additional incentives to sign up to the peace process; innovative electoral designs might be aiming, instead, to incentivize support among moderate/hardliners capable of at least partly transforming themselves as part of a peace deal. Secondly, systems that alienate large national-minded constituencies from government could possibly contribute to polarization; more importantly if hardliners are already in power, they will use the opportunity to turn down proposals favouring their moderate opponents, as in the case of Eroglu since 2010.

More broadly, in negotiating the most favourable electoral system for an aspiring federation or consociation, a set of interrelated conditions needs to be considered early in the process; the most critical is to provide multiple mechanisms for addressing deadlocks if one side decides to veto key legislation. An equally important consideration is inclusivity at all levels particularly creating the space for political parties and traditions routed in each community as well as voted and trusted by the people for decades. The suggested arrangement contains advantages for each political party as well as mechanisms to resolve deadlocks. More importantly, it accommodates UBP and the Turkish Cypriot right elected to represent the Turkish Cypriot community in the peace talks but also a fraction of the Greek Cypriot population which is currently less enthusiastic with sharing power with the Turkish Cypriots. By extension, the advantages are broader for the negotiation process because, if the Turkish Cypriot side is offered the best electoral system conceivable and still rejects it, there will be no doubt as to who is responsible for the current deadlock. A clear statement of responsibilities is essential for the international community to step in and exert its pressure if sides fail to reach a settlement in the current peace talks. More importantly, new ideas could incentivize the current peace talks by bringing sides together in reconciling nationalism and power-sharing in a reunited Cyprus.