


From the United Cyprus Republic to Two-State Solution

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In November 2002, former United Nations Secretary General Kofi Annan proposed a comprehensive solution to the Cyprus problem consisting of a federation of two largely independent states. The four-times revised plan was submitted on 24 April 2004 to both communities in separate referendums for voting. The Turkish Cypriots accepted the plan with 65 percent of the votes, whereas the Greek Cypriots rejected it with a proportion of 76 percent of the votes. In this framework, this work first aims to examine the political context and causes of the rejection of the Annan Plan V, and then to examine Turkey's new policy for changing the status quo, which started after the last presidential elections in North Cyprus in 2020. This study also focuses on whether the political reasons for the rejection of the Annan Plan are still valid in today's Cyprus negotiations. Finally, this paper examines if a bi-communal and bi-zonal structure is acceptable to Cypriots, as well as the role of the European Union in the current negotiations. According to the facts and findings about the political rejection of the Annan Plan, this research shows that those reasons do still affect the Cyprus negotiations.

Key Words: Annan Plan V, balance of threat, Cyprus issue, federalism, two-state solution

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INTRODUCTION

Cyprus is the homeland to two different communities made up of Greeks and Turks. After more than 300 years of Turkish domination (Ottoman rule), the island came under British rule in 1878, with sovereignty officially passing to England in 1923. British colonial administration of the island lasted until the bi-communal Re-

[32] public of Cyprus, which was established in 1960 with international agreements signed by England, Turkey, Greece, Greek Cypriots, and Turkish Cypriots. After independence, Turkish Cypriots withdrew in 1963 from the island's administration. In 1974, political tensions between Greek and Turkish Cypriots were escalating violently, and as a result of the Greek military junta's support of the Greek ultra-nationalist coup for Enosis in Cyprus, Turkey launched a military operation on the island. Turkey's intervention caused the emergence of a political order under the rule of Turks in the north of the island. In 1983, after Turkey recognized the independence of the Turkish Republic of Northern Cyprus, which is the de facto administration declared by the Turkish Cypriot community, it addresses the Republic of Cyprus as the Greek Cypriot Administration. On 13 May 1984, the Security Council of the UN (United Nations) defined the proclamation of the Turkish Republic of Northern Cyprus as a separatist movement with its decision numbered 550 (United Nations 1984). Today, the Turkish Republic of Northern Cyprus is a de facto independent republic, which is not recognized by any country other than Turkey. The north of the island is considered to belong to the Republic of Cyprus de jure.

The first talks between two sides on the island began in 1968. These negotiations, in which the Turkish thesis was presented as local autonomy, lasted until the end of 1971. During the 1972–1974 period, negotiations continued with the participation of experts from Greece and Turkey. These negotiations ended with the coup of 15 July 1974. Until today, many UN special representatives have been appointed to the island and the negotiations have been carried out under the leadership of the UN. The most important point reached between these negotiations is that the 5th version of the Annan Plan was put to a simultaneous referendum on both sides of the island.

It would not be wrong to say that the 5th Annan Plan – the final version of the plan presented for referendum that was formed as a result of mediation efforts initiated in 1997 by UN Secretary General Kofi Annan (1997–2006) – was a comprehensive result of all relevant UN Initiatives from 1974 until that time (Direkli 2016). In essence, the plan included as its basis the Framework and Ten Points Agree-



ments, Cuéllar's Proposals and Boutros-Ghali's Set of Ideas.¹ However, the plan fundamentally differed from all of the preceding UN Initiatives on one vital issue. Each of the previous UN plans was only a draft or framework of principles for the foundation of a detailed final document to be developed in the future; none offered any guarantee of accord. The fifth version of the Annan Plan presented for referendum, on the other hand, was an extensive plan that was ready for implementation starting from the first day and included a federal republic and founding states. The plan, titled 'The Comprehensive Settlement of the Cyprus Problem,' comprised 182 main pages, an appendix of 131 completed codes, and an additional 9000 of 'cooperation agreements' and 1134 'treaties and instruments' (United Nations 2004). On April 24 2004, in answering the question, 'Do you approve the Foundation Agreement with all its Annexes, as well as

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¹ The parties adopted on February 1977 a fundamental agreement providing for an independent, non-aligned, bi-communal federal republic. Respective territorial jurisdiction would be determined by economic viability and land ownership. The central government would be given powers to ensure the unity of the state, and the issues of freedom of movement and settlement, property issues and other matters would be settled at a later stage. A ten-point initiative in May 1979 was agreed, reaffirming the 1977 agreement and adding provisions for the demilitarisation of the island, the recognition of the necessity to settle the status of Varosha as well as all territorial and constitutional aspects, the promotion of confidence-building measures, the respect for human rights, and a commitment to refrain from destabilising activities and actions. The parties later disagreed on the status of Varosha and on the concept of bi-communality and the agreements were never implemented. Secretary-General Javier Pérez de Cuéllar proposed in 1986 a Draft Framework Agreement which envisaged the creation of an independent, non-aligned, bi-communal state in Cyprus, going beyond the 1977 agreement by beginning to define the federal government's powers. Also novel was the concept of a 'bi-zonal' state, acknowledging the geographical separation of the communities. Greek Cypriots were unhappy as it did not address the withdrawal of the Turkish forces or the repatriation of Turkish settlers, and contained no guarantees that freedom of movement, settlement and right to property would be respected. Secretary-General Boutros Boutros-Ghali introduced a new 'Set of Ideas' for a draft settlement, further expanding the previous concepts and proposing a secular, bi-zonal, bi-communal federal republic composed of two politically equal states, to be submitted to both communities for referendum. The Council endorsed the plan in resolution 750. However, the 1992 talks were not successful (United Nations 1992).

[34] the constitution of the Greek Cypriot/Turkish Cypriot State and the provisions as to the laws to be in force, to bring into being a new state of affairs in which Cyprus joins the European Union united?' ('The Comprehensive Settlement of the Cyprus Problem' 2004) the citizens of the Republic of Cyprus and Turkish Republic of North Cyprus sealed the fates of both the 5th Annan Plan and the island in general. According to the referendum results, approximately 76 per cent of Greek Cypriots voted 'no' and 24 per cent voted 'yes,' while approximately 65 per cent of Turkish Cypriots voted 'yes' and 35 per cent voted 'no.' Due to the Greek Cypriot disapproval of the Foundation Agreement, the 5th Annan Plan was declared null and void, and there were no legally binding results to the referendum.

If the plan had been accepted in the referendum, it would be an immediately functional model with its constitution. The Annan Plan V also had a provision section, which could largely guarantee the transition period ('The Comprehensive Settlement of the Cyprus Problem' 2004, Foundation Agreement, Annex IX, Article 1ff). According to this, the agreement was to be put to a referendum, and enter into force after mutual approval; if the founding agreement were to be evaluated after other referendums, or if one of the guarantor powers did not sign the new state plan for Cyprus by 29 April 2004, the agreement would become null and void and would not create any legal ties (Foundation Agreement, Annex IX, Article 1-2). With the entry into force of the Founding Agreement, a declaration would also be made by the Republic of Cyprus to the EU (European Union) within the framework of Cyprus's accession to the EU, in which the new state of Cyprus would be presented and the commitment regarding the present obligations would be expressed (Foundation Agreement, Annex IX, Article 6). The presidents of the states would demand from the EU to approve the founding agreement, confirm its compliance with EU directives and demand special measures for the treatment of the Turkish Republic of Northern Cyprus. They would also demand the legally binding registration of this state and request legal validity and security guarantees within the framework of the EU directives (Foundation Agreement, Annex IX, Article 6).



The Annan Plan V envisaged the establishment of a new state on the part of the two founding states. Between the founding states and the central state, a relationship would be established like in Switzerland with the cantons. The main structure was to be that of the Greek Cypriots and Turkish Cypriots forming a common, independent and single state. The indivisibility of the international identity of a federal system was the foundation of Annan Plan V and was established constitutionally. By indivisible, it is meant here that none of the parties can withdraw from this agreement or join part or all of the island to its own state. And this means that none of the parties could pull the other party under its own rule. This partnership should, of course, receive all legitimations from the principles of law and have a two-part unitary structure. Accordingly, the UCR (United Cyprus Republic) would draw its power from the constitutional arrangements and present a single identity in the EU. The founding states, on the other hand, would be able to apply their own powers, excluding those constitutionally provided, in their own territory. The plan refers to the Belgium system and emphasizes that the founding states must act jointly in their relations with the central state. This would be of great importance especially for the execution of the EU criteria and the harmonious cooperation among the founding states.

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In this context, after the details of the Annan Plan are given, the reasons for the rejection of the plan will be discussed in light of the data content analysis and expert interviews. Then the latest situation in today's Cyprus negotiations will be discussed with a secondary literature review. Instead of collecting empirical primary data, this work is based on existing material, which is analyzed and used in the context of the research question. The data corpus is retrieved from the primary (protocols, interviews, reports) and secondary (monographs, newspapers, magazines) literature and journalistic reports.

THEORETICAL FRAME

The main parameter of the Cyprus problem, which has persisted since 1963, is power sharing. It is possible to frame the power shar-

[36] ing only from a realistic point of view. The fact that the island of Cyprus is situated in a very important geopolitical and geostrategic location has grabbed the attention of hegemonic powers since the start of the problem. In addition, the fact that Makarios, the first president of the Republic of Cyprus, followed a non-aligned policy towards NATO, further complicated the beginning of the problem. The fact that the Republic of Cyprus perceives Turkey as a threat and pursues a policy of balance against this threat has made realism essential in order to place the problem of Cyprus in a theoretical framework. In particular, the concept of balance of threat in realism is the basic theoretical framework of this study.

Balance of Threat

Interstate and international systems are being threatened because of the ever-destructive nature of power (Morgenthau 1963). This in turn brings with it the need for security. Balance of power is not a mechanism that operates by itself or automatically (Claude 1962, 48). These states try to achieve their goals by appropriating, maintaining, increasing or even demonstrating power, and in this sense, power is exploited in the international system as a general concept (Morgenthau 1963). Consequently, while international law is a part of the system, it is not effective in mediation and decision-making due to its lack of enforcement.

If the threatening state has some advantages from the perspective of military power, political influence, natural resources and geographical location, it can bring a fear to the threatened state. This is a fear of the enemy, because not all states go into balancing activities, but only to those who are threatened. However, this is not a superiority in the sense of armed conflict. From a military point of view, a weak country can use political pressure in the international system to transform this disadvantage into an advantage. According to the theory of Walt, a state behaves according to its perception of the behaviour of its enemy or competitor (Walt 1985). A weak state must therefore find some form of shelter. This danger forces the state to attach itself to the strong states or to put it in other words, start bandwagoning. In his theory, Walt (1985) examined what the weak state needs protection against, and the answer is danger. This means



that a state is looking for security from its perceived threat. According to Walt (1988, 282), there are some variables in the perceptions of danger of a weak state:

The accumulated, that is, military power of the other side, their economic and political capacity, the geographical proximity of the threat, the threat of sovereignty, a malicious threat, that is an aggressive threat. [37]

The cost of the instruments for the continuation of one's own policy is of great importance. A state will aim to minimize costs and maximize profits in its policy to defeat another threatening state. The choice of the impact instrument is directly related to this cost calculation. Certainly, a weak state will set the economic cost potentials to a minimum and select and use the best instruments to realize the maximum profit potential.

Looking at the Cyprus problem, following a significant defeat after the invasion of 74, the Greek Cypriots both received a de facto divided land and were, so to speak, always in danger of from the threat of Turkish military power. This accumulated power of Turkey, perceived as a threat, its benefits, and the island's geographical and historical significance for Turkey, consequently made the EU the most important ally at the time of the Annan Plan negotiations. The Greek Cypriots failed to align the balance of power on the island according to global power relations. The Greek Cypriots, who were unsuccessful in their attempts to join with Greece, then perceived EU accession as a new opportunity and desired to build the balance of power against Turkey in their own interests as part of this strategic partnership. The Greek Cypriot leaders, as official representatives during the negotiations and the referendum on Annan Plan V, emphasized their interests and saw the government's benefit in rejecting a UN arbitration award. Since the UN has no assertive power in today's international system, state interests and the balance of power can only be established through international organizations such as NATO (North Atlantic Treaty Organization) and the EU. A partnership without a punitive central authority, which can intervene in case of infringement, is never safe and conflict is never

excluded. States must rely on their own power to survive under such anarchic circumstances. For this reason, states always strive to maximize security, and increased security requires a relative increase in power. Consequently, states try to obtain relative gains rather than absolute gains (Kolasi 2013).

[38] It is assumed that states fundamentally depend on individual absolute profits. From this perspective, a partnership can continue as long as it produces an absolute profit without any concerns about relative profits or losses. States are seen as rational actors seeking to maximize their own interests. However, it must be considered whether the states are influenced by the disadvantages of the counterparty or not. In summary, a state's willingness to compromise on its sovereignty and commitment to partnership does not represent a loss of interest. Finally, Annan Plan V was based on experience gleaned from years of UN negotiations. As a conclusion to the Annan Plan, which is intensively examined in the present work, it can be seen that the plan showed the interdependencies. Additionally, the asymmetrical structure of the plan was significantly associated with federalist elements. Another important aspect of the plan, namely the cooperation of the founding states, was also indispensable for the survival of a federative system. While granting the plan could have produced gains for both sides, the Greek Cypriots, with the support of their government, rejected the plan and favoured relative gains as a result of their sole EU accession. The European Union accepted the accession of Cyprus, thus integrating a complex problem into its territory, even though the 'acquis communautaire' could initially be implemented only in the south of the island.²

POLITICAL REASONS BEHIND THE REJECTION
OF THE ANNAN PLAN V BY GREEK CYPRIOTS
Power Distribution and Loss of Power

At the centre of the UN negotiations on the Cyprus problem lies the difficulty of the separation of powers in the federal system of

² Expert interview with Günter Verheugen (Former Commissioner of the EU), Vienna, 4 October 2012.



states. The UN formula in Annan Plan V (a state system with two politically equal societies) was constantly leaning on the 1977 framework agreements and 1979 ten-point agreements. All UN decisions under these two agreements confirmed the need for a constitutionally determined two-territorial federation.³ The federal solution also would have brought with it political equality. However, the Greek Cypriots prefer a unitary state and the continuation of the Republic of Cyprus, whereas the Turkish Cypriots prefer a two-state system, which would give the Turkish Republic of Northern Cyprus an international identity. If the solution is a federal state, the Greek Cypriots prefer a more centrally administered state (Interpeace 2011).

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Ultimately, as they represent the majority on the island, the Greek Cypriots also want to uphold this principle of majority voting and government. What is forgotten or not taken into account here is the fact that without the full participation of the Turkish Cypriots, there will be no solution and even if a majority solution is adopted, this system will not be sustainable. A certain majority of Greek Cypriots do not want to accept the loss of the status quo in Cyprus and do not share their right to exist, which has now been strengthened via EU accession. For this reason, Annan's vice-presidential system has been rejected by the Greek Cypriots. Handing over this chair to a Turkish Cypriot would not be easy to accept after the extended period of confrontation. The separation of powers, which take its ability from rules and constitutions regarding the rule of law, should be clear in deeply fragmented and hostile societies (Lijphart 2002). In cases of uncertainty, such separation of powers arrangements may entail the blockage of governance (Roeder and Rothchild, 2005).

The opposition of the Greek Cypriots to the principle of separation of power under the Annan Plan V is also understandable. Fol-

³ 'Reaffirms in particular is resolution 367 of 12 March 1975 as well as its support for the 1977 and 1979 High Level Agreements between the leaders of the two communities in which they pledged to establish a bi-communal Federal Republic of Cyprus that will safeguard independence, sovereignty, territorial integrity and non-alignment, and exclude union in whole or in part with any other country and any form of partition or secession' (United Nations 1990).

[40] lowing the presidency principle of 1960, the federal state of the Annan Plan V, which was compiled according to the Swiss model,⁴ was considered a foreign concept to Greek Cypriots. Even the doubt over the vice-presidential system became a reason to oppose the separation of powers. Interpeace poll showed that under a federal system, the Greek Cypriots were concerned about leaving leadership to a single person; if a Turkish Cypriot became vice president, albeit for a short time, they would obtain sovereignty over the whole island which would be seen as danger, illustrating the perceived difficulty of partnering with the Turks (Interpeace 2011). The plan eventually provided for a clear, balanced separation of powers. As has often been observed since the 1974 invasion, the main problems have always been power and authority. While the Greeks have demanded a strong central authority, the Turks prefer a soft federation.

The Greek Cypriot state had a functionalist posture in 1974 and was widely recognized as such. Over time, the dominant position of this state has been favoured, where the continuation of this state and the strengthening of the Republic of Cyprus on the island has overtaken all organisations for peace and unity. According to Tasos Papadopoulos, the main reason for the Cypriots' rejection of the plan was the repeal of the Republic of Cyprus and the virgin birth of a new state (Politis 2005).

The Republic of Cyprus is internationally accepted as the sole representative of the island. On this basis, and always exercising this comfort, the Greek Cypriots have always rejected the division of justifiable sovereignty. Accordingly, the Greek Cypriots alone wanted to accept some elaborations on the 1960 plan. Thus, the existing leadership should be constitutionally legitimized and this structure should produce a unified state system. The reason why the Greek Cypriots rejected Annan Plan V was that the plan did not take this factor into account.

Today's 'Republic of Cyprus' is a state in which power is held by a central government. But with the Federal Government provided by the Annan Plan V, this central power would be evenly transferred

⁴ A cantonal federal system.



to the founding states. This explains why the Greek Cypriots did not want to separate or share their sovereignty. Thus, the Greek Cypriots have not shared their sovereignty and have continued as a recognized state in the form of the Republic of Cyprus under their own leadership, while showing that they will not accept two separate leaderships and that the central state must control the entire island. [41] Of course, behind this lies the fact that the Cypriot identity is not yet firmly established, the parties do not trust each other, and the two sides have no emotional connection. However, the main cause of disagreement is that they do not want power or authority to be shared.

According to the concerns of the Greek Cypriots, one must understand the idea that if a federal system were adopted, Turkish Cypriots would ultimately use this new position to end the partnership and establish a new state, which would then be internationally recognized. However, this would be unacceptable for the Annan Plan. The plan ruled this possibility out constitutionally, because after the founding agreement of the plan, which has already been mentioned several times, it would be impossible. According to the new state created by the agreement, any unilateral changes and, in particular, the partial or total union of Cyprus with another state or any form of division or separation are prohibited and none of the contractual provisions may conflict with its interpretation. This article is followed by a phrase from the second article, which states that ‘the United Republic of Cyprus, its indissoluble partnership structure,’ which offers a clear meaning with its bold words (‘The Comprehensive Settlement of the Cyprus Problem’ 2004). Since the plan was a result of 40 years of negotiations, it also had compulsory provisions that would force the solution. However, the proponents of the plan did not explain the impossibility of separation to the Greek Cypriots sufficiently well.

*Presidency of Tassos Papadopoulos and EU Membership
of the Republic of Cyprus*

For a politician who wanted to retain sole power, equal status in a presidential council among other Cypriot council members, as pro-

[42] vided for by Annan Plan V, was not particularly desirable.⁵ It was of course of greater benefit for Papadopoulos to be a president of a globally recognized Cyprus, which is a member of the EU instead of being a temporary president in a United Cyprus. In a society in which the presidency represents the highest political authority, collective governance cannot be accepted as a principle. The island has never really produced a statesman. Makarios, Papadopoulos, Denktaş and Küçük were always only national leaders. Glafkos Klerides alone may perhaps be considered an exception. Considering his support of the Annan Plan, one can say that he not only acted in the interests of one particular ethnic group, but the entire island's population, and this kind of politics is the position of a statesman (Kızılyürek 2007). Klerides, in his lead role in the negotiations for Cyprus's accession to the EU in 2003, declared that if he were to be re-elected, he would only perform his duties as leader for a period of 16 months. This period would end in May 2004. The aim of Klerides was to convince the Cypriot people of the merits of the Annan Plan during this time and thus to go to a referendum (2007). Nevertheless, Papadopoulos won the elections with the support of AKEL (Anorthotiko Komma Ergazomenou Laou – The Progressive Party of Working People). His victory was not just a change of government, but the Cyprus policy towards the Annan plan would subsequently change.⁶ He intended to use the new and complex nature of the plan to instil an instinctive mistrust in the people and to prevent any resolution of the Cyprus conflict after joining the EU. After Papadopoulos was elected president and appointed leader of the negotiations, he explained these issues in a press conference as follows (Press and Information Office 2003):

The adoption of the present Annan plan does not mean initiative,

⁵ 'I have taken over a country that is internationally recognized, I will not hand over a country that has nothing to say on the international scene and that needs protection, all of which is based on empty and erring illusions and a bottomless illusion that the Turks have their say to hold.' Papadopoulos's statement in *Politis* (2005).

⁶ Expert interview with Alvaro de Soto (Former Negotiator and Special Advisor of the UN on Cyprus), Firenze, 25 September 2013.



it means accepting the occupation and the invasion, we do not have the right to accept it, we cannot share debt with Cyprus, we do not have the right Legality of our state.

Deciphering these expressions shows that under the leadership of the right-wing national front, the Greek Cypriots would under no circumstance share their power. If the de facto division after the Turkish intervention was solved by a mediator and this solution brought about the division of power, then this national movement in the south and north of Cyprus would be best way to present the deadlock (or status quo) as the best solution. Finally, the supporters of the status quo in the Turkish Republic of Northern Cyprus defended that after the intervention of 1974, the best solution would be to recognize the division of the island and convince the international community. In short, both sides refused to share their rule with the opposite side. This is the main reason for the hopelessness in the Cyprus problem and was also the main reason for the rejection of the Annan Plan V. It was not possible to find a solution because the Greek Cypriots did not want to give up the Republic of Cyprus. They rejected the Annan Plan V because they did not want to relinquish the Republic of Cyprus. As a result of EU accession, without resolving the island conflict, they attempted to maintain a balance of power and exert pressure on Turkey.⁷ [43]

AKEL's Position

The fact that a party with such a political position engaged in such political manoeuvring prior to the referendum on Annan Plan V in 2004 and called on the people to reject the plan completely transformed the referendum process into a counter-front. One of the main reasons for this transformation, which contradicts political history, is the long-awaited desire to take the lead. In fact, it would not have been surprising to see AKEL become a follower of the plan.

⁷ Expert interview with Katie Klerides (Former MP for Nicosia district and daughter of Glafkos Klerides, who was former President of Republic Cyprus), Nicosia, 4 September 2013.

[44] However, AKEL's political change, which began with the postponement of the referendum deadline ten days before the referendum, was a great surprise to everyone. This party had maintained the closest contact with the Turks during this time and had already internalized the principle of a two-dimensional social federation, thus making it one of the main proponents of the Greek Cypriots. As mentioned earlier, AKEL's desire to postpone the referendum was a sign that the plan was going to be rejected. Of course, at that time it was impossible to change the date of the referendum.

The real reason for this change was the fact that AKEL did not believe that they would be included in the governing coalition. During this era, AKEL had assumed various important positions in the government and for the first time saw the opportunity for a president to emerge from within its own ranks. Evidence for this comes from the election of 2008, in which Demetris Christofias, who was the General Secretary of AKEL and served as the sixth President of Cyprus from 2008 to 2013, clearly defeated Papadopoulos. This represented the greatest opportunity in AKEL's history, and an endorsement of the 2004 Annan Plan V would likely have made this success impossible. AKEL had always opposed Klerides and with its disgruntled attitude towards the plan, it was again against Klerides. Klerides' party DISY (Dimokratikos Synagermos – The Democratic Rally) was originally founded by the bourgeoisie, the central right-wing and Western-oriented class of Greek Cypriots. It was very difficult for AKEL as a communist/socialist party to campaign for the referendum together with a party from the opposite side of the spectrum. Another reason for the rejection of the plan was that AKEL and its followers, along with Papadopoulos, regarded the Annan Plan as a work of the great powers. Taking into account their relations with Moscow, one can also assume that Russia influenced AKEL with its veto in the UN Security Council. Annan presented his report of 16 April 2004, to the UN Security Council on April 19 (United Nations 2004). The report dealt with the conditions for the functioning of the proposed solution. As expected, above all, DIKO (Dimokratikó Kómma – The Democratic Party) and AKEL and the then-government had implemented all measures to ensure that this



report would not be accepted by the Security Council. While France and China initially took the position of the Republic of Cyprus, they were convinced after the efforts of the EU Member States and the US of the opposite; however, Russia alone, despite the commitment of all other members of the UN Security Council, vetoed the report. Russian UN Ambassador Gennady Gatilov said three days before the referendum on the UN peace plan planned in both parts of Cyprus that such a resolution was premature (*Der Spiegel* 2004). Another important point that needs to be highlighted here is the visit of the Foreign Minister of the Republic of Cyprus, Yorgos Yakovou of AKEL, to Moscow shortly before the referendum. The statement made by Russian Foreign Minister Sergei Lavrov after this meeting is indicative of Russia's concerns. Lavrov explained that the EU's accession to the Republic of Cyprus would harm Russian entrepreneurs, and large transfers of funds could be made through the off-shore system in Cyprus, and that money could return to Moscow through fake companies, which could cause major problems (*Politis* 2005).

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This information is a testament to the economic crisis in the Republic of Cyprus in 2012. *Der Spiegel* published in its 45th issue in 2012 a highly detailed analysis of the economic crisis in Cyprus. According to the investigation, over 50,000 Russians were living in the Republic of Cyprus with a Greek Cypriot passport, the Russian mafia was extremely influential in Cyprus, and the Russians were implementing their money laundering activities with the knowledge of the government within the borders of the Republic of Cyprus. In 2011 alone, \$80 billion was laundered and more than 150 shell companies were active in the tax haven of the Republic of Cyprus. This money would later be used by Greek banks in the purchase of treasury securities which led to the crisis in 2012 and these securities defaulted during the same economic crisis (*Der Spiegel* 2012).

AKEL, with its short-term rejection of the plan, introduced the term 'soft no' into the history of politics in Cyprus. AKEL tried to explain that her 'no' was opposite to the 'no' of the other parties and actually with this 'no', a 'yes' was also involved. For many years, AKEL defended that a federal system would be the solution to the

problems in Cyprus, which led to widespread disapproval of the plan and a desire to preserve the status quo.⁸

FROM THE UNITED CYPRUS REPUBLIC
TO TWO-STATE SOLUTION

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UN Secretary General Antonio Guterres announced that the Turkish and Greek Cypriot leaders could not meet on a sufficient common ground on the solution of the Cyprus problem during the talks held in Geneva on 27–29 April 2021 (BBC News 2021). Despite international pressure, the Turkish side is expected to engage in a long-term struggle for a ‘two-state solution.’ After the meetings, which are seen as a turning point, it is predicted that the Greek Cypriot and Greek governments will try to frame the issue in terms of a Turkey–EU problem, and the Turkish side will engage in a long-term struggle for a their two-state solution despite international pressure. The meetings in 5+1 format hosted by Guterres brought together the President of Cyprus, Nikos Anastasiadis, and the Turkish Cypriot leader, Ersin Tatar, and the foreign ministers of the 3 guarantor countries: Nikos Dendias from Greece, Mevlüt Çavuşoğlu from Turkey, and Dominic Raab from the United Kingdom. The fact that Guterres noted that there was not enough common ground between the parties at the Geneva meeting, which took place 4 years after the UN’s last attempt for a solution, caused the parties to focus on the policies to be followed in the future. The UN Secretary General announced that he called the parties for another meeting to prevent the table from falling apart completely, but the statements made by the Greek and Turkish sides revealed that it was not possible to start official negotiations.

Guterres (United Nations 2020) states in his latest report submitted to the Security Council that he will carry on with his efforts:

Three years have now passed since the intensive talks at Crans-Montana, making it more challenging to resume negotiations. As

⁸ Expert interview with Alvaro de Soto (Former Negotiator and Special Advisor of the UN on Cyprus), Firenze, 25 September 2013.



I stated following our Berlin meeting, I will continue to extend my efforts to achieve terms of reference to serve as a consensus starting point for phased, meaningful and result-oriented negotiations at the earliest feasible opportunity. In this regard, I committed to explore with the Turkish Cypriot leader and the Greek Cypriot leader and with the guarantor powers the possibility of convening an informal five-plus-United Nations meeting at an appropriate stage. I underscore the point that this time must be different.

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Unlike the previous talks, the Turkish Cypriot side and Turkey came to the table with a new plan outside the UN parameters. Noting that the negotiations for a bi-communal federation for 53 years have not yielded results, and that the Greek Cypriots do not favour any formula that includes sharing power with the Turks, as seen in 2004 and 2017, Tatar gave Guterres a 6-point road map.

He embodied the two-state solution plan, which was refused directly by the Greek Cypriots. Turkey maintains that only a negotiated settlement based on dialogue and diplomacy can be sustainable. As regards the way ahead, Turkey acts with a vision of working on new ideas and settlement models and believes that no time should be wasted with open-ended negotiations without a specific goal, based on vague documents, as in the past. According to Tatar, there are two peoples, two democracies and two states on the island. Negotiations towards settlement of the Cyprus issue and any desired goal should be built on this reality. With this understanding, Turkey considers that it is time to negotiate two-state settlement. Within this framework, the convening of the informal 5+UN meeting with the participation of the two sides on the Island and the guarantor states is supported. Turkey and Turkish Cypriots argue that, since the Greek Cypriots do not accept the political equality and also the effective participation of the Turkish Cypriots within the governance of Cyprus, then there's no alternative excluding that of the two-sovereign states (*Cyprus Mail* 2021). According to the Republic of Turkey, in the peace talks between Turks and Greeks in Cyprus carried out for decades under the leadership

of the United Nations (UN), the solution of a bi-communal, bi-zonal federation has been worked on so far. However, these talks were fruitless.

[48] This method neither entails nor needs the consent of the Greek Cypriot community, which forms eighty per cent of the population. It is accomplished with the passage of time, and it is expedited by the evidenced inability of the Greek Cypriot leaders to draw up a transparent and effective strategic arrangement for the uniting of Cyprus, which convinces the international community that they are able to settle for the Turkish Cypriot community as political equals having effective participation in governance.

In light of the above, what options does the Greek Cypriot community have? First, all creative ideas can be immediately abandoned and Guterres' framework and any agreed convergence for 2017 can be unconditionally accepted (when everyone seems to confirm that a mutually acceptable solution was within reach). The recommendation to seek and implement confidence-building measures can be abandoned immediately. In addition to these, some new openings can be made in economic issues. A good example of this action step would be the rapid establishment of an independent body for the management of Cypriot hydrocarbons, in which the Turkish Cypriots would also participate and in which the decision-making would depend on a positive vote (in combination with a procedure jointly accepted for the dissolution of possible deadlocks) (Panayiotides 2021).

Second, the adoption of the two-state solution, which, presumably, the other party will gladly accept in all of this. This implies the case of the recognition of sovereignty. In such a case, the final and irreversible partition of Cyprus will take place immediately with some territorial adjustments (such as the return of the fenced part of Famagusta), but also with the granting of the right to the Greek Cypriots to request the assimilation of the Greek Cypriot part of Cyprus in Greece, a process that will be relatively easy to achieve as Greece is a full member of the European Union and the laws of the two countries are already fully harmonized (Panayiotides 2021).



RECENT DEVELOPMENTS

The summit in New York on September, as expected, did not lead to the start of formal negotiations, but revealed the UN's determination and roadmap for the reinvigoration of a new process. The international community has already shown that it will not abandon Cypriots by throwing the towel over the Cyprus issue, with the clear statements and behaviours of the UN Security Council-supported Secretary General. Added to this is a narrowed action plan, the details of which are yet unknown. Until the UN Secretary-General's statement and perhaps a new Security Council resolution, it is unlikely that we will know more details. However, the insistence of the international community on a new process can be understood from the statements made by the two high-level representatives of both communities before or after the New York meeting.

[49]

After the meeting with Tatar and Guterres, President Anastasiadis said he expected an announcement the next day on the appointment of an envoy on the Cypriot issue. No announcement was made. Reports suggested that while the Cyprus government wanted the appointment of a responsible representative to the UN Security Council, the Turkish side wanted a special envoy, such as Jane Holl Lute, who recently resigned, because it would be under the authority of the secretary general. Ironically, the last two UN special representatives, Alexander Downer and Espen Barth Eide, had been attacked by Anastasiadis and left on bad terms with their government.

There were also questions about what this envoy's mission would be. Tatar wanted them to limit themselves to dealing with specific issues as confidence-building measures and good neighbourliness, in line with his two-state goal, while Anastasiadis wanted them to facilitate the resumption of talks, presumably for a federal settlement. So why did Anastasiadis expect the UNSG to make an announcement, given the gap between him and Tatar, regarding the mission of representative/envoy? Had he misunderstood what was said at the meeting? The big question is, why should Guterres appoint an envoy/representative when the two sides cannot agree on what their mission will be?

[50] Perhaps the Cyprus government's fear is that the UNSG's failure to name anyone will mark the beginning of the end of the UN's involvement in Cyprus. If Guterres decides that there is no point in having a representative, the next step could be to shut down the UN mission and withdraw the peacekeepers. There would be no justification for the presence of the UN when there is no possibility of the two sides reaching an agreement. It should come as no surprise if the UN decides to end its mission in Cyprus after more than 50 years of failed peace efforts (*Cyprus Mail* 2021).

Today there is another chance, certainly a crucial and possibly the final chance, for Turkey to become a European country, although no longer an EU member, at least for the coming years. This depends on how the EU negotiates (Cicicoğlu 2022). The EU will not give up on Turkey because it is important as an economic partner but also crucial in terms of refugee flows. Equally, however, it cannot accept threats, blackmail and violence as means to attain policy aims; the EU is based on a system of law and regulation. Nor can it ignore the financial and economic realities of Turkey, which are not quite as dark in 2022 as they were in 70s but are increasingly serious, not to mention the desperate need of Turkish Cypriots who bear no share of the blame for the recent and appalling economic mismanagement in Ankara. The progress of these negotiations will determine the future of Turkey, of Cyprus, of the Eastern Mediterranean and of the EU itself (Çam 2021).

CONCLUSION

As a summary of the research and the findings, the most important reason for the rejection of the Annan Plan is the power sharing problem between the two communities. A certain majority of Greek Cypriots did not want to accept the loss of the status quo in Cyprus and did not want to share their right to exist, which has now been strengthened via EU accession.

The division of power on the island came to a clear end after the riots of 1963, which were triggered by the lack of functionality in the 1960s. A clear majority of Greek Cypriots saw this lackness as a reason why the two societies could not find common political



ground. Annan's explanation after the referendum was that while most Greek Cypriots wanted reunification, they believed that the solution would not bring any benefits and, on the contrary, would cause greater problems and increased risks (Secretary General's Report 2004).

[51]

The second reason for the rejection of the plan was the election of Papadopoulos as president in the Republic of Cyprus before the referendum. It is an important indicator that the Greek Cypriots voted for someone famous for his nationalist policies against Klerides, who supported the plan. Two points in this key political position of the president are important: the protection of the Republic of Cyprus—which means the rejection of the division of power and leadership—and the EU accession of the Republic of Cyprus, which means the balance with Turkey and the establishment of a pressure mechanism over the EU. Papadopoulos' role in the referendum negatively affected the future of the plan.

The third reason for the rejection of the Annan Plan was the AKEL. This political party first supported the plan but then changed their opinion and joined sides with the nationalist front. This policy change especially disappointed Mr. Alvaro de Soto, who was the negotiator and special advisor of the UN on Cyprus.

Perhaps one of the main obstacles preventing a resolution to the Cyprus problem is that the parties in dispute considered the negotiations a zero-sum game. Annan was convinced that the plan had a win-win quality.⁹ Even if the result in the short term considered only one party to be disadvantaged, it would show in the future that the failure would negatively impact everyone. The solution was for everyone. According to Annan, a solution within the framework could

⁹ 'One of the obstacles to solving the Cyprus problem has been the perception on both sides that this was a zero-sum game: one side's gain was the other side's loss. I am strongly convinced that, had it been accepted, my proposal would have created a win-win situation. I am equally, and sadly, convinced that while the current outcome in the short term may be a greater setback for some than for others, ultimately all are losers in the failure of the recent effort. It is in the interests of all. Greek Cypriots, Turkish Cypriots, Greece and Turkey, that there should be a settlement of the Cyprus Problem' (United Nations 2003).

[52] only be successful if the leaders of both parties wanted a solution and were ready for it and the high politicians of the home countries supported this attitude. In democratic societies, the basic law is a result of social agreements. For non-homogenous communities such as in Cyprus, a constitutional agreement must be accepted by all parts of society. Therefore, in drafting a constitution, the general inclination of the parties and the essential nature of the two societies in the broadest sense must be taken into account. There is no doubt that the plan was the result of a long-standing process and had been negotiated by the parties. However, the extent to which those societies were integrated into these negotiations and that general inclinations and social dynamics were also taken into consideration is questionable. The UN's win-win principle has been applied to all UN awards on the island, but how this has affected the people and whether the system managed to dispel the doubts and uncertainties of the two societies can be questioned.

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