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AUTHORS: Clement DODD

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THE "ANNAN PLAN" AND THE CYPRUS CONFLICT

Prof. Dr. Clement Dodd
University of London

The lack of solution of the Cyprus problem 'could be an important obstacle' to Turkey's accession to the EU, according to the November 2003 Progress report of the European Commission. Lest this be misconstrued, the Head of the EU Representation in Turkey, Harisjorg Kretscher, affirmed that a settlement of the Cyprus problem was not a pre-condition for Turkey's accession, but added that Turkey's contribution to finding a solution would have a positive impact on the EU process. The President of the European Parliament, Pat Cox, also stated that a Cyprus solution would not be a political condition for Turkey, but also pointed out that in politics people assess issues in a comprehensive manner. The solution of the Cyprus problem was not a political condition but he believed that with the resolution of the problem, the atmosphere with regard to Turkey- EU relations would change in many capitals. Gunther Verheugen, the EU Commissioner for Enlargement has repeatedly stressed the importance for Turkey of a Cyprus solution, whilst, in turn, not going so far as to say that its solution was a prior condition for Turkey's accession.

It has sometimes been shown stated, or implied, that Turkey is respon-

sible for a solution. In this regard, refuting any such suggestion, the Turkish Foreign Minister has emphasised that responsibility for the Cyprus problem cannot be placed on Turkey alone. Yet the representatives of the UN, the EU the United States and Britain have all been loud in their assertions that the solution lies through acceptance of the 'Annan Plan' ' as the UN Plan submitted at the end of 2002 has come to be known. Since the Annan Plan was rejected by the Turkish Cypriot Government with the approval of the Turkish Government, it would seem to be expected that Turkey could use its influence to modify Turkish Cypriot attitudes. Nor are the pressures just international. Within Turkey there are sections of opinion that believe Turkey has an obligation well above others to bring about acceptance of the Plan. For instance, the Chairman of the Turkish Economic and Social Studies Foundation has warned that Turkey will be unable to enter the EU unless it makes a sincere contribution to solving the Cyprus issue. Yet in his recent important speech in North Cyprus (15 November 2003) the Turkish Prime Minister, Tayyip Erdogan, made no reference to the Annan Plan. Referring to the existence of two states, he insisted that any settlement must be bi-zonal and must preserve the equal status and political equality of the Turkish Cypriots. Does the Annan Plan provide for these requirements as its authors and supporters seem to believe?

The Annan Plan

The Opposition parties in the Turkish Republic of Northern Cyprus support the UN Plan. It is clear that they are much influenced by the membership of the European Union to which it would lead. The economy of the TRNC, severely impaired ever since 1974 by the international embargoes (supported by the EU) suffers from unemployment, or under-employment, for many. This is particularly felt by young people. Membership of the EU would provide a much more attractive future for them than at present available. Free from embargoes, international tourism would be able to develop in the North and Turkish Cypriots would be able to work in principle anywhere in the European Union- Also for them the warnings of the older generation that the Greek Cypriots are not to be trusted and will seek to dominate the North, often seem to fall on deaf ears. For the young it is now a different world, They believe that Greek Cypriot attitudes have changed and that they will be safe from domination by virtue of being members of the post-modern European Union

Moreover the Plan seeks to provide a solution of the problem by following the Belgian pattern, a country where there is a serious division between its two constituent peoples. The Turkish Cypriots would still have their own state, as would the Greek Cypriots, alongside a joint, or 'common state'. Moreover it is stated in the Plan that between the two 'constituent states and the 'Common state' the relationship would not be hierarchical. The 'constituent states' would also have significant functions. These would include education and culture, health, fisheries, agriculture, internal commerce and industry, and local police. As in Belgium, each of the 'constituent states' would be able, if need be, themselves to represent their own interests in these areas in the councils of the European Union. They would not have to be represented by members of the 'common state'. They could even develop international relations in some spheres. Moreover, it has been asserted by many international statesmen in support of the Plan that the 'Common state' would in practice have little to do, with much legislation emanating from the European Union. In addition, in his Report on the failure of the Plan, the UN Secretary-General points out that, in deference to Turkish Cypriot views, that the Swiss model was appropriate for a federal structure, it was allowed in the Plan that only in certain specified functions would the Turkish Cypriot state be transferring sovereignty to the 'common state'. This is claimed to accord with the Turkish Cypriot position, as stressed in earlier views, that they regarded themselves as sovereign except insofar as they had transferred items of sovereignty to the centre. However, in more recent years the Turkish Cypriots have made it clear in advancing 'equal partnership' (essentially confederal) proposals for a solution they would be transferring *functions* not *sovereignty*.

When the Plan seems to confer so many benefits, and is conceived within the ethos of the brave new post-modern world of the European Union, why should any Turkish Cypriots object to it? The Opposition parties in the TRNC, or at least some of their younger supporters, appear to be carried away by the new anti-nationalist idealism of the European Union. Others see the economic benefits they expect to receive as EU members. So what could be the objections?

The first point to be made is that although the Plan would fittingly have been advanced, or at least approved, by the 'constituent states' this was not to be the case. It was intended that the Plan, embracing the

whole scheme, would simply be accepted by the leaders of each community, and then approved by referenda in both the South and the North. This is very strange. Why were the two 'constituent' states not being given the function of actually constituting, and approving, the new structure? If they did not have this function they could hardly be called 'constituent' states. *Ab initio*, the Plan avoids the involvement of the two states; this served, of course, to avoid any recognition of the Turkish Republic of Northern Cyprus. The early resort to referenda is also particularly worrying. Complex schemes like those in the Plan have to be fully digested and discussed before being put to referenda, a notoriously dangerous way to make decisions on anything but simple and straightforward issues.

Incidentally, a later change that annoyed the Turkish Cypriots was the proposal in the Plan to call the new overall political structure the 'United Republic of Cyprus'. This seemed to imply that the original Republic of Cyprus had become disunited after the Turkish Cypriots claimed to be no longer part of it, but was now to be reunited! The Turkish Cypriots have also wanted the creation of a *new* state, as seemed earlier to be promised by the United Nations. However, in the Plan there is only reference to the creation of a 'new state of affairs', not the same thing by a long way.

To turn to more concrete matters, although the unimportance of the 'common state' was often stressed, Gunther Verheugen has constantly insisted that the 'common state, must be strong enough to perform EU functions. These would include the responsibility, as in Belgium for the 'common state' to ensure that each of the 'constituent states' budget deficits did not go above 3 per cent of gross domestic product, in accordance with EU rules. In accordance with EU norms, the common state; would also ensure that *acquis* rules were applied throughout Cyprus. These would include free movement of labour and capital, and freedom to live anywhere. This last freedom was in fact restricted in the Plan, as will be seen but such limitations would always be struggling against the unrestrictive basic Philosophy of the European Union. In the conditions required under the *acquis* in so small an island as Cyprus there would also be a felt need for common systems of social security and private taxation. In short the 'common state' could be expected to acquire more and more legislative and supervisory functions.

These would add to the already considerable functions ascribed in the

Plan to the 'common state'. These comprised external and EU affairs, Central Bank functions, all indirect taxation (including value added tax; and customs and excise dues), economic and external trade policy, national resources, responsibility for the Territorial waters and the continental shelf, communications overall (including telecommunications and air travel), immigration [a thorny subject], anti-terrorist measures and the common state police. In brief, the 'common state' would control the application of EU legislation and EU norms 'as well as itself having some substantial functions. It is arguable that for the sake of economy and efficiency, 'common state' functions would need to be fairly comprehensive, but the question has to be asked, Where would power lie in the' "common state"?

It is clear from analysis of the constitutional structure proposed for the 'common state' that power would lie with the Greek Cypriots. This is so because of the composition of the legislative and executive institutions to be established, namely the Senate, the Chamber of Deputies and the Presidential Council.

All 'comon state' legislation would have to be passed by simple majority in both Homes. Each House would have 48 members. Half the Senate would be elected by the Turkish Cypriot state's electorate. The number of the elected Deputies from each community would be proportional to the population of each state, with the proviso that there would be at least 12 deputies from each community. Significantly, and unusually, there is no provision for any representation of the two 'constituent states' in the Senate or Chamber of Deputies.

Voting would, be by simple majority in both Houses, though votes in favour of a measure in the Senate would normally require the inclusion of a quarter of each side's senators present and voting. A 'special majority' of two fifths would be required in legislation and decision; on finance, immigration, foreign affairs,, and the election of the executive Presidential Council. This was to be composed of six members, pro tional to the population of each state, but with at least two from each community. Voting would be by simple majority, but with at least one vote from each community member. Under present circumstances, the election of the Turkish Cypriot members would largely be in the hands of the Greek Cypriot members of the legislature. These provisions would act as brake on Greek Cypriot domination, but deny the political equality so often promised to the Turkish Cypriots

Property, Territory and Residence.

Turkish Cypriot criticism of the UN Plan has tended to make more of other adverse sections of the Plan than those provisions outlined above. This no doubt because the general populace does not find it easy to address itself to complex constitutional matters, important though they are. More significant for them were the Plan's provision; with regard to the return of property to those displaced by the events of 1974. Whilst not many Turkish Cypriots want to return to live among the Greek Cypriots, many of the 180, 000 Greek Cypriots who mainly fled their homes in 1974 wish to return. Under the complex property provisions in the Plan, many would be able to reclaim their properties, whilst some would only be able to claim compensation. According to UN estimates, some 15, 000 to 18, 000 Turkish Cypriots would have to relinquish their homes to former Greek Cypriot owners. Since the TRNC would be required to surrender some 7 per cent of its land (from the 34 per cent held) there would be 47, 000 persons to be relocated in the reduced Turkish Cypriot state. Altogether, according to UN estimates,, there would be between 62, 000 and 65, 000 displaced persons in the Turkish Cypriot state. Turkish Cypriot estimates are for 100, 000, half the population.

Including those Greek Cypriots who would return to their properties in the new proposed Turkish Cypriot state, after a period of 15 years 21 per cent of the population of the Turkish Cypriot state could be Greek Cypriot, but there were ambiguities in the Plan suggesting it could easily constitute a greater proportion. There was, notably, a provision that would allow the return of former inhabitants *and their descendants* to return to some villages in the Karpas peninsula!

In sum, the Turkish Cypriot Government could see considerable disadvantages in the Plan. Moreover in addition to the factors described above, there was a strong feeling that under the operation of EU norms there would be nothing to stop the Greek Cypriots from investing heavily in the Turkish Cypriot state, in fact, dominating it economically. Quite a number of Turkish Cypriots expressed the fear that since Greek Cypriots often believed the island was essentially theirs, they would make every effort to buy out Turkish Cypriot owners of enterprises and property, even at uneconomic prices. However, the Opposition parties in the TRNC believe the Greek Cypriots have changed, and that these views no longer reflect reality. In support of these sentiments, it might be noted that the a

view is sometimes expressed in the Greek Cypriot press that it would be an unnecessary expense to unite with the Turkish Cypriots and have to meet development costs to bring their economy up to the level of that of the South.

The ultimate fate of the Annan Plan was expected to be decided by the results of the parliamentary elections held on 14 December 2003. In the run-up to the elections the main item in dispute was whether the TRNC should return to discuss the Annan Plan. In particular, the prospect of its opening up the road to EU membership was attractive to many. Consequently the Opposition parties stressed how EU membership would provide jobs in a much more developed Turkish Cypriot economy, in the rest of Cyprus, and in the EU generally. They pointed also to the failures of the past, particularly to the tribulations arising from the troubled Turkish economy, to alleged corruption in government, and to the overriding influence of Turkey in the TRNC. For instance the control of the police by the Turkish military was a particular bone of contention for Mustafa Akinci, who expressed considerable hostility to Turkey.

The nationalist pro-government parties stressed how the Annan Plan would destroy the autonomy of the Turkish Cypriots and would return them to the situation before 1974. Mainly they sought to defend the existence of their state, an achievement that had guaranteed them peace and security for thirty years. They were not against union of some sort with the Greek Cypriots, and were for EU membership, but insisted that agreement could only come through recognition of the existence of the TRNC, in the first place. They were pro-Turkish, stressing the importance of the aid and succour received. Hindsight suggests that they did not make enough of their desire to join the European Union.

They were much heartened by the visit (mentioned above) made to the TRNC on 15 November by the Turkish Prime Minister, Tayyip Erdogan a visit routinely condemned by the Greek Cypriot Government. Erdogan did not go so far as to say that the TRNC should first be recognised, but he came close to it in an important speech. He pointed out that there were 'two separate democratic states' in Cyprus and he believed 'reconciliation efforts should be based on these realities'.¹ He further had no doubt 'that the Turkish people of Cyprus are in a position to become

1 Quotations are from a translation of Erdogan's speech made by the President's Office Lefkosa.

one of the equal partners of comprehensive consensus to be reached on the island'

In the result, the elections held on 14 December 2003 very unusually produced a stalemate. The government parties, the National Unity Party and the Democratic Party, gained 32.9375 and 12.93% of the vote respectively, winning 18 and 7 seats. A minor party, the Nationalist Peace Party, won 3.23% of the vote, but under the 5% rule did not qualify for any seats. This party wasted votes for the nationalist cause. Had it joined one of the two other nationalist parties, there almost certainly would not have been a deadlock. On the Opposition side the Republican Turkish Party and the Peace and Democracy Movement won 35.2% and 13.16% of the vote respectively, winning 19 and 6 seats. The pro-EU party led by the Chairman of the Chamber of Commerce, the Solution and European Union Party, earned 1.99175% of the vote, but won no seat. The tiny Cyprus Justice Party won only 0.6% of the vote. Whilst the Republican Turkish Party might be described as having won the election each bloc won 25 seats. Unless a coalition government can be formed, the Constitution requires that another election be held after 60 days.

This unusual and difficult result will probably not prevent the presentation of new proposals expected from the Turkish side. They would no doubt continue to call for a partnership state between two internationally recognised states. No doubt they would also call for real political equality in the institutions of a common state. This is one version of the two-state solution that is generally coming more to the fore. The Opposition parties will almost certainly wish to proceed with trying to open new negotiations on the basis of the Amm Plan, but without necessarily calling for a two-state solution.

A two-state solution might take one of two forms. A more fundamental version would be for complete separation of the two states and for international recognition of the existence of the Turkish Republic of Northern Cyprus. This would mean the removal of international embargoes. In a position, then, then to develop international tourism, the TRNC would *no* doubt be able to make its way very satisfactorily in the world., whether a member of the EU or not.

The problem for a rigorous two-state solution, promising though such would be, is the serious difficulty presented by the international recognition of the Republic of Cyprus that fortuitously, for the Greek

Cypriots, followed the events of 1964. On its own *no* major state would seem likely to recognise the TRNC, and at the same time derecognise the Republic of Cyprus as sovereign over the whole of the island - least of all Britain and the United States, with their extensive defence and listening installations in the South. Could the Greek Cypriots be persuaded or encouraged to renounce their claim to sovereignty over the Turkish Cypriots, a claim that is very hard to justify? They could follow the example of the Irish Parliament, which has renounced its claims to sovereignty over Northern Ireland. They could do so in return for satisfaction over return of territory and return to, or compensation for, property lost in 1974. In this regard it has also to be borne in mind that between 1963 and 1974, and in 1974, the Turkish Cypriots also abandoned many properties. This approach would pave the way for a two-state solution of whichever sort, thus relieving the EU of the considerable difficulties it faces if the Republic of Cyprus enters the EU in May 2004 with part of its alleged territory not under its control. When it could be maintained that the TRNC was 'occupied' without EU authority by Turkish troops.

Perhaps the only way to bring about the very desirable renunciation by the Greek Cypriots of their sovereignty over the Turkish Cypriots would be for other states to begin, or threaten to begin, a process of recognition of the TRNC. This would be highly unwelcome to the Greek Cypriots. Former President Glafcos Clerides recently announced that, when in office, he had made effective representations to the UN Secretary-General to dissuade four Arab states from their intention to recognise the TRNC. However, the more likely way forward, given the strength of the desire recently shown in the TRNC to enter the EU, is renewed pressure by the international community on the TRNC to discuss the Annan Plan, or some version of it, without any of prior international recognition of the Turkish Republic of Northern Cyprus. Recognition of the TRNC is sometimes dismissed as a matter that would be of no practical value after an agreement was signed, but by recognising their political equality it would provide psychological encouragement and security for the Turkish Cypriots and thus make them much more amenable to a solution. However, all is in flux until a new Turkish Cypriot government is formed with a clear majority to make the important decisions that lie ahead.