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CYPRUS 2000: Divided or Federal?

and

Summary of *The Cyprus Question*, an International Conference

By Robert I. Rotberg and Ericka A. Albaugh

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CYPRUS 2000: DIVIDED OR FEDERAL?

By Robert I. Rotberg

Bitter ethnic conflict threatens to inflame the eastern outposts of Europe. Turkey and Greece are rattling their sabers again. So are the Greek-speakers and Turkish-speakers who share the island of Cyprus. A miscalculation, given the purchase of Russian S-300 missiles by Greek Cypriots and threatened Turkish Cypriot and Turkish retaliation, could lead to another island war. The tasks for United Nations, American, and European diplomats are formidable. The several international negotiators must help the Cypriots return seriously to the bargaining table, and then, after the decades that Cyprus has been a divided island, to agree to a sustainable settlement.

Only a comprehensive package of mutually rewarding proposals can possibly persuade both Greek-speaking and Turkish-speaking Cypriots to bring their long mental and physical combat to a negotiated end. Yet constructing a package that would meet the political needs of the leaders of both of those communities in an effective manner has eluded one after another international negotiator, and baffles both sides. There are too many irreconcilable differences for such a package to be put together easily, if at all. Requirements for the sharing of power, territory, and security divide the two communities: Joining the European Union is an issue that rekindles earlier antagonisms between the Turkish and Greek sides of the island. Then there are important secondary but emotional issues like how to end the Greek Cypriot embargo against Turkish Cypriot cross-border trade, how to resume bicomunal political and cultural contacts, and how to permit cross-border movement of persons.

Despite bitterness and corrosive antagonism, and the remembered agonies of this or that personal affront or direct atrocity, the men and women on both sides of this long separated island are still Cypriots, and think of themselves as Cypriots. The middle aged and older generations share a culture, remembered mutual antipathies to British colonial rule, an English legal system, the English language, a European mentality and affinity, and memories (now fading) of an island where Turkish and Greek Cypriots lived and worked, interspersed, from one end of the island to the other.

Those realities draw them together. But equal realities pull them savagely apart. Turkish Cypriots cite the prejudicial manner in which the Greek Cypriots treated their compatriots as inferior, or often made them feel inferior. They cite the ways in which Archbishop Makarios, the first president of an independent Republic of Cyprus, eroded provisions in the 1960 constitution that were intended to safeguard their communal rights. Greek Cypriots remember the ways in which Turkish Cypriots failed to play by the rules of that constitution, and justify Makarios' manipulations by the other side's deceits. Then the Turkish Cypriots recall the ways in which Greek-speaking "patriots" successfully sought, during the 1960s, to intimidate Turkish Cypriots; an early version of ethnic cleansing resulted, with Turkish Cypriots compelled to cluster for safety in what came to be urban ghettos. Abandoned Turkish Cypriot villages in west Cyprus testify to the ways in which vigilantes hounded farmers from their homes and how those Turkish-speakers made their way to Nicosia and other linguistic enclaves.

There were Greek Cypriots who were dissatisfied with the extent to which Cyprus had become fully Greek. Nikos Sampson's coup, in 1974, was intended to displace the Makarios government and to deal with *enosis* (union with Greece) and "the Turkish problem" once and for all. But Turkey, supporting its linguistic kin and anxious to secure its exposed southern flank, arrived to assist. No American or British forces interposed themselves. Turkish troops stormed ashore near Kyrenia, others were parachuted into the orange groves in the North. The militarily weaker Greek Cypriot side was rapidly overwhelmed. Within a few weeks, 18 percent of the population of the island -- Turkish Cypriots -- controlled 38 percent of the land, more of the island's territory than it had ever claimed or imagined governing. Turkey's 35,000-strong garrison stayed, too, to protect what was, in fact, an island partitioned.

The Republic of Cyprus remained. From the Greek Cypriot point of view, it continued to be the legal government of the whole island under the 1960 constitution. That government had been attacked. Force majeure had replaced negotiation and discussion. The distortions of the 1960 governing protocols, especially the Greek Cypriot failure to abide by stipulated forms of judicial review, the forced population transfers, and the coup were conveniently forgotten. From the Turkish Cypriot point of view, too, the refusal of Greek Cypriots to accept the reality of what had become a partitioned island, patrolled by United Nations troops down a Green Line, was demeaning and offensive. With the much later establishment (1983) of the Turkish Republic of Northern Cyprus (TRNC), which only Turkey recognizes, this *de facto* reality became an even greater obstacle to Turkish-Greek Cypriot reconciliation and harmony.

A settlement presumes putting Humpty Dumpty back together again, but in very new ways. In 1998, twenty-four years since the invasion and thirty-five years since the first post-independence hostilities on the island, there is a widespread acceptance of and presumption for a bicomunal federal state. Such an acquiescence was unthinkable a decade or more ago. But the passage of time and the exhausting of other alternatives -- the sheer longevity of the *de facto* partition --- leads Cypriots, Europeans, and Americans back toward a two-state federation, of some kind.

What is envisaged is a state consisting of two parts, two sections, or two communities. It is called federal, whatever it is intended to become, because federal is the antithesis of unitary (which the Greek Cypriots want and the Turkish Cypriots cannot abide). Cyprus is/was a unitary state, according to the 1960 constitution. But it cannot be now, according to the bargaining position of the Turkish Cypriot leadership. Yet the devil is always in the details; hence the need for a comprehensive package that spells out, *inter alia*, the precise political structure of the proposed new state. Will it have a rotating presidents, joint presidents, a president and a vice-president, or no president at all? Will there be one all-Cypriot parliament or three parliaments (i.e. a federal parliament and two communal parliaments), or perhaps separate communal parliaments meeting for federal business together?¹ And will the two communal parliaments elect representatives

¹ This, and other details, were supposedly "settled" by high level agreements between the Turkish Cypriot and Greek Cypriot leaders and the United Nations. In 1992, what had

from their own ranks to a federal parliament or will there be appointments, or some kind of island-wide elections? Likewise for presidents? Would an appointed or elected federal upper house, perhaps representing towns, be advantageous?

What powers will the federal entity have? Will those powers be minimal, in a confederal manner, i.e., be limited to foreign relations generally? Will the communities have their separate defense forces or will there be one island-wide force? If so, who would command it and to whom would it answer? Will the communities look after education, health, and so on? Will there be one economic ministry and policy or two? Will relations with the European Union be handled by the federal state (an obvious assumption made by Greek Cypriots and outsiders), or by the communities, separately (which Turkish Cypriots might prefer)?

How will the numerically smaller community on the island feel secure? The larger community also wishes to feel secure, knowing that Turkey is capable of using military force a second time. The 1960 constitution was guaranteed by Greece, Turkey, and Britain. Will the Turks insist on stationing troops on the island or of having the right to intervene? What about the Greeks? Would it be possible to demilitarize the entire island and find some way of giving assurances to the minority, and to their protector, through UN-backed or U.S.-promised guarantees? Is a demilitarized island, with no-fly protection, a reality given Turkish-Greek tensions and Cyprus' close proximity to the Turkish mainland? One immediate answer is that it would be very difficult for a NATO country to become an enforcer of a no-fly zone that involved other NATO nations, e.g. Greece and Turkey. There is also skepticism about U.S. promises, much less those of the United Nations regarding security guarantees and security oversight.

Territory is an obvious continuing issue. As a result of the events of 1974, Greek Cypriots lost land and property in the North. Turkish Cypriots were cut off from their lands and property in the west and South. In 1992 and since there have been Turkish agreements to cede back 6 to 8 percent of the land area it now controls in exchange for an effective bicomunal settlement. But which territory? Whose properties? The smallest details are important. Perhaps a special international commission could arbitrate this issue, but doing so presupposes a larger agreement -- a determination on the part of leaders from both sides that a comprehensive final settlement is desirable and possible.

It is not yet clear that either side is prepared to sacrifice what each considers fundamental communal interests for a settlement. Partition works -- up to a point. Intercommunal violence is limited, especially when compared to island states with similar population percentages, like Sri Lanka.² Partition conveys substantial powers to

been agreed upon was endorsed by the UN Security Council, and published. But, even if those agreements form the basis for contemporary negotiations, it is not evident that the agreements still stand in concept or in detail.

² See Lisa M. Kois, Dana Francis, and Robert I. Rotberg, *Sri Lanka: Civil War & Prospects for Post-Conflict Resolution* (World Peace Foundation Reports, Number 18, 1998).

the communal leaders; any settlement might well need to preserve, even heighten, the perceived powers of the communal leaders. Partition prevents renewed discrimination on ethnic or linguistic grounds. Even with partition, the Greek Cypriot side (on behalf of the entire island) is preparing to enter the European Union, with or without the Turkish Cypriots.

Can Cypriots together create a solution that works? Two-part federations are rare. So are bicommunal states with great differences in population sizes. Yet the world has grown smaller over time, and Cyprus less isolated. The fact that Cyprus has been invited to prepare to join the European Union is another challenge, even though Turkish Cypriots greatly resent Greek Cyprus' decision to start negotiating with Europe on behalf of all of Cyprus, and without talking first to the Turkish Cypriots. A Greek Cypriot answer is almost always juridical. The Republic of Cyprus still exists; Europe invited the state to queue for entry, not a community. The Greek Cypriots demonstrate their disdain for the other side by saying that Turkish Cypriots would be welcomed on the negotiating committee.

But would they have an equal say in the negotiating process? Would the Greek Cypriots tell Europe, now, to stop boycotting Turkish Cypriot agricultural and manufactured exports? Would the Greek Cypriots agree to slow down the negotiating timetable so that the Turkish Cypriots could participate in the process? Would Greek Cypriots and their patron, Greece, also agree to persuade Germany and other powerful European nations to advance Turkey's application for membership? It is a slight to Turkish Cypriots that Europe, in Luxembourg, snubbed their patron. No settlement package is now possible on Cyprus without an accommodation of Turkey's desire to be accepted into Europe -- to be the equal of Greece and Cyprus.

The obvious incentive -- enhanced prosperity for the poorer Turkish-speaking side -- has not yet proven sufficient to create a joint negotiating effort. Bedeviling that kind of cooperation is the lack of a comprehensive settlement, and an absence of agreement over what a Cyprus in Europe would be. How would the human rights policies of the European Union apply to a bicommunal Cyprus? Could European agricultural or manufacturing policies supersede communal reservations? How would these arguments be adjudicated within a federal or confederal new Cyprus?

But a formidable additional obstacle to resolving the European issue is the one which, first among others, now prevents the forging of a comprehensive settlement. The TRNC will only negotiate over European entry and every other issue as an entity with a president and a functioning government. The TRNC seeks to be recognized. Otherwise, its leaders say, how can a bicommunal state be created if both communal governments are not accorded equal status, side by side?

This formulation is anathema to Greek Cypriots. The Greek side considers that its government is still the only legal entity on the island. To recognize the TRNC would diminish its own authority and weaken its case against the Turkish Cypriot arrogation of territory. Also, the demographic differences are great, 82 percent to 18 percent, with even the figure of 18 percent subject to question given massive Turkish Cypriot emigration and the immigration into northern Cyprus of Anatolian and Kurdish farmers. Greek Cypriots

may believe that they can bring the Turkish Cypriots to the bargaining table without extending some kind of recognition, or granting something that in Turkish Cypriot eyes would substitute for recognition. But that formula remains elusive. To the Greek Cypriots, too, anything that is tantamount to recognition implicitly confers legitimacy on what, after all, from the Greek Cypriot point of view, is an illegal usurper.

The litmus test of implicit recognition is applied even to routine island activities, like cross-border retail trade in fish. Bicommunal confidence building measures are limited because cooperation across the Green Line might imply recognition; likewise, if the Turkish Cypriots were to cooperate in any sphere of activity without insisting on doing so through a mechanism that could assert recognition, then they, too, would lose bargaining leverage. They would have been seen to have ceased asserting a position which would support their claims for bicommunal parity.

The Turkish Cypriots do not see any way in which they can secure their interests in a federal entity without gaining political equality with Greek Cypriots. Only that kind of arrangement can assuage their fears and promise their children and grandchildren lives free from discrimination and physical danger. The Greek Cypriots, on the other hand, still believe that parity is unjust, and threatening. They fear the mainland Turks over the horizon.

The Greek side is prepared to enrich the Turkish side, if only it would eschew recognition as such and simply join forces for island-wide economic growth. The disparities between the wealth accumulation and job growth on the two sides of the island are formidable. In average GDP per capita terms, and recognizing that precise figures are controversial, Greek Cypriots receive \$12,850, Turkish Cypriots \$4,158 (1997). Admittedly, there is an unrecorded gray market on the northern side, but so there is (of a different kind) on the Greek side.

What is clear is the magnitude of the gap, and the likely reasons for it: As a result of the events of 1974, northern Cyprus became tied to the chaotic Turkish economy, with its high levels of inflation, and an unreliable currency. So Turkish Cypriots lost their ties to a fiscally more stable economy, run along more prudent lines. They also lost easy access to Europe, and to the emerging global economy. They imported a Turkish penchant for state capitalism -- for interventionism, protectionism, and autocratic control and distribution of economic opportunity to favored clients. Corruption followed. On the other side, by contrast, a market economy gradually flourished. The Greek side, running a more open economy, was able to take full advantage of opportunities as they arose in the troubled Middle East, and later in post-Soviet Europe and Asia. The Greek side boomed; the Turkish side languished.

The Greek side has gained from Cyprus' position on the far eastern edge of Europe. Economically, it recovered from the loss to the Turkish Cypriots of agricultural land, manufacturing capacity, tourist facilities, and functioning ports. By keeping its economy open to trade while the Turkish Cypriots closed theirs, it prospered relatively and absolutely. Now the Greek side depends for 21 percent of its GNP on retail trade and tourism, 18 percent on financial services, 14 percent on manufacturing, 8 percent on construction, and 6 percent on agriculture. Potatoes and citrus fruit, to Britain, and

clothing, textiles, and pharmaceuticals to the rest of Europe, are its largest exports. The Turkish Cypriots experience relatively less tourism, but 22 percent of its GNP is from trade and tourism, 16 percent from manufacturing, and 6 percent from agriculture. The only significant exports from the North, according to 1996 figures, are citrus products and manufactured clothing.³

A striking difference between the two economies is found in their budget deficits, 5 percent of GDP (1997) in the South, and 14 percent in the North. Inflation has been raging close to 100 percent in the North, compared to 3.8 percent in the South. The percentages that government employment contributes to GDP, 3 percent in the South and 18 percent in the North is another measure of the two economies. So is their foreign indebtedness, to the extent that the Turkish Cypriot debt to Turkey is measurable: in the South borrowings are equivalent to 20 percent of GDP, in the North 300 percent of GDP.

It is sometimes asserted that Turkish Cypriots will opt for more prosperous pursuits, and find some way to return to the Greek Cypriot fold. That may be one of the underlying assumptions of the Greek Cypriot negotiating posture with Europe. Once Cyprus' entry into Europe is assured, and the Turkish side realizes that the entry will be for the Republic of Cyprus only, then Turkish Cypriots will find a way to accommodate other issues, and join a European-sanctioned Cyprus. Their choices, think the South, will be between poverty and prosperity. But as in virtually all global situations where strong leadership cadres have long guided the political destinies of a beleaguered minority, it is not evident that the interests of average Turkish Cypriots, and their leaders, are the same. Wealth disparities on the Turkish side are hard to measure, but arguably they are much more pronounced there than they are on the Greek side. Many Turks and Turkish Cypriots have enriched themselves as a result of the effective partition, Greek Cypriot-inspired boycotts, a military garrison, and mainland Turkish assistance. It is often unclear exactly how large loans from Turkey to the TRNC are expended.

Because Turkish Cypriots know that Greek Cypriots are more numerous, wealthier, more integrated into Europe (while the Turkish Cypriots can threaten to become a province of Turkey, a fate few want), and more democratically organized than they are, northerners crave respect and understanding as much as autonomy. As much as they may yearn to be back in one Cyprus, and a Cyprus that is part of Europe, they do not trust the Greek Cypriots, so seek stature and understanding through separate but equal status.

There is distrust on both sides. That is why confidence building measures and joint projects -- over sewage and water, for example -- are so important. After the separation of 1974, Nicosia's sewage works were left on the Turkish side of the Green Line. The mayors of north and south Nicosia cooperated, and sewage flowed by gravity

³ Turkish Republic of Northern Cyprus (Washington Office), letter of 4 August 1998; telephone interview with Cyprus Embassy Trade Center, New York, July 1998. U.S. Embassy (Nicosia) figures are different. They show a 1997 per capita GNP (not GDP) for the South of \$13,000 and of \$3,600 for the North. The contributions to GNP (1997) are embassy numbers.

down into Turkish Cypriot north Nicosia. But in recent times there have been disputes over payments, most of which involve issues of implied recognition rather than money.

Water could be another mutually satisfying bicomunal venture, but in recent months plans to turn the sewage effluent into potable water for both water-scarce sides have faltered. The energy and initiative for cooperation in this area has fallen prey to the collapse of bicomunal

activity since 1997. Even more alarming, as Theo Panayotou pointed out, is the ill-advised way in which the Greek side subsidizes the consumption of what little water there is. He cited growing potatoes – which requires large amounts of water – as a glaring example of the failure to price water on Cyprus in a manner which would let the law of supply and demand reduce waste and contribute to economic growth. On the Turkish side, water is being imported from Turkey in enormous floating inflatable plastic sausages, and building a forty mile water pipeline from the mainland is under discussion. Both sides are desperate for water. Cooperative initiatives would make urgent sense, but political barriers currently block such commonsense solutions to critical mutual problems.

Greek Cypriots say that Turkish Cypriots should again permit regular bicomunal meetings -- of lawyers, teachers, physicians, engineers, and so on. Those meetings were banned by the Turkish Cypriot leadership late in 1997, ostensibly as a result of Europe's snub to Turkey. Turkish Cypriots say that Greek Cypriots should relax their boycott of cross-border trade, especially the retail variety. Greek Cypriots and Turkish Cypriots want a resumption of bicomunal sporting and cultural activities, disturbed as they have been by the recognition question. Indeed, so many promising maneuvers, like the suggestion that both sides should jointly construct new and fair history texts for use in schools on both sides of the line (see below), founder on the same shoals of recognition. Greek Cypriots are unwilling to work on the textbook issue in cooperation with the TRNC ministry of education; it is part of a government which the Greek Cypriots claim should not exist.

Round and round good suggestions go, all eventually swirling back to underlying fundamental issues: Will Greek Cypriots agree to live in a federated state side by side with a demographically small entity that was created in relatively recent times? Will the Turkish Cypriots sweeten the tart result by conceding territory -- by giving back land taken from the Greek Cypriots? Will the Turkish Cypriots ever cut their economic umbilical cord to Turkey and live within an outpost of Europe that is bound to increase their own prosperity as a group, but which will almost certainly be dominated by Greek-speaking businessmen? Will the leaders really agree to share power, as equals, despite the differences in the size and weight of each section of the island?

Ultimately, the Cyprus problem, like all problems of divided states, has a leadership component. The task of outside negotiators is to persuade the leaders of the South and the North that both sides and both presidents will emerge victorious. Win-win situations are obviously easier to sell. Likewise, there must be a readiness on the part of both current leaders, and their followers (and opponents), to benefit from a brokered outcome. Each must appear to the other to be conceding, but not necessarily so to

followers and constituents.

Leaders are usually less autonomous than they may appear. But President Rauf Denktash of the TRNC has run the northern sector of the island almost singlehandedly since 1974. He is unquestionably the strongest politician in the north. He is also supported strongly by Turkey and the Turkish armed forces. The Greek side has had a succession of governments since 1974, often in coalition. President Glafcos Clerides will not stand again for high office, so he may have more room for political maneuver than his predecessors. Both presidents know each other well; they are of the same generation. How to persuade both that they can afford to make the kinds of concessions to each other that will lead to an effective and sustainable settlement is the obvious contemporary question.

The fact that Clerides has recently completed the purchase of thirty-six Russian S-300 anti-aircraft missiles, and threatens to bring them to southern Cyprus unless the Turkish Cypriots reopen stalled negotiations on reunification, has hardly bolstered confidence in the North, or in Turkey. The missiles have a 200-mile range, and Ankara is afraid that the missiles would make it impossible for Turkey to airlift troops to the island in a renewed crisis, or to support them from the air. The government of Turkey has promised to station its own missiles in the North and has threatened strong retaliation and the stationing of additional troops in the North. Both Greece and Turkey have displayed the prowess of their respective air forces over Cyprus. And many leading Cypriots fear an escalation of threats and military displays that could trigger real hostilities. Miscalculations trigger wars, especially in the Aegean Sea and its environs, and tensions in Cyprus could readily lead to errors, shots, retaliations, and renewed combat on and about the island.

The World Peace Foundation, in cooperation with the Conflict Management Group and the Institute for Multi-Track Diplomacy, in July 1998 convened nine Greek Cypriots and nine Turkish Cypriots, together with UN Special Representative Diego Cordovez, ten knowledgeable Americans (including Governor Michael Dukakis and former Ambassador Nelson Ledsky, former U. S. Cyprus Coordinator), and a Turkish Turk at a meeting at the New England Conference Center in Durham, New Hampshire. (A complete list of participants will be found at the back of this report.)

The conference was called "The Cyprus Question." Its underlying premise was the exploration of the contentious issues that divide the island. It was assumed that experienced Greek and Turkish Cypriot political leaders, union executives, businessmen, lawyers, jurists, ambassadors, and professors -- prodded by wise and concerned outsiders -- could improve understanding within and without Cyprus of existing tensions and possible solutions.

The conferees believed that the Cyprus problem, long festering and long unresolved, was as urgent as it had been in a dozen years. The Greek Cypriots at the meeting believed that coming to a solution depended largely on Denktash, especially on Denktash agreeing to the contours of a bicomunal federated state. The Turkish Cypriots at the meeting were unpersuaded of this direct and simplified assertion. For them, respect, trust-building, and recognition of some kind were all essential ingredients

of a settlement, plus putting Turkey on a reasonably fast track for European membership. They eschewed placing the burden on personalities, which the Greek Cypriots were more prepared to do, and more on the honest integration of a long persecuted community into a federal state where each side would be autonomous, but cooperative. The Greek Cypriots at the meeting seemed to be asking the Turkish Cypriots to accept the realities of demographic, economic, and social differences and, at times, historical legalities.

There were many cries of desperation. One Greek-speaking participant worried that the Cyprus problem was “at a turning point.” Nothing was happening which provided encouragement. A deadlock existed, and was widely perceived. “We are at a turning point,” he said. “Either we have to create the possibility of solving the problem, or things will explode.”⁴ A Turkish Cypriot echoed the same fear. “It just requires a spark,” he said. “Tomorrow could be a repeat of 1974.”⁵ Ambassador Nelson Ledsky agreed. He considered that the likelihood of an accidental war was greater now than ten years ago.⁶

General William Nash, speaking from recent experience leading U.S. forces in Bosnia, worried that many of the other conferees seemed to think that armed conflict was a viable outcome. He warned the participants that neither NATO nor the United States armed forces would come to their rescue, either to stop a renewed civil war or to prevent another Turkish invasion. He believed that demilitarization of the island might prove a helpful solution. From his senior military perspective, Nash urged both sides to make their adversaries feel secure, not weak. “A secure opponent is normally more flexible.” Additionally, somebody has to be strong enough “to give something up.” Doing so will contribute to a settlement. “If you really want to fool them,” Nash said, “accept what they say.”⁷

Others suggested that only by building trust could the two sides negotiate effectively. “One has to start from small things,” said a Turkish Cypriot. Remove the pinpricks. Stop insulting the other community.⁸ A Greek Cypriot participant reminded his colleagues that suspicion was still rife. Neither side really trusted the good intentions of the other. He suggested that one way of breaking through the persistent ambiguity was to have sustained, daily negotiations between communal leaders, brokered by the United Nations.⁹ Another Greek Cypriot suggested reciprocal measures, particularly “the gradual relaxation of all restrictions on the freedom of movement of individuals, goods, and ideas,” throughout the island. He also asked for both sides to repair monuments across the Green Line “with full respect for the views of the other side.” A Greek Cypriot wanted

⁴ For full reference, see page 1.

⁵ See page 5.

⁶ See 8.

⁷ See 15.

⁸ See 16.

⁹ See 17.

to reconstruct houses that had been destroyed along the Green Line.¹⁰ Louise Diamond echoed that posture, reminding the conferees that “even small, unexpected unilateral actions” that support the other side’s interests can have “a huge payoff by sending a positive signal of a willingness to cooperate, and of caring.”¹¹ Diana Chigas and Roger Fisher urged the participants to stop blaming the other side. Since each side was negotiating under conditions of uncertainty, Chigas suggested that the conferees should not think of protecting themselves against the worst case scenario, thus bringing on that very scenario. “What can each side do to convince the other of its good faith?” she challenged.¹²

A Turkish-speaking conferee spoke as a moderate. “When there is a [meaningful] dialogue, support for federation goes up.” But such backers were losing ground. He still favored a federal outcome, but other Turkish Cypriots were less hopeful. “If time passes without concrete developments, it will be more [and more] difficult to achieve a federation.”¹³ Backing for the moderate cause, and for anything other than partition or annexation to Turkey, was ebbing, especially among the young. Another Turkish Cypriot believed that the Greek side’s decision to negotiate alone for entry into Europe could “result in permanent partition.”¹⁴

Relationships between the two sides, said another Turkish Cypriot, had “hit bottom.”¹⁵ A Greek Cypriot participant reported that the idea of a federal, bizonal, bicomunal state was “losing ground day by day.” He blamed the ebbing of support on the inability of persons of good will on both sides to meet easily and regularly.¹⁶

A Greek Cypriot leader and optimist suggested that the younger generation on the Greek side lacked hope. “Less and less of them are supporting a compromise solution.” They were prepared to say goodbye to the Turkish Cypriots, with whom they have rarely had contact since 1974.¹⁷ “My fear,” said a Greek Cypriot, “is not that the leaders will drive the ship [of state] aground, but whether the policies of the leaders will generate such fear that they will lose control of what they think they control.” He continued his somber warning: “When fear goes up, nationalism [and separatism] goes up. Then, the only way you can gain people’s consent is by promising military protection. Then politicians’ hands [become] tied.”¹⁸

UN Special Representative Diego Cordovez believed that the only way to provide the necessary momentum for a settlement was to persuade the leaders on both sides to develop a mutually agreeable political structure. What would the government look like?

¹⁰ See 20.

¹¹ See 22.

¹² See 18.

¹³ See 2.

¹⁴ See 9.

¹⁵ See 4.

¹⁶ See 6.

¹⁷ See 3.

¹⁸ See 7.

What would its powers and functions be? The leaders need to know what their relations will be, precisely, for them to feel comfortable with movement toward a broad, comprehensive settlement.¹⁹ He insisted that an agreement with all of kinds of questions answered in precise detail was critical at this stage. It would prevent “talking in circles,” the pattern which negotiations over Cyprus tended to follow. As an example, Cordovez said it was no longer useful to have one or both leaders agree that they “would be prepared to consider” a particular design. It was much better to provide the concrete specificity, i.e. “the presidency will look exactly like this.”²⁰

Others insisted that no item could be resolved without all of the other items being discussed. What territory would be transferred, and how much? one Greek Cypriot asked. Ledsky, from his many years on Cyprus or dealing with the Cyprus question from Washington, insisted that political dispensations could not be considered without dealing simultaneously with the security question.²¹

Some others said everything had to begin with recognition, explicit or implicit, of the Turkish side. A Greek Cypriot answered plainly, however: “The only thing we can’t recognize is the TRNC. We do recognize them as a distinct community.”²² And then a Turkish Cypriot replied: “Who are you going to work with if you don’t recognize us? You can’t deal with individuals.” He went on: “We in fact have our own government. We are not coming to you as a mob.”²³ A Greek Cypriot responded: “If we recognize you, it’s like giving you a legal vehicle to give you houses that belong to us.”²⁴ The nub of the problem.

The European issue was invariably contentious, the conferees returning again and again to what they considered either a gross error in judgment, and an insult, or a logical, if admittedly, preemptive diplomatic maneuver. A Turkish Cypriot asked forcefully, “Where did the Greek Cypriots get the right to negotiate with the European Union on behalf of the Turkish Cypriots?”²⁵

Although he never received a direct answer to that question, the indirect answer was clear. An opening toward Europe made sense for Cyprus. The Republic of Cyprus was entitled to seek entry (encouraged by Greece and others) because of its juridical position as a still recognized state. The Turkish Cypriots should come aboard the train before it accelerated too far down the line. They could join the negotiations at any time (as a part of the Republic’s team). It was not too late. The Turkish Cypriot reply to this proposition was that since the negotiations had begun without equal participation from the Turkish Cypriot side, “how can we participate in these negotiations after this long time?”²⁶ In such situations, “everything has to be done at the outset,” he said reasonably.

¹⁹ See 12.

²⁰ See 13.

²¹ See 14.

²² See 19.

²³ See 21.

²⁴ See 22.

²⁵ See 10.

²⁶ See 11.

Otherwise, “it becomes more difficult.” Ledsky felt that it was not in the interest of the Turkish Cypriots to be a part of Europe unless their needs on the island were met first.²⁷

On the bitter question of Europe’s rebuff to Turkey, which the Turkish Cypriots said was disrespectful and wounding, the Greek Cypriots replied, innocently, that it was not the fault of their side that Europe behaved badly toward Turkey. That was a decision taken in Luxembourg by Germany, France, Britain, and the powers of Europe. Greek Cypriots were not adverse to Turkey’s entry into the European Union.

The economic advantages of membership in the European Union for both sides were clear. Jeffrey Sachs suggested that the great gaps in per capita income between the northern and southern sides of the island could not be sustained if the entire island were to be a part of Europe. Regular market forces would “do a tremendous amount.” Peace, moreover, would be consolidated by “the economic dividend that will result.” The gap between the two sides “will close with great speed,” he prophesied, “once the profound disadvantages [are] overcome through political settlement.” Dependence on the Turkish lira, he also said, is a huge problem, a terrible burden on Turkey, and a great drag on northern Cyprus. “No one can function with this [the Turkish] level of inflation.” Turkey, furthermore, was too poor, with too small a market for Cyprus. Turkey could not provide what Europe could provide.²⁸ He also indicated that small could be beautiful in a globalized economy provided that the small country (Cyprus) was outward-oriented and integrated fully with the global marketplace.

Cyprus, soon joined somehow to Europe, has enormous potential -- as Europe’s economic and political bridge to the Levant, as a manufacturing outpost with highly skilled labor capable of working in at least three of the important languages of Europe and Western Asia, and as an offshore service and banking entrepot with the stability, legal system, and sanctity of private property that much of eastern Europe and the Middle East envy. Clearly, the key to that expansive economic and social vision is political: a political solution to the long stagnant negotiations over Cyprus’ future could unlock a cornucopia of energy and endeavor on both sides of the Green Line. But, for the people and leaders of both North and South, such a solution must be better immediately and sustainably; the de facto partition that has existed since 1974 works. It gives Turkish Cypriots more agency and autonomy than they had before 1974, or even before 1960. It limits their levels of prosperity and their opportunities to grow economically, but they are in charge in their own sector. The de facto partition also works for the Greek-speaking 62 percent of the island if working is measured in terms of economic gain and the flourishing of democracy. Neither side, however, has access to property stranded on the other side of the dividing line. Greek Cypriots would more easily gain entry into the European Union with a united island. Both sides would be more secure militarily if a political compromise could be assured.

The conferees who met in New Hampshire were unable, in the few days allotted, to sketch out, much less agree to, the contours of such a compromise. It is obvious,

²⁷ See 14.

²⁸ See 23.

however, for a start, that both sides have to relinquish, or modify, long-articulated positions on recognition. The Greek Cypriots will not recognize the Turkish community as a “state” before or during negotiations, which the Turks demand. So, somehow, Presidents Clerides and Denktash must leap over that negotiating obstacle and decide what must be contained in the comprehensive plan for Cyprus’ future that they will ultimately authorize. It will spell out how united a bicomunal, federal Cyprus will be and detail the post-settlement powers of the two communal leaders -- how decisions will be taken legislatively, judicially, and by executives. And it will indicate how disputes will be settled and security assured. Each side will need to give a little here and get a little there. As a result of the missile crisis and the European entry crisis, the time may paradoxically be riper now than in many years for Denktash and Clerides to cut a deal. Both sides are strong, both leaders are aging, and both peoples are weary.

They must get on with the negotiations, and talk with determination. That was the consensus of the conferees. All agreed on the imperative of *continual* dialogue rather than sporadic meetings that re-cover old ground. They asked, specifically, that UN and other negotiators remain on the ground for months at a stretch, not try to cajole the presidents to agree to principles and plans as a result of flying visits. They saw such perpetual haggling rather than peripatetic proposing as the modality of choice. As individuals from a variety of political and economic persuasions on either side of the line, they also insisted on remaining an enduring part of the process. The leaders would negotiate and agree; they would have to live with and make any agreement work.

The detailed summary that follows of the three day exchange of views demonstrates how successful the meeting was in eliciting honest comments from Cypriots of several persuasions about the Cyprus question and how the urgent needs of both communities could best be met. That the meeting could not produce a joint concluding statement saves the meeting from a bland, homogenized misrepresentation of the many fruitful arguments which ensued, from the real passion that may not be conveyed adequately in the summary, and from a papering over of real disagreements. At a time of tension, when bicomunal contacts had been blocked for a half-year, at least the meeting was held, and Greek and Turkish Cypriots of stature and experience could meet together in a way that was impossible on the island itself. It was an important “event,” one conferee said. He urged his fellow Cypriots to publicize it at home as just that.

A number of the Cypriot participants had known each other before, and had participated in confidence-building and other workshops together. An equal number had never previously seen each other: trade union leaders, for example, had hardly ever been in the same room in recent years with political leaders and businessmen from the other side. There was much that was new, and a lot which was stale, but that needed to be said again, for the record. To penetrate to deeper issues, they said that there must be consistency and the building of the kind of trust that can only come when a group such as the one brought together in New Hampshire commits to regular and longer-term dialogue.

Because of the obvious possibilities for personal retaliation, the summary

identifies no Cypriot by name. Readers should also realize that what follows is not a transcript; instead, it is a faithful but inevitably incomplete summary of the opinions voiced by the participants. The flow of the original has also been retained, despite the repetition that results. The summary follows.

This is the twentieth report in the World Peace Foundation's **WPF Report** series. Rotberg prepared the text and Albaugh the summary of the meeting, and both Rotberg and Albaugh prepared the report for publication, under the general guidance of Dana Francis, and with the assistance of Stacey Warner.

The conference which is summarized in the second half of this report was generously supported by the Trustees of the World Peace Foundation and by the U.S. Fulbright Commission on Cyprus with funds for travel from and to Cyprus and for conference expenses. A grant from the Fulbright Commission is gratefully acknowledged by the Foundation.

In organizing the conference, the Foundation received thoughtful and invaluable assistance from Ambassador Kenneth Brill and Deborah Graze and Richard Krueger of the U.S. Embassy in Nicosia; from Gus Feissel, until mid-year the UN's very experienced Coordinator on Cyprus; and from Diana Chigas, in charge of the Conflict Management Group's Cyprus Project, and from Louise Diamond, her counterpart at the Institute for Multi-Track Diplomacy. Feissel, and the Embassy and Krueger, greatly facilitated Rotberg's initial visit to Nicosia. Feissel also kindly introduced him to much of the remainder of the island; UN vehicles made it possible to cross the Green Line with less than then the usual formalities. But it is to Chigas and Diamond, who lent their expertise to this project when it was in a formative stage, helped to launch it, and then carefully assisted in guiding it to an effective conclusion, that so much of its success is owed, and gratefully acknowledged. Maeve McNally, of the Foundation, arranged the meeting and made sure that it ran smoothly. To everyone who did so much, the participants and the report writers owe a full round of applause.

--- 26 July 1998

The Cyprus Question

A Conference Summary

Edited by Ericka A. Albaugh

At the opening session, participants were asked to introduce themselves and offer any initial remarks on the Cyprus Question. This summary begins after the introductions.

Turkish Cypriot 1: Time is running out. There has been marked deterioration in the situation on the island. This could be our last chance to talk things over.

TC 2: While our efforts may seem futile at times, even a drop of water is of great importance to the ocean.

TC 3: Continuing the process of negotiation is the only way to avoid disaster. We won't fall off unless we stop pedaling.

Greek Cypriot 1: I've been thinking lately that we are an elite group, who have been given a special privilege – of traveling around the world, of looking at ways to solve the problem. This privilege brings with it a certain obligation. We should not take it lightly.

Roger Fisher: Peace is not static. It involves dealing with the endless series of problems that come along. From these introductions, I sense enormous good will and astonishing talent from three sides [Greek, Turkish, and American]. "Responsibility" is a word that has been used by both the Greek and the Turkish Cypriot sides.

Accomplishments and sticking points

Nelson Ledsky: I remain an optimist, based on an understanding that people want to live and can live together. A peace agreement is possible. When assessing accomplishments so far, one could say that there has been nothing since 1974. We are still discussing the same issues (i.e., building the Nicosia airport, confidence building measures). There are very few original or new thoughts and little progress. However, there *are* two or three documents that provide an outline for a settlement:

- The 1977-79 High Level agreements
- Two documents in the 1980s, one signed by Rauf Denktash and the other by Spyros Kyprianou, that set forth an understanding of the issues
- The 1992 Set of Ideas endorsed by the UN Security Council, published with a map and agreed to by George Vasiliou

So, essentially, a Cyprus agreement is in place. But there are sticking points left. First is the question of how much autonomy the Turkish Cypriot community will get. One formulation is a side-by-side arrangement. But the Turks have another idea. So long as this difference remains, a negotiated settlement not possible. Denktash has stated his formulation, sometimes in a bellicose way, other times in more conciliatory tones. His basic question is, "Am I sovereign? Or am I not?" This point keeps being made again and again, and it is being made more harshly currently. And the Greek Cypriot community has decided to go farther by trying to get into the European Union. I want to caution that breaking a deadlock and solving the problem are not the same thing. The Greek Cypriots and Europeans have created a new and more dangerous situation. It all relates to the issue of "what kind of federation?" Will Denktash be able to control at least part of the island? Will the Turkish Cypriots live by themselves? Or will majority rule? The prospect of one man, one vote ultimately means Greek Cypriots will control the island's destiny.

Second is the question of territory. Turkish Cypriots control 37 percent of the territory and have 20 percent of the population. There must be some kind of balancing. It is generally agreed that the Turkish Cypriot territory should be around 29 percent. But Denktash has been unable to put his initials on any map. Until then, there won't be a settlement. He is almost psychologically incapable of releasing any territory, not a single village or a single community. The Greek community has been generous in producing schemes and proposals for compensation of Turkish Cypriots displaced by the redrawing of lines (the proposal was elaborate in 1992).

Third is the question of security. This is a much less serious issue. The fundamental problem is that the island is close to Turkey. There is no way the Greek community can feel secure in that situation given the size of the Turkish military. The best alternative is a scheduled scaling down of forces on both sides (generally agreed to in 1992) to about five or ten thousand on either side, *with* maintenance of the Treaty of Guarantee. It is impossible to renegotiate the guarantee; some form of Turkish guarantee is essential.

All other issues – freedoms, refugees, displaced persons, etc. – relate to one of these three sticking points: the nature of the federation, territory, and who will guarantee it.

Diego Cordovez: First, I want to say a few words about my latest visit to Cyprus. My appointment as UN Special Advisor coincided with a critical phase. The negotiations are really the story of the relationship between Denktash and President Glafcos Clerides. The two of them know each other well and have a good personal relationship. I can liken it to an instance I observed between the two of them involving a camera. Denktash is an expert photographer. Once, during a heated exchange, Clerides was struggling to load his camera with film. After Clerides had struggled for awhile, Denktash grabbed the camera from him, loaded it himself, handed it back, and continued to argue his point.

I feel strongly a sense of great offense on the part of the Turkish at the language used at the Luxembourg conference. There was the idea that negotiations would continue after

elections in the south. But after the elections, there has been a deadlock. Denktash would not return to the negotiating table unless his part of Cyprus was recognized as a state. Richard Holbrooke went; I was hopeful about that. But there was no agreement. Since then, the situation in the security area has deteriorated considerably. There is the question of the base, of Greek planes. Of course, Denktash will arrange for the same or greater number of Turkish planes, etc.

When I went last week, to show that the United Nations was still there (though the timing was difficult), my consultations weren't bad at all. Actually, Denktash granted a meeting immediately (unlike the "soap-opera" version of the story that has been portrayed in the media); I was able to have substantive conversations with both sides. I was purposely not trying to get agreement. In my mind, there are two questions: One is security. Clerides has proposed a demilitarization process; Denktash rejected this outright, saying it was hypocritical for one side to keep buying arms while proposing demilitarization. But he did say to me that we could discuss it, and that we could have an agreement in three months.

The second question is recognition. I was instructed to press Denktash. I told him I had given him a full hearing of his grievances – basically his demand about recognition – and I took the matter to the Security Council. (I even used his own text as material for the letter I wrote to the Security Council). I also arranged for a hearing in Geneva for Denktash. I gave him everything he wanted. But I always told him his tactics weren't the most effective. There were strong statements from the Security Council and other governments that probably wouldn't have been made if he had not pushed so hard. I told him that all of his interests will be better served by negotiating. And he was open-minded. We had substantive talks. Denktash realizes what his situation is. He is aware of the need for him to be involved in the negotiation process. I only hope that the other side will reciprocate if Denktash starts to move. The picture painted is of a negative Denktash. But when he does move, Clerides needs to cooperate as well.

Roger Fisher: As a conflict doctor, I would say that it is important that a group of this kind thinks in sync. In terms of history, obstacles, causes, strategies, and what to do next, it needs to think similarly.

I think that the people in this room have more power to change the situation than Denktash and Clerides. This is because decision-making has two components: formulating and committing, or implementing. Leaders are trapped by what history requires them not to say. It is a series of chicken-and-egg obstacles. You can't accept one thing if you don't know the complete package. But if this group can generate some decisions that can be made, for example, in regards to obstacles at the business or labor level, or specific suggestions of what political leaders could do that would help businessmen, then it could make a difference.

There are four topics we can talk about. The first two have to do with the past: 1)

symptoms of the problem; 2) causes, diagnosis, and obstacles. The second two have to do with the future: 3) approaches and strategies; 4) next steps and specific actions. In relation to number four, the hardest task is to give something up not knowing what will happen next.

I suggest we stick to numbers three and four. I am just hoping for ideas, not necessarily a commitment or a decision, that may help politicians and business leaders start working together in more constructive ways.

Nelson Ledsky: The problem of Cyprus has been considered by some as a trivial problem; I don't think it is. Roger Fisher said that the people of Cyprus will have to go on living together, implying that a total solution is possible. Denktash said there used to be Turks and Greeks living together. But I would caution that it could become all or nothing. We want the two communities to find way of living together permanently. But the possibility that one group will take the whole island is there.

Also, in response to the suggestion that it needs to be a complete package, that people can't be confronted with sticking points without knowing what is in the whole package, I would like to add something. When leaders are asked to talk about sovereignty, territory, and security, they know what the rest is. In fact, we are not building a few blocks from scratch. There is a tremendous body of work already. Cyprus is a place where most of the building blocks are in place.

One of the reasons I'm hopeful is that the United Nations is absolutely indispensable in the negotiation of a settlement. Cordovez needs to be the key person involved. Denktash will not refuse to negotiate with him. All of the other special negotiators are essentially useless. Every country has appointed a special negotiator; this is destroying, not advancing, the process. One of reasons things are going down hill is that the United Nations has been increasingly pushed to one side.

So, to reiterate, we need to focus on the sticking points, we need to recognize the significance of key individuals, and we need to listen to Roger Fisher's strictures to stick to numbers three and four.

Diego Cordovez: I agree with the sticking points mentioned. But I have more and more come to the conclusion (at the risk of giving too much importance to a constitutional solution) that the nature of the structure of the new Cyprus is the key element. If we were able to have an agreement that there would be a federation – that these are the powers of the central government and those are the powers of the states, of the presidency, of parliament, and of the judiciary – the atmosphere would change considerably. Then people would start discussing other things more seriously.

In regards to packages: they are useful in having a general idea as to how things will evolve. The problem is that they are drafted by people who think they know where the

leaders will go. But when the package gets to the leaders, they simply say “no.” Or they say “yes” in a way that they can get out. So you have to negotiate. It is important to see the precision of the drafting of the agreement on Ireland. If packages are submitted to a referendum and approved, there would be a huge problem in getting them implemented, because you would have to change the constitution. You need to put to the people a document that says “The constitution will read as follows...”

The question now is when do you put that structure into force? Do you agree on some things between leaders first? In the Irish Assembly, for example, there is a culture where *people* are doing everything now. Some of the questions can be discussed in the Assembly.

TC 4: I am struck by the simplicity of the problem. There are four basic human needs: identity, equality, security, and vitality. The United Nations is often missing one or the other of these issues.

In regards to security, the sides can't ever be equal. So the bigger side has to show a soft hand to make the other feel more secure. As for vitality [little income disparity], the Greeks are demanding more land from the side that is poorer. We want to increase our vitality [prosperity] together. But they haven't even signed a paper saying they *intend* to start such a process.

GC 2: Cordovez was encouraging. Security is important. There are many possibilities because of the nature of the subject. It involves a people, a country, a neighborhood. It is an area where other countries can express opinions too. It is, so to speak, an objective subject. Therefore, contributions by a third party (not in suggesting a compromise, but a mutually beneficial situation) can be useful.

Regarding the EU process: On the Greek side, we thought there would be a breakthrough with this, but it actually created a negative contribution. I have been personally involved. There was a critical stage for setting the date. I had a meeting with the French foreign minister, who said he was keen on getting a time schedule. We thought the three-year time lag might become the motivation for renewed effort in starting renegotiation of the Cyprus problem. It might be helpful for negotiating a package [e.g., linking a customs union agreement with Turkey to a date for accession of Cyprus]. Turkey reacted strangely. It knew it was a package, but it reacted strongly. And the Europeans were not helpful. They were not actively involved, preferring expediency rather than activity.

The critical point for Cyprus was the Luxembourg resolution and reactions by Turkey. We are not in a position to help open the accession process for Turkey. Connecting the two is not a constructive approach. We don't have influence there. It has to be a whole package, not single agreements. Even the question of the constitution must be a package arrangement. We can't talk about things individually.

TC 1: The role of Greece and the role of Turkey are more important than the role of Cyprus right now. The decision in Luxembourg was really about language; the attitude was arrogant. Turkey can't accept it in any terms. Greece should show good will. It is conducting a war of proxy. We have to be sensible. It isn't the Europeans who have to be doing the negotiating. Turkey is open. It wants to expand the relationship on every front. We don't care what Europeans are saying (we're suspicious about their real intentions). Let's be humble, fair. Let's see what others will do. We believe Greece is influential enough to be able to put forward Turkey's name, and then allow others to make the decision.

GC 3: It was said that the European process spoiled the atmosphere. I disagree. The problem has been here for twenty-five years or more. We should look at the whole scene before us. During the whole period, even when the European Union wasn't on the agenda, we haven't seen a positive move toward negotiation. Those on the Greek side aren't angels. But we have made some vital concessions. All major proposals (by the United Nations, etc.) have been supported. We are desperate to see a slight sign from the other side to find a compromise. It has been said that the block of the proposal by Greece frustrated Turkey. But what about the other side? We can't ignore the whole scope of the relationship. There are tensions in the Aegean. There has been disturbance of the status quo.

So, how should we proceed in Cyprus? We haven't answered the most vital question: "What is it that we want?" No one can persuade me that we are all pursuing the same thing. We have to solve this first. I'm afraid that the nationalistic forces on all four sides that will mobilize are so strong that we can't tolerate proceeding piece by piece. We have to have a whole package deal, or it will be destroyed. I disagree with the process of taking messages from one side to the other.

TC 5: I would like to address the question of the federal solution. I was a defender of federalism until two years ago. But looking deeper into question, I have learned that there have to be some structural conditions to support a federal solution. Some of these are:

- 1) balanced population and wealth
- 2) sense of national commonality
- 3) permanent boundaries
- 4) culture of cooperation
- 5) appropriate number of constituent parts (two is not ideal)
- 6) strong political commitments

All are lacking in Cyprus. I propose that federalism will thus create automatic new problems. So, what can be the solution?

- 1) We could have two independent states becoming members of the European Union, thus creating interdependence, which would lead to political cooperation.
- 2) We could have the first scenario and add to it a mini-EU model, with the two states forming a new type of union. This follows the example of Europe, which has been successful in integration, that is, its economic union is working toward the political.

To get out of the deadlock, this is a win-win situation.

GC 4: I agree with Nelson Ledsky regarding the sticking points, but not with his definition of the first one. It is true that we have to decide on the nature of federation.

Yes, ideally, it is a package. But don't drop your chance to negotiate on smaller points by insisting on it. What we need (looking at Roger Fisher's four tables) is some new creative ideas. The problem is so old it is almost intractable unless a climate of trust exists. So we need to try other devices. If there are some ideas about what sovereignty entails, try them. If there are difficulties on territory, reserve them to be resolved by binding arbitration. Find something that can take us out of difficulties.

Nelson Ledsky: There will be no perfect federation on Cyprus. It won't be an ideal place on which to erect federation. So, all of the above reservations are accepted. But the alternatives to federation are all worse. (Like democracy, which is the worst form of government, except for all the others.) No one has come to anything better. The alternatives are less desirable. My own feeling is that a federal structure will work because there are all of you. There are all the people who will work together. If a package can be put together, Denktash will follow it, and the Turks will go along.

I would say to the Greek side in regards to Europe: what the Cyprus government has done is to take another card away from the Turkish side. European membership will devolve power away from Turkish Cypriots. That is why they don't want membership. It is another way of saying to the Turkish Cypriot community, "You are not sovereign; some bureaucrat in Brussels will make rules for you." The nature of this "going to Europe" is what has turned off Turkish Cypriots (although it is what I would have done as foreign minister of Cyprus).

The idea of beginning a negotiation from scratch is obsolete. There is an understanding already. What the United Nations has an opportunity to do is to present a total package in September, not to build a total package point by point. What Cordovez has to do is develop a package. [To Cordovez]: You are the only one that can do it.

Diego Cordovez: Why should we prepare another package to fail? Denktash blasted the set of ideas. But now he says it's not the set of ideas. And the set of ideas can't be

mentioned to Greek Cypriots.

Nelson Ledsky: You have to go beyond what has been done previously. Deal with the three sticking points, so that there are trade-offs among them. You need to go back to the set of ideas (which were accepted by both sides, written partially in Ankara, approved by the fifteen members of the Security Council) and figure out a balanced package that incorporates the three sticking points as well. It probably won't be completed in a single round of proximity talks. It needs Greece and Turkey as well. It is not easy, simple, or quick. But it can be done in a reasonable time frame. You are the only one who can do it.

Diego Cordovez: I don't think the United Nations should prepare a package along the lines of the set of ideas. Some will say they accept, others will say they don't, etc. It will be the same thing over again. The set of ideas reflects a certain degree of agreement; but that agreement now has to be drafted. It won't be another "package." It should be a document which will constitute the basis for the functioning of a new state. We can't keep using language that allows each side to play with it for its own needs. The first issue has to be the structure of the new state. Clerides needs to know what he will be. Denktash too. They need to know parliament membership, etc. Turkish Cypriots need to know their role in a new state. It needs definite, precise language. Settlement of other issues will follow.

Nelson Ledsky: The constitutional element has to be put together with other elements. There have to be trade-offs.

Diego Cordovez: The conflict started with the breakdown of the constitution. Both sides agree. So first we have to repair the constitution.

TC 6: We have to ask whether the determination for a solution is there or not. What was being discussed just now is secondary. First must be asked, "Is the determination really there?" And not only in the Greek and Turkish Cypriot leadership. The protagonists are really more in Ankara and Athens. Therefore, if we want to achieve breakthrough, we first need the necessary support from Ankara and Athens. Do they really mean business? Looking from Athens, one sees that all their efforts are to get Cyprus to be a member of the European Union. From Ankara, one sees that they are trying to consolidate their present status quo in response. Ultimately, they want integration with Turkey. When Clerides attempts to achieve his aim, is he not actually helping Denktash achieve *his* aim? If Ankara's way to EU membership is still blocked, and if problems in the Aegean continue, why should Turkey compromise on Cyprus? This connection is a reality. The hardened position of Ankara is a result of the Luxembourg summit. There was not a level handling of the situation.

I am losing my optimism. I was a staunch supporter of federalism. But I don't share the optimism of Nelson Ledsky. Which community are we talking about when we say that they can and want to live together? One is moving out. There is more and more

emigration from Cyprus. That is a real danger. Which community will live with the other if one of them disappears?

Nelson Ledsky: You are one of my reasons for being optimistic. First, I share your view that the reality is that one community might disappear, that there will be a “cleansing” by one side or another if there is not an agreement. But you’ve looked at the wrong place when you ask who is interested in the agreement. I think Ankara is prepared to go along with whatever the two communities want. They’re not going to push something. Cyprus is a unique state; it is a creation of a committee. That is why some of the problems are here. The impetus for a solution has to come from the United Nations and United States and from you and from the Greek Cypriot community. The United Nations hasn’t been empowered to act there in ways it has acted elsewhere. Its role has to increase.

TC 6: Without encouragement from Ankara and Athens, the leaders will not conduct a real negotiation. This is a fact.

GC 3: [To Nelson Ledsky]: If you are a leader of Turkey, why should you negotiate?

Nelson Ledsky: I would push for a solution to improve my relationship with the United States.

GC 5: All the other “intractable” conflict issues in the world have been faced. Why has the Cyprus one continued to exist for so many years? No one from the international community pays proper attention. It is kept there. There is no “New World Order” in Cyprus. It exists because the situation continues to be the same. There are no new ideas. Greece, Turkey, and Cyprus continue with the same ideas. We need vision from the United States and the United Nations. We want to know how they envisage the area after the collapse of the USSR.

In regards to the European Union, I am not of the same point of view as Nelson Ledsky. I think we should move away from Athens and Ankara by supporting Cyprus’ accession to the European Union. This will create another base, another bridge on which to meet. It will benefit both of us to be European citizens. There is a similarity with Ireland, where both peoples became citizens of the European Union. Their differences are losing strength.

TC 7: The security issue is the most important one to deal with at the moment. We are talking about an imminent war. Everyone is getting ready for it. Before 1974, Turkish Cypriots never felt secure; after 1974, Greek Cypriots haven’t felt secure. There is a constant fear, but it is not necessarily justified. Why do the Greeks feel insecure? Nothing on the island will inflame conflict.

GC 6: The structure of the Cyprus problem has changed: First, although Greek and Turkish Cypriots have remained the same in their positions, the world has changed. The Cyprus problem is happening in a shrinking world. The problem involves not only the

form of the constitution, but also the transitional stage. The latter has not been addressed. This leaves a vacuum in the negotiating process. In the vacuum, there are two ghosts: One is the Cyprus Republic (with an implicit condition imposed on the other side). And the other is recognition of TRNC (which Turkish Cypriots envision as a transitional stage.). Both of these elicit a bigger ghost: the European Union. So, the constitutional issue is not enough. We have to deal with other issues, such as demilitarization, etc.

Second, in the interaction between the parties concerned, there are gaps that are never addressed. Turkey knows little about Greek Cypriots, and vice versa. Input into the leadership of the motherlands would be very helpful.

GC 7: In regards to developments with the European Union: Turkish Cypriots are encouraged to participate, and could help to make major progress. In regards to the Turkish Cypriot community leaving the island: The nature of the problem in five years will be very different. Some of the measures currently taken by the Greek side are not encouraging the Turkish side to remain on the island. They may be legally correct, but politically unwise.

Roger Fisher: Regarding my previous point on being optimistic about both being on the island forever: It was made on the assumption that everyone here wants a solution where both sides remain on island.

I am concerned that much discussion remains in “number two.” We can’t do anything until we leave those discussions. We need to produce practical operational suggestions. If you think Ankara can make a difference, draft a decision that you think they can make. Prepare an operational document Cordovez can propose, and the ideas for implementation of it. The benefits of saying yes have to be more than the cost of saying yes. We have to have a draft of a package before we can have a package.

Different Options: Some Scenarios

Louise Diamond: It seems to me that we need to address three issues: One, the substance; two, the relationship (side-by-side or majority rule); and three, the process – particularly unintended consequences and fixes that backfire. I want to focus on the second and third issues as a way of getting new information – to generate new ideas about the substance.

Some questions arose from this morning’s session:

- 1) How do we effectively use the “people power” or “multi-track” resources to influence track one?
- 2) Has there been a significant shift in the willingness to consider federation as it has been understood up to now? Two people said they used to support it but now don’t.

- 3) Why do we continue to take actions that give us the opposite results from those we expect?

Nelson Ledsky identified relationship as the first sticking point. It has to do with autonomy, power, equality, partnership, side-by-side, and majority rule. There is lots of language about this issue with historical baggage. There are probably at least twelve arrangements that could address the power need; but we seem to be stuck on the relationship problem. Legal questions should be put slightly to the side. We need to go more deeply into the essence of the question of relationship. Why is it so difficult to resolve? Approach this question by first asking, “What new information can I get (rather than, “How can I fix it?”) and “What new information can I give?” And second, address the notion of “undiscussables.” There are two basic facts: One, each side has real fear that the other can, might, or would annihilate them. Two, each side has had deep wounding, pain, and trauma at the hands of the other.

Given these realities, what can we say about essence of the power relationship? Will it be a side-by-side or majority rule arrangement? Let’s step back and analyze this. What is underneath the desire for these approaches?

Exercise to compare side-by-side existence vs. majority rule

- 1) What is it about your approach or existing approaches that meets your interests and needs?
- 2) What is it about the other approach that you are concerned will not meet your interests and needs?

Even within states, people can decide to live side by side or with majority rule. If you talk about different ways of living side by side, you’re giving up the basic idea of democracy (meaning majority rule). Talk about your values, interests, concerns, fears, and hopes, which are less tangible than legal arrangements. Denktash says, “We won’t come to table until we’re recognized as a sovereign state.” What is behind that?

Responses from groups

- When Greek Cypriots talk of identity, color, etc., Turks are often absent. Therefore, the arrangement should be side by side.
- Since 1960, there *has* actually been a bicomunal state; it has collapsed. Greeks are acknowledging more and more that they can’t go at it alone.
- Turkey is so near Cyprus that it exerts strong pressure.
- A fear of the Greek Cypriots is that side-by-side existence may lead to a justification for separation.

- Both the majority rule tendency and the side-by-side concept originated from nationalism – a state based on legal ethnic cleansing.
- In reference to federation: Majority rule can be applied at the level of federal states, and there can be a 50/50 power-sharing arrangement.
- Federation: some see it as a tool, others see it as a goal; two different entities
- Both communities need an injection of multi-culturalism as an attitude (acknowledging that which is different as being a part of one's own identity)
- A side-by-side arrangement has in fact been considered by the Greek side; there is no problem, as long as the reasons for it are clear (there was *never* a majority rule system)
- The issue of trust has to be addressed

Turkish suggestions:

Two federal states – two strong states under umbrella of loose central structure

Recognize states (Turkish side wants recognition)

Economic integration with Turkey

Side by side: equal partnership; 50/50 [better than majority rule]

Advantages: security, identity needs satisfied; sustainable; viable

Federation arrangement is unique; Greek side has accepted it to facilitate the other side coming along

Political equality; Greek side accepts it; political, not numerical equality; safeguards for the Turkish side

If we reach a federal solution, we could discuss gradual implementation of its contents; don't leave this to happen by chance

If there are side-by-side arrangements, then the Greek Cypriot side would not take action without the consent of the Turkish side

Group 3

Majority rule: in the sense of a unitary state, that is not case of Cyprus, therefore it is out of the question in that sense. But there can be majority rule within each federated state. The ultimate end is federation, but with protection of the rights of smaller states. It

should be a blend of the two. Majority rule should be a framework of living side by side. People have the right to establish their own institutions.

Side by Side:

Turkish: since there can't be one state, there should be a federation or two separate states or confederation or union of states; means bizonal, bicomunal federation, but numerical majority being the protector of the minority.

Greek: bicomunal, bizonal, no restriction of movements

Group 4

Confusion with terminology

Side by side: two full communities

Majority rule: fear of being dominated by majority

So, majority rule within two separate states is the best solution. There would be a federal government. It would put a check and balance on majority rule in central government

GC 8: There is a lack of clarification of the two terms, since there are several meanings to both. The Turkish side thinks of two states linked loosely at the beginning, ultimately more closely linked. Greeks did not express what form of government is needed. We need to figure out what is meant by majority rule and side-by-side. Majority rule carries several practical possibilities as to how it is used.

Question: Did anyone gain any new understanding from the group exercise?

GC 5: I have less hope about a federal solution and greater frustration in general. This is because, unfortunately, Cyprus is not being run moderately.

TC 4: I want to confront the idea that if there are two groups living side by side, it will be a permanent solution. The relationship has hit bottom. It has to get better.

GC 7: I heard a new element – the notion that side by side could mean two independent states, or something different within the context of the European Union.

TC 5: A federal solution will bring a new Cyprus problem. We are all good-intentioned people heading in one direction. The same thing is happening now as in 1960. The very reasons that the constitutional arrangement didn't work then are more potent now. I want to remind you of [Arend] Lijphart.

Diego Cordovez: I have heard deep frustration. My question is, has this been expressed in Cyprus in a way that would make the leaders aware of it? It seems that it hasn't, because when I go there, I don't feel that there is this sense that the people are very frustrated.

GC 5: I have seen a strengthening of the Right. People are finding a way out, a way to put their opinions somewhere. A radical, new approach needs hope to be successful. Jesus, for example, used miracles. Nothing is happening in Cyprus right now to encourage or give hope. So, the deadlock is an indication of this crisis. We are at a turning point. We either have to create the possibility to solve the problem, or things will explode.

Diego Cordovez: But are the main actors aware? The press isn't reflecting the sense of frustration of the people.

GC 5: The players try to be kind and flatter the feelings of others. The easiest thing in the Cyprus press is to attack everyone to solve the problems, rather than analyzing the issues. The "soap-opera" that results is the symptom of the problem.

GC 3: When there is hope that things are moving forward, the majority of Greek Cypriots supports federation. During periods of deadlock, less than 50 percent support it. On the Greek side, there is a school of thought of compromise and school of thought of invasion and name-calling. The lack of hope in the younger generation is obvious. Fewer and fewer of them are supporting a compromise solution.

TC 6: On the Turkish side, when there is a dialogue, support for federation goes up. Nowadays, supporters are losing ground. I am still supporting federation, but the feelings of other Turkish Cypriots are less hopeful. If time passes without concrete development, it will be more difficult to achieve federation. It is hard to find a majority in each community to support the federation.

Diego Cordovez: I ask because I haven't sensed urgency and frustration. A Cypriot businessman I met was nervous, saying there will be a war soon. He said, "We are a ship in a big storm and politicians are on the main deck arguing about who will be the next captain." Politicians are not conscious of the problems and of the frustrations of the people.

GC 1: I have a different take on the situation. I believe that the idea of a war scenario is itself a soap opera. Yes, there is anxiety because of the press; there is a lot of saber rattling, etc. But there is no real danger. It is a mistake to see Cyprus' potential to join the European Union as a negative element. It has the potential to be a positive element, particularly if Turkey is really interested in joining. If it is, the government has a lot of interest in taking steps that will eventually provide the country an opportunity to join. If Europeans are forward looking, they will realize that Turkey eventually should join. Turkey has a big role to play vis-à-vis the Turkish Cypriots. (The latter can't survive

without the former.) The role of Greece in affecting Greek Cypriots is much less. The European element is the element that will unlock the problem if Europeans are prepared to give Turkey a long-term time frame to join the European Union and if Turkey is willing to work on the Kurds and other issues.

T: Most of us support a federal, bizonal, bicomunal state. But this idea is losing ground day by day. We have to do something as soon as possible. Why is the idea losing support? While we were able to express ourselves freely, supporters of federation were increasing. Now, with difficulties of movement increasing, leaders of different groups are having a harder time conversing. Can we concentrate on this issue first? The United States or the United Nations can use its influence to facilitate this right of movement. If we have this opportunity for more exchanges of views, the supporters of federation will resurface.

GC 6: In regards to the expressed concern for a downward spiral: My fear is not that the leaders will drive the ship aground, but whether the policies of the leadership will generate such fear that the leaders will lose control of what they think they control. When fear goes up, nationalism goes up. Then, the only way you can gain people's consent is by promising military protection. Then, politicians' hands are tied. What is important is how to diffuse fear at citizens' level. We have two layers of culture: 1) public/political; 2) private. When you talk to people on the private level, you see realism, responsibility, a desire for peace. This underlying culture has to surface. Third parties need to link up with citizens at their level. The population is close to the political process.

Diego Cordovez: What would be a way of meeting with people?

TC 4: The soap opera analogy is pathetic; the situation is actual, it is realistic. Planes are flying. It just requires a spark. Don't laugh about it as you would a soap opera. Today, people are relaxed, but tomorrow could be a repeat of 1974.

TC 8: I believe EU membership would have been beneficial if Greek and Turkish Cypriots had decided to apply together. But they didn't. It can still be a good thing, provided that an understanding is reached. I have lost all my trust and respect for the European Union because of the role it is playing in the Cyprus issue. It is harming the situation. A third party should be impartial and not take sides. But the European Union is not acting that way. I have figures in hand of the states and organizations toward which European Union is acting with a biased hand. An article from *The Economist* (20 December 1997) shows plainly that Luxembourg needlessly offended Turkey. I have economic figures to support the claim that other acceptees deserved it less than Turkey.

T 1: No one in my group talked about economic interests. We talked about security, identity, viability, etc. Is there any potential to gather new information? How do we find out about shared economic interests? We need to be as concrete as possible.

Nelson Ledsky: I had hoped to hear something new about what lay behind your

opinions about side-by-side or majority rule. I listened for the underlying reasons. But I did not hear them. However, I gleaned a few things from the responses:

- 1) A lot of people have talked about increased nationalism. Usually that's the result of fear. Also, a nationalist wants to be separate – more in line with the side-by-side notion – than to be ruled by a majority. And it involves a desire to dominate.
- 2) On the question of frustration: Many have felt it has been growing and may explode into violence. I accept [GC 1]'s notion that neither side wants to go to war, but I would point out that almost all of the violence on Cyprus has been the result of accident (except, perhaps, 1974; but even there, Turkish intervention was not so planned). I believe that if war comes, it will be a result of a miscalculation. I consider that the likelihood of accident is greater today than it was ten years ago.
- 3) Policies often have unintended consequences. The decision of Cyprus to go toward Europe was honest, but it has had unintended consequences. It has affected the views of moderate Turks as well as Denktash. A move to Europe without bringing the Turkish Cypriots along will be a blow to them and will lessen the opportunity for them to work together in a side-by-side or majority rules arrangement.
- 4) Finally, the United States and the United Nations have an important role, and they need to play it more actively. But everyone contributes to the declining morale, the pessimism, and the frustration on the island. A decision taken on Cyprus is preventing groups from coming together. It is incumbent upon Turkish Cypriots that if they are in favor of federation, they will work for it. It is important for all political leaders to begin speaking out and not to let the voices against federation dominate. Voices for it need to become louder and louder.

TC 9: If the EU process goes along like it is, it will result in permanent partition. That is the most dangerous approach. It is important because without Turkish Cypriot participation, negotiations are unjust, unfair. I am astonished at how [GC 1], other Greek politicians, the United States, and other diplomats are saying that the process will be beneficial to both sides. It is impossible for the process to be so. We need to reconsider the whole thing. Greek Cypriots have to take the participation of the Turkish community, too. Even if Denktash rejects this, you must get the participation of the Turkish Cypriot community. What [TC 8] was talking about (the fact that other states are less qualified than Turkey to join the European Union) is not the agenda of this meeting.

Historically, it has been proven that nothing can be imposed on Turkey by force. Turkey has always resisted pressure to make concessions. One needs to use inducements and encouragement. Pressure is not effective. One needs to satisfy some of her interests. New opportunities may encourage Turkish Cypriots toward solution. The alternative is integration with Turkey.

TC 10: In regards to the decline in support for federation: On both sides, the younger generation is not supporting it. The younger people are moving toward nationalism. This is most alarming.

GC 2: Was it wise or unwise to apply to the European Union? If, the moment the process started, the Cyprus issue was in the limelight, then one might say that it was unwise. But to say the process we started toward the European Union killed the peace process is unrealistic.

As far as the application itself, it is designed to be an application by a state, not by communities. But from the beginning, we made the announcement that we wanted the Turkish group to participate. Negotiations have started. Estimated time for their conclusion is 2003. We have five years to go. If by that time, there is no solution, prospects become more difficult. The question of satisfying Turkish interests is not in Cyprus' hands. There is a positive aspect of joining the European Union: we all become Europeans. This is another safeguard on anyone dominating a minority; its rights are protected by Europeans.

Finally, a lasting peace is not just signing a paper. It must include balanced development and economic progress. Joining the European Union will help the economic process.

TC 9: Where did Greek Cypriots find the right to negotiate with the European Union on behalf of Turkish Cypriots?

Louise Diamond: What are the underlying beliefs, opinions, and assumptions you have in regards to the basic relationship between communities? We're going to keep repeating the same arguments if we don't move deeper.

Sherry Immediato: I want to pick up with the comment: "Something needs to be done." There is some probability that what gets done has unintended consequences. "Systems thinking" (from the book, *The Fifth Discipline*) reveals that many complex systems face the dilemma of unintended consequences. To illustrate this, let's use the simple idea of an iceberg. The interesting thing about icebergs is that we can't see most of them.

Events: We can say that events are the tip of the iceberg, e.g., a statement by a politician that shows up in newspaper; application to the European Union; the 1974 coup, etc.) What can we do if we see the world as events? What options are open to us? One, we react; or two, we ignore it. So what else should we be looking at? We should ask if there is a series of events.

Patterns over time: We can place these a little lower down on the iceberg (e.g., some of you have mentioned that support for federation is declining over time). This is when we recognize that the event fits into a larger pattern. What can we do if we see events as

patterns? This allows us the possibility of planning or anticipating; if we know what will happen next, we can do something pre-emptive.

Structure: Finally, there is some way the system is designed that gives you patterns and events (e.g., the vision, values, law, principles, such as the restrictions on movement or embargoes). So, what can you do if you see the structure? You can redesign things. It can change the way we think about things, govern ourselves, etc.

The further you look down the iceberg, the more opportunity you have to do relatively small things to change events. In the short term we can react to a given structure and still change it over time.

Louise Diamond: Let's do a check-in after yesterday's discussions. And don't try to be too polite.

TC 2: There was lots of time spent yesterday on the European Union. It is obviously a hot issue. But my impression is that both sides exaggerate what's happening with the European Union. Both think that Cyprus is just about to join. In reality, it has a long way to go. It is obvious that the Greek side has scored a goal against the Turkish side by being admitted. With the Luxembourg decision, it gained a victory. But the victory may prove self-destructive. By leaving Turkey outside, the European Union has lost its leverage with Turkey. In general, I think we have to look into the case more coolly, rather than treating it as a soap opera. [GC 7] said that most of the Turkish Cypriots want Cyprus to become a member of the European Union; but that is not true under these conditions. Therefore, Clerides' "generous" offer doesn't mean anything to Turkish Cypriots. The easiest way to see Cyprus become a member is to solve the Cyprus problem.

GC 7: There is a different perception between the two communities. Turkish Cypriots think that the European Union is an avenue for Cyprus to join Greece. But Greece has a different perception.

TC 4: In 1956, the Greeks did this on their own. The British used this; they hired Turkey. With this EU issue, the Greeks have not learned; they have not negotiated with the Turks in trying to join something bigger. Once again, we have some totally different visions. My perceptions of the Greek community appear wrong. Vision is distorted. We need in-between people to work between the two presidents and inject new ideas into the two communities simultaneously (rather than United Nations). We need a different structure. From the perspective of Turks in the North, there is a fear that the Greeks want to make the island Greek and unite it with Greeks.

Louise Diamond: It seems that there is a substantive issue – the European Union itself – and a process issue – the fact that people are not connecting; that perceptions are distorted.

GC 5: There is a contradiction in the way we are discussing the Cyprus issue. We're

discussing the past realities. We are now in a completely new situation. The problem is whether we are ready to run together on the new future of Europe. [Accession to the European Union] is not a score, a calculation, a conspiracy. It's part of the development of our area. The question is, "Should we participate with the world or stay isolated?"

The second thing I want to say is that the situation is unacceptable. Why should I deprive myself of the privilege of knowing a good novel of a Turk? The poem of a Turkish Cypriot became the national anthem of Cyprus. We need to accept the culture of all the people of the island. Let's turn our interest to the cultural and scientific spheres.

TC 3: In regards to the issue of embargoes imposed on Turkish Cypriots: I discussed this in Oslo. Embargoes didn't work out the way the Greek Cypriots were expecting. Isolating Turkish Cypriots is against the concept of coexistence, of confidence building, etc. Not even considering economic losses, in terms of confidence-building there is a huge cost. It amounts to avoiding trust-building. Everything boils down to trust. All our strategies won't result in anything if there is no trust. I don't see what the problem of having a soccer team coming from southern Cyprus to northern Cyprus and having a match. In Oslo, Turkish businessmen understood embargoes were not useful. They agreed to include a sentence that said, "We agree to relaxing, and eventually lifting embargoes."

GC 6: Regarding the EU issue and Greeks' motives to move ahead with accession, it is usually judged on the basis of political tactics. That is only partially true. Another dimension has to do with the socioeconomic development of the Greek Cypriot community. In that regard, the next logical step is to enter the European Union. But it also reflects on Turkish Cypriots. Because of the embargo, etc., the European Union does not appear to be the next logical step.

Whereas the Greek Cypriots, with all good intentions, focused on joining a system where identity issues will be respected eventually, we focus on the end point. The Turks, on the other hand, focus on process. To them, human rights, etc., should not just be part of the eventual goal, but part of the process.

Peter Galbraith: Had I been a mediator with this group in the Balkans, I might have reached a conclusion easier.

First, in listening to yesterday's discussion, it tended to focus on positions – that Cyprus continues as an internationally recognized state, etc. I would urge you to explore what are the underlying interests. Recognition is a position. But the real interest is security. A position is getting the embargo to end. The interest is in having an equal partnership. People are less good at thinking of what others' interests are. But when you do, you can start thinking about solutions. Are there ways that both sides can identify interests and come up with creative solutions?

Second is the issue of refugee returns. Absolutely critical to a durable peace in Bosnia and

Croatia is the right of people to return to their homes and properties. The *right*. If people feel they are denied the possibility, it is a continuing sore. Do they want to return? That is a separate issue. In Eastern Slovenia, only about 10,000 of the 70,000 Croats who were driven out returned. It makes sense; many had gotten new jobs, etc. But it was important that they had the possibility.

Third, the EU issue. Clerides put forward the proposal of a Turkish Cypriot deputy with veto power. Now, the nature of this proposal seems pretty reasonable. It does strike me that if you listen to what is being said by the other side, maybe there is something you can work with.

Diana Chigas: I would like to reiterate the distinction between positions and interests. The nature of autonomy has tripped up agreements. It reflects two visions of the future: side-by-side vs. majority rule; a weaker vs. a stronger central government – these are two general approaches. We need to inquire into why there are these two approaches. If you don't do this, you'll get tripped up by the distinction of interests.

One vision is of two entities or states that would gradually move together; one response is, "We don't believe that." So, I have two questions: What leads you to believe one thing or another? What leads you to want things to happen that way?

Louise Diamond: I've come up with eight topics or questions that have come up:

- 1) How to effectively use "people power" to influence track one.
- 2) Has there been a shift in willingness to consider federation?
- 3) Unintended consequences.
- 4) How to build trust.
- 5) What unilateral actions can we take that will support the peacebuilding process, or specifically support the interests of the other side?
- 6) How can we move in harmony with future trends, given the burden of the past we carry?
- 7) How can we minimize distortions and misperceptions in our communication?
- 8) How can we surface underlying beliefs and assumptions?

Robert Rotberg: We have brought to the surface lots of issues. But I'm afraid we're getting stuck in the second chart. Let's move to chart three and maybe even to chart four. In my mind, these are some things that came out yesterday: 1) imminence of war; 2) nationalism, domination, separation; 3) visions being distorted.

Let's try to get at goals and interests; even goals for yourselves individually or for your grandchildren. In South Africa, a critical breakthrough came when people decided to do what was best for the next generation.

It is important to talk about the EU in the larger context of the economic goals for the island. We will hear lots this afternoon about the importance of growth. Security issues also have to be talked about in a regional context.

GC 10: Here are some of my visions. First, we need confidence between the two communities. We need regular people to have confidence among themselves. That is not an easy job. We are trying to come up here with issues that will lead us to a final solution of the problem. But we can't promise recognition; we can't promise removal of embargoes. We need instead to focus on specific issues to build trust. Can we identify special areas where we can join our efforts so as to build up confidence among us? An example is trade unions. A question came from the other side regarding rights of people to receive benefits. I worked jointly on that issue. We have reached the stage that Turkish Cypriots are getting regular pensions from the Greek social insurance fund. There were results from this joint action.

In regards to the future of island: We can't be isolated. We must join the rest, follow the stream. The best way is to join Europe. I'm not arguing that we did it the right or the wrong way. Look at the proposal of Clerides: Can we put forward a new proposal that will give new results? Examine it. See if we can make some amendments to make it acceptable to both sides.

T: We're unable to build confidence by the approach you're taking [joining Europe].

TC 9: The proposal put forward by Clerides could be used as a bargaining position, but unfortunately, Turkish Cypriots rejected it immediately. I don't agree with that, even though it wasn't generous. It actually could be discussed.

GC 10: We have a common point! Can we examine it?

TC 9: We did have some proposals about Turkish participation. It was not a common [all-Turkish Cypriot] proposal; it was from our party. It suggested equal participation, on equal footing, with equal numbers, with an equal president. But unfortunately, this moment was lost. The negotiations went on without us. How can we participate in these negotiations after this long time? That is another obstacle. Everything has to be done at the outset, or it becomes more difficult.

GC 3: Momentum has not all been lost. But there are other avenues that can help build confidence. For example, Clerides' letter, suggesting to proceed to substantially reduce Turkish forces on the island and to freeze all armaments on the Greek Cypriot side. This is leading to more security on both sides. Let's concentrate on that. It's the right time. An accident could happen any time. So we should discuss these issues now.

Diego Cordovez: I'm leaving with tremendous preoccupation. Because of the frustration, time lapse, and years of living without any kind of structure of trust, there is a tendency, at all levels, not to concentrate on the core issue: the political agreement on the future structure of the state of Cyprus. For example, what has happened in the brief period I have been involved. Once, I proposed a meeting in Nicosia regarding missing persons. The meeting was immediately accepted. Both sides felt we were moving toward resolution of the core issue. The meeting took place, and we reached an agreement on missing persons. It was approved on July 31. Then the atmosphere started to deteriorate. We were trying to save this signed agreement (it was a measure, not a core agreement). We managed to get them to exchange lists. A third member of the committee was appointed. I met him last week. He said there were tremendous difficulties. There was no confidence anymore. And that is because we don't know where we are going.

I don't know how you can reach agreement on security, the European Union, etc. if you don't know how this will operate in the future. Will it be within the existing non-structure? Within a new structure? My view is that the first thing to do on Cyprus is to reach an agreement on the political structure that we will have. What kind of presidency and central government relationship [to communities] will we have? We have to define the structure, decide on the functions and powers of entities. Let the analysts decide what it is we have established. Once a central structure has been defined, it won't be difficult to reach agreement on territory.

Several TCs and GCs: I don't agree. The unknown of what the relationship will be in the future precludes agreements on basic things now.

TC 6: Regarding perceptions: The position of a moderate Turkish Cypriot in the eyes of his leadership is similar to being pro-Greek. But when the same moderate is here expressing his ideas, in the eyes of his Greek fellows, he is close to the extremism of his leadership. If we don't amend this perception, whatever we say won't amount to anything. We will sound like parrots repeating the leadership's ideas.

Regarding EU membership: Since the beginning, we had an idea that something was wrong. I am one of two main communities in Cyprus. My future is under discussion, but I have no say in it. You say it is the state, not the community, that applied. So where is the place of the Turkish Cypriot community? Where is my say? I don't think it's proper to "find a way for us to participate." It started wrong. It's the state that decides anyway. Of paramount importance is to have the UN process before the EU process. This will decide: 1) who is who, and 2) power sharing arrangement. It will give legitimacy.

Regarding the security issue: We have to do something. There were de-confrontation measures (1989 and now) proposed. The answer of the Greek side is still pending (the Turkish side gave its consent). This would unload arms, and give a code of conduct on a buffer zone and rules on manning of the zone. Of course, it is not enough. We need mutual arms reduction; phased, but eventual, demilitarization.

TC 4: Diego Cordovez asked, “What is the political structure to be designed?” For this, you need designers. They have to come out from the existing structures and agree to design. They need to be contracted to take this action – to make it work.

Roger Fisher: [To Cordovez] Will you commit yourself to this framework without knowing more details? That is hard for a leader to do. A better question is: “Do you see sufficient chance for this framework to be workable that you’ll commit time to designers improving the draft?” The issue is so important that the process can’t be overlooked. It should be a framework of exploring a solution. Don’t ask them to make an agreement on a core issue without knowing the details. Just a draft.

Diego Cordovez: I was saying exactly the opposite. You need a detailed agreement on the basis of material that is already available. Will federation be like this? Let us sit with all this material and say, “The powers of central government will be this. It will have the following mechanisms and institutions.” We’re always talking in circles: “I will be prepared to consider the presidency to look like this.” Why not say, “The president will be like this?”

GC 3: The decisions will depend on other things, like whether the territory is 33 percent or 29 percent.

Diego Cordovez: Territory is part of the core issues. If you want a full agreement on all points, [you have to understand that] some of them will be more effectively implemented once institutions are in place. Do you really think Turkey will withdraw in the absence of a core agreement?

Roger Fisher: The process requires lots of drafts. Camp David required twenty-three drafts.

Bill Nash: One of great frustrations in Bosnia was that it seemed that the three groups acted as if it was the responsibility of the international community to bring peace there, as opposed to the realization that it was their responsibility. There has been a propensity for Cypriots to do the same. It is complicated by the involvement of the international community, which has other agendas, etc. I am in transition from being a pessimist to being a cynic. I remain unconvinced that you are on the track to a successful solution. A few observations:

- 1) I hear strong views being expressed, but there is a lack of underlying conviction or confidence. Somebody has to be strong enough, secure enough, to give something up.
- 2) Do not forget the advantage of your opposite member feeling secure. In the long run, that will benefit you. A secure opponent is normally more flexible.
- 3) If you really want to fool them, accept what they say.

- 4) In regards to positions vs. interests: Be less opinionated and more crafty, cunning, and conniving in going about getting what you want.
- 5) I heard a lot of: "I believe in dialogue." I'm not sure whether you're talking about listening or talking.
- 6) I continue to be amazed that people talk about armed conflict as a viable outcome. It causes delays in the EU process, it has obvious implications for loss of confidence, etc. There is a belief that the European Union, the United States, and the United Nations will step in and bail you out; that somehow you don't have to be responsible. Well, don't be too sure they will step in in time. If you disagree that armed conflict is a viable outcome, militarization on the Green Line is a waste. Demilitarization is a viable option. That, the international community will support.
- 7) You need some new approaches. You need to consider an alternative to federation. Think about permanent partition of island. Study examples of successful separation. It could be the "Velvet Divorce Two." Such a study will do two things: 1) it will show you that this approach has advantages; or 2) it will show you that it is a really bad idea and you have no alternative but coming together – maybe it will be something like political independence with economic integration.
- 8) Finally, the international community needs to break with the past. It is stuck with positions, rather than interests when it engages in embargoes, recognition, etc. If you're trying to put two partners together, the more equal they are, the better chance there will be a successful union.

Nelson Ledsky: I won't give up. I remain an optimist about the possibility of success of federation. The issue of partition has been adequately studied...going back to Cyrus Vance and Dean Acheson. To suggest that we take a look at issues is to suggest that we have not done our work over the past generation. That's not right. I don't think there is any alternative to federation. I have three comments:

The questions that Louise Diamond put out should still be on the table. They haven't been adequately reflected. We haven't done enough on the difference between positions and interests.

First, regarding negotiations: It's more complicated than Diego Cordovez indicated, and it will involve more work than he seems to suggest in talking about getting to a political structure. That is not possible without considering security, which can't be in second position, and territory, which is the most difficult. Giving up a piece of land is intrinsically difficult. Going from 37 or 38 percent to 27 or 28 percent is the most impossible and difficult task. It must be right up in significance with the other two. These three tasks must be tackled as a package, quickly. There isn't a lot of time. There is a downward spiral taking place. You've got to listen to people around this table. They're

saying different things than their leadership. They must be listened to. This needs to be put on paper and presented to the leadership of the two communities. We need to get an idea of the difference between them and their leadership.

[TC 6] said he was a moderate in the Turkish community, but when he comes here, he is viewed as just part of the whole operation, that you can't distinguish him from Denktash. But there is a distinction. It is important to see that what he has to say is different. The two groups should organize themselves and present their views. It will turn out to be a contrast from the leadership.

Second, in regards to the EU: The discussion points out the distinction between interests and positions. It is not in the interest of Turkish Cypriots to be part of Europe so long as their specific needs on the island are not taken care of; they have an interest in making sure accession does not occur before there has been a resolution to the problem. Work, refugee return, settlement, compensation – these are all issues they need to settle first. Because they don't have any money. They don't have the funds to compensate [returnees]. They can't permit unlimited return as would be required under European membership.

It is in the interest of Greek Cypriots to get in. By entering Europe, these same questions would be settled not by them, but by rules already established in Europe for these issues. [In the European Union], Cyprus will have no influence. That is what Greek Cypriots want. I would do same thing. But it's an evasion of the opportunity to sit down and work things out. That lies behind interests

Third, regarding the embargo. You can't build trust when one side is penalizing the other. It is important for Greek Cypriots to understand that the embargo reduced trust; it makes it difficult for moderates to take power; it solidifies the position of nationalists opposed to federation. I understand why it was done, but a way must be found to eliminate the embargo – as *the* confidence building measure. Greeks have to find out what the cost will be to give up that card. It can't be demilitarization (that's part of core). The embargo undermines the ability of all of us to bring about reconciliation between the communities.

GC 2: In regards to [TC 6]'s point about perception. We have high regard for him and for all other Turkish Cypriots that consider themselves Cypriots. Our future rests on how we build Cyprus. If I disagree with [TC 6], I don't mind, since he has a vision for Cyprus.

In regards to the design: There have been so many rounds of discussions, proposing frameworks. What is necessary now is to have meetings – one after another – so that a designer can draft a final solution rather than having one meeting every six months. I share the “package view.” Let's define our future and finish with it. Minor steps waste time. Let's fill the gaps and finish.

Regarding the EU. [TC 6] said it was wrong to apply. It is not my position, but the EU position, that it is states that apply, and not communities. In response to the question: “Where did we get the right to apply?” – the state has applied. If the Turkish Cypriots had not parted from the structure of the constitution, where they had every right to voice an opinion, they might have used their veto. They had set up a separate state. But that is the past.

Right now, we are looking at accession. It can't be earlier than 2003. That is another five years. Do we need five years to solve the problem? We only need a few months. When we set up a federal republic, and it decides to go one way or another, we will have to respect that. [*implying that the decision about the EU could be changed with the new, joint government*] Don't worry about five years from now. After a couple of months, we can all decide as the people of Cyprus. Our relations with the European Union didn't start last week. They started in 1972, with phase one of the customs union agreement. In 1988 came the second phase. In 1993 was the first decision. And in 1995, there was the accession/customs union with Turkey package. Why suddenly this crisis? It is probably because of Luxembourg. But nothing new went into its content. The reaction came from the reference to Turkey. We didn't write that. Turkey has to fight its battles; it has to approach Europe. Let's not mix the two.

In regards to the embargo: There have been lots of misconceptions. From 1974-1988 (first phase), exports of goods to the European Union were based on certificates from the Chamber of Commerce in Cyprus. And Turkish chambers were also issuing certificates. The process started in 1972. In stage two, the certificate had to be issued from the appropriate chamber. We did not go out and say, “Don't do this and don't do that.” It has been standard.

Regarding the future: Are we going to sit back and talk about the past? There will be a moment when Cyprus will be a thing of the past. Turkish Cypriots are leaving. Cyprus is shrinking. There is no time to waste. I see a responsibility for the future.

T 1: I am speaking as an economist. [To Cordovez] How can we look into the documents and ask what information is missing? Has anyone looked at the welfare losses in the North and South within the existing structure? What would be the potential economic gain between the two regions and within the two communities if a [cooperative] structure were to be built?

That is the basic economic analysis. I think you should engage the World Bank to do a study immediately. Have we adequately explored the spectrum (in the North and South) of political interests? Identify where they are. What is needed is a political and economic cost-benefit analysis.

TC 1: My humble advice would be to take note of Nelson Ledsky's analysis. This is what has happened over the past twenty-five years. The reason we are here is that you happen

to be a state, and we happen to be a non-entity. We don't have the luxury to argue for another twenty-five years. Let's be serious and honest, for our children.

TC 3: The embargoes include sports activities. Why can't athletes participate? It's not just the certificate [from the Chamber of Commerce]. If you continue this, you're pushing us more and more toward Turkey. I'm not supporting it, but you are defeating yourself with the embargoes. It's not helping to build the trust. The Cyprus question has continued for thirty-five years. The Greeks being the legitimate government did not solve the problem when it started. By holding to that claim, you're not accomplishing anything. You're holding on to the fact that Greeks are supposed to be legitimate; you have to revise this concept.

GC 5: In regards to the procedure in the European Union: The problem with negotiations is not ultimately about when or how we become members. In the meantime, we share a lot of experience with the European Union. It influences the way we're thinking and legislating. It is changing the structure of the country, especially the mentality of people (e.g., opinions about homosexuality). Things are changing (e.g., legislation of trademarks). We participate in different committees and procedures. To enjoy a common committee for the negotiation is not only connected to the final accession, but the benefit of participating in the organization – the appearance, participation in the world (for Turkish Cypriots, too). The European Union will be beneficial to the Turkish community. They can support and help Turkey [gain accession]. They can make the Turkish language a European language. This will help Turkey in the long run.

In regards to the method, Diego Cordovez is anxious. We need to enforce time limits. We need to threaten sanctions for all four participants if in such-and-such a time period there is not a solution. A time limit is needed, because prolongation of the talks is a method of solidifying the situation as it is. It is not accidental.

Regarding the legal state: There are two issues: legality and power. The Greek community is the weak party with legal power. The Turkish community is the weak side legally. Both can't be arrogant in their strong points. Both have to give some. We need political will. Diego Cordovez can investigate whether there is a political will.

TC 10: There are two facts that we can't deny: 1) whether the Turks like it or not, the Republic of Cyprus has applied for EU membership; 2) whether the Greeks like it or not, this has become a sensitive issue. Can you, just for one moment, put yourself in the shoes of the other party? Try to think rationally. Evaluate their position. Then we can discuss things further.

TC 2: I would like as an individual to be a part of the European Union. It would bring higher standards of democracy, human rights, etc., to the country. But the procedures that have been started are hurting Turkish Cypriots, especially those defending ideas of

federation. In a census done last year, 96 percent of Turkish Cypriots wanted to become members of the European Union. With the process done in Luxembourg, the idea of integration with Turkey was thrown out. It didn't materialize, not because the European Union didn't like it, but because of three parties in Cyprus; because they came out against it.

The two stronger parties represent 40 percent of Turkish Cypriots. Their strength is diminishing. I hope that they are able to reverse the trend. If they prove as weak as they did in local elections last month, and if accession procedures continue, then there will be a great majority of Turkish Cypriots who are against federation. No one will be able to work for integration of the island. Because of the influence of the United States, the moment that Cyprus becomes a member, Turkish Cypriots will have EU passports. Even now we're having great emigration flows; lots of Turkish Cypriots will leave the island.

GC 6: All the issues have surfaced. My preference would be that each community identifies what it is that the other community can do to facilitate the unblocking of this process.

Robert Rotberg: Let's spend a few minutes talking about the security issue. Are there any measures that could improve feelings of security on both sides?

GC 1: Greeks want a bicomunal, bizonal federation. On the side of the Turks, there is no will to have a federation. They want either an independent state or one merged with Turkey. If we can't agree on that, other things are totally irrelevant. An outline was agreed to by Denktash and Makarios in 1977. But subsequently [Denktash] has moved far from those agreements. The issue is whether you want two states or one. Denktash is really not prepared to negotiate a federation. It's not a question of side-by-side or majority rule. Side-by-side means two separate states that may come together at one point. Majority rule has never been a reality. Either you stay together or you become two separate states.

Nelson Ledsky: [GC 1] has touched against an important point. Denktash has committed himself to be part of a federation. He signed a series of agreements – in 1977, 1979, 1980s, and 1990s. What [GC 1] is saying is: "How sincere is that commitment to participate in any form of a federation?" Admittedly, he has operated at two levels. He's signed a participation agreement but also declared independence. He's declared himself to be independent, so what value was his signature? I would argue that he would say, "I declared my independence not to be independent but to give myself the status of president; to be on the same level as my opposite." He's using independence as a means to an end of a federated negotiated settlement. The answer to him has been negative: "No, we will not recognize your state. You *are* negotiating as an equal. You'll never get into the United Nations [on the path you're taking]. Stick to your agreements." You're questioning his fundamental goodwill to negotiate a federation. I would answer it simply that he *has* made that agreement. He does intend to enter a federation.

GC 1: I respect your estimation. But I think it's mistaken. Many Turkish Cypriots might want to enter federation, but they have no leverage over Denktash. Ankara is the only one that does. The only way to make [Turkey] exert pressure on him is to give them something they want.

Robert Rotberg: I don't know what federation means if you're talking about "getting in."

Diego Cordovez: Federation is what it's going to be called; what kind of a federation is what has to be defined. Denktash used to talk about the Swiss arrangement as being the model until I told him it was being revised to strengthen the powers of the central government.

GC 1: The core issue is that I don't think he's negotiating in good faith. That's my big query. It makes a difference what he has in mind.

TC 6: The views of our president are under criticism all the time. But the criticism has to expand to embrace the Greek Cypriots. If you [Greek Cypriots] feel like the United States and not like California in relationship to Louisiana, how are you going to establish a federation? You need a kind of equality. If you think Turkish Cypriots are a state and you are the United States itself, no agreement can be forged.

GC 3: That's a misunderstanding. It is a question of whether California and Louisiana will participate as separate states or unified ones. Also, I've been accused of being an agent of Ankara. I think that [GC 1] is correct in trying to find out what we want. Of course federation is something wise. There has been a lot of material forming a framework before us. Are we ready to move within this framework or not?

Robert Rotberg: It is a method for expressing majority opinion and one reflecting the equality of the parts.

GC 6: I would like to take the issue that [GC 1] raised a bit further. It's very much in the back of the minds of Greek Cypriots. I know the same perception and suspicion exists in the reverse direction. Do they really want federation? Each side has a card, a peculiar one: On one side, each card says federation [symbol]; when we want to show good will, in a good climate, we show that side. When things get sticky, we turn it over. On the back of one is the Republic of Cyprus, and on the back of the other is independence/recognition. So each side thinks it doesn't really want the federation. One of the ways to break through the ambiguity is to have sustained, daily negotiations.

TC 5: I would like to address the third-party role in the solution. I took some young business leaders to Europe, to study a model federation. We visited Denktash, and convinced him of the model. The young leaders went on TV to defend the idea. One week later there was the "Yes for Europe" conference, and the Greek Cypriot representative excluded the Turkish Cypriot person. So she changed her behavior because a third party

only recognized one representative of Cyprus to Europe. Europe is not acting in a balanced way. Every step has been threatened to be vetoed by Greece. We are starting to lose trust. The reaction of the Turkish Cypriot leadership is a reaction to unequal treatment of a third party.

TC 9: I see several misunderstandings: First, each thinks the other side is committed to its national cause and everything done is done for that purpose. We need to start to understand each other. I can't understand the reason behind small/minor embargoes. A tourist buys a kilo of fish on the Turkish side, takes it to Greek side, and is fined. In that climate, the building of trust becomes impossible. You have to start with small things. Remove these obstacles; understand the insulting side of these actions to the other community. Denktash has to appear that he is convinced because he's getting ready to show the other side of the card. It is the same with Clerides. Both are symbols. They are not the only ones responsible.

Eileen Babbitt: First, I heard many people say they were interested in dealing with the problem now, before a decision is taken by the European Union. I also heard that there is interest and desire in having participation in designing the structure of what will be on the island. It seems like people *are* trying to get in the shoes of the other. The suggestion of sustained, participatory negotiation process [is useful]. Maybe also consider: One, what would it take in the negotiation process itself to create on the side of Turkish Cypriots equality and respect in the process itself, short of recognition of an independent state? What would create for you the respect and equality you want? Two, on the Greek side, there needs to be from the side of the Turkish Cypriots a commitment to negotiating in good faith.

Roger Fisher: I have another topic. How about organizing yourselves to produce an ongoing, interactive paper that would continue to supplement the negotiation process?

TC 2: I would like to respond to the ambiguity raised by [GC 1]. Because of the double-speak that Denktash uses, many of the Turkish political leaders criticize him. We feel frustrated. But doesn't Clerides use double language too? When he feels the necessity, he defends the Cyprus government. The Greek side has a lot to gain in making a solution after becoming a member of European Union.

GC 2: If Cyprus joined the European Union without a solution, there is no chance for a solution. We are committed to solving it before. Also, we had an interesting discussion. We tend to blame the other side. The best idea is to dedicate ourselves to solving the issue, rather than blaming – to really work for finding a solution.

TC 4: As the situation is now, it is what we wanted in the past. Now people are consolidating their position to have another vision. We can't move at all unless we actually attain that identity. It is absolutely necessary that we have an absolute necessity. I haven't seen the vision that will draw us in the same direction.

Diana Chigas: I'm hearing a lot about good faith and advice to stop blaming. I have two questions: 1) When you are negotiating under conditions of uncertainty; there is some circularity. Do you act to protect against the worst case scenario (and thus *bring on* the worst case scenario)? 2) The things that each government is doing are making it hard to negotiate in good faith. What can each side do to convince the other of its good faith?

TC 6: It is the reality. Cyprus *can* be compared to the United States. Turkish Cypriots aren't even equivalent to Louisiana.

GC 8: There are many ramifications in public international law. It is not just an accidental definition: We are equal/independent.

Sherry Immediato: What might happen in terms of approaches/strategies? There is pessimism about the ability of the international community to help you. Your strategies should include the role that you want the international community to play. There can be a problem if you seek outside support rather than taking responsibility yourself. It is shifting the burden. You need something that is sustainable.

State-Federal Relations in the United States

INTRO: Exhortation for Turkish and Greek Americans to engage in dialogue, as well as for Americans to engage Turks from Turkey in dialogue.

The American Federal System

Michael Dukakis: The American federal system was created formally, first by the Articles of Confederation. It was a very loose confederation: There was no chief executive or president, and there were very limited central powers (e.g., no powers to tax, etc.). It turned out to be unsatisfactory, since it was so weak. There was unhappiness, particularly on the part of farmers, because of inflation and speculators. This is what was behind Shays' Rebellion.

So, in Philadelphia, fifty-five men hammered out a document to create a federation. There were two plans – New Jersey (small-state) Plan and Virginia (large state) Plan. To resolve them, there was the famous Connecticut Compromise [by which was created the two-chamber structure of the legislature: one body created by proportional representation, and the other by equal representation among the states].

The Supreme Court evolved; the Tenth Amendment evolved; there was a Civil War. The debate over the power distribution between the center and the states is always evolving, always changing.

Though power at the center has grown, especially since the Depression and World War II, states still retain a great deal of power. They have responsibility for most of the civil

and criminal law; for social services; for public education; for infrastructure decisions; for law enforcement.

Questions:

- 1) Isn't there a qualitative difference between the experience of American states, made up of immigrants, and those minorities within existing territory that are trying to be states?

Yes and no. Yes, you are right – the scale is different. But, no in that America has had a long history of racial and ethnic prejudice and problems. It was not in fact “one happy family” aiming toward a common goal.

- 2) Who will be the final arbiter in the new state of Cyprus? Who will protect the minority from being dominated by the majority?

I would imagine there should be a “Supreme Court plus.” [That is to say, that the Supreme Court should be the final arbiter, but because of the special history of Cyprus, there may need to be something else outside the highest court in the land (which is susceptible to prejudice by the majority) to protect the minority.]

- 3) Should the “plus” be the EU court? The guarantor powers?
- 4) How do you protect against the “majority mentality?” Is federation possible in an unbalanced situation?

[From the participants]: Louisiana and New York are not balanced

[From Dukakis]: I think there are two critical factors: First, there must be a federal arrangement that provides a lot of autonomy; most of the power must reside in the states. Second, protection of individual rights (via a Bill of Rights and/or the “Supreme Court plus” idea) has to complement this federal system.

Economics of Island States

Nilgün Gökçür: Have we adequately explored economic interests for both sides? The potential is there, as it pertains to reaching a political agreement. First, we need to examine the existing (non)structure, in terms of the economic, as well as the political and social/cultural implications. Then we have to look at the new structure in the same way, and finally at the tasks that are necessary to provide us with this information.

The economic opportunities seem to be unexplored; they need to be documented. We should know precisely the welfare losses, because of the embargo and trade barriers, in terms of reduced foreign investment and loss of trade. And, in terms of economic competitiveness, we need to ask ourselves, “What form of government will give us the

best opportunity to maximize the economic benefits for both communities for the whole island?”

For example, regarding the cost of doing business in the textile industry, some factories are going bankrupt because they can't access each other's markets. Ultimately, we want the island to move away from low-skilled, intensive industries to more value-added industries. For that, we need skills, capital, technology. We need to ask ourselves what kind of economy do we want to create on the island? There are opportunities on the infrastructure side – for provision of electricity, water supply, road construction, ports. To make these decisions, we need sufficient data. So what can we document now? I propose appointing a joint task force to look into and analyze the welfare losses and potential economic gains under the new system. With these data in hand, we will be in a better position to be able to convince decision-makers.

Where would the funding to do these studies come from? It is available from the international community – from the World Bank, from the World Trade Organization, from the United Nations Development Program. We need to do it immediately.

But there are also some attitudes and perceptions that need to be changed. To accomplish this, I would suggest running focus groups to discover what these perceptions are; then use the analysis to design a public education campaign. For example, right now, people don't want to buy goods produced on “stolen property.” A public education campaign could change that attitude. Perceptions can't stand as a barrier to economic progress.

Theo Panayotou: In most parts of the world, environmental problems divide people. In Cyprus, they can serve to unite them. There are some special characteristics of small islands that I would like to highlight in this regard.

Small islands traditionally have faced serious restraints. Because they are usually closed economies, they lose out on economies of scale. They can't really have big factories that will be able to specialize; they don't have enough competition; there is not enough pressure to minimize costs, etc. They also face limited natural resources. So they are constrained by their closedness and high costs.

But now we are in a new era of reduced transport cost – the transportation revolution. Smallness may be an opportunity, rather than a constraint. It might actually be an advantage to be a small island economy:

For one thing, islands are able to identify small niches that they can exploit within the global economy. For example, Caribbean islands and Mauritius have specialized in tourism or specific manufactured products. With trade opportunities, openness will help small societies become more competitive. In addition, islands have a large coastal area in relation to the interior. For international trade, tourism, and offshore services, this is an

advantage. So Cyprus ought to have tremendous potential for prosperity.

The environment of small islands should also be considered. First, islands have limited natural resources, but biological resources are often unique. An island is a land mass area that has been isolated, so there is a certain endemicity of species. Biological resources, whole ecosystems, have grown in isolation. This allows for great diversity and uniqueness. But it can also be a vulnerability. Second, islands often face a scarcity of water. The land mass doesn't allow large enough watersheds. And there is low rainfall in Cyprus as well. So you need to store it well, manage it wisely, and not waste it. Water is considered the number two problem after "The Cyprus Problem." Currently, water is subsidized for farmers, which results in it being used wastefully to produce things the island shouldn't be producing. Potatoes, for example, are exported to Britain. Farmers in Cyprus are paying 7 cents per ton for water; my parents in Britain are spending \$4 per ton. And, unlike Britain, Cyprus can't afford to waste the water.

Finally, we should consider the environmental impacts of economic activity in island states. When you live on a small island, it means everything is happening in your own backyard. The silver lining of the division of the island is that properties inland have not been overdeveloped for tourism because there has not been the money for it. So the island has not undergone unsustainable development. On the Greek side, there has been maldevelopment, and on the Turkish side there has been underdevelopment of tourist attractions. In this instance, both communities can work together on environmental protection. It should be a source of unity, not division.

Hatice Jenkins: One of the major shortcomings of a small island economy is its difficulties in doing business. I did research on how many small-state islands exist. There are ninety-five small states with less than 1 million people; fifty-eight are islands; more than half of those have a population of less than 100,000.

The weaknesses of small island states include isolation of their markets, frequent political instability, and vulnerability to external intervention and war. Their economic activities tend to be very specialized, less diversified. In general, specialization is good, but it makes you vulnerable to external factors. The islands I looked at were highly dependent on foreign trade and tourism (over 60 percent of GDP in these countries was foreign trade). But most of these economies have been suffering from a trade balance deficit, which is often financed by foreign aid. Puerto Rico alone gets \$20 million per day. They also suffer from diseconomies of scale, disinvestment, dependence on the "outside" (the South depending on exports to Europe and tourism, and the North depending on exports to Turkey), and transportation difficulties. In this light, large projects become more feasible when two communities join; there is a great potential for collaboration.

As an outsider, my opinion is that both the Turkish and Greek sides have done extremely well economically. If you look at each of their GNPs before 1974 and after, there has been a large development. On the Turkish side, GNP went from \$400 to \$4,000 (and there is a

lot of unrecorded economy, so the figures are closer to \$6,000 or \$7,000). On the Greek side, GNP went from \$5,000 to \$13,000 (again, it is probably closer to \$17,000).

In general, they are doing well. The major binding restraint is that they are heavily dependent on external resources. And there is the issue of water. For example, I looked at a water project. There were feasibility studies done on the prospect of bringing water to Cyprus through a pipeline. But Greek Cypriots didn't want to be dependent on "Turkish water." We shouldn't let politics get into economic politics. Arrangements like that between Malaysia and Singapore can be made, where water to Malaysia comes through Singapore, so that if Malaysia cuts off Singapore's water, it cuts off its own.

Finally, I want to say that we did not waste twenty-four years. Institutions were built. Now it's time to start collaborating. Don't wait for a political solution to begin. However, a political solution has to come before the economic benefits are completely realized.

Jeff Sachs: Small is beautiful in a globalized economy. There is lots of evidence. In the *Global Competitiveness Report*, one consistently finds that small economies dominate the top of the list. Hong Kong, Singapore, Ireland, New Zealand, and Luxembourg all come out at the top. They are not only very competitive but among the richest in the world. Hong Kong has an annual per capita income of \$26,000; Singapore: \$25,000; Iceland (similar population to Cyprus): \$26,000 (it has an advantage because it sits on a great fishery). These islands have taken their advantage and built a tremendous amount around it. They are very small, extremely successful, and very clever. Luxembourg may be the richest place in the world; it is a financial center. Cyprus is also, and could be more. Ireland has achieved the highest rate of economic growth among OECD countries over the last ten years. It is a sophisticated financial center and a production economy for high tech industries. It is especially clever in management. New Zealand, with 3 million people, is small and successful.

How do you do it? If you're very small, you have to be outward-oriented and integrated with the rest of the world economy. Small and closed is dangerous. So, the attributes of a successful small economy are: One, it is outward oriented. Two, it is flexible (because it is always receiving shocks). It is able to move and diversify. Hong Kong is probably the most flexible – before, it was making clothing and suits, and now it is making computer chips. All the change came within ten years. China is now the source of garment production. Three, it is integrated with the neighborhood. This isn't absolutely required (Iceland and New Zealand, for example, were extra flexible, but there is some difficulty because they're so far away). Cyprus is at a crossroads of major trading areas, especially the European Union. So it faces no geographical problems, just politics.

Both northern and southern Cyprus have had good growth. As Hatice Jenkins said, they have had respectable growth; they are in the top end of the world. But it is not like the countries I just described. If there is a goal to do more, how do you get there? I have some general observations: First, it requires moving into more sophisticated service

sectors with more value-added. That means introducing modern information technology, integrating it into manufacturing, improving the financial sector (you can't have time lost in shipping). It requires making the financial sector more than it is right now. It is now an offshore haven, particularly for Russian money. In a "cleaned up act," it's a great idea to be a financial haven; but it requires upgrading of the financial sector to be within international standards, offering sophisticated services. Cyprus can play that role, but it requires upgrading of regulations and integration into the European financial sector and the international financial sector.

Second, it requires lots of attention to education. That Iceland is able to do what it does has to do with the quality of its education. They said, "We have to have the best university;" then the educated people wanted to stay as "big fish" in their hometowns, to maintain their economy at the high level. This will be key to the next level of development, where information and human capital is core.

Finally, Nilgün Gökçür said something important: You must very carefully do benchmarking. Where does the Cypriot economy stand relative to its competitors? You need data. You need to know port charges, transport costs, internet provision, number of engineers, tax levels, cost of phone calls, financial sector regulation, etc. This is all valuable information. A lot of the economic debate is a problem informed by hunches that are not right. You need to make careful comparisons. For "international benchmarking," the World Economic Forum may be a useful vehicle. It is a way to address business issues in a serious way. It will help you look at the long-term global business environment. You also find out a lot about your infrastructure. For example, Costa Rica won over Malaysia and others in its bid to attract Intel. Intel was very interested in water. Its priorities were: Taxes, taxes, taxes; then water; then skilled labor. Then Motorola came in to Costa Rica. That country went from bananas to high technology in a few years. It had to understand what was holding back foreign investment.

Questions:

GC 10: something that needs to be corrected. Hatice Jenkins said Greek Cypriots don't like to depend on water coming from Turkey. [TC 3] and I were in a business group in Brussels. Bringing water from Turkey was an item of business. The idea was to create a joint venture company to deal with the problem. Two obstacles: 1) businessmen are waiting for a profit; 2) there is a need for a legal framework. Water from Turkey is more expensive than water from Cyprus. Joint ventures won't give a return.

TC 3: Water resources on the Greek side were not to be used [said an American ambassador] – water was not to be used but to enrich underground resources. The project was to be between Turkey and Israel, passing through Cyprus. The cost was good (for desalination). Overall, the whole situation is under investigation to make a feasible bicomunal project.

GC 3: The proposal was to use water that is being lost to the sea on the way from the South to the North. It was brought to Denktash. Before we discuss it, you have to recognize it.

I want a clarification: Hatice Jenkins said the economy in Cyprus is going well, but I heard from Turkish Cypriots it was going badly, it's deteriorating, and they're emigrating.

Hatice Jenkins: What will Turkish Cypriots gain by saying how badly things are going?

Theo Panayotou: There has been outmigration from the North. We have a classic example of water scarcity. They're talking about how to increase the supply. The cheapest way is by improving use of water on the island. Improve efficiency of existing use. Get it from farmers at 6 cents. Improve policies of North and South on common resources. Environmental issues/projects are less politically loaded. It offers an area of cooperation. Look at the Balkans: The United States has established programs to promote collaboration between antagonists on the environment. European integration began with environmental policies. Start with less political areas.

TC 2: What will we do for peasants who gain their livelihood through potatoes and oranges?

Theo Panayotou: Good question. Makarios went to Malta and was impressed. They are producing microchips while we're still producing potato chips. It's natural if you're subsidizing farmers. The farmers should be given assistance to restructure their activities from water-intensive crops that are non-water-intensive. How about high-value horticultural crops, fruits, and vegetables for export? In Thailand at 4 a.m. thirty planes take off with morning harvest bringing fresh products to Hong Kong each day. Because it's not Iceland, we can export products that use less water for the value of the crops.

GC 7: Jeff Sachs mentioned flexibility as being an important characteristic. How do we get there?

Jeff Sachs: Flexibility involves:

Labor: There has to be a real labor market (not dominated by powerful unions) and an expectation that people will move between jobs over time.

Capital: Ownership structures can't lock in business. Government protection keeps industry alive long after it should. A flexible market understands that industries fall and rise; "creative destruction" – what is really a modern productive economy is not a quiet ride in the countryside; it has incredible dynamism. A lot of inflexibility comes from thinking you have to protect everyone. An example is the Soviet Union. For fifty years it didn't want unemployment; no factories ever closed; in a "humane society" every job was guaranteed. After fifty years, it had the whole population in the wrong place. Clever, flexible economies constantly absorb change, not knowing where each worker will get his

next job. Let the old jobs go down.

The United States downsizes and lays off millions of people, but it creates lots more jobs. As soon as you focus on “what are we going to do with those people?” you’re dead. A politician can never lay off a worker. As soon as it’s a political issue, you never close down anything. It becomes very inflexible. In the United States it takes ten to fifteen years to close down an absolutely useless military base. That’s convoluted. California used to be a “dead” place. Now, it’s having the biggest boom. Nobody guessed the entertainment sector and the information technology sector would compensate manyfold for jobs lost.

In summary, keeping government out of closing sectors is the key to flexibility; having legal structures compatible with laying off, etc. is the other part. The message to trade union leaders is that for the sake of the working class, keeping flexibility is very important. It may not look beneficial in the short term. Do a correlation between those places that have strong labor guarantees and net job creation.

TC 3: Turkish Cypriots did well economically between 1974 and 1998 because in 1974 there were lots of embargoes. Turkish Cypriots weren’t doing well at all in 1974, so the comparison with the next twenty years was dramatic. But since 1994, with the Turkish lira devaluation, the Turkish Cypriot economy has been shattered. Financial support is coming from Turkey.

TC 5: In bicomunal activities the two mayors of Nicosia have talked about recycling projects. Looking at the example of Europe, I see the integration model starting from economic integration being more functional. It creates interdependence (big projects, water, recycling, power), and a higher level of interdependence leads to softening mouths of politicians, which leads gradually to political integration. The European Union is being pushed toward a political integration. We should form a mini- European Union and also be a part of the European Union. Under the smaller umbrella of “Cyprus Union” we can deal with water, power, etc. Gradually we can decide to form another federation. Should we not start from economic interdependence?

Theo Panayotou: Environmental integration is a very first step, even before economic or political integration.

Nilgün Gökğür: Economic integration alone, in the absence of political will, is not going to go forward.

GC 2: Economic indicators are very attractive. However, in fact, there are some problems that need to be addressed immediately. Competitiveness is starting to suffer: 1) productivity is low; 2) protective policy is now gone. After the GATT agreement, and the last stage of the customs union...protection is gone. Lots of things are being imported, not produced at home. It’s a competitive world now. We’ve entered it. We have to adjust our economy. Sectors like agriculture are suffering. We are growing things we’ve been

growing for 100 years. Land is limited, labor, water, and markets are limited. Doors are open for all countries, including northern Africa and the Middle East. We can't be competitive in citrus, etc. We need to make major changes. We must make the best use of our advantages, for example, we have an earlier season than Europe. Service industries and tourism are doing well. Services are doing well, but competing with other countries that are highly developed. We have to move quickly to maintain these standards.

When discussing the economy, permanent peace is achieving balanced development; people achieving balanced growth with no gaps. The day we sign a document, we have to be ready to move quickly to bridge the gap. It is an important element in maintaining stability. Economic restructuring is very important. We need to embark on a serious study to speedily bridge the gap in infrastructure and business activities.

GC 6: I have worked with many bicomunal groups on economics. I have seen that political nationalism has translated into economic nationalism; it is seen as a zero-sum game in economic interests. We need structures that would make common economic interests operate in peacebuilding organizations. We could fund bicomunal businesses and give them special advantages, especially in the service sector and information technology (even registering them outside the island). We could give them special status and more privileges than normal businesses. So far it's all on paper. We overpoliticize everything on Cyprus.

TC 1: I was founder of a water project group in TRNC. We studied the issue for one year. We evaluated existing resources, including aquifers and rivers; we evaluated irrigation (and found it to be very wasteful); and we looked at bringing water from the outside. Hatice Jenkins' assessment is generally right. We are doing well there. But some income is superficial income. It's coming as aid from Turkey, and it's not going to the right places. It's an artificial figure. It's not the real economy. The individual seems to be happy, but the state is falling apart. Looking to the future, we will have to shift, as Jeff Sachs has said. We have a good chance if we can form a peaceful island especially with the prospect of bringing natural gas through Turkey from Central Europe.

TC 2: There are unique species related to the island, for example, there are thirty-two kinds of wild orchids unique to Cyprus.

Nilgün Gökgür: I understand there is a shopping list of shared projects; in the absence of political solutions, they have not materialized. Let's analyze the welfare losses and potential gains and integrate that into a solution. Once we identify opportunities – in trade, employment, and investment – we can integrate them into the political agenda. We need a systematic analysis. We must be more concrete. Cordovez's draft should include a piece on the outcome of an economic analysis.

Hatice Jenkins: It is important for us to understand what is happening in our economy. The impression on the outside is that our economy has collapsed. That is not

the case. There are a lot of limitations. The only thing that is working is the universities. The private sector is not doing well. There are transportation, communications, and water problems. I appreciate the comments of [GC 2] and [GC 6]. I sympathize with their difficulties. What can we do about the gap that is not just abstract? We need to address essential issues. We need to allow investors in. We need to be able to sell things. We need realistic solutions. When the Turkish side builds its economy, it isn't taking things away from the Greek Cypriot economy. Only our Greek colleagues can help us.

Theo Panayotou: [GC 2] is talking about achieving equality as a way of consolidating peace. Hatice Jenkins is talking about achieving equality as a way of achieving peace. It is critical to do both. Think in terms of stakeholders in both communities. They have a vision about the island. Diego Cordovez should do a survey; what kind of Cyprus do people want their children to inherit. [GC 2] added part of that vision – little income disparity; [TC 2] talked about orchids – that needs to be researched; Jeff Sachs mentioned information technology – Cyprus has the third highest education per capita in the world; tremendous opportunities have not been explored. Think of a strategy to achieve that vision; something like a “green” Singapore. The vision needs to be bigger than short-term political claims. I think long-term visions of Greek and Turkish Cypriots will be very similar.

Jeff Sachs: Income gaps could never be sustained were it not for the state of politics and the special problems of the embargo, etc. You won't actually have to take heroic economic measures to rectify the gap. Regular market forces will do a tremendous amount. One thing that will consolidate peace is the economic dividend that will result. Half of the island has lots of obstacles; no doubt that without an embargo, open relations with Europe, etc., the bottom would come up. I wouldn't worry about that as the essence of the problem. Not to discount the need for strategy, but the gap will close with great speed once the profound disadvantages can be overcome through a political settlement. Also, dependence on Turkish currency creates a huge problem too. It's a terrible burden on Turkey and thus northern Cyprus. There really should be macroeconomic change. No one can function with this level of inflation. The costs of the embargo are immense. The essence of the relationship is a close, low-cost relationship with Europe. It is not enough to trade with Turkey. Turkey is too poor, too small a market. It can't do what Western Europe can do. The large gap is totally politically driven. It can't survive peace. A shorthand measure of the cost of conflict is the income gap.

GC 2: In 1960 we underestimated the urgency of working together on the economy through joint ventures, etc. We don't want to repeat that. The Turkish Cypriot community may be fearful of going out of business; it needs a plan to implement the day after. There is a psychological role.

Jeff Sachs: Once relations are open to Europe, it's not a zero-sum situation. Both sides will gain powerfully.

Looking Forward: Outstanding Issues

GC 6: Each community can ask the other community, “What can I do to empower you to move to a more positive relationship; to support you and help you move closer to the kind of resolution we both want.”

TC 8: There is a significant amount of trade between the two communities. One form is the purchase by Turkish Cypriots of spare parts for motor vehicles, gas, and medicine. The amount of official purchases from the south equals two million Cyprus pounds. Another form of trade, mostly at the communal village level, consists of smuggling of goods back and forth. We can't underestimate this. Trade shows us a need for commerce between communities. People are risking punishment and their capital to trade.

To answer [GC 6]'s question: Try to persuade authorities to legitimize present trade going on between the communities. This could be a spark toward creation of trust between them. When Turkish Cypriots read in the papers that someone is punished, it makes him feel it will never be possible to make a peace with a community that could not extend just a small amount of trade. To start with, let's say we can trade equal amounts from both sides. I want to support friends who advocate bicommunal business ventures. They are often arrangements by third parties. We need to create such conditions that Turkish and Greek Cypriots will *need* to get together. Need comes with trade.

TC 3: A few points:

- Embargoes: I expect Greek Cypriots to relax and eventually lift all embargoes imposed on the Turkish side. The first to be lifted will be on sporting activities, then economic activities. I would like them to express their support for this. This will help to build trust.
- I heard that there is a bill in the house of representatives proposed by the Greek side to legalize trade in the Pila area; please press for this; at least to start trade in this area. If there is not such a bill, press to propose such activities.
- I would like to have cross-border trade (such as that experienced in Ireland); even if it is primitive – bring tables and tents to the border. Local products can be bought and sold by both communities.
- I'd like to have joint projects, especially environmental projects, such as one specifically for solid waste disposal for both communities. It could be on the buffer zone, and waste could be processed as a joint activity.

On the concept that we are delaying things for “The Day After,” then, we won't need a third party to tell us what to do. We know what to do then. We have to do some things starting from today. Don't delay everything until that day. We can have joint ventures (waste disposal, a common dairy production project, exports to foreign countries). We

don't have to wait. "The Day After," the rules will be based on the market; it is now that we need third party support for joint ventures, etc.

GC 3: I fully support having common cultural activities. I support bicommunal projects and trade. But if through trade we should lead ourselves to the indirect recognition of the TRNC, we have surrendered ourselves politically. I expect Turkish Cypriot friends to raise their voices so that we have the right to meet socially or politically. We want the opportunity to go to the north.

Robert Rotberg: Is there a way to declare cross-border trade and cultural activities that does not constitute recognition?

GC 3: We have to find an umbrella under which to work. The United Nations? Unfortunately, we remain there. We should start with this to avoid a direct political commitment.

Bill Nash: I want to pursue cultural/sports exchanges or recognizing the legitimacy of the black market. How about if 5,000 troops, some tankers, etc., leave Cyprus?

GC 3: That's what Clerides endorsed with UN Secretary-General Kofi Annan.

Bill Nash: What are you giving for 5,000 troops?

Nelson Ledsky: This game has been played for thirty-five years. Every now and then Turks take soldiers off. Greeks know that troops taken off can be quickly returned. Greek Cypriots will refuse to pay a price for this game. Both sides have judged it to be a game.

TC 6: The sewage project did not materialize because of the wisdom of two mayors. It was successful because of the pressing needs. It is astonishing that after so many years, the *European* still mentions this project. "To find optimism about the future, you need to go underground." The reality is that the treatment plan was left on the Turkish side after 1974; due to the topography, cooperation was inevitable. It wasn't just two nice guys deciding to work together.

I'll come back to that. It took us a year to negotiate. I wanted to make sure the northern part of the city as a region was included in the scheme. I wanted to know who would pay how much. Would it be according to usage? We jumped into another, more challenging area – the future of the capital city. A draft proposal received international recognition. It took into account the reality and also the future possibilities. But these are rare examples. Where are the others? I haven't seen many solid projects that are implemented.

Since 1990, we have had difficulties receiving certain funds. The procedure for receiving money has changed. There was an international supervisor watching, giving accounts to Brussels where money was channeled (through London to us). But now, it seems that the Greek side doesn't want to follow this procedure. So there are uncertain funds that can't

be used by the Turkish side. The way we avoided problem over recognition in regards to municipalities is that each side represented its respective communities; there was no problem of recognition.

GC 1: Concerning border trading, if anything is currently found, it is seized. Under a proposed bill, a good wouldn't be automatically seized if it could be proved it had clean bill of health, it wasn't illegal, etc. It was an effort to normalize trade, but even that didn't pass through the house. The reaction was that this looks a bit like recognition, so let's not deal with it. If there is any hint of recognition, Greeks won't go for it. It's an important weapon in a meager army of weapons.

Louise Diamond: Recognition is the heart of the matter. That's the current reality. Take responsibility for being creative. Be a group of people who say, "This is our task to find ways to get things done in spite of this."

TC 10: I expect more condemnation of provocative, restrictive, chauvinistic acts. I want to see people speak out. We see some, but to build the trust that has been totally destroyed, we need to see more. It isn't easier than recognition. At home, people like us are considered traitors. But I expect the same from my community as well. Imagine our grandchildren watching TV, seeing provocative acts.

GC 6: We should look at recognition in stages. First, what can we do which is practical and doable before, during, and after a solution is reached? Right now, what can we do to give movement and space to the two communities? What can we do together to resume bicomunal contact? We have to be able to meet.

TC 1: By meeting us, you are recognizing us. If you take it too far, it will not get us anywhere. Because of this legitimacy matter, the embargo is giving a lot of fuel to extremists. Lifting the embargo is a humanitarian issue, not a recognition issue. While you have the power (before legitimacy is completely eroded), act to remove the embargo. By lifting the embargo, you will gain more than us. We are not in a war. You have the power. It will be well-understood by us. You will get results soon. Also, freeze or postpone your application to the European Union. Postpone the S300. On the cultural and educational fronts, let's form a committee to revise books of history. It's all chauvinistic; it's trash. We're hurting our children. These are my requests. Recognition by implication is something indefinable/elastic. We have to be serious about this.

GC 1: The only thing we can't recognize is the TRNC. We do recognize them as a distinct community.

GC 4: What would be effective is not what we expect them to do and vice versa. We need reciprocal measures, i.e., gradual relaxation of all restrictions on freedom of movement of individuals, goods, and ideas. Without declaring an emergency, we can't stop movement of goods and ideas. But I'm realistic. Change won't happen overnight. Gradual

relaxation is possible. How about fighting for a decision that if a Greek Cypriot finds himself in a Turkish Cypriot area, he isn't arrested. If he commits a crime, ensure a trial by his own jury. Now we give poor interpretation, restriction of bail, etc. Another thing: Let's begin repairing monuments with full respect for the religious and other views of other side. Measures will only succeed if they are reciprocal. What I want them to do, I should be prepared to do myself.

Hatice Jenkins: The problem of recognition is wrapped up with trade. It reminds me of Sri Lanka. Privatization was called something else because it was socialist. Instead of saying recognition, we can say "unification" of northern Cyprus. With creative ideas, maybe we can sell it.

TC 4: "If you have a bad landlady, you end up buying your own house." Saying, "I won't recognize you guys" leaves you with the question of who are you going to work with if you don't recognize us? You can't deal with individuals; we in fact have our own government. We are not coming to you as a mob. We have a civilized structure. Recognizing doesn't really mean a thing to me. I think it's the only civilized way that we can deal with each other. I don't know what harm it will do to the other party.

GC 3: If we recognize you, it's like giving you a legal vehicle to give you houses that belong to us.

TC 4: But we didn't want to live in enclaves. We didn't want to move to the north. Either you deal with us as civilized people or as a mob.

GC 10: We have to work out all of these ideas. A new suggestion is to have a committee to work out these things. We need a possibility to have this committee meet in Cyprus. First, we need freedom of communication in Cyprus. There is a lot of ground we can start covering in the right direction if we have the chance to meet again.

TC 9: What happens if we try to clean all the chauvinistic items in the schoolbooks? This was my proposal as education minister in 1994. There was an international meeting in Germany on this subject. I sent my representative there. Because of the fear of recognition, Greek Cypriots didn't send a representative there. This can be done by two education ministers.

GC 10: Let's draft something here.

TC 9: You know that Turkish Cypriot education is under control of the Turkish education minister. When I was education minister I encouraged students to throw flowers to the other side when other side was throwing stones.

GC 1: Here's an analogy. Imagine that today the Greek Cypriot community said "Our property was taken away," and we decided that since we have the power now, we'll go to southern Turkey and take a piece of land. Say we managed to settle there. After ten years

we declared ourselves to be a separate state. Do you think that the Turkish government will recognize us to try to negotiate with us?

TC 3: Embargoes for political concession didn't work for twenty-four years. Fear of recognition is dividing the two communities. We're facing integration with Turkey. The danger for Greek Cypriots is that the gap will get so wide that this will happen.

Louise Diamond: Your system is a conflict-habituated system. Patterns and structures are keeping you in conflict. The system has a strong default system. Push the "recognition" button and everything is all over. The work of a peacebuilder is the ability to move beyond the inertia of the default setting.

Principles For Supporting The Interests Of The Other

1. Supporting their interests strengthens yours. It's the paradox of peacemaking. To get an agreement, you have to support their interests. It's so simple, we don't think about it.
2. Your interests are served by being creative and exploring new approaches.
3. Patterns of unintended consequences and fixes that backfire drain the system and hurt your interests. You have a choice to do something about it.
4. Even small, unexpected, unilateral actions (that support the interest of the other) can have a huge payoff by sending a positive signal of willingness to cooperate and of caring.

Actions You Can Take To Support These Principles

1. Speak often and in many venues about these principles – apply them to real situations. Make them a normal part of daily conversations with people.
2. Act in harmony with these principles whenever you can (don't wait for leaders to do it); show by your own behavior there are ways to get out of the "box."
3. Work out scenarios for "undiscussables" in detail to diffuse knee-jerk reactions. Of course this will be the reaction; but create the scenario ahead of time, then people can follow the logic of it.
4. Set yourself a discipline for major acts and events to ask:
 - How will this impact my compatriots on the other side? (find out!)
 - What unintended negative effects might develop?

Then, bring this into the discourse. Systems that are at war are systems that are

extremely depleted. One of the symptoms of depletion is that we withhold our resources. Information is one. So one of biggest contributions is to bring information to it.

Nelson Ledsky: I tried to hear something new (in response to GC 6). I found a few things:

- There need to be reciprocal actions in two or three fields, such as travel, economics/embargo, and cultural/sports.
- Eliminate accusations from one side to another. That's a very important package. The two communities here can help in refining a package. We need in the process somebody like [GC 1] who can help define the limits of the possible. People on the Turkish Cypriot side can do the same. That can be the action of this group together.

GC 5: Some ideas can be promoted if there is goodwill. We can build up Nicosia. We can build up houses that have been destroyed on the Green Line. We have to discuss our cultural heritage. We're letting forest fires on the Green Line destroy the most beautiful places. Create a center for Greek and Turkish Cypriots to be together on the Green Line without the permission of anyone. We can find money from the European Union to do this. The neurological institution is unique. In Greek universities, we can strengthen Turkish studies. It will create the basis for a better climate.

Roger Fisher: The last suggestion was very good. It would be helpful to divide possible actions into categories: things I can do by myself; things several of us can do by ourselves; things our government could do; things we could ask our government to do; things we could do (e.g. communicate, meet) at the risk of government acting against us. A leader must ask himself: "Shall I now agree with the UN mediator's latest proposal?"

If yes:

- I give in
- I have less power to influence future events
- I reward the other side for being more stubborn
- I may be starting down a slippery slope
- I antagonize some supporters
- My fears have not been put to rest

If no:

- I stand firm

- I keep my present power
- I put pressure on other side to be flexible
- I keep all my options open
- I keep my supporters
- I can always make concessions later

It is always easier to say no. It is a standard truth of negotiations that in order to satisfy my interests well, I have to think about how to satisfy your interests.

Diagnosis	Possible Approaches
Each leader is reasonably saying “no”	Serve up discussion drafts to which leaders can say, “Yes, keep working.”
Progress depends on three individuals Leaders’ staff fail to promote flexibility Competent human resources (like all of you) are underutilized There is not ongoing structure to involve you	Involve more of you on an ongoing basis Generate suggestions (e.g. a TC and a GC can each retain CMG as a consultant to advise on future negotiations; CMG gives advice and passes ideas onto UN mediator) One goal: develop a discussion draft constitution Draft next steps Draft other agreements

We can’t solve the Cyprus problem. Our job is to transfer negotiating skills to you, not to substitute for doing your job. Homework assignments: [GC 4] convene a committee to discuss reciprocal matters. [TC 9 and GC 10] work on education issue

GC 7: Should reference be made (publicly) to people in this group? The majority thought this should be left to people coming from government agencies. Some thought there should be intervention by this group because people in government might be trapped by their own interests.

TC 9: A precondition is the resumption of bicomunal activities; it is forbidden for civil

servants to participate in such activities.

GC 3: Yes, that reality is true. But we can't wait. Respective members of the communities can directly contact the leaderships on the two sides on the political and educational levels and try to press them toward this end. It would be worthwhile to come out of this meeting and press for intercommunal activities to resume.

Louise Diamond: There are already groups in each community working on this issue. It is important to acknowledge that. Teachers, administrators, and students were working jointly, now separately. Find a way to link yourselves to them.

Nilgün Gökğür: There will be a lag. In the meantime, approach the media. Launch a public education campaign. How do you educate the public? Educate the politicians.

TC 10: Everything sounds good. The intention is there. But when it comes to implementation, there are certain realities. Let's be frank. How are we going to convince the chauvinists in the administration to get rid of these books? They are like parasites. They live and thrive on this material; they feed on this and on each other.

TC 2: This is a part of the whole. If you don't change the whole atmosphere, throwing stones into the lake won't do much. I teach journalism, and last year I spent a lot of time saying which words should be used by proper journalists. But when given an assignment, they don't write what I told them, but what they read in other newspapers. Trying to change the language of the media won't work on its own.

GC 1: A small step is that this group could come up with a public statement that this is what we want to work toward. Something positive among negative statements going on. Take account of what has already been done. This group has the stature. We could go to the leadership on both sides. Are you prepared to give instructions to your officials to work in conjunction with people already working on these issues?

Louise Diamond: UNESCO is working on a project called "Culture of Peace" (year 2000). You could frame your work as a contribution to this.

TC 4: Education ministers on both sides will be upset because it won't appear that this action is their view. Somehow, we have to get these guys to think it is their view. That's the only way it will propagate through their communities. Recognition of TRNC is necessary so that both education ministers actually think it came from them. Some of us could publish that Germany and France got together after two world wars because they got their history books climatized to new frame of mind. The idea that goes through both systems has to appear that it came from ministers of education.

GC 3: We can't have illusions that by publishing and speaking to leaders, things will go smoothly. But the importance of such a statement is that twenty people from all different sectors agree on this. This is also an isolated issue; we have to combine it with some

general declaration of intentions, which is mainly to promote relations on Cyprus between groups. It is worthwhile to draft something.

TC 9: Any statement as a result of this meeting shouldn't be just on education. Anything published will underestimate the importance of this meeting if we say something only about education.

Nelson Ledsky: The idea of working on textbooks and cleansing objectionable language is not a small idea; it's not an original idea (it's in the appendix of a set of ideas; it has some approval already); Yes, see leadership, promote it yourself. Resumption of bicomunal activities has to go along with this. We're looking for ideas of small things that will build trust over time. We should stick to that. I endorse the idea that you go forward with this. That includes resumption of dialogue, exchange of language teachers, textbooks, work through education ministers of both communities. Other groups should continue; they haven't been enough. If you're willing to proceed, and outline it orally to the leadership, you should proceed.

GC 9: There has been lots of discussion regarding confidence- and trust-building. There are also essential problems. What is the main conclusion that can be arrived at? We can't deny the reality before us. The situation is becoming more and more difficult. Negotiations and confidence-building measures each affect the other. Besides all of the suggestions, the message should be clear that we remain bound to peaceful procedures for solving the Cyprus problem. Negotiations and dialogue on an official level should start as soon as possible. We have to reverse the situation.

GC 6: Specific projects are important. But we also need a strong statement about the urgency of the situation, and a reaffirmation of the need for peaceful means to resolve problems.

TC 6: The nice thing about meeting is that we come up with lots of projects. But once you're home, you can't implement your ideas. Last year, a conference came up with 100 ideas, but they aren't being implemented. We can't even meet again. Why am I so pessimistic? To start implementing certain pieces, you have to have the overall picture in front of you. There has to be a shared vision on both sides, moving in the same direction. There are different understandings and visions of leaderships. So where do we go from here? In broader terms, can we do something to create a better climate? The key is Turkey-EU relations; people around this table can say something about that. The better their relations, the better chance for the Cyprus problem to be resolved. Turkey should have a chance. It shouldn't be excluded. It is not necessary that it should become a member right away. It should be given a real prospective that someday it will be part of the European family.

GC 3: Many politicians say these things a lot. I don't think repeating them will change much. But if our Turkish friends think it will help (along with other things), I don't have

any hesitation. I have no problem with Turkey joining the European Union together with Cyprus. Others are blocking Turkey's way, not us.

GC 10: We are all generally in favor of Turkey in the European Union. But can you imagine what would happen if we said that without making reference that we support application of our country to join Cyprus?

GC 2: Yes, why not? But if we come out with statement on that issue, it will be strange. We came all the way to United States to discuss Turkey? Can we do anything? Cyprus' application is linked. It would be strange if we supported Turkey joining, but didn't push for Cyprus. Starting and finishing with books isn't a strong statement. It has to be an element of the whole.

I think that we should have a statement with three elements:

1. Call leadership to responsibility for taking action (resumption of talks, allowing communal meetings, etc.)
2. Send a message to the people about the need to work together; spirit of cooperation; joint activities.
3. In the area of education, make use of the commitment by UNESCO and endorse its "Culture for Peace."

TC 6: The last few years saw the linking of the Turkey-EU issue and its impact on Cyprus' development. Unless we have Turkey on the same track, it won't work to solve the Cyprus problem. It is that linkage that makes me feel that something needs to be done on that front. It is because of that impact that I am insisting that something needs to be said or done in regards to that. Unless Ankara gives its consent, no education minister can change history books.

GC 2: [TC 6] is right. If Turkey were offered today that if in a month it would be on track for EU membership in exchange for solving the Cyprus problem, then something would happen.

TC 5: After Luxembourg, all talks and contacts have stopped. So all three issues should be mentioned in a declaration: talks/dialogue; bicommunal talks; and EU prospects for Turkey.

GC 1: Just make sure that there is an acceptance of the fact that Cyprus' application could continue.

TC 1: I agree with [TC 6]'s statement. I am glad that friends understood the importance.

To make the matter more effective, through their contacts they can influence the same ideas to be declared by Greece. We know it doesn't hold the trump card, but at least if it is out of the way, Turkey will not be able to blame Greece.

GC 3: Greece will say, "what about the Aegean islands?" Greece will be more secure if it's in the European Union. But there have to be movements on both sides. When we endorse what [TC 6] says about the importance of Turkey and the European Union, we have to put something in the document that helps us be effective.

GC 5: If we put some limits, we can identify how to be more productive. This group won't solve the problem, it won't replace the leaders. So where can we place our contribution? It is important that we meet and create bridges. We must make a real contribution, not just superficial political talk. We haven't discussed in a deep enough way any of the issues. They have not been examined thoroughly. We have to arrange meetings in the future on special issues that will come to some kind of conclusion.

TC 3: I expected something solid would come out of it. We have been "hammering the water;" and there is no result. It is frustrating. We come to these meetings and end up hammering the water. We are not ready to take the responsibility to achieve something solid; we either do business or hammer the water and escalate tension. Leave aside our fears, trust our hopes, do business to decrease escalating tension. At least in the primitive way of cross-border trade. We will send a message that the two communities are ready to cooperate. Introduce responsibility. Cypriots must do business before September of this year. They succeeded with this in Ireland.

Robert Rotberg: Is this group willing to have such a document go forward? If so, what should it contain?

GC 4: Yes to a document. We can't ask for a resumption of talks without mentioning Turkey. Then we have to talk about Cyprus. We probably don't have consensus there. We can generally ask leaders to try to solve the problem, and resume contacts between the two communities.

TC 9: I'm afraid that the only thing on the document is what is on the official Greek side. We need something about the Turkish side.

TC 2: I can see that it may prove that nothing comes out of this if we call for resumption of negotiations, resumption of bicomunal talks, and implementation of rapprochement. Those are all Greek views. If something is not added to this, we will be accused of once again giving in to the Greek side.

TC 10: Most of the time we spent here has been discussing EU/Cyprus, the Luxembourg agreement, and EU/Turkey. If a statement is issued, we have to somehow reflect what has been discussed here. We also discussed embargoes and trade restrictions. If we don't include our discussions, we're not reflecting the meeting.

TC 4: Ideas sometimes come from the Turkish side. Five years pass before the Greeks realize that what we were saying was actually in their own interest. Observation shows that misfortune is because of our own ideas and practices. We both need a big shift in our frame of mind. I want you to consider that recognizing TRNC is not bad for you at all. We're not going to take it and run away from Cyprus. There is a useful structure there. Recognition is the basic need of a human being. Like my name, you will not lose anything by calling me that.

TC 1: We are much more civilized than other conflicting areas. But we have to reframe our thinking. A few sentences don't help. The basic stumbling block is not addressed. We are disturbed a lot by these embargoes. It is an issue of good will and humanitarian understanding. We have to be brave now. We know where the key is: it is the duty of this forum to ask the European Union to take into account Turkey's request for accession.

Nelson Ledsky: One of the purposes of meeting is to try to figure out how to go from a group that is Track Two to a group that is influencing Track One. You have to decide whether you are a group and whether you want to make a statement.

- If the desire is to put forward a confidence-building measure – education, resumption of contacts, expungement from history books – then that's good. If it needs to go through education ministers, as [TC 9] said, then OK.
- If the issue of EU/Turkey is handled through, say [GC 1]'s press statement, it may be more important than a declaration.
- The result of this meeting should be that we inject into the UN process as best we can our own ideas about how UN proceedings should proceed. I don't think we have to believe nothing can happen until Turkey is allowed to apply to the European Union. We can take the notion that the Greek side accepts a bizonal, bicomunal solution and energize the Turkish community to go back to negotiating table. Don't continually insist that Turks organize themselves in Ankara.

GC 5: It would be a catastrophe if we give the impression that people here failed; we are seen as moderates. We have to prepare future meetings to be in position to work together on some special issues.

GC 1: I'm prepared to:

- Go with other Greek members to see President Clerides; give instructions to the education ministry to work with people outside.
- Give interviews about Turkey's application to the European Union.

- Play up positive aspects of this meeting.
- Promote economic aspects; promote World Bank report (economic gains/losses)

TC 5: A list of what we have discussed can be put down. At the end, the solution to any problems should be through peaceful dialogue. That won't undermine the quality of the discussion.

TC 8: It can be a conclusion, a simple report, or a recommendation. The report should contain headings of subjects we discussed. More important than the report are the things the group can do when back in Cyprus. We have to satisfy needs of Turkish Cypriots; persuade authorities that bicomunal activities benefit their own interests. The only way to do this is to point to outcomes.

TC 3: I will try to convince influential people to abolish suspending bicomunal contacts. Patience, persistence, and perseverance lead to peace.

GC 7: It will be very useful to see leaders *and* appeal to citizens. If the latter know, they can hold leaders accountable.

Nilgün Gökğür: the minister of finance in the South can request a team to spend one week in the South and one week in the North.

TC 9: This meeting warned me that in general, people attending these meetings feel themselves to be stuck in their governments' official positions. This leads to unproductiveness. I think we're not bound to our government's position. If we feel that way, we're not useful. Sometimes I feel myself thinking like a Greek Cypriot. We're going to be accused by our leadership of not obeying the decision of the government. They might produce a law.

GC 10: There is no real disagreement, though there are differences of opinion. We need more discussion and preparation before we can reach a consensus. Bicomunal activities are very helpful; they are a cornerstone. We have to give them priority.

GC 9: It is possible to have a short declaration of what we have done without enumerating and specifying details. I'm not afraid to say that though we didn't agree on all subjects raised, we've had the opportunity to know better the position of the other side. We've exchanged views on joint activities that might be possible on social, economic, and environmental life. Also education, perhaps. Finally, it would be very useful to make reference to the most essential point: peaceful solution of the Cyprus problem. We all agree on this. It follows that this can be only through negotiations and dialogue. Don't say the conditions under which they'll be started. Each side will explain to its own community.

GC 4: I have a preference for a document. But it shouldn't be a minimum common

denominator. It's not really always necessary. A transcript will show convergence and divergence. Peaceful dialogue plus school books plus gradual relaxation on restrictions of movement of individuals, goods, ideas, trade, etc. I'll be speaking about these issues.

GC 8: It is not possible to reach a conclusion. We should still give our views as understood by you. Then people can draw objective conclusions.

GC 3: I prefer a document, but I'm afraid it's impossible. The difficulty in having a document points out the difficulty between us. It seems that as time elapses, points of difficulty are getting more and more. There didn't used to be a TRNC, so that wasn't a point of contention. Then the European Union came in. I'm concerned about developments to come in Cyprus. I'm afraid new ideas that are needed can't originate from among us.

TC 6: Sometimes we couldn't even say that our aim was to achieve a bicomunal/bizonal arrangement. Even if we couldn't say anything publicly, we shouldn't undermine the value of this meeting. I will be doing what I've been doing for the last couple of years. I will insist negotiations begin as soon as possible (we're not afraid of that; we stood against Denktash when he asked for recognition before negotiation). We are openly declaring our positions. But we're not the only Turkish Cypriot parties. I will continue to try to convince the European Union that exclusion of Turkey will not help the Cyprus problem. Turkey will have to work on herself, too. I will also urge diplomats to create a better atmosphere between Greece and Turkey. I will be happy to hear Greek Cypriot voices from here; they will be helpful.

GC 6: In view of the absence of activity since December, it is important that it becomes known as an event that Greek and Turkish Cypriots got together. I've gleaned a high level of anxiety from this conference. Even disagreements that transpired are a byproduct of escalation of tension on the island. Behind the points of disagreement, I heard strongly the voice of Turkish Cypriots. I heard a deep desire to establish positive relationships with the Greek Cypriots. It was almost an appeal to Greek Cypriots that we can do nothing else under the circumstances except establish positive relationships with you; you have to help. Turkish Cypriots have always been preoccupied with their relationship to us; Greek Cypriots have always been preoccupied with their relationship to Turkey. We've missed each other.

What I can do is assert the needs of the Turkish Cypriot community to political leaders and the president. The stronger we assert their needs in Greek community, the greater chance we have of breaking the deadlock on contacts and negotiations. We need to transfer the anxiety and desperation of Turkish Cypriots to our leaders. "Primitive trade" is an urgent need. It may give an outlet to escalating tension. I am willing to raise this to our leadership. It is important to assert in our community that the only way to attain peace is to employ the means of peace. Security/military issues should be thrown into the background. We should reassert the priority of returning to the political frontier.

Nelson Ledsky: I agree that new ideas are necessary, I don't agree there are none in Cyprus. I heard some new ideas and old ones reflected in new ways. Those and others you may have need to be communicated to your leadership and to the leadership of the United Nations (they won't come from Clerides or Denktash). They have to come from outside or below. I will serve as a conduit for ideas to the U.S. government. The United States in some ways let you down by promising things and not delivering. But I can get into the State Department; I'd love to take your ideas there. I'll try to reflect to the government the downward spiral. There is an urgency about getting to ideas that are serious. We have to deal with a package of sticking points. In each one of those, your new ideas were very important. [GC 6]'s document contains the answer to how to deal with the problem of TRNC. Deal with the last part of the negotiation before the first part – recognition before negotiation. I welcome your ideas.

Eileen Babbitt: First, provide support/input into Diego Cordovez's process. Second, with Conflict Management Group and the Institute for Multi-Track Diplomacy, undertake an initiative to begin serious, long-term negotiations between leaders from Greece and Turkey.

Diana Chigas: In South Africa we came with the notion that there was no problem that we couldn't solve.

Louise Diamond: Here's a short story: I was walking in the mountains in Cyprus and found an irrigation system with metal gates that were halfway open. A ball of junk was keeping water from flowing. I picked it up, shook it, pulled out some of twigs, and pretty soon, it all fell apart. I think that can be a good analogy for Cyprus.

Robert Rotberg: I'm surprised that my feelings are very optimistic. I see this very long road you've been traveling. Byways have already been explored and understood across the communal line. There is a readiness to think of children and grandchildren. I have enough confidence that moderates on both sides are really all working toward the same ends. That is not to minimize the enormous amount of work ahead. Answers only work with consensus afterward.

Authors

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Participants

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Bayram Çelik helped to found the Revolutionary Workers Trade Union (Dev-Is) in 1976. Since then, he worked at different times as vice president and secretary general of Dev-Is, and was elected president of the organization in 1996. He is also a member of the Republican Turkish Party and the founding member of the Turkish Cypriot Peace Association.

Diana Chigas is a vice president of Conflict Management Group, where she is regional director for Europe and the former Soviet Union and director for international programs. Chigas has worked with the negotiating teams of the government and FMLN guerrillas in El Salvador and of many parties in South Africa, including the former government, African National Congress, and Inkatha on organizing the constitutional negotiation process. She is co-leader of the Cyprus Consortium, which has trained and facilitated dialogue among Greek and Turkish Cypriot leaders and youth for four years.

Katherine Clerides has been a member of Parliament since 1991, currently serving on the Judicial, Education, and Rules of Procedures Committees. She was the first secretary of the Women's Section of the Democratic Rally and is the first president of the Social Policy and the Women's Rights Study Group of the Party. Clerides is also a member of the Joint Committee of the Cyprus Parliament and European Union. Outside of her parliamentary role, she has been active in the bicomunal Conflict Resolution Group, of which she was a founding member. Prior to assuming her position in Parliament, Clerides worked as a legal advisor in the private banking sector.

Diego Cordovez has been Special Advisor on Cyprus to the United Nations Secretary General since April 1997. He was United Nations Under-Secretary-General for Political Affairs from 1981 to 1988, serving, among other roles, as Special Representative of the Secretary General on the Libya-Malta dispute, as senior officer responsible for efforts to resolve the Iran-Iraq war, and as UN mediator in Afghanistan. Cordovez was foreign minister of Ecuador from 1988 to 1992. He is co-author of *Out of Afghanistan: The Inside Story of the Soviet Withdrawal* (Oxford, 1995).

Louise Diamond is executive director and co-founder of the Institute for Multi-Track Diplomacy and co-leader of the Cyprus Consortium, which has provided conflict resolution training and dialogue facilitation in Cyprus for four years. From 1988 to 1992, Dr. Diamond was founder and director of PeaceWorks, an independent peace education, training, and consulting organization. She brings twenty years of experience in the field of human behavior to her work on conflict resolution. She is co-author of *Multi-Track Diplomacy: A Systems Approach to Peace* (Hartford, 1996).

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Marios G. Eliades practices law in Nicosia. He was appointed Minister of Communications & Works of the Government of the Republic of Cyprus in 1978. In 1990, he was appointed by the Council of Ministers to be chairman of the Board of Governors of the Cyprus Broadcasting Corporation, where he served until August 1994.

Kutlay Erk is a self-employed businessman trading in construction materials and tools. He is a founding member of the Turkish Cypriot Businessmen's Association and was president of the Association between 1993 and 1995. He has been chairman of the Advisory Board of the Association since January 1998. He served as vice president of the Cyprus Turkish Electricity Board from 1994 to 1996, and is an active member of the Republican Turkish Party.

Roger Fisher is director of the Harvard Negotiation Project and the Williston Professor of Law, emeritus, at Harvard Law School. He is also co-author of *Getting to YES: Negotiating Agreements Without Giving In* (New York, 1991). His latest book, *Getting it Done: How to Lead When You're Not in Charge* (New York, 1998), was co-authored by Alan Sharp with John Richardson. He is the founder and senior advisor to Conflict Management, Inc., and the non-profit Conflict Management Group.

Peter W. Galbraith served as U.S. Ambassador to Croatia from 1993 to 1998 and was actively involved in the Croatia and Bosnia peace processes. Ambassador Galbraith played a principal role in devising and implementing the strategy that ended the 1993-94 Muslim-Croat war and helped negotiate the Washington Agreement that established the Federation of Bosnia-Herzegovina. He co-mediated the 1995 Erdut Agreement that ended the war in Croatia. From 1979 to 1993, Galbraith was senior advisor to the Senate Foreign Relations Committee, publishing reports on the Afghanistan War, the Iran-Iraq War, the Iraqi Kurds, Nuclear Proliferation in South Asia, and the Cambodian famine.

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Andreas N. Loizou served as judge of the Supreme Court of Cyprus from 1971 to 1988. During this time, he was a member of the Committee of Independent Experts of the European Social Charter of the Council of Europe, serving for six years as president of this Committee. From 1988 until 1994, when he retired, he was president of the Supreme Court of Cyprus. In 1990, he was elected judge of the European Court of Human Rights of the Council of Europe, and he is a member of the Permanent Court of Arbitration.

Andreas Mavrommatis is honorary Consul General of Indonesia and chairman of the Press Complaints Commission of Cyprus. Mavrommatis was permanent representative of the Republic of Cyprus to the United Nations from 1989 to 1992. From 1982 to 1988, while he was permanent secretary of the Ministry of Foreign Affairs, he served as

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