

REPORT

RECONCILIATION IN CYPRUS: THE WINDOW OF OPPORTUNITY

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New talks between representatives of the Greek and Turkish communities in Cyprus offer a window of opportunity to resolve the division of the island before a Cypriot state joins the European Union. The terms of a settlement could then be incorporated into the Treaty of Accession to the EU, for ratification by all its member states. The path towards a settlement is now clearer than it has been for a long time, given social and economic developments on the island and recent shifts in opinion within Turkey and Greece. Both Greek Cypriot and Turkish Cypriot communities stand to gain a great deal from a settlement. However, both would lose from a failure. The Cyprus issue remains central to relations between Greece and Turkey; a settlement would provide the basis for a transformation in their relationship. The EU as an institution and EU member states should seize this opportunity to encourage successful negotiations. The accession of Cyprus to the EU as a divided state would risk a crisis on the island, and between Greece and Turkey, which would damage the security of the eastern Mediterranean. This report sketches the outlines of a mutually-acceptable settlement.

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1. The problem and the opportunity

The revival of talks between leaders of the Greek and Turkish communities opens a window of opportunity to move towards a resolution of the division of the island before the state of Cyprus joins the EU. This window will not, however, remain open for long. Once accession negotiations have been completed, and the Treaty of Accession finalised, the opportunity to incorporate the terms of an agreed settlement in treaty form accepted by all EU institutions and member states will have been lost. The message of this paper is that *it is in the interests of all parties – the two communities on the island, the governments of Greece and Turkey, the European Union and its other member states – to seize this opportunity before it is too late*. With a greater degree of goodwill on all sides, there is now a foundation for a settlement from which all parties can gain. If Cyprus moves towards EU membership without parallel moves towards a settlement, however, it will then be much harder to negotiate a separate settlement; and both the Greek Cypriot and Turkish Cypriot communities stand to lose from the long-term separation which would be likely to follow.

Cyprus has been divided for almost 28 years. It was the intention of the Declaration agreed at the Helsinki European Council, in December 1999, that negotiations on EU accession and on a resolution of the conflict between the two communities should move forward in parallel, with the intention that any temporary or long-term derogations from Community law might be accommodated within the Treaty of Accession. In the two years since then, the Government of Cyprus has made rapid progress in negotiating EU accession; it is expected that these negotiations (in which the Greek Cypriot community has negotiated on behalf of the whole island, and which Turkish Cypriot authorities refused to join on the terms offered) will be successfully concluded in the summer of 2002, or at the latest before the end of this year. In contrast, proximity talks under UN auspices to revive negotiations between the two communities had made no significant progress before they broke down in November 2000.

Much time has therefore been lost. *It is now likely that Cyprus will join the EU within the next 2-4 years, whether or not a settlement on the island has been reached*. It would however be a tragedy for the EU to admit a new member state with a divided island, with a

wall through the heart of its capital city patrolled by UN peacekeepers. It would also be a tragedy for the island: for the many Greek Cypriots who cherish hopes of returning to their family homes after a territorial adjustment, for Turkish Cypriots denied a share in the prosperity which access to EU markets will bring, for all those on both sides of the divide who see themselves as Cypriots as well as ethnic Greeks or Turks. And it would be a tragedy for Greece and for Turkey, threatening the improvement in relations which the two governments have built in the past 2-3 years; and a particular tragedy for Turkey, if the hardening of positions on all sides which resulted from another failure were to lead to another crisis in relations between Turkey and the European Union.

The outlines of a settlement are relatively clear, once the leaders of the two communities move away from positions entrenched over more than two decades and are willing to show a degree of flexibility. But to ensure that these negotiations do make progress, it is essential that the EU itself and all its member governments play a more active role in promoting a settlement, and in providing incentives for both sides to compromise. The EU itself has so far played only a very limited role in seeking a resolution of the Cyprus problem, and the majority of member states have paid little attention. *The six months of the Spanish Presidency are crucial in promoting a settlement, and thus in strengthening the stability of the Eastern Mediterranean as a whole.* The reopening of direct contacts between the leaders of the two communities is an opportunity that must be seized, to resolve a conflict which has festered for far too long.

2. The dangers of drift

Memories of past atrocities, of broken treaties and unfulfilled agreements, provide the leaders of both communities with persuasive rationales for intransigence. The Cyprus conflict froze at the time that the Vietnam War was ending. Too much of the rhetoric on both sides has remained stuck in recrimination, rather than responding to political and economic changes within the island and in Cyprus's international environment.

Both sides can, and do, cite legal justifications for their refusal to move away from long-established positions. Successive decisions by the European Court of Justice and the European Court of Human Rights (ECHR) – on trade between northern Cyprus and the EU

and on the restitution of property in northern Cyprus – have complicated the task of negotiating a political settlement. A line of further cases on the restitution of property is awaiting adjudication by the ECHR. In the absence of a settlement a series of decisions against Turkey as the effective occupying power may be anticipated, over the next few years, with penalties attached.

The current situation is therefore not stable. Relations between the two sides are likely to get worse unless this opportunity is taken to transform them. For southern Cyprus, entry into the EU will provide other opportunities and international links, potentially decreasing interest in offering concessions in order to achieve reunification of the island. EU membership will also provide the government of Cyprus with legal, as well as political and economic privileges, which politicians will be tempted to exploit against the north whenever possible – thus making a negotiated settlement harder to achieve.

For northern Cyprus, excluded from EU markets and recognized as a state only by Turkey, the prospects are gloomier. More Turkish Cypriots by birth now live outside the island than in Cyprus itself; continued economic difficulties are likely to encourage still more to follow. The entry of a divided Cyprus to the EU is likely to provoke a political response from the leadership of northern Cyprus, supported by the authorities on the Turkish mainland: either in the form of closer integration between northern Cyprus and mainland Turkey, possibly leading to full annexation, or through a more determined assertion of independence for this excluded territory, seeking recognition from other extra-European states beyond Turkey. Such moves would threaten to spill over into wider relations between Turkey and Greece, and between Turkey and the European Union: in turn threatening the broader stability of the eastern Mediterranean.

The concept of parallel moves towards EU membership and towards a settlement within the island was correct. It is now urgent to use the limited time available before EU negotiations are completed to search for a parallel settlement, which may then be incorporated into the Accession Treaty. Two years have been lost since the Helsinki Declaration, with Greek Cypriot leaders insisting that their legal position as the internationally recognized government of Cyprus does not permit economic or political concessions to the north, and with Turkish Cypriot leaders insisting that negotiations cannot begin until

the status of northern Cyprus is given greater recognition. The dynamics of popular opinion and political competition, across the island and within Turkey and Greece, may push political leaders back towards intransigent positions once EU negotiations are completed. *The danger is that all sides may lose from the entry of a still-divided Cyprus to the EU, with division entrenched for another generation or more. Our contention is that all sides could however win from the active pursuit of a settlement within the context of EU entry, and that time still remains for such a settlement to be achieved.*

3. The parties to the conflict

- a. **Greek Cypriots** appear, from one perspective, to have less to gain than their Turkish Cypriot counterparts from a mutually-agreed settlement. They are likely to achieve EU membership without needing to compromise; furthermore, the prize of membership is seen in southern Cyprus as leading to an entrenchment of their established economic and legal advantages in relations with the north. Greek Cypriot opinion, above all Greek Cypriot media, so far seem unprepared to accept that concessions may be in their own interest, and that EU entry as a divided island is in reality unlikely to lead to eventual unification on their preferred terms. The more likely outcome, of further long-term – perhaps permanent – division would leave the issue of inter-communal relations to fester within domestic politics, with politicians competing to keep issues of compensation and property restitution alive even as the prospect of territorial readjustment through an agreed settlement fades away. Those in the south who stand to regain former family property through territorial adjustment will have their hopes postponed further, most probably beyond the point at which living memory could re-establish links. Cyprus would remain an insecure state, living with a fortified frontier and most probably a significant Turkish military presence in the north: an outlier within a peaceful EU. If the reopened negotiations were to break down again over what appeared to EU governments to be Greek Cypriot unwillingness to reciprocate Turkish offers of concessions, there remains the risk that EU entry might still be blocked. The Helsinki European Council did not agree to accept Cyprus accession unconditionally

in the event of a settlement not being reached, but that it would take into account 'all relevant factors' – implicitly leaving open what response EU governments would make to a government of Cyprus that appeared not to have made the best efforts possible to move towards a settlement.

Key issues for Greek Cypriots in negotiating a settlement will include restitution of territory and property, and agreement on a structure of government which offers them sufficient freedom of decision without a Turkish Cypriot veto over the pursuit of their perceived interests.

- b. **Turkish Cypriots** have a great deal to gain from an agreed settlement, in spite of the resistance of their leadership to negotiations with the south over much of the past two years. Dependence on mainland Turkey for security and economic support has led to a political structure extensively penetrated by the Turkish state. The northern economy is weak, dependent on Turkish subsidies, on an educational sector dependent on Turkish students, and on gambling. Emigration remains attractive for the younger generation, in the absence of opportunities within the island. Travel abroad is difficult. Northern Cyprus is in many ways isolated from international developments, with its government sadly uninformed about the EU and its current agenda. Moves towards a settlement would offer freer international trade, inward investment, and a revival of tourism, as well as access to EU and other international funds to assist economic development. The alternatives, of incorporation into mainland Turkey or formal separation as a half-recognized state, offer economic disadvantages and political uncertainty; it is unclear how long under such circumstances the Turkish government would be willing to subsidize northern Cyprus more generously than poorer regions in Anatolia.

Key issues for Turkish Cypriots in negotiating a settlement include guarantees for their security on the island, self-government within those territories designated as Turkish Cypriot, and a status within a reunited state which did not designate them as a minority dependent on the uncertain goodwill of the majority.

- c. **Turkey** also has much to gain in moving towards a settlement of this long-standing dispute, which has bedevilled Turkish

relations with Greece, with the European Community (now the EU) and with other West European states since the 1960s – and much to lose from a failure. The Cyprus ‘question’ has symbolic value within Turkish domestic politics, available for opponents of economic and political reform and of integration with the EU to exploit. But Turkey has more important interests than the defence of a status quo established by Turkish forces, in the face of international condemnation, 28 years ago: the broader stability of the Eastern Mediterranean, which requires successful rapprochement with Greece, good relations with its partners and allies in the EU and NATO, the economic opportunities and multilateral engagement which continued progress towards EU membership will bring. The status quo in Cyprus costs Turkey more than the funds committed to subsidize the TRNC – estimated by foreign observers at \$300m per year, at a time when Turkey is dependent on international loans and struggling to contain public expenditure to promote economic recovery. Turkish defence expenditure includes the additional costs of maintaining some 35,000 troops on the island, and of the reinforcement capability in case of crisis. Most importantly for Turkey, however, is the threat that the accession of Cyprus without a settlement would provoke a reaction within Turkish public opinion and politics which would lead to unilateral moves to change the status of northern Cyprus, jeopardising the whole strategy of Turkish engagement with the EU and Western Europe and throwing the Turkish economy into further disarray. Turkish annexation of northern Cyprus would derail the whole process of movement towards EU membership. Cypriot membership without a settlement would bring into EU Councils a state with a litany of grievances against the Turkish occupation, tempted to use all the EU instruments available to further its case. The successful accession of Cyprus as a single federal/confederal entity, on the contrary, would offer the prospect of Turkish as an official EU language, and of closer cross-border links between the EU and Turkey which will help to push forward Turkey’s own path towards membership.

Key issues for Turkey include guarantees for the long-term security of the Turkish Cypriot population, and ensuring that the status the Turkish Cypriot community is granted in any

settlement is not one of apparent Greek Cypriot domination and Turkish Cypriot subservience.

- d. **Greece** would also suffer from a failure to reach a settlement. More nationalist politicians stand ready to exploit 'excessive' concessions on Cyprus to attack modernizing governments, and to associate European integration and rapprochement with Turkey in their attack – though the old nationalist ambition of *Enosis* (unification) for Cyprus with Greece has now subsided. Extensive personal networks link Greek families with Greek Cypriots. Itself for many years after accession an outlier within the European Community, preoccupied with a national agenda not shared with any of its partners, Greece also now has other and more important interests to pursue: in South-Eastern Europe, in better political and economic relations with Turkey (and the reductions in Greece's substantial defence budget which better relations will allow), in the security of the Eastern Mediterranean, across which boatloads of asylum-seekers currently flow, in domestic economic development.

Key issues for Greece include necessary support for Cyprus entry to the EU, and for the safeguarding of Greek Cypriot rights to restitution of property lost during the Turkish occupation.

- e. **The European Union and its other member states** would lose from incorporating another unresolved ethnic conflict, with a still-disputed frontier dependent on UN peacekeepers as part of its new external borders, and with the ever-present potential to erupt into another crisis which would draw in Turkey and Greece on opposite sides. Britain has been the most active state in attempting to mediate: as the former colonial power and treaty guarantor, still occupying extensive sovereign bases on the island, with large expatriate Greek Cypriot and Turkish Cypriot communities in London, and with a significant number on both sides of the divided island who hold British passports. Germany, as the host country for a large Turkish Diaspora and as Turkey's most important European economic partner, would lose from any deterioration in Turkish –EU relations which followed the accession of a still-divided island. But all EU governments should be concerned that the accession of Cyprus as constituted by the government of part of the island would tempt that government to exploit its advantages within the

EU to target Turkish interests, and to use EU law and litigation to disadvantage Turkish Cyprus further; threatening disruption of EU business and further dislocation of EU relations with Turkey.

The key issue for the EU is to reach a mutually acceptable settlement which leads to the entry of the whole of Cyprus as a single member state, thus removing the Cyprus question from its future internal and external agenda. Yet most EU governments have so far paid little attention to the Cyprus conflict: leaving mediation to the UN, making only loose links between accession negotiations with Cyprus (and progress towards membership for Turkey) and the willingness of either side to press forward towards a common basis for resolving the conflict. The Commission has been left to conduct accession negotiations without political engagement from most member governments. There is a remarkable contrast between the active engagement of EU representatives, forces from member states, financial assistance and high-level political visits in the delicate situation in Macedonia over the past year, and the lack of attention and engagement in the potentially critical problem of Cyprus. The EU, under the current Presidency, should now play a much more active role in promoting a settlement.

- f. **NATO as an alliance** has evident interests in removing one of the most politically explosive issues in relations between Greece and Turkey, both alliance members, which has repeatedly threatened to destabilize NATO's south-eastern flank. So does the United States, the alliance's leading member. The end of the cold war has transformed – but not lessened – Turkey's value to Western security. Cyprus itself, though formally demilitarised and neutral, contains key alliance assets in the British sovereign bases and their sophisticated listening devices. The United States has played an active role over many years in attempting to bring pressure to bear in Athens, Ankara and Nicosia to pursue compromise. Given the presence within NATO of both Greece and Turkey as member states, the multilateral machinery of the alliance has not however been brought into play.

Key issues for NATO include maintaining rapprochement between Greece and Turkey, thus strengthening stability across

south-eastern Europe and the eastern Mediterranean, while maintaining the British military assets on the island, with their value to the USA and to the alliance as a whole. As NATO expands to extend its security guarantees across central and eastern Europe, and to incorporate states in the process of reconstructing their armed forces and security assumptions within its multilateral framework, there might be advantages in considering whether a reunified Cyprus might also be brought within this multilateral security organization, alongside Turkey and Greece; thus promoting greater exchanges of information and cooperation among national defence establishments, legitimating the presence within a reunited Cyprus of the limited Turkish contingent which – as we argue in the section following – will be needed to provide reassurance in at least the early years after a settlement, and providing a multilateral framework for the anomalous sovereign base areas.

4. The outlines of a settlement

The outlines which any settlement acceptable to both communities must include are relatively clear. They were set out in the ‘Set of Ideas’ assembled by the UN Secretariat in 1990-91, tested further in proximity talks with leaders of the two communities in 1992. In summary, any package must trade Turkish Cypriot concessions on territory and the principle of a unified state for Greek Cypriot concessions on constitutional structures and the economic reunification of the island.

It is not our task here to attempt to pre-judge the detail of necessarily complex negotiations: as to the exact arrangements for partial restitution of property and provision of compensation, or as to whether the proportion of land remaining within a Turkish-language ‘canton’ should fall below or above 29% – let alone what lines should be drawn on the ground. The UN Secretariat has continued to work on the details of a proposed settlement, and could provide updated proposals as soon as the parties were willing to address them. Our aim here is, first, to emphasize how far the context has changed since negotiations were last in prospect, and to urge the leaders of both communities to take the changed context into account; and, secondly, to draw attention to the most difficult areas for negotiation, and to suggest how they should best be approached.

The political leaders of the two communities who are now reopening talks – Glafkos Clerides and Rauf Denktash – share long political experience and long memories. They are more familiar with the factors which led to the breakdown of the first unified Cyprus Republic in 1963-4 and to the Turkish intervention of 1974 than with recent developments within the European Union. The language which both sides use remains that of the assertion of sovereignty against colonial powers and foreign threats, the irreconcilability of statehood and shared authority, of cross-border cooperation without strict rules to preserve state integrity. The political stance of both communities has been one of mutual self-justification and mutual grievance, rehearsing incompatible narratives of past tragedies while the world around them has moved on. Within the European Union which the government of Cyprus is negotiating to join, however, and towards which Turkey is also moving, sovereignty has long since become deeply compromised. Regional and local authorities maintain their own offices in Brussels, and combine forces against the supremacy of national governments within the EC Committee of the Regions. Within the European Parliament Members sit by party group, not by nationality. Freedom of movement across the EU's internal frontiers has led to cross-border commuting to work, and to study and career patterns which move the rising generation from country to country and city to city. *One of the most urgent and useful tasks for the EU and for representatives of its member governments is to explain to Cypriot political elites how radically the course of European integration has modified the relationships among different levels of government, making sovereignty and statehood far more limited in their application.*

It may help to dislodge the two leaderships from their entrenched positions to point out that Greece continued to trade with Macedonia throughout the years in which it refused to recognize its claim to sovereign statehood – just as so many states have long traded with unrecognized Taiwan. Above all, it should help in promoting progress in negotiations *to underline the diversity of political and constitutional arrangements within the EU, from the relative centralization of the British state to the loose federal structure of Belgium.* The Belgian example, indeed, has much to offer would-be constitution-makers within Cyprus, who might find it difficult to agree on whether Belgium's current constitution should be correctly categorised as 'federal' (the maximum degree of deviation from a

unitary model of statehood Greek Cypriots have been willing to contemplate in earlier talks) or as 'confederal' (the maximum degree of integration that Turkish Cypriots were willing to consider). The model of Belgian representation at EU Councils of Ministers when matters of regional and local competence are under discussion has much to offer a future Cypriot state: with Francophone and Flemish ministers both present, and with the Belgian vote cast only when all the responsible representatives of this disaggregated state agree. Multiple voting constituencies, both communal and regional, multiple assemblies with overlapping responsibilities, multiple police forces, now form part of the practical arrangements of the Belgian state.

The EU has accommodated a range of other special arrangements to meet special circumstances, which offer supplementary examples for negotiators in Cyprus. The autonomy of the German-speaking South Tyrol is underpinned by exceptional cultural and linguistic guarantees. The Aaland Islands, Swedish-speaking Finnish territory, are covered by a permanent protocol which restricts the right of citizens of other EU states to acquire property. The Danish government has limited the right of citizens from other EU states to acquire second homes. In current negotiations with applicant states from central and Eastern Europe a number of comparable concessions on acquisition of agricultural land and secondary residences are on the table. *Provided that derogations from Community law are embodied in the Treaty of Accession, long-term guarantees can be provided for the smaller Turkish community within their designated territories which are entirely compatible with Community law and practice.* What is required is for negotiators on both sides to be willing to learn from other European arrangements, and to be willing to climb out of positions which they dug themselves into years ago.

Those positions, however, have been well entrenched, with additional defences added against compromise as the stalemate has persisted. The most difficult areas for negotiation include:

- a. **Constitutional arrangements within a single EU member state**, on which in all previous rounds of negotiation the two sides have remained far apart. It might help to convene a session of inter-communal talks in Belgium, to provide visible evidence to both sides that complex arrangements to accommodate mistrustful communities can be made operational. It might also help to diffuse potential deadlock between the two communities

to put forward constitutional proposals which allow for more than a division of the island between a large Greek Cypriot political entity and a smaller Turkish Cypriot one. Belgium benefits from the central position of the bilingual Brussels region, as well as the supplementary status of the tiny German-language community; a unified Cyprus might prove more stable with an integrated Nicosia and a number of Greek-language and Turkish-language cantons, along Swiss lines.

- b. **Restitution of (Greek Cypriot) property and territorial adjustment**, issues linked by the concentration of lost Greek houses and land within the region likely to be transferred in any agreed comprehensive settlement. A final territorial package can only be negotiated by experts familiar with local conditions. The long-term decline in European citrus prices, and the parallel decline in the water table of the Morphou plain, should however ease the path to agreement, by reducing the value of prime agricultural land and rural employment to both parties. The most difficult and delicate issue, for Greek Cypriots, is the demand for a 'right of return' to family properties even within a future Turkish canton, rather than accepting that in such cases compensation may be a necessary alternative. The ECHR ruling in the *Loizidou* case (of 1996) over property in Kyrenia, which in any mutually-acceptable settlement will remain within a Turkish-governed area, held the Turkish government accountable for the physical and psychological deprivation involved. The accumulation of comparable cases awaiting adjudication makes a political resolution particularly urgent. It will not be possible to reach agreement on this dossier without a greater willingness on the Greek Cypriot side to offer concessions rather than pursue litigation through international courts. A more explicit focus, in parallel, on the question of restitution of property for Turkish Cypriots from the south might help to provide a greater balance in what has become an emotionally-charged debate.
- c. **Cypriot citizens and settlers**, an issue emphasized by the Greek Cypriot community in response to Turkish encouragement for immigrants from Anatolia to settle in the north to replace Turkish Cypriot emigration. This is not simply an inter-communal issue; it is complicated by resentment from

many Turkish Cypriots at Anatolian immigration, and the loyal political support they are seen to give to President Denktash. There are at present no published numbers on citizens and settlers in the north, or even on the total population of the north. Calls from Greek Cypriot politicians and journalists for all the Anatolians to be sent home sound to Turkish Cypriot ears, however, like a transparent attempt to minimise the Turkish-speaking population of the island, and thus to assert Greek Cypriot ascendancy. Citizenship and immigration are, in any event, fuzzy areas to define in both parts of the island. A great many Greek Cypriots have relations in mainland Greece, as Turkish Cypriots do in Turkey; both have extensive Diasporas whose members return to the island, frequently equipped with multiple passports and citizenship rights; the economic growth which a settlement would bring the north might well attract many exiles to return. A majority of the Anatolians on the island have now been resident for 10-20 years, with children born in Cyprus and a degree of intermarriage with more deeply-rooted Turkish Cypriots; some might agree to return to the mainland if financial incentives were offered, but others (like Russians within the Baltic states) may prefer to opt for Cypriot citizenship and stay. In the south there are now significant Iranian and Filipino immigrant communities, drawn in partly by a shortage of labour, with a scattering of Russians and Arabs. Migration flows have – within Cyprus as elsewhere across Europe – modified the apparent certainties of ethnic nationalism, with clear lines drawn between nationals and aliens. The only acceptable basis for a referendum within each community on any forthcoming settlement would be that community's current electoral register. Greek Cypriot preoccupation with the exact balance of numbers is a reflection of outdated thinking about majority and minority rights. A constitution which allowed for the multiple representations of different cantons and communities, regardless of their shifting populations (the basis for representation in the US Senate) would not adjust political power to census calculations.

- d. **Security guarantees** for the insecure Turkish Cypriot community against the hypothetical threat of a resurgence of ethnic violence. The presence of Turkish troops on the

island has given the Turkish Cypriot community a sense of security for the past 28 years; the alternative basis provided by mutual confidence among Cypriot communities and citizens will grow only slowly after a settlement. The retention of a small contingent of Turkish troops on the island for an extended period after a settlement, however unwelcome to Greek Cypriots, will therefore have to form part of an agreed package. It need be little more than a symbolic presence: perhaps 1,000-1,500, as opposed to the 30,000-35,000 who garrison northern Cyprus today. It may help in making the presence of troops from NATO member states on the island more acceptable to open the issue of future membership of NATO for the island as a whole. This does not necessarily imply a 'remilitarization' of the island and the Cypriot state; Iceland, after all, is a longstanding member of NATO in spite of its lack of an army or navy. It would however provide a broader multilateral framework for Cypriot security which could reassure both communities.

- e. **Transitional measures** will help to build confidence on both sides, and so to create popular support for mutual accommodation. In past negotiations, proposals to ease the economic embargo on the north, to reopen Nicosia airport, to allow unofficial bodies to operate in both parts of the island, to open the border to informal contacts, have stumbled over legal and constitutional obstacles erected by both sides. *It is essential that both sides are willing to relax restrictions on economic and human contacts across the divide at an early stage in negotiations, without waiting for issues of recognition and status to be resolved; only with such measures can popular support for mutual concessions be generated.* The European Union has funds ready to assist in transitional measures, to train officials and opinion-leaders on the management of EU business and the diversity of its operating procedures; it is regrettable that Turkish Cypriot authorities have so far made it difficult for the European Commission to develop links with northern Cyprus. The foundations for operating within a loosely-structure state can be laid through external assistance for joint training, including courses held within other loosely-constructed European states.

5. Why outside engagement is essential

The political leadership of the two communities will, however, find it difficult on their own to abandon so many positions of past principle, and move with the speed needed to catch the opportunity offered by the EU Accession Treaty to incorporate mutual concessions in international law. That is why *outside parties must play an active role in promoting and supporting progress towards a settlement, and in maintaining the momentum of negotiations which have scarcely yet resumed*. A wider community than those within the island have stakes in the resolution of this longstanding dispute: the governments and publics of Turkey and Greece, the United Kingdom as a guarantor of the original Cyprus constitution, the United States as alliance leader, and the European Union as a multilateral institution on the point of accepting Cyprus, divided or united, into its councils.

There is no guarantee that these reopened talks will succeed. Too much historical baggage surrounds the path towards negotiations for political leaders to make rapid progress. Both Clerides and Denktash learned their scripts in the 1960s and 1970s; so also did the current (and previous) Turkish prime minister, Bulent Ecevit. Both sides are to some extent responding reluctantly to outside pressures, recognising that gestures must be made to satisfy their patrons. Sustained pressure, and political attention, will be needed to move from exploratory talks to substantive negotiations within a short timescale. Financial incentives must be available to encourage further movement and support increased economic and social interaction. If the talks do not make good progress within the coming months, the EU may need to consider convening a broader round-table conference of interested parties inside and outside the island.

The European Union is the outside institution which has the most at stake in the success or failure of negotiations. The impact on Community policy-making of accepting an unreconciled government of Cyprus into full membership might well be painful; the damage to EU foreign policy interests of a deterioration in relations with Turkey would be severe. *The EU and its member governments need now to invest political time and capital, as well as financial resources, in the promotion of a settlement*. Representatives of the Council Presidency, Commissioners, senior ministers from member states, should rearrange their diaries to visit both parts of the island, and also to explain their objectives to audiences in Ankara and Athens.

Commission services and agencies of national governments should invite officials, non-official organizations, journalists and politicians from the north and the south to study the diversity of their political arrangements and their interactions with the EU. As soon and as far as Turkish Cypriot authorities will allow and Greek Cypriot authorities permit, support for cross-border exchanges and economic interaction should be provided. *There is now at last an opportunity to move towards a settlement. But the window of opportunity will not be open for long. European governments, collectively and severally, must make the most of the time available.*