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Mission Impossible

The U.S. asks Bosnia broker Holbrooke to solve Cyprus

WITH GLORIOUS BEACHES, LUSH VINEYARDS, PINE-scented mountains and a flourishing economy, Cyprus is not your typical festering sore. Yet nearly a quarter century of impasse between Greek and Turkish Cypriots has put the divided island on the short list of intractable stalemates, with Northern Ireland, the West Bank and two Koreas.

So many futile attempts have been made to reunite Cyprus since 1974, when Greece's then military dictatorship threatened to absorb it and Turkey rushed in troops and seized 40% of the island, that it is hard to be anything but brutally skeptical each time there is another effort. So why should Richard Holbrooke, the special U.S. envoy named by President Clinton in early June, fare any differently?

The odds are that he won't. Granted, Holbrooke has terrific credentials. He is the tough and indefatigable diplomat who negotiated the 1995 Dayton accord to end the Bosnian civil war. He knows the Cyprus problem, having dealt with it as Assistant Secretary of State for Europe in Bill Clinton's first term. He has an admirer in the President, who considered him for Secretary of State in the second term before choosing Madeleine Albright, who picked Holbrooke for this job. He has overweening self-confidence which won't hurt on a mission one Mediterranean ambassador calls, "Simply hopeless."

Cyprus is no Bosnia, a shooting war which put a higher priority on a quick fix. Cyprus is a chronic abscess with which its citizens and neighbors have learned to live uncomfortably. Such inertia and the fact that both contenders are NATO allies, not Balkan tribes, makes it harder to muscle a settlement, which is Holbrooke's strength. Then there is disagreement about the very degree of danger an unsettled Cyprus poses. "Cyprus is a surface wound," according to a second Mediterranean ambassador. "It bleeds a little. You scratch the scab, but it's not life threatening."

That is not the view from Washington or from Holbrooke. "With the end of the Cold War, which has removed some constraints on Greece and Turkey, this equilibrium is not stable," he told me last week. "Unless this situation gets better, it's going to get worse." Indeed there have been some close calls lately and tension is high on the heavily-militarized island. A year ago, Greece and Turkey nearly went to war over the sovereignty of some inconsequential Aegean islets. Nerves rubbed raw last January when Greek Cypriots announced plans to buy anti-aircraft missiles from Russia and

Ankara threatened military action to block the transfer. The sale is still on, but delivery is not slated for another 16 months. "An overall solution can come much earlier," says Andros Nicolaides, Cyprus' ambassador to the U.S. "The moment there is a timetable for demilitarization we will propose a ban on the import of weaponry."

Notwithstanding the hostility, conditions may actually be the best ever for a solution. Settlement outlines have existed since 1992. The formula involves a single, sovereign federation comprising two local governments in two zones. Rough ratios exist for Greek and Turkish representation in parliament and the cabinet. Planning for security guarantees, including the makeup of peacekeeping forces and procedures for repatriating refugees, is well advanced.

Unlike most pacts where the devil is in the details, the devil in this one is named Rauf Denktaş, the 73-year-old stonewalling Turkish Cypriot leader who has spent a career

playing Ankara's factions off against one another to guarantee the survival of his pitiful, embargoed, unrecognized enclave. Since Turkey scarcely has a government now, Denktaş may feel little pressure to bargain. But does he want his epitaph to say that he divided Cyprus or helped reunite it?

The best incentive for the right answer, as well as the condition offering hope, is Cyprus' pending application to join the European Union. If the E.U. agrees at this week's Amsterdam summit to pursue

expansion, talks will begin in January on the admission of Cyprus, ideally, but not necessarily, federated. If Cyprus meets the criteria, the island could be a member by Jan. 1, 2000, with enormous benefits to both communities, not least an opportunity for broader reconciliation of Greece and Turkey's ancient hostility.

This should be a no-brainer for Denktaş and Ankara—political and economic integration plus an opening to consider Turkish membership, which at present is going nowhere. The first clue whether Denktaş wants to be more than a local warrior will come after July 8 when U.N. Secretary General Kofi Annan has invited him and Cyprus' President Glafcos Clerides to meet near New York, the first time in three years that the two sides will have spoken directly.

If Annan makes progress, everyone benefits. If he doesn't, few will be surprised. Whatever happens, Holbrooke will then swing into action. He has no set strategy yet, just a word to the wise: "I'm not a miracle worker." A pity, because Cyprus may still require no less. ■



Successful in Bosnia, peace-broker Holbrooke now tackles Cyprus



“If it means subsidies will continue rolling in, I’ll endure these austerity measures. It’s better to have a belt to tighten than no belt at all. Otherwise, our pants will fall and we’ll be left naked.”

—IOANNIS VALSAMAKIS
Greek orange producer



“I have never experienced a war and I don’t ever want to. For me, one of the main advantages of European union is to prevent a recurrence of wars. This is far more important than economic advantages.”

—DANIEL JAEGER
Austrian student



“We see other European countries working. They have higher living standards and lower unemployment. The French and Germans are no better than us, and we want to be part of the club.”

—JOSEFA LOPEZ CANDIDO
Spanish gift shop owner

“The euro sucks. They want to take th

been strong in Germany, ordinary people seem increasingly less in the mood for union. And as the deadline for EMU approaches, many are beginning to question Chancellor Kohl’s iron-willed determination to sacrifice the venerable deutschemark for the untried euro. A poll published last week by the Wickert Institute in Tübingen showed that 62% of the population is against the single currency. A separate poll found that an overwhelming 82% want a delay in monetary union if entry criteria are not strictly met.

Germans are reluctant to relinquish their deutschemark because to them, it is more than a mere currency. “It’s our Westminster,” explains Franz-Josef Meiers of the Bonn-based German Society for Foreign Affairs, “the symbol that unites all the people as a nation.” Jutta Lieneke-Berns, spokeswoman for the European Commission in Berlin, agrees. “It’s a psychological problem,” she adds. “Because of our history, the deutschemark is the only thing we can be proud of.”

Bolko Hoffmann is not about to swallow his pride in the deutschemark in exchange for the dubious benefits of the euro. Hoffmann, publisher of the Düsseldorf stock market magazine *Effecten-Spiegel*, is taking his message to the streets by plastering the country’s newspapers with full-page ads decrying the single currency’s advent. “Europe yes, euro no!” the advertisement warns. “Kohl, with his euro-madness, is driving us deeper and deeper into economic crisis.” In person, Hoffmann is no less zealous. “The euro will destroy Europe,” he says.

Hoffmann is not alone in his view that EMU might actually hinder rather than promote an “ever closer union.” If the euro were introduced prematurely—or in the opinion of some, if it were introduced at all—it could sow discord among E.U. member states, splitting them into “ins” and “outs” and relegating the latter to permanent second-class status. “The move to a closer monetary union is actually driving Europeans further apart,” argues Tony Judt, British-born director of the Remarque Institute at New York University and author of *A Grand Illusion? An Essay on Europe*. “The likely outcome is less a unified continent than a concentric series of European clubs, a multiclass Europe that will nourish disagreements and resentments in the years to come.”

While not dismissing the euro outright, Tim Melville-Ross, director-general of the London-based Institute of Directors, an as-

sociation of top British executives, believes that at present there is nowhere near enough convergence between European economies to avoid huge stresses and strains when the euro comes on-line. “The single currency shouldn’t happen for a generation or more,” he says. “It should move step by step, and wait for the people to catch up ... If you bind countries together that are not yet ready too quickly, you have what scientists call ‘fissionable material.’”

A European union whose sole objective is the euro—and a euro whose sole attributes in the minds of the people are austerity and social suffering—would be the ideal feeding ground for far-right, anti-immigrant parties like France’s National Front. But national politicians of all ideological persuasions already use Europe as a convenient scapegoat for decisions taken in Brussels. “It’s a game they play,” says Commissioner Bonino. “When there’s a tough decision they blame the bureaucrats in Brussels. But any nice decision, strangely enough, comes from the national capitals.”

THE BUDGET CUTS AND AUSTERITY measures needed to qualify for monetary union are a perfect case in point. Europe must change its ways for a host of reasons—including demographic shifts and rigid internal labor markets—not simply because Maastricht demands it. “That’s not

a pleasant prospect,” says Judt, “but at least it’s a necessity driven by real forces rather than some faceless bureaucracy in Brussels.” Unfairly reviled as the cause of unemployment and economic stagnation, the Maastricht reforms would have been necessary in many countries anyway, though perhaps at a more gradual pace without the EMU timetable. In fact, some of Europe’s most successful economies—Denmark, Ireland, the Netherlands and Britain—began implementing Maastricht-like policies years ago.

In many ways European politicians have only themselves to blame for the widespread disinformation about Europe. Jean Monnet, one of the architects of European union, once told an aide, “Act first, then explain.” The European leaders who have followed in his wake seem to have adapted that adage to read “Act first, never explain.” A Eurobarometer poll conducted at the end of last year concluded that 77% of the Europeans surveyed felt that they were not well informed about the single