represent the whole island in international fora under the guise of the "government of Cyprus." Moreover, the Greek Cypriots have prevented the North from developing by imposing a crippling embargo. The embargo contributes to deepening polarisation between North and South and widens the confidence gap between the two sides.

Multilateral initiatives, including the UN process, have largely failed to bring a resolution. EU enlargement has been playing an ever increasing role. The Greek Cypriots refuse to recognise the sovereignty of the state as emanating from the two founding peoples in all these initiatives. In respect to the EU, they see their membership as a first step toward the union of the island with Greece "through the back door."

The central objectives of the Turkish Cypriots include:

- developing a self-sustaining economy without reliance on the South
- becoming a source of cooperation rather than rivalry between Turkey and Greece
- functioning as a bridge between Islam and Christianity
- playing a role in protecting (guaranteeing) Eastern civilisation on its "Western frontier"
- a united Cyprus could function as a pillar of stability and peace in the East Mediterranean (maintaining a balance of power)
- becoming empowered by using diversity as a tool to resolve tensions (rather than seeing diversity as a threat)
- cooperating with the Greek Cypriots, while retaining sovereignty
- preserving national identity and existence
- supporting and building institutions and mechanisms which would enable such cooperation and preserve national identity.

Ergün Olgun expressed the view that a confederation would address the objectives and needs of the Turkish Cypriots best. It may be the case that, as in former Yugoslavia, federal institutions would be incapable of functioning in Cyprus, he said. Confederations enable Peoples to preserve their separate national identities and political sovereignties while allowing them to build cooperative relationships based on the joint exercise of certain agreed powers and functions. Moreover, confederations may offer solutions to some globalization related challenges. In this context, a confederate Cyprus may serve well EU (and global) integration. According to Professor Daniel J. Elazar:

Confederation and confederal arrangements are being revived as the postmodern form of federalism that seems to be particularly useful in connecting politically sovereign states that must accommodate themselves to the realities of new times. These include the growing interdependence among states deemed politically sovereign, the desire for linkage among states and peoples that will not require them to merge into new nations but enable them to preserve their separate national identities and existence, and recognition of the realities of ethnic distinctiveness and, at times, conflict. (Elazar 1998:40)