

exists at the EMU conducive to this approach. With its network of universities, Northern Cyprus has a real potential to lead in this field.

THE IMPACTS OF EMBARGOES

Embargoes Facing Turkish Cypriot Businesses

Özdil Nami (Erdil and Sons Ltd.) said that since 1963, the Turkish Cypriots have not had a normal economic life. The embargo did not begin in 1973, but as soon as the inter-communal violence began in 1963. The embargo spans all aspects of life including art, music, sports and education. Any interaction is seen as an indirect recognition of TRNC. The goal of the embargo is to make Turkish Cypriots accept the Greek regime in the South as the legitimate "government" of the island.

The embargo is one-sided: the Greek Cypriots can transact goods and services from the Turkish Cypriots but not *vice versa*. The Greek Cypriots do not accept Turkish Cypriot documents including: customs documents, health certificates, land registrations, bank guarantees and travelling documents. Ports have been declared as illegal and aircraft and boats are prevented from embarking. Professional associations, sports federations and NGOs are not recognised.

So far, the embargo has had no political impact. In economic terms, there have been several consequences:

- increased dependency of the Turkish Cypriots on Turkey for markets, capital and labour (an outcome that the Greek Cypriot side certainly did not want)
- lack of Foreign Direct Investment
- increased cost base
- brain drain

The social impacts of the embargo include:

- a growing animosity and distrust towards Greek Cypriots, the EU and the U.S.
- re-alignment with Turkey (people are exhausted from trying to deal with their southern neighbours).

In conclusion Özdil Nami said that the Turkish Cypriots are relatively weak and isolated. They wish to integrate with the world without endangering their sovereignty. Unfortunately, the EU factor has been wasted. EU membership was perceived by many as the only vision the parties in Cyprus and their motherlands share. Today, the prospect of sole Greek Cypriot accession is seen as one of the biggest obstacles to reconciliation. Nonetheless, businesses in the North are adapting to the environment by using new technologies. Soon, technological development may make embargoes obsolete. If the two sides of the island are allowed to compete under fair rules, interdependencies will form and cooperation will evolve.