

RELEASE IN FULL

**MEMORANDUM ON CYPRUS**

TO: A.M. Slaughter  
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 RE: US Special Engagement in Cyprus: Is the timing right?

## Introduction

While Europe is on holiday **the United States must lay the groundwork to push for a final resolution in Cyprus. The window for achieving a comprehensive peace settlement is nearly shut. At present, however, there exists a unique and, many argue, a final opportunity to push for a comprehensive settlement. If the US does not engage now, domestic, regional, and international factors will soon force the US to become involved.** It is better to have the luxury of choosing our own terms of engagement than to have them forced upon us in a time of unexpected crisis, in a coalition we are unsure of, and/or at a cost we are unable to bear. In addition, if the US does not engage now, the window for unification will slam shut and normalization of the status quo will become the only realistic policy option.<sup>1</sup> Some experts argue normalization already is the only option.

## Why Now?

Action within the next few months is necessary if the US wishes to salvage a comprehensive solution. In addition, regional dynamics linked to the Cyprus issue are escalating. The longer the US waits to intervene, the more explosive these contravening dynamics will become. Timing factors to consider include:

- **United Nations Good Offices Mission** in Cyprus is likely to close after its October, 2011 review, due to lack of progress.
- Greek Cypriot President **Christofias** is fighting for his legacy before the 2013 election. If he does not achieve a settlement on the Cyprus issue, he feels history will remember him as the leader who lost Cyprus' last chance to negotiate a comprehensive settlement. He has nothing else on which to build his legacy, given his unprecedented domestic unpopularity.
- The largest Greek Cypriot opposition party, DISY, and its progressive leader, **Anastasiades**, are currently willing to make concessions for a solution. Together, both parties (AKEL and DISY) make up a majority of the Greek Cypriot population.
- Any concerted US push must be made well before Cyprus takes over the **Presidency of the European Union in July 2012**. Turkey has threatened to walk away from accession talks if Cyprus assumes the presidency. It is not worth testing Erdoğan's bluff. In addition, once Cyprus takes up the presidency, Christofias will have little time to focus on the Cyprus problem.
- With a Cyprus **bailout** pending in the **next four to five months** the US could use the regional economic crisis as an opportunity both to build economic ties among Greece, Turkey and Cyprus and to encourage linking bailout conditions to movement on the Cyprus issue.
- Turkish Prime Minister **Erdoğan's** statements and positions towards the Cyprus issue

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<sup>1</sup> Normalization would be a means of addressing other regional difficulties. Given that a comprehensive solution is the US's stated policy, however, this report assumes this goal.

show an increasing bravado and bellicosity. The US is the only player able to reverse Erdoğan's alienation from the peace process.

- US involvement can prevent a further escalation of the **hydrocarbon** dispute between Greek Cypriots and Turkey, and Turkey and Israel: Initial drilling is scheduled to start **September 2011**.
- **Turkish-Israeli** Relations: Palestinians intend to declare unilateral independence in **September 2011** and Turkey is likely to recognize a Palestinian state. This will contribute to Turkey and Israel's collision course, which is already linked to their competing security and energy interests in Cyprus.
- **Greek and Turkish** relations are currently better than they have ever been; Cyprus' once estranged parents are finally in a position to present a united front on Cyprus.

#### Risk Factors to Current Timing

- Greek Cypriot **domestic instability**: Christofias has very little local legitimacy and the main opposition party, AKEL, will thwart any deal unless they are included in the negotiation process.
- Current economic crisis may make the public even more adverse to political concessions.
- It already may be too late for a comprehensive peace deal due to powerful **interests** vested in maintaining the **status quo**.

#### US Comparative Advantage (over the EU or UN)

The EU disqualified itself as a neutral, and therefore effective, broker after admitting Greek Cypriots in 2004. The UN can facilitate negotiations, but it does not have the necessary power to influence **Turkey, the EU** or to manage **Israel's** concerns. Locally the US is perceived as being the only actor who can "get things done" by backing agreements with funds and force. In addition, the US has taken a backseat in the Cyprus negotiations since the Republic joined the EU in 2004 and thus been spared the stigma arising from recent EU and UN failures. It is seen to have a "clean slate" vis-à-vis the negotiations.

#### Potential Limitations of US involvement

Greek Cypriots may find US involvement **controversial**, as they perceive the US to be pro-Turkish. Thus, the US would do best to act behind the scenes to help create a solution and to take a public role in supporting the solution only once it is brokered.

#### Consequences of Not Acting

While engaging in Cyprus does carry the risk of failure, the failure to broker a final deal must be weighed against the consequences of no or of delayed action. Such consequences include: cementing the partition of Cyprus, official cessation of Turkish EU membership talks, Turkey's continued drift "east," exacerbation of Turkish-Israeli relations, continued regional economic stagnation, and conflict flashpoints over hydrocarbon rights.

In sharp contrast, a brokered solution, after nearly 50 years, would bring stability to the region, divert much needed resources from defence to economic growth, open a realistic path for Turkey's EU accession, reinvigorate faith in EU solidarity, release NATO deadlocks, and mark a phenomenal success by the Obama administration in strengthening a sorely needed bridge between the West and the Middle East.