

Transcript of speech given by Caroline Flint MP

### **Cyprus settlement: who benefits? (25/02/2009) LSE**

"I'd like to thank Zenon and the Association for Cypriot, Greek and Turkish Affairs for inviting me here tonight. Thanks also to the LSE for hosting us and for James for acting as chair.

It is an honour to speak at this event where we remember Keith Kyle, a distinguished historian, journalist and a true friend of Cyprus. I'm delighted that some of Keith's relatives are able to be here tonight.

Since I took over as Europe Minister last Autumn, I have made it one of my top priorities to do all I can to support the Cyprus settlement negotiations. I am proud that it is very much a personal commitment and I was asked to take a lead on by Gordon Brown and David Miliband. A commitment that I know those here tonight will share.

Earlier this month I made my second visit to Cyprus as Europe Minister. I came away feeling that we need to do all we can to foster an expectation of success – an expectation that this round of negotiations can and will become the basis of a strong and lasting agreement.

Negotiation towards a settlement is moving forward – and I believe much has already been achieved. Important steps have been taken, such as opening Ledra Street, cancelling military exercises, and co-operating on cultural heritage and the environment. These steps show what can be done when the political will exists.

But it is also clear that significant challenges still lie ahead. Challenges that will require the continued willingness and courage of both communities if they are to find the compromises needed.

And while it is up to the leaders to agree a timescale for action, I urge both sides to keep up momentum; to take the bold and imaginative steps needed to turn the expectation of success - into the reality of success.

Inevitably much of the focus of the media, politicians and the public is on the difficult decisions ahead. These are important decisions, but equally important is ensuring that everyone keeps sight of the benefits that a settlement can bring. Benefits for the Greek and Turkish Cypriots themselves, but also for the International Community who are supporting this process.

Reaping the benefits of a settlement will require the support and enthusiasm of all those who want to see a united Cyprus. That's why I'm delighted to be here tonight, speaking to you – the representatives of the Cypriot UK Diaspora.

Your size and your influence is such that you can make a difference to whether this round of negotiations succeeds or fails – but I'll come back to that thought at the end if I may.

First I'd like to set out the benefits I see a settlement bringing to Cyprus, the region and Europe more widely, and to explain clearly why the UK is so committed to a lasting settlement.

Now I do recognise in the short time that I've been in this job, that the UK's views on Cyprus are still seen with scepticism by some - and there are those who claim the UK has a hidden agenda when it comes to Cyprus.

Let's be honest, the long and historic relationship between our two countries has not always been free of mistrust and disagreement. I'd like to set the record straight this evening. To explain clearly why the UK wants to see a resolution of the Cyprus problem – and show that our interest is straight forward and in complete harmony with that of Cypriots.

Our overall commitment is to support the UN's efforts to achieve a settlement based on a bizonal, bicomunal federation with political equality. We want to see a settlement agreed and peacefully implemented by Cypriots for Cypriots. A settlement that will deliver a stable, prosperous and united Cyprus, operating as a valued partner within the EU.

And whilst we see huge benefits in this for both Greek and Turkish Cypriots, our motivation is not entirely altruistic. The fact is a resolution for Cyprus is in Britain's national interest too.

One major reason for our interest lies in the strong personal ties that bind Britain and Cyprus together.

Those here tonight represent 300,000 Greek and Turkish Cypriots living permanently in the UK. 9,000 Cypriot students choose to study at British Universities every year and increasing numbers of British people choose to retire to Cyprus. The friendships and personal associations at the core of these groups form the backbone of the bilateral relationship between the UK and Cyprus - and will do for generations to come.

We have a long history of bilateral trade – which continues to this day. Cyprus is the UK's main customer for a huge range of agricultural products, many of which – Kiwi fruits and Avocados for example – would have been luxury items a generation ago. UK exports to Cyprus totalled over 400 million pounds the year before last.

Last year the UK Prime Minister and President Christofias signed a memorandum of understanding highlighting the breadth of the UK/Cyprus relationship. It set out a framework for continued cooperation on a range of bilateral, EU and regional issues in which we have shared interests. Issues of importance to ordinary people, such as education, health and policing. Issues where UK/Cypriot cooperation brings benefits to both countries.

We followed this up in December with a further memorandum specifically designed to strengthen our research and development links. We agreed to take steps to promote greater contact between our academic institutions; to increase the exchange of research and best practice; and to embark upon joint research projects – work which I hope will attract funding from the EU.

In north Cyprus, we are helping the Turkish Cypriot community prepare for a settlement. Together with the European Commission we are supporting their efforts to bring their laws and policies into line with the EU.

The autumn of 2008 also saw the launch of the Cyprus/UK business association - which will build on existing commercial links in goods, services and investment and enhance an already flourishing trade relationship. Last month's visit by the Lord Mayor of the City of London highlighted the level of co-operation between Cypriot and British businesses, and the potential for even closer links.

It is true that many of the things we have in common and much of what we are working together to achieve would continue, regardless of whether or not a settlement is reached in Cyprus. But, with a solution, this relationship would be even stronger – and even more productive.

Beyond the purely bilateral relationship - there are real benefits to the UK in seeing Cyprus as a fully mainstreamed member of all the relevant international institutions – where we could work together to ensure those organisations reflected the values we both share.

There are also clear knock-on benefits to Turkey's EU aspirations – which we strongly support. We will continue to urge Turkey to meet its obligations under the Ankara Protocol and sustain its support for a comprehensive settlement on the island.

All of this adds up to a compelling package of ways in which the UK would benefit from a settled solution for Cyprus.

But the most important reason for wanting a Cyprus settlement is this: we can see no better guarantee of long term stability, peace and security for the people than a united island within the European Union.

A solution, and the guarantee of long-term security that a solution will bring, will end the ever-present anxiety of all Cypriots. The UN Green Line cuts through the island like a scar and that division has gone on far too long. It is in everyone's interest that the next generation do not grow up knowing only division, buffer zones and peacekeepers. When visiting the minefields recently, I saw for myself the physical impact of the frozen conflict. I met those brave men who are clearing the mined area, some of whom have been injured in the course of their duty. And it underlined, more than ever, the importance of working towards a settlement, and towards a more peaceful and secure state of affairs.

And, of course, there will be wider benefits in terms of jobs and opportunities on the Island.

The British High Commission in Nicosia sponsored two independent reports by the International Peace Research Institute of Oslo looking into the potential commercial and wider economic benefits to Cyprus of reunification.

The first report, conducted last year, estimated that the benefit for each Cypriot household during the first seven years after a settlement would amount to 5,500 euros per year. This figure was based on the commercial opportunities for increased trade between the EU, a reunited Cyprus and Turkey. And I have to say it was a deliberately conservative estimate.

A second report released earlier this year increased that estimate to 12,000 euros per family by taking into account the effect of the construction boom that a solution would stimulate. The impact of a settlement on tourism, transport, higher education and financial and business services, would raise real GDP growth in Cyprus by 3% in the first five years

after a settlement. I know that's difficult now in the light of the world financial crisis that we're all facing.

That would result in the creation of more than 33,000 jobs, benefiting people from all over the island. Again, these are deliberately conservative estimates.

These findings confirm what we heard from the IMF and World Bank back in 2004 - that the economy of a re-united Cyprus will be far greater than the sum of its parts.

And what if the money currently spent on military patrols around the buffer zone were ploughed into redevelopment instead?

Streets that now play host to decaying buildings and UN soldiers could be transformed into vibrant communities where Cypriot people could live normal lives; could come together to meet and to do business. You need look no further than Ledra Street for evidence of what can be achieved where there is a will.

For many who fled their communities in the 1960s and 1970s - who lost their homes, livelihoods, friends and members of their family - healing the psychological scar of the green line will, perhaps, be even more important than the economic benefits of reunification.

A lasting solution would generate a sense of security, leading to the withdrawal of Turkish troops and the development of a new relationship with Turkey based on peace and common interest.

It would also enable a generation of people to find a way to close a traumatic chapter of their lives - particularly when the settlement process addresses the property issue. Many refugees would be able to return to their homes, while others would receive compensation or benefit from exchanging properties.

And the next generation - their children and grandchildren - would no longer be constrained within communities divided by suspicion and mistrust - but would be free to travel wherever they choose within a stable, united island – and worship in restored mosques and churches.

Freed from a focus on division, the leaders of a united Cyprus would instead be able to concentrate on the day to day issues that matter so much to people all over Europe – education, health, job creation and building for the future. They would be able to devote all their time to bringing improvements that would raise the quality of life for everyday people and families from the north and the south.

Reunification would also provide the space for civil society to flourish and for leaders to look outwards – to spend more time on helping find solutions to global issues such as climate change; energy insecurity; illegal immigration and organised cross-border crime; and to ensure that the Cypriot people come out of the current global economic downturn well placed to enjoy a prosperous and sustainable future.

The benefits to the Cypriot people of a lasting settlement would spill over to their neighbours and allies as well, including the European Union. Not least because Cyprus has potential as a positive influence in the region: as a hub of stability at the crossroads between Europe, North Africa and the Middle East.

Again, the benefits go both ways - for too long, people in the north have been unable to reap the full benefits of EU membership or to contribute to the EU effort. A solution would provide legal certainty and open the way to greater trade, investment and cultural opportunities.

We need to be clear that these benefits are mutual – increased opportunities for Greek Cypriots and Turkish Cypriots; benefits to both Turkey and Greece.

Too often in conflict situations, particularly during active settlement negotiations, there is too much emphasis placed on winners and losers. Everything is boiled down to a zero sum game, where anything that benefits one side is viewed as a defeat for the other. This is not the reality. A settlement in Cyprus is a win for both sides.

It is of course for the Cypriot people to agree on the shape of an eventual settlement. But I hope that I've left none of you in any doubt that the UK is fully committed to offering all the support and assistance we can to the settlement process.

In closing, I'd like to return to the issue of how you can make a positive difference - and take this chance to appeal to you. Please use the influence you have to ensure these negotiations are successful. Get in touch with your contacts in Government, in business and in civil society - and urge them to support the current negotiations and reject the status quo.

Convince Cypriots from north and south to make their voices heard in support of the courageous steps both leaders are facing now and the tough decisions they will need to take in the future.

Build and strengthen the expectation of success by asking political and community leaders to engage in the bi-communal activity that is absolutely essential to building trust and moving towards the reconciliation that Cypriots deserve.

And to convince them to reach out and grasp this opportunity to shape a better future. I hope you agree with me that it's an opportunity too good to miss.