

CYPRUS

Trade Union Monitor

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POLITICAL, ECONOMIC AND SOCIAL FRAMEWORK

POLITICAL DEVELOPMENT

Ever since a Greek coup and an ensuing Turkish invasion in 1974 the island of Cyprus is divided into two parts. The Greek Cypriot community lives south of the dividing line in the internationally recognized Republic of Cyprus. The Turkish Cypriots live in the north in the internationally not recognized Turkish Republic of Northern Cyprus.¹

The Cyprus peace process remained dormant in 2020. However, the year saw a dramatic escalation of tension in the confrontation between the Greek Cypriots on the one side and the Turkish Cypriots as well as Turkey on the other, over Hydrocarbon reserves off the coast of Cyprus which then also spilled over to Greece.

The northern part of Cyprus has continued to suffer from chronic political and economic instability in a tumultuous year which not only witnessed the Covid-19 pandemic but also one of its most contested presidential election in decades. The presidential election process, which stretched from February to October because of the pandemic, also led to the break-up of the ruling UBP (National Unity Party)-HP (People's Party) coalition just before the first round of the election in October, and the TRNC continued with a lame duck government until December when a minority government was eventually put together.

Due to the Covid-19 outbreak, the TRNC parliament decided to postpone the presidential election originally scheduled for April 26 to October 11. The incumbent Mustafa Akinci continued to serve in office until the new election date. The Prime Minister Ersin Tatar (UBP) won the presidential election with 51.7 percent defeating Akinci in the runoff which was held on October 18. Akinci publicly protested about the involvement of Ankara against him (and in favour of particularly Tatar) in the presidential campaign but did not go as far as contesting the result. Other presidential candidates including the main opposition Republican Turkish Party (CTP) leader Tufan Erhürman, independent candidate Serdar Denktaş as well as the Deputy Prime Minister and presidential candidate Kudret Ozersay (HP), to varying degrees, expressed their discomfort about Ankara's involvement in favour of Tatar.

Particularly, the surprise decision to open a part of the fenced off town of Varosha to the access of the public, which was announced by Ersin Tatar during a joint press conference with Turkish President Erdogan in Ankara on October 6 was seen as a clear sign showing Ankara's support for Tatar. Following Tatar's election, the ruling Justice and Development Party (AKP) Spokesperson Omer Celik did not hide his party's satisfaction from seeing Akinci's back and said that a new era based on positive relations with Ankara, had begun thanks to Tatar's election.

The surprise ›Varosha opening‹ also brought the UBP-HP coalition to an end. The Deputy Prime Minister and Foreign Minister Kudret Ozersay (HP) said that he had not been informed about this move and withdrew his party from the coalition accusing Tatar of ›not recognising state organs‹ and not ›fulfilling his responsibilities to his coalition partner‹. There has been no cabinet change until after the second round of the election, however, because Tatar did not tender the resignation of the government to the president creating a government crisis. The month of November passed without the TRNC having a Prime Minister; Tatar's rejection to authorize an acting Prime Minister led to a political vacuum. What further complicated the government formation process was the UBP's failure to elect a new leader to replace Tatar (reportedly, because Anka-

¹ The Turkish Republic of Northern Cyprus (TRNC) is only recognised by the Republic of Turkey. While for Turkey and the Turkish Cypriots, Ersin Tatar serves as President of the TRNC, the international community considers him the communal leader of the Turkish Cypriots. As the government of the Republic of Cyprus remains internationally recognised as the government of the whole of the island, the entire island is now considered to be a member of the European Union. However, the Acquis Communautaire is suspended in northern Cyprus pending a political settlement to the Cyprus problem (see Protocol no. 10 of the Accession Treaty).

ra did not want to work with none of the two candidates who would compete in a run-off), who had stepped down after becoming the president (as dictated by the Constitution). Eventually, the UBP Secretary General has become the new party leader (without election) and on December 4, the leaders of UBP (19 MPs), DP (3 MPs) and YDP (2 MPs) announced that they agreed on forming a minority coalition government, which would be supported by three MPs who had resigned from HP a day earlier. The coalition partners also agreed to call early general election in October 2021.

The opening up of parts of the fenced suburb of Varosha, was condemned by the United Nations as well as the EU. When the year came to a close, an agreement about an informal conference to explore if there was sufficient common ground to restart substantial negotiations seemed imminent although the presidential elections in the north in October had resulted in the replacement of the moderate Mustafa Akinci with the hardliner Ersin Tartar.

The Covid-19 pandemic hit Cyprus in March but was initially managed very well on both sides of the divide. As a collateral of the pandemic the crossings between the two sides were closed and even when the situation improved in summer, crossings and contacts between both communities remained difficult and very limited for the remainder of the year. In fall, the numbers on both sides of the divide dramatically increased. By the end of the year 22 651 people in the south had been diagnosed with Covid-19, 125 had lost their lives, 76 in December alone. On December 27, the first vaccinations were conducted in the south. The situation in the north was relatively better thanks to the isolation of the Turkish Cypriots. By the end of December, only 7 people had died due to Covid-19 while 1 532 had been diagnosed with Covid-19. No vaccines have arrived to the north in 2020.

ECONOMIC AND SOCIAL SITUATION

The economy of the Republic of Cyprus is largely based on services. Those services including tourism, financial services, and real estate account for nearly 80 percent of GDP. Industry contributes only 10 and agriculture 2 percent to the economy. After five years of continuous growth since the 2013 financial crises, the economy in the south went into recession again due to the impact of the Covid-19 pandemic. The key sector of Tourism alone dropped by 84.1 percent for the entire year. It is estimated that the economy shrunk by 5.1 percent in 2020. Registered unemployment rose to 32 685 persons in the first quarter of 2021, from 26 062 in the first quarter of 2020. The annual unemployment rate for 2020 increased by 0.5 percent from 7.1 percent in 2019 to 7.6 percent in 2020.

The government of the Republic of Cyprus responded to the Covid-crises with a massive spending program. According to an estimate by Sapienta Country Analysis the total fiscal support amounted to €1.8bn, or around 8.5 percent of GDP by the end of 2020. Consequently, by the end of 2020, total debt had reached €25.0bn or 119.6 percent of GDP, compared with 94 percent of GDP in 2019. The high spending

rates in 2020 probably helped to reduce poverty rates during the pandemic. The proportion of the population with »severe material deprivation« fell to 8.4 percent in 2020, compared with 9.1 percent in 2019.

As in the rest of the world, 2020 was a very bad year for the Turkish Cypriot economy. Though no official growth figure has been revealed at the time of writing this report, the Turkish Cypriot Chamber of Commerce estimated that the GDP shrank by 11.4 percent in 2020. According to the data announced by the Department of Trade, compared to the year earlier, the TRNC's exports in 2020 rose by 23 percent from 82,5 to 101,1 million US dollars, while imports declined by 23 percent from 1,59 to 1,22 billion US dollars, also pointing to a serious slowdown in the economy. The inflation rate was 15 percent. According to the Turkish Cypriot Central Bank, the Turkish Lira shed almost 40 percent of its value against foreign currencies in the one year period between the fourth quarter of 2019 and 2020, drastically reducing the purchasing power of the average people.

The two main driving forces of the economy, tourism and higher education were particularly badly affected by the Covid-19 pandemic. The number of arrivals in 2020 decreased by 77.8 percent compared to 2019, and the average occupancy rate in touristic facilities in 2020 was only 16.9 percent while it was recorded as 50.4 percent in 2019. A majority of foreign students also preferred to stay in their countries when the universities switched to online teaching.

According to the annual Household Labour Force Survey which was held in October 2020, unemployment rate in the TRNC was 10.1 percent while youth unemployment stood at 29.3 percent. Both figures revealed a worsening of the economy's performance compared to the year earlier when the figures were 6.3 percent and 19.4 percent respectively. Both unemployment figures were considerably higher among women: 12.2 percent and 34.8 percent respectively; while among men they were 9 percent and 25.6 percent respectively. The labour force participation among women continued to remain quite low: 37.9 percent.

The authorities in the north claimed in January 2021 that they had spent 1 153 million Turkish Lira on pandemic-related support for the economy. Most of the money had to be raised by loans and grants by Turkey as well as saving expenditure domestically since the north has not access to international borrowing aggravating the social impact of the crises on the Turkish Cypriot society.

TRADE UNION-POLITICAL CONTEXT

During the first months of 2020 and following a steady financial recovery, the trade unions continued their goal of recovering the losses suffered by workers and employees from the financial crisis of 2013. However, the Covid-19 pandemic triggered a new economic crisis, which affected the majority of workers and employees, especially in sectors that were not considered as essential. This was a year with unprecedented

implications in all aspects of political, social and economic life globally, and trade unions in Cyprus could not be an exception. Trade unions were largely inactive for a few months at the beginning of the pandemic, but adapted to the new reality soon by demanding appropriate working conditions in a pandemic, and, most importantly, by fighting against the huge impact the pandemic had in many sectors. The hotel and tourism sector along with the retail sector suffered the most. With most retail businesses and hotels closed, as a result of the prolonged pandemic, and tourist arrivals recording the biggest drop since 1983, the relevant trade unions were almost constantly in conflict with employers in the sector. This can be attributed to the fact that both the employers and the state did not have a social crisis strategy. On the one hand, the employers acted in many cases unilaterally, arbitrarily cutting wages and firing employees. On the other hand, the government's measures to support employees and businesses were problematic and insufficient, and they did not cover particular types of workers such as artists, seasonal workers, etc. Moreover, the legal aspects of special benefits were a field for demands from the trade unions all year long, due to issues of eligibility and inclusion or exclusion of certain employee groups.

Indicatively, one of the protests of the trade unions broke out in July 2020 after the state rendered hotel employees ineligible for the special unemployment benefit, which would have covered 60 percent of their salary. The hoteliers, however, refused to contribute the 2.8 percent of their employees' salaries for the duration of the off-season period, which was a requirement set by the government for eligibility.

In general, the trade unions insisted that they would not tolerate any breaches of essential terms of employment, such as wages, overtime and agreed contracts, and on many occasions called on workers to file complaints with either the unions or the Ministry of Labor. Particularly serious violations took place in the hotel sector and in the sector of public transportation.

In the latter sector, basic terms of the collective employment agreements, which were signed recently, were often violated, and in the hotel sector, most employers did not pay employees their 13th salary. In both cases, the trade unions came to a standstill with the employers and asked for mediation or assistance from the Ministry of Labor.

In addition to that, in this prolonged crisis caused by the pandemic, new issues related to labor disputes came about. For the first time, trade unions were faced with new phenomena and novel working conditions such as Work from Home and more generally flexible forms of work. Labor is now transferred to employees' homes, with working hours becoming fluid. This makes the role of unions even more difficult as workers are becoming more and more isolated without a common reference point or workplace.

Probably the most remarkable action of the Turkish Cypriot trade unions in 2020 was taking a clear stance in the presidential election in the eve of the runoff and throwing their support towards the incumbent president and his solution model for the Cyprus conflict, which was in line with the UN param-

eters. Eight of the 15 members of the Trade Unions Platform, which is made up of 15 left-leaning trade unions, have declared their support for the incumbent Mustafa Akinci in the second round of the presidential election. The platform said: »We are faced with a referendum in the second round,« and added that »the platform chooses a federal solution, secularism and freedom over discrimination and secessionism and submission to others.« The platform also stressed that a »federal solution is the joint goal of all the trade unions that form the platform.« After the election, the Trade Unions Platform said it did not recognize the outcome of the election on the grounds that there had been direct and open interference in the election by Ankara and Turkish President Recep Tayyip Erdogan's AKP. However, the platform did not carry this position further afterwards. The platform argued that Tatar's election was the first step in the process for the north's annexation to Turkey and concluded by stressing that they will not give up their struggle to protect the Turkish Cypriots' rights and to work towards unification of the island. The Platform statement was signed by the Turkish Cypriot Teachers' Union (KTÖS), the Turkish Cypriot Secondary School Teachers' Union (KTOEÖS), the Turkish Cypriot Public Servants' Union (KTAMS), Turkish Cypriot Revolutionary Workers' Unions Federation (Dev-İş), the Turkish Cypriot Press Workers' Union (Basın-Sen), the Turkish Cypriot State Workers' Union (Çağ-Sen), the Turkish Cypriot Cooperative Workers' Union (Koop-Sen), and the Turkish Cypriot Trade Unions' Federation (Türk-Sen).

In this context, another remarkable political move came in September when Cyprus Turkish Civil Servants Trade Union (KTAMS) filed a lawsuit at the High Administrative Court for the cancellation of temporary job placements at the public sector on the grounds that the placements done by the UBP-HP government in the run up to the presidential election, were clientelistic and in violation of the principle of equality of the Constitution. Talking to the press, the president of KTAMS, Guven Bengihan, argued that, days before the election bans, the government has recruited »the party members, their supporters and their relatives to state institutions and organizations without any examination or [objective] criteria«.

As in 2019, El-Sen, the union organized at the electricity authority (Kib-Tek), cut off electricity to government departments, municipalities, universities, hotels and businesses in an effort to force them to pay their outstanding debt. El-Sen claimed that Kib-Tek is owed a total of around 900 million Turkish Lira (95,7 million Euro) in unpaid electricity bills and that it took the unilateral action to enforce payment. The drastic action taken by El-Sen came after companies, organisations and individuals with large unpaid bills were named and shamed in a list published earlier in the month. The action took place in the context of a wider tension between the union and the government: While the government has been pushing for interconnecting the electricity grid with Turkey, the union is concerned that this would mean switching complete control of electricity supply to Turkey and lead to gradual dismantling of the Kib-Tek rendering it completely powerless.

In December, the Minimum Wage Determination Commission convened to determine the second minimum wage of

2020 but could not go beyond exploratory talks according to the undersecretary of the Ministry of Labour who represents the government side in the talks; the parties just put their opinions on the table. The employers' representative said, «employers are also in a difficult situation due to the pandemic and having difficulty to pay the current minimum wage while, the workers' representative said «private sector employees were left out in the cold» by the government. When the first minimum wage of the year was determined in late February the minimum wage was around 545 Euro; at the time of the meeting it went down to only 355 Euro due to the rapid devaluation of the Turkish Lira. During the meeting, the Labour (Emek) Platform, took action outside the Ministry of Labor. The Labor Platform, formed by nine trade unions (Hak-Sen, KTÖS, Güç-Sen, El-Sen, Vergi-Sen, Hazine-Sen, Basin-

Sen, KTOEÖS, Koop-Sen), called for the minimum wage to be indexed to the lowest public employee salary. Public sector jobs are subject to cost of living adjustment and hence protected from sharp rises in inflation.

TRADE UNIONS IN CYPRUS – FACTS AND FIGURES

HISTORICAL ASPECTS

Republic of Cyprus

Trade unions had been in operation in rudimentary forms since the late colonial era, and they were in the process of

Table 1
Most important trade union federations in the Republic of Cyprus

Trade Union Federation	Chairperson and Vice Chairperson	Members	International Memberships
Παγκύπρια Εργατική Ομοσπονδία (ΠΕΟ) Pancyprian Labour Federation (PEO)	Chair: Pampis Kyritsis, Vice-Chair: Soteroulla Charalambous	61 529 (2016)	WFTU
Συνομοσπονδία Εργαζομένων Κύπρου (ΣΕΚ) Confederation of working persons in Cyprus (SEK)	Chair: Andreas Matsas, Vice-Chair: Michalis Michael	55 813 (2016)	ITUC, ETUC
Παγκύπρια συνδικαλιστική οργάνωση δημοσίων υπαλλήλων (ΠΑΣΥΔΥ) Pancyprian Trade Union of Civil Servants (PASYDY)	Chair: Stratis Mathaiou Vice-Chair: Antonis Koutsoullis	22 513 (2016)	ETUC, EPSU, PSI

Table 2
Most important branch or individual unions in the Republic of Cyprus

Branch or Individual Union	Membership in Federation	Chairperson and Vice Chairperson	Members	International Memberships
Συντεχνία Οικοδόμων, Ξυλουργών, μεταλλωρύχων και γενικών εργατών (Οικοδόμοι) / Trade union of builders, carpenters, miners and general workers (Builders)	PEO	Chair: Michalis Papanikolaou, Vice-Chair: Eftihios Papamichael	11 154 (2016)	UITBB
Συντεχνία Ξενοδοχοϋπαλλήλων και Κέντρων Αναψυχής (ΣΥΞΚΑ) / Trade union of hotel and leisure centre workers (SYXKA)	PEO	Chair: Lefteris Georgiadis, Vice-Chair: Andreas Kombos	11 621 (2016)	TUI-HOTOUR
Ομοσπονδία Σωματείων Ημικρατικών Οργανισμών (ΟΗΟ) / Federation of unions of Semi-governmental Organisations (OIO)	SEK	Chair: Andreas Elia, Vice-Chair: Ilias Demetriou	approx. 7 500	EPSU, PSI
Ομοσπονδία Υπαλλήλων Ξενοδοχείων. Επισιτισμού και Κέντρων Αναψυχής ΟΥΞΕΚΑ / Verband der Federation of hotel, food and leisure centre employees (OIXEKA)	SEK	Chair: Militiadis Miltiadous, Vice-Chair: Georgios Karas	approx. 10 000	EFFAT, IUF
Ένωση Τραπεζικών Υπαλλήλων Κύπρου ΕΤΥΚ / Union of Cyprus Bank Employees (ETYK)	Independent	Chair: Andreas Panagiotou, Vice-Chair: Christos Panagides	9 341 (2015)	UNI Europa, UNI Global

consolidation in the first years of the Republic. In the crisis conditions prevailing after the war of 1974 in the Greek Cypriot community, the tripartite system – the institutionalised consultation between workers’ and employers’ representatives under the auspices of the state – was further boosted, strengthened and formalized, although not given a legally binding force. The trade unions accepted wage cuts and a series of temporary freezing of benefits in the context of the broader effort of national reconstruction. In 1977, the establishment of the Industrial Relations Code, negotiated and agreed by the main trade unions and employers’ associations under the auspices of the state, governed in letter as well as in spirit the conduct of the labour relations for more than three decades. The participation of trade unions in a series of tripartite committees in the 1980s and 1990s allowed them to have a say on many policy issues but undoubtedly also pushed them to a largely conciliatory stance. Trade union participation in policy making, however, at no time extended to state economic policy.

As the political realm had stabilised by the 1980s, taking the shape of a four-party system, the trade unions grew and expanded substantially in membership, financial resources and apparatuses, while politically remaining under the shadow of their respective parties for which they constituted a sort of transmission belt. In addition to the Pancyprian Federation of Labour (PEO), directly aligned to AKEL, and the Cyprus Workers’ Confederation (SEK), indirectly aligned to DISY and DIKO, the Democratic Labour Federation of Cyprus (DEOK), another small union that broke away from SEK, aligned directly with the social democratic party of EDEK.

By the 1990s, the Cyprus economy was increasingly opening to the international economy. Manufacturing, never a big sector, shrank further as a result of global competition, while services expanded. Foreign workers, including workers from EU countries after Cyprus’s EU accession in 2004, have become an increasingly important section of the labour force. Although trade unions continued to expand in membership in both the 1990s and the 2000s, this lagged far behind the expansion of the labour force, resulting in a significant drop in overall density levels, from around 80 percent in the 1980s to around 50 percent by the 2010s. Service workers, non-Cyp-

riot workers and young workers in general were more difficult to organize, and although trade unions made some progress in the last decade, this was limited and impeded by the unfolding of the economic crisis. The acceleration of the expansion of non-standard employment in the 2010s has also played a role in slowing the unionization effort, as precarious workers are more difficult to organize.

Turkish Republic of Northern Cyprus TRNC

Although the roots of Turkish Cypriot trade unions can be traced back to the 1940s, the trade union movement had played only a subservient role in the Turkish Cypriot community until 1974 because right-wing nationalists dominated the politico-economic scene. The ethnic tension and then conflict between the two communities, which started in the 1950s, hindered economic modernisation and development of modern institutions including trade unions. In this respect, the de facto geographical division of the island in 1974 and the establishment of a separate Turkish Cypriot political entity in 1975 marks an important milestone. Though the establishment of some major trade unions such as KTAMS (Cyprus Turkish Public Officials Trade Union), KTÖS (Cyprus Turkish Primary School Teachers Union) and KTOEÖS (Cyprus Turkish Secondary School Teachers Union), and one of the federations, Türk-Sen (Federation of Cyprus Turkish Trade Unions), had preceded 1974, the circumstances in small enclaves, which was dominated by a paramilitary structure, were not conducive for class-based unionism. Therefore, unionism gained momentum only in the relatively more democratic post-1974 period.

At this early post-conflict period, there was only small-scale production in the private sector, and the state was the biggest employer involved in tourism and manufacturing where the scale was conducive for unionization. Thanks to the positive atmosphere of the early post-1974 period and inspired by the relative strength of the left in Turkey, the parliament passed many working-class friendly legislations empowering the trade unions (at least in the public sector) in this period. Consequently, in 1981 when the total employment figure was at around 54000, there were around 20000 union members. Yet the union membership could not exceed this

Table 3
Most important trade union federations in the TRNC

Trade Union Federation	Chairperson and Vice Chairperson	Members	International Memberships
Hür İşçi Sendikaları Federasyonu, Hür-İş (Federation of Free Trade Unions)	Chair: Ahmet Serdaroğlu (Acting) Secretary General: Ali Yeltekin	4752	None
Kıbrıs Türk İşçi Sendikaları Federasyonu, Türk-Sen (Federation of Cyprus Turkish Trade Unions)	Arslan Bıçaklı (Chairperson) Secretary General: Tamay Soysan	1611	ETUC, ITUC
Devrimci İşçi Sendikaları Federasyonu, Dev-İş (Federation of Revolutionary Trade Unions)	Chair: Koral Aşam Secretary General Ömer Naşit	1138	WFTU, Regional Energy Trade Unions Network of South-Eastern Europe (RETUN-SEE)

Table 4
Most important branch or individual unions in the TRNC

Branch or Individual Union	Membership in Federation	Chairperson and Vice Chairperson	Members	International Memberships
Kıbrıs Türk Öğretmenler Sendikası, KTÖS (Cyprus Turkish Primary School Teachers Union KTOEOS)	Independent	Chair: Emel Tel Secretary General: Şener Elcil	2 199	EI, ETUCE
Kıbrıs Türk Orta Eğitim Öğretmenler Sendikası, KTOEÖS (Cyprus Turkish Secondary School Teachers Union)	Independent	Chair: Tahir Gökçebel Secretary General: Selma Eylem	2 635	EI, ETUCE
Kıbrıs Türk Amme Memurları Sendikası, KTAMS (Union of Turkish Cypriot Public Servants)	Independent	Chair: Güven Bengihan Secretary General: Serman Yiğit	3 322	EPSU, PSI
Kıbrıs Türk Kamu Görevlileri Sendikası, Kamu-Sen (Cyprus Turkish Public Officials Trade Union)	Independent	Chair: Metin Atan Secretary General: Özgür Kıdrışlıoğlu	2 171	none
Kamu İşçileri Sendikası, (Kamu-İş) (Public Workers Trade Union)	Hür-İş	Chair: Ahmet Serdaroğlu Secretary General: Devrim Gündüz	2 900	International Eurasian Metal Workers' Federation (IEMF)
Municipal Workers Trade Union (Belediye Emekçileri Sendikası)	BES	Chair: Mustafa Yalınkaya Secretary General: Ulus Arpalıklı	1 541	

figure for a very long time; even though the total employment figure reached to 90.000 in 2001, the trade union membership was still around this level. By 2019, there were around 25.000 union members while the total employment figure was around 138.000.

TRADE UNION LANDSCAPE

Republic of Cyprus

The gradual but substantial expansion of the broader public sector allowed the centre-right wing SEK to catch up with PEO in terms of membership, as it organized the overwhelming majority of employees in the public services and municipalities. At the same time, the Pancyprian Union of Civil Servants (PASYDY), representing the civil servants proper, was also strengthened, expanding in membership and gaining a series of wage increases and benefits for its members. PASYDY is formally neutral and is not aligned to any particular party, yet, as the majority of its members are DIKO and DISY supporters, it usually leans politically towards the right. Party members and party officials are active within the civil service and within PASYDY, although this does not take the form of formalised internal factions, such as those operating in the public sector teachers' unions POED, OELMEK and OLTEK,

representing the primary, secondary and technical education, respectively. ETYK, the banking sector union, is like PASYDY in the sense that it is not formally aligned to any political party, and in fact, it was able to benefit from the substantial expansion of the banking system and its strong labour market position, gaining for its members substantial wage raises, benefits and privileges in the 1980s, 1990s and 2000s.

The expansion of irregular employment in the broader public sector in the 2000s and the inability of PASYDY as well as SEK to largely protect these workers, despite achieving some improvements, has led to the formation of other small, independent unions. The biggest of these, such as ASDYK, which emerged in the 2010s as a second general public sector union; PASIKY, a union of public hospital doctors; and PASYNO, public hospital nurses' union, all challenged PASYDY. More recently, the trade union ISOTITA was formed representing the irregularly employed workers in both the public and semi-public sectors.

In the 2010s, the big trade unions suffered losses in membership but remained the dominant players, as the trade union landscape had not been not extensively altered.

Trade union representation varies enormously according to sector of economic activity and enterprise size. In the public,

semi-public, municipal and the banking sectors, trade union density remains very high, although not as high as it used to be, as union membership for the regularly employed has been traditionally almost automatic upon employment. Exceptions to this are those who have top administrative and managerial positions, professionals, and regular as well as project-based employees who hold fixed-term work posts. Other factors that have changed membership numbers are the increase of the number of irregular workers, hired on temporary and successive fixed-term contracts, who tend to be young, and the withdrawal of some employees and occupational groups from PASYDY and, to a smaller extent, SEK, as mentioned above.

In the private sector, the main trend is for most big firms to have a trade union presence and for most small ones to be without a trade union presence. Such is the case for hotels and restaurants and construction companies, where trade unions are relatively strong and negotiate industry-wide collective agreements. There are, however, some big employers in these industries that manage to keep the trade unions out of their businesses. Trade unions have faced increasing difficulties in the last decade even in these two industries, which are relatively large and very dynamic, and, along with the banking sector, drive the whole economy. Construction was severely hit by the crisis and shrank substantially in the crisis years, but currently it has been regenerated. Tourism was the only industry that continued to grow during the crisis, but the prevailing conditions in the economy did not allow the trade unions to sustain the pre-crisis employment conditions, let alone improve them, although some steps have been taken in the last years to improve both conditions and representation.

In transport and manufacturing sectors, there is a moderate trade union presence and a mixture of industrial- and enterprise-level collective agreements, which cover a small section of the workforce but also serve as a reference point for some other non-unionised enterprises. In retail trade and services trade, union presence has always been and remains limited. Collective agreements are very rare in these sectors, and when there are agreements, they do not extend beyond the enterprise level. In the absence of collective agreements, the only tool left for trade unions is labour legislation and advocating for a minimum wage, where applicable. In transnational enterprises, unionization tends to be rarer, because of anti-union policies usually adopted in sectors such as fast-food chains, and because of the prevalence of more individualist ideologies in, for example, multinational professional services.

The formal EU definition for small and medium enterprises is not very analytically useful for a small country such as Cyprus, as the overwhelming majority of enterprises fall into that category. However, the trend is that unionization is more difficult in small, often extended-family businesses compared to medium-sized ones.

Historical and structural factors such as the very small scale of industrial production and the small size of private enterprises rendered unionization in the private sector very difficult. Consequently, the level of unionization is very low in the private

sector. According to a study conducted in 2014, there were no trade union members in 95 percent of the privately owned workplaces. Therefore, an overwhelming majority of the union members work in the public and semi-public sectors. Trade union density is in decline: It was around 33.7 percent in 2004, whereas it was around 26.2 percent in 2016. A major change that seems to have taken place in 2020, the results of which are yet to show, is the expected decline in trade unions penetrability in workplaces. The ›new workplace‹, i.e., the home office, with the flexibility and alienation it entails, is expected to have negative implications in trade unionism, not only in Cyprus.

Turkish Republic of Northern Cyprus TRNC

The trade union landscape in the northern part of Cyprus is quite fragmented. According to the Registrar of Trade Unions, there were 48 active trade unions in 2019. By law, 20 people may come together to form a union. Unionists consider this as a deliberate strategy adopted by politicians to undermine development of larger and more influential unions because in practice rather than joining larger existing sectoral unions and pool resources, employees prefer to set up a new union and lead it.

The union scene is dominated by three major union federations organised in the public and semi-public sectors, and several independent unions in public administration, primary and secondary public education, and municipalities.

WORKING CONDITIONS OF TRADE UNIONS

Republic of Cyprus

There are no significant direct legal obstacles limiting the ability of trade unions to act properly. The right to unionize and the right to strike are protected by the Constitution and trade union legislation. Furthermore, the trade union law of 2012, ›On the recognition of trade union organisation and the right of trade union facilitation for the purpose of recognition for collective bargaining‹, has improved the situation for unions by establishing a procedure to overcome an employer's refusal to grant recognition through a decree by the Trade Union Registrar. Previously, the only option was full-fledged industrial action to try to force the employer to back down. The high cost and high risk of this action often has dissuaded unions from embarking on such a course. With the 2012 law, the Trade Union Registrar may, at the union's request, directly issue a decree of obligatory recognition if, at a firm employing more than 30 people, unions represent at least 50 percent of the employees. If unions represent at least 25 percent, the Trade Union Registrar may organise a secret ballot on the firm's premises without the employer's presence. The result of the ballot, whether for union representation or not, shall be valid with a simple majority if 40 percent or above of the employees participate. The law has also allowed trade unionists easier access to workplaces and has allocated more time for shop stewards to perform their union duties. Although the operationalization of the Registrar's new powers has only been occasional, utilized only four times since 2012, the

mere existence of the law has partly helped unionization efforts by both established and new trade unions, as activists know from beforehand that recognition is guaranteed once the stipulated proportions are reached.

All the eight fundamental ILO Conventions and three out of the four governance Conventions have been ratified by the Republic of Cyprus and are currently in force. The Labour Inspection (Agriculture) Convention 129 remains unratified. Of the technical Conventions, 46 out of 178 are ratified (accessed 10/03/2021). In general, Cyprus has ratified 57 Conventions and four Protocols: 50 are in force; 8 Conventions and two Protocols have been denounced; and one instrument has been abrogated, while no new ones have been ratified in the past 12 months.

Turkish Republic of Northern Cyprus TRNC

The right to establish trade unions and the right to collective agreement and to strike are protected by the Turkish Cypriot constitution of 1985 (Article 53 and Article 54).

The Trade Unions Law was introduced in 1971 and has not been subject to amendment since 1974. Though it needs to be updated, trade unions are reluctant to lobby for it as they are worried about possible negative consequences. One of their main concerns is the probable elimination of the check-off system, under which the employer deducts the union membership fee from employees' wages and pays it directly to the trade unions; something which is mooted by right-wing politicians from time to time to undermine the strength of trade unions.

Trade unions do not have any problem organizing in the public sector. Indeed, an overwhelming number of unionized labor force work in the public or semi-public sector.

On the other hand, it can be said that private sector employees in general and migrant workforce in particular, work in precarious conditions. Although only a limited number of ILO conventions have been ratified by the Turkish Cypriot parliament, the Labour Law dated 1992, which regulates labour relations in the private sector is considered reasonable by unionists. However, there are serious problems in the enforcement of this legislation. To give an example, on different occasions many employees working in the private sector had been fired after joining a trade union although this is clearly in violation of the law. There are serious shortcomings in the enforcement of labour safety legislation too. Deadly workplace accidents are common particularly in the construction sector.

TRADE UNIONS AND THEIR CORE TASKS

Republic of Cyprus

There are effectively only two levels of bargaining in the southern part of Cyprus: the industrial level and the workplace/enterprise level. There is no substantive articulation be-

tween these two levels and no systematic bargaining coordination either. It is important to note, however, that some major collective agreements informally set the pattern for smaller ones in various industries, and the public sector sets the benchmark for the private sector. There are no bargaining standards at the national level nor at the cross-industry or regional levels. There are, occasionally, some framework agreements which effectively set the range of bargaining objectives for the collective agreements that follow. They are never detailed and usually do not specify actual terms of employment. Therefore, they cannot be considered a third, cross-sectoral level of bargaining. These national-level framework agreements should be understood as policy statements and social dialogue rather than as collective bargaining.

Although no accurate, comprehensive and updated figures are available, the extent of collective bargaining coverage is very close to union density, as there are effectively no other forms of collective bargaining, and no other agents are involved, although sometimes the basic terms of an existing collective agreement may also shape individual contracts. The absence of extension mechanisms at industry level and effective *erga omnes* rules at company level lead to the convergence of trade union density and collective bargaining coverage. Thus, the overall trend in collective bargaining coverage is a decline, in tandem with the decline in union density. It is therefore possible to infer that the decline of trade union density, from 63.4 percent in 2001 to 45.2 percent in 2013, has subsequently led to a corresponding decline in collective bargaining. Trade union density in the Republic of Cyprus is above the EU average, whereas collective bargaining coverage is below the EU average.

Overall, the international trend of collective bargaining decentralisation, driven by employer preferences and made possible by union weakness in the neoliberal age, also applies to Cyprus. Some of the industries in which bargaining was conducted at industry level, such as leather goods, clothing and footwear, have shrunk, while other tertiary sectors, in which collective bargaining takes place primarily at enterprise level, have expanded. Although there are no reliable figures across time, the fragmented evidence seems to suggest that there has been a decrease in the number of collective agreements and their coverage, with enterprise-level bargaining growing at the expense of the industry level, signalling enhanced decentralisation. In industries in which industrial- and firm-level bargaining co-exist, such as the metal industry, the volatile conditions of the crisis exacerbated decentralisation trends. In banking, there has been a shift from industry- to firm-level bargaining, as the Employers' Association was disbanded in 2015 when, in the middle of the financial crisis, its members decided to handle labour affairs on their own account.

In a fragmented workforce with multiple employment regimes, union power, vis-à-vis intransigent employers, is often inadequate. Thus, the Labour Relations Department of the Ministry of Labour is frequently contacted for mediation concerning compliance with collective agreements, as well as for interpreting some of its clauses. The fact that many existing collective agreements are old documents that are maintained

and revised has led to a complex network of rules that are often misunderstood and misinterpreted. As a result, many labour disputes arise from questions of interpretation. Overall trade unions are partially successful in their core tasks, less so in the current decade compared to the previous one.

In the years after the second half of 2011, as a result of the economic crisis, the social dialogue processes slowed down, as the emergency context and subsequently the Republic of Cyprus's Memorandum of Understanding (MoU) with the Troika allowed little room for discussion in the realms of social and labour policy. The damage affected on social dialogue structures and processes was not fully healed in the years following the expiration of the MoU in 2016, as the DISY government frequently took unilateral initiatives without consulting the social partners. In 2019, however, some progress was observed with signs of a modest revival of sectoral collective bargaining and social dialogue. In 2020, despite the reduced activity of trade unions due to the pandemic, the Ministry of Labor took on the mediation role on several occasions, based on the Labor Relations Code.

Turkish Republic of Northern Cyprus TRNC

As mentioned earlier, trade unions are almost exclusively organized in the public and semi-public sectors where various social dialogue mechanisms exist. Some of these are functioning relatively well, some work well when there is will on the government side, and some of them are present only on paper. In the last ten years, a deterioration in general can be observed in the functioning of these mechanisms. This largely stems from the economic protocols signed between the TRNC and Ankara, which envisages austerity measures. In a setting where the government remains to be the biggest employer, the Ministry of Finance has come to cast a long shadow over social dialogue mechanisms particularly when it comes to negotiations over material benefits of the working population. Additionally, it is possible to talk about a reluctance on the government side to take the steps, which may limit its room for maneuver vis-à-vis other social partners. Therefore, it tends either to ignore its responsibilities as a stakeholder in social dialogue mechanisms at the expense of violating law or fail to take the steps, which will render these mechanisms functional.

Although public sector employees in general have the right to collective bargaining, they are not entitled to signing a collective agreement. This has been the privilege of a small group consisting mainly of manual workers in the public and semi-public sectors. The broadest collective agreement is negotiated between the Ministry of Finance and Kamu-İş, which represents manual workers in the public sector. Elsewhere, collective bargaining is very decentralized and takes place exclusively at workplace level. White collar employees in the public sector, on the other hand, are subject to a different collective bargaining mechanism, which is called the 'protocol talks'. This is held between the Ministry of Finance, and the two trade unions representing white-collar employees in the public administration, as well as the trade unions repre-

sending teachers and healthcare sector employees. However, this mechanism has started to lose its relevance; since 2007, no protocol has been signed, and some years the Ministry of Finance did not even bother to call the meeting although by law every year a meeting has to be called.

As mentioned earlier, unionization and collective bargaining is very rare in the private sector. The only social dialogue mechanism, which concerns with private sector employees is the Minimum Wage Determination Commission, which is made up of five representatives from the Employers' Union, five representatives from the biggest trade union federation and five government representatives. The commission meets at least once a year to determine the statutory minimum wage.

TRADE UNIONS AND THEIR (POLITICAL) WEIGHT

Republic of Cyprus

The most positive development in the last years is that collective bargaining has survived the economic crisis, and although trade unions have decreased in density and influence, they have not diminished too much, as is the case with other Southern European countries, with Greece constituting the most negative example. However, the increasing proportion of workers employed under precarious conditions, the general drop of living standards and involuntary underemployment continue to be reasons for alarm.

The situation of trade unions' increasing difficulties in maintaining existing levels of collective bargaining coverage, let alone extending it to the growing number of non-unionised workers, led PEO and SEK to attempt to push through a clause for a collective bargaining extension mechanism in the union law reform in 2012. However, that was blocked by the employers. The unions remain committed to this policy and continue their attempts to strengthen collective agreements as primary regulatory tools, with priority over legal means. In the hotel and tourism industry, they managed finally, in 2020, to renew the sectoral collective agreement, even though this was violated by employers in many cases, according to trade unions. Trade unions continue to emphasize the need for a national minimum wage, extending the existing one, which currently covers only nine occupational categories, as this is seen as especially needed for sectors and industries that do not have collective bargaining procedures. In 2020, the Parliament voted for the formation and operation of a Unified Inspection Service, in the Ministry of Labor, Welfare and Social Insurance. The long-standing attempt to strengthen labour inspections by establishing an Independent Labour Inspection Service, with an increased range, scope and depth of authority, had been defeated in 2019 when a parliamentary majority blocked.

There are no reliable longitudinal surveys comparing the reputation of parties, unions and other social and professional groups. The collapse of the banking sector and the evident prevalence of white-collar crime without anybody yet held accountable for it, in conjunction with the recession and aus-

terity, has brought about a serious discrediting of all institutions in Cyprus in the last decade. Obviously, the banks and the parties bore the brunt of this, but trade unions were also damaged in multiple ways. Loss of income from subscription fees, as many of their members entered unemployment, led trade unions to reduce the size and costs of their apparatuses. Their inability to adequately protect their members and their continued ties with the political parties, which unanimously legislated the Troika sponsored austerity plan, meant that trust in them decreased. Nevertheless, since no significant alternative actors to promote workers' rights nor other representatives of workers' interests have emerged, trade unions do not face any serious competition.

The biggest political challenge that trade unions currently face is the aggressiveness of some employers and their own shrinking political influence with respect to the political parties and the state. At the societal level, the main challenge is that their weakness has been revealed, and they have increasing difficulty in persuading the public that they are able and willing to protect the interests of the workers in general and especially their vulnerable members. The priority set by the trade unions themselves has not changed, which is to protect the existing industrial relations system, in general, and the institution of collective bargaining and collective agreements, as the chief regulating mechanism in the labour market. However, recognising the decrease in their own power at the labour market level, PEO and SEK support the institutionalization of a set of minimum wages and rights for all the workers not covered by collective bargaining.

At the level of employment relations, the biggest challenge that lies ahead concerns the future of collective agreements. As mentioned above, the trend is already negative in terms of declining coverage, increasing violations, delays in their renewal, and agreed changes, as well as unilaterally imposed changes by the employers during the period covered. However, if this is examined in an international comparative framework and especially if one takes into account the aggressiveness of the employers during the crisis years the ground lost on this dimension by the trade unions is not enormous, and things are not so dramatic as they could have been. The same is true on the organisational level. Density has been falling, but this is a gradual process and, comparatively, it remains significantly above the EU average – which shows that, despite trade union decline, trade unionism in Cyprus sustains itself.

The political influence and the social acceptance of the trade unions have clearly declined in the last decade. However, in the last two years, impetus has been growing that some further legislative steps can finally be taken in the direction of regulating the labour market. The three main directions are: the conversion of the »main clauses« of the collective agreements into law; the establishment of a national minimum wage applicable to all workers not covered by existing agreements, while converting the minimum wage stipulated in the collective agreements as law for the relevant industries; and the establishment of extension mechanisms with respect to the collective agreements. The trade unions are today confi-

dent that, in the »post crisis« conditions of 2020, this is possible, and they push for these measures through the social dialogue procedures.

At the European and international levels, the Cyprus trade unions are well networked, but given Cyprus's small size, their involvement is neither central nor a priority. All three of the main trade unions have international liaison officers, they follow up on common days of action and campaigns emanating from the European and or international levels, and they report on international developments through their press. PEO is probably the most devoted and internationally oriented of the three, and this derives from its historical legacy, especially after the collapse of the Eastern bloc. Since the 1990s, PEO has been in the structural position to be one of the few main trade unions in the EU to be part of World Federation of Trade Unions (WFTU). SEK, on the other hand, is the most networked at the European level, participating regularly in the European Trade Union Confederation (ETUC) processes.

Turkish Republic of Northern Cyprus TRNC

Generally speaking, left-wing trade unions have good relations with left-wing political parties though there are no organic links between them. To a large extent the same applies to the right-wing trade unions and right-wing political parties. Trade unions are good at organizing mass protests, which may create some impact on broader social and political issues. For instance, they played a major role in mobilizing people to demonstrate in favor of reunification of the island and joining the EU in the 2002–2004 period. This was a major achievement with permanent effects on the political scene: Though eventually reunification and EU membership did not materialize because of the »no« vote of the Greek Cypriot community in the referendum held in 2004, the island as a whole has become a part of the EU, and pro-reunification parties came to power as senior coalition partners for the first time in the northern part of the island. Consequently, pro-reunification candidates won the presidential elections twice between 2005 and 2020.

However, the trade union's capacity to create a lasting impact on economic policy making has been historically low. It is possible to say that this has been in further decline in the last decade in the face of growing influence of Ankara in economic policy making, which manifests itself in the form of economic protocols signed between the Turkish and TRNC governments. Initially, the Trade Union Platform, which brought together unions across the political spectrum, had managed to mobilize public support against these policies in 2010 and 2011. However, this mass mobilization failed to stop the implementation of main austerity measures.

On a more positive note, as mentioned in the earlier reports, in July 2018, the Ministry of Labour introduced a scheme, which promoted collective bargaining and unionization in the private media institutions. The scheme basically grants temporary financial incentives to the media companies where a collective agreement is signed; for a period of 36

months, the social security and provident fund premiums of the employees covered by the collective agreement are paid by the state. The funding of the scheme comes from a different scheme, which aims to promote the employment of Turkish Cypriot citizens in the private sector and therefore, it does not cover employees who are not citizens of the TRNC. Thanks to the scheme, collective agreements have been signed in major media companies including Kibris, the biggest private media institution in the northern part of Cyprus. Although in February 2019, preparatory work to extend this scheme to other sectors was completed and a draft legislation was shared with the public, the draft was eventually shelved following the collapse of the four-party coalition in which the Prime Minister's office and the Ministry of Labour were controlled by left-leaning parties, Republican Turkish Party (CTP) and Social Democratic Party (TDP) respectively. The relative political weight of trade unions have been further weakened after the coming to power of the current minority coalition government, which is composed of three right-leaning parties.

The public standing of the trade unionist does not look impressive. To give an example, according to a recent study on corruption, around 36 percent of respondents said that they thought most or all trade union officials were corrupt. This puts them somewhere between the worst performers, high-level public officials (43 percent), business executives and elected officials (40 percent), and the best performers, judges (26 percent) and the police (29 percent).

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