

CYPRUS

Trade Union Monitor

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STIFTUNG

POLITICAL, ECONOMICAL AND SOCIAL CONDITIONS

POLITICAL DEVELOPMENT

Ever since a Greek coup and an ensuing Turkish invasion in 1974, the island of Cyprus has been divided into two parts. The Greek Cypriot community lives south of the dividing line in the internationally recognised Republic of Cyprus. The Turkish Cypriots live in the north in the internationally not recognised "Turkish Republic of Northern Cyprus (TRNC)".¹

The deadlock and uncertainty over the Cyprus issue continued in 2022. This situation has prevailed since the failure of the last round of talks to reunify the island at an international conference in Crans Montana, Switzerland, in July 2017. A more confrontational Turkish foreign policy toward Greece and Cyprus since 2019 also led to the election of a hardliner, Ersin Tatar, in the north of the island in October 2020 after massive interventions by Turkey in his favour. Backed by Ankara, Tatar continued to demand equal recognition of Turkish Cypriot sovereignty and thus a two-state solution as a precondition for the resumption of negotiations, thus destroying any prospect of substantive talks. Emboldened by the hardening of Turkish positions, the Greek Cypriot side now appeared more conciliatory and unequivocally returned to the internationally supported framework of a bi-communal, bi-zonal solution, ending a period of confusing signals regarding the framework for a settlement that had seriously undermined the credibility of outgoing Greek Cypriot President Nicos Anastasiades' commitment to a solution to the Cyprus problem.

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. Because 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).

In October 2020, the Turkish side escalated the situation further by unilaterally opening parts of the fenced-off ghost town of Varosha under the administration of north Cyprus. Varosha, a Greek Cypriot suburb of Famagusta, had remained uninhabited since 1974 and was administered by the Turkish army, serving as a bargaining chip in the negotiations for a solution to the Cyprus problem. UN resolutions demand the handover of the territory to the UN and the return of its rightful inhabitants. In the context of the opening of Varosha, the Turkish side indicated that it would accept the return of Greek Cypriot property owners if their claims were found valid by the internationally recognised Immovable Property Committee in the north. The international community condemned the opening, since the territory would then be administered by the authorities in the north, which would contradict applicable UN resolutions. At the time of writing, about 3.5 per cent of the territory has been opened, but none of the inhabitants have returned yet.

Apart from the opening of Varosha, the confrontation about the hydrocarbon exploration and exploitation off the coast of the island remained the most dynamic and dangerous aspect of the Cyprus problem. In 2019, in response to the unilateral exploration activities of the Greek Cypriots and the regional cooperation of the Republic of Cyprus with Israel, Egypt and Greece on hydrocarbons, Turkey escalated the situation, claiming that its rights and the rights of Turkish Cypriots were ignored. First, Ankara started to drill in areas claimed by the Republic of Cyprus as its exclusive economic zone (EEZ) with the approval of the Turkish Cypriot authorities. Then Ankara signed an agreement with the government of Libya over the delineation of their respective EEZs and threatened to start drilling in areas claimed by Greece as its own EEZ. In 2022, the issue remained unresolved, but tensions continued to decrease. Test drills in 2022 and steps to extract gas from the Aphrodite field were not answered by Turkish activities in the EEZ claimed by the Republic of Cyprus.

Domestically, developments were shaped by the presidential elections in February 2023. Foreign Minister Nicos Christodoulidis resigned from his post in January 2022 to run as an

independent candidate against the leader of his own party DISY, Averof Neophytou, and the candidate of the largest opposition party AKEL, Andreas Mavroyiannis. As the year ended, Christodoulidis was leading in the polls and remained the heavy favourite to win the election, which he eventually did, becoming president in February 2023.

The northern part of Cyprus continued to suffer from political and economic instability in 2022, which was severely affected by high inflation rates in Turkey. Early parliamentary elections were held in northern Cyprus on 23 January 2022, after a caretaker minority government was formed in November 2021 by the National Unity Party (UBP) and the Democratic Party (DP). The government was led by Prime Minister Faiz Sucuoğlu of the centre-right National Unity Party (UBP). His party received 39.5 per cent and 24 seats (+3) in the 50-member parliament. The main opposition centre-left Republican Turkish Party (CTP) increased its vote share to 32 per cent and won 18 seats (+6). The centre-right DP retained its three seats with 7.41 per cent of the vote, followed by the People's Party (HP), which suffered significant losses with 6.7 per cent of the vote and three seats (-6). The Rebirth Party (YDP), which is supported mainly by Turkish immigrants, retained its two seats. Sucuoğlu remained in office and formed a UBP-DP-YDP coalition government under the parliamentary system of north Cyprus where the popularly-elected president does not have any executive power beyond playing the role of the community leader in the inter-communal negotiations. After only 59 days in office, the government resigned in April after a failed attempt by the prime minister to dismiss his finance minister and UBP colleague, Sunat Atun. The two junior coalition partners, DP and YDP, left the coalition apparently on the instructions of Ankara, which did not support Sucuoğlu's premiership. Eventually, Sucuoğlu was forced to resign, and on May 12, the UBP, DP and YDP formed a new coalition parliament led by the new prime minister, Unal Ustel (UBP). The opposition questioned the legitimacy of the new government, claiming that it was formed as a result of Turkish intervention. Although initially Atun retained his post as finance minister, eventually he was replaced, too, in July.

ECONOMIC AND SOCIAL SITUATION

Republic of Cyprus

The economy of the Republic of Cyprus is largely based on services. Those services, including tourism, financial services and real estate, accounted for nearly 80 per cent of GDP before the pandemic. The industry contributed only 10 per cent and agriculture added just 2 per cent to the economy. After five years of continuous growth since the 2013 financial crisis, the economy in the south went into recession again in 2020 due to the impact of the COVID-19 pandemic. The key sector of tourism alone dropped by 84.1 per cent for the entire year. Together with the economy, tourism partially recovered in 2021 with a 195.9 per cent year-on-year increase. However, this still meant 52.4 per cent fewer arrivals than in 2019. Despite the loss of 800,000 tourists from Russia and Ukraine, the second largest contributors after visitors of the UK, tour-

ist arrivals reached 80 per cent of the arrivals in 2019 at the end of 2022. While the economy had shrunk by 5.1 per cent in the previous year, it grew by 4.8 per cent in 2021. The economic upturn continued in 2022. Cyprus' gross domestic product (GDP) increased by 5.8 per cent year-on-year. The GDP amounted to 28.5 billion euros in 2022. Public debt decreased significantly from 103.6 per cent of GDP in 2021 to 89.3 per cent at the end of 2022.

The deflation of 2020 (-1.1 per cent) had turned into low inflation of 1.67 per cent in 2021. As elsewhere in the world, Cyprus faced a sharp rise in inflation in 2022 following the Russian invasion of Ukraine. In the first eleven months of 2022, the annual inflation rate was 8.4 per cent.

Unemployment had fallen slightly from 7.6 per cent in 2020 to 7.5 per cent in 2021. The positive trend continued at an estimated rate of around 7 per cent until the end of 2022. However, this was not reflected in the figures for youth. Youth unemployment had fallen from 19.9 per cent in December 2020 to 15.1 per cent in December 2021, but by December 2022 the figure had risen to 18.6 per cent.

In August 2021, the Republic of Cyprus signed an agreement with the European Commission in the context of the EU Recovery and Resilience Plan that aimed at mitigating the economic and social impact of the coronavirus pandemic and supporting the green and digital transitions of EU countries. The plan provides for 1.2 billion euros in grants and 0.2 billion in loans for the Republic of Cyprus, which the government intends to spend on reforming the public service, combatting corruption, upgrading the courts, as well as environmentally sustainable development. In 2022, Cyprus formulated the National Resilience and Recovery Plan under the title "Cyprus-Tomorrow" to leverage these and other funds with an estimated economic impact of 4.4 billion US dollars. The first tranche of 85 million euros was successfully disbursed in December 2022. The program is expected to increase GDP by 7 per cent and create 11,000 well-paying jobs in the medium term.

A historic milestone was the introduction of a national minimum wage in the Republic of Cyprus in 2022, providing for the payment of 940 euros for full-time employment and 885 euros for the first six months of employment, affecting approximately 40,000 workers. In 2022, the economic crisis and the decline in the living standards of the Turkish Cypriot community continued. The population in the north faced a "perfect economic storm: rising commodity prices, a slowdown in tourism and, above all, the impact of the financial crisis in Turkey" (AI-Monitor report, February 2022). Within this framework, the Turkish Cypriot economy continued to recover from the crises triggered by COVID-19. The two main drivers of the economy, tourism and higher education, were particularly hard hit by the COVID-19 pandemic. Tourism revenues declined 82.7 per cent by 2020. The majority of students had also preferred to stay in their home country when universities switched to online instruction. In 2020, revenues in the higher education sector had declined by 36.1 per cent. By 2021, the situation had improved significantly as occupancy rates had increased (albeit well below pre-pandemic levels)

and foreign students returned in the fall when face-to-face classes resumed. This trend continued in 2022. According to official statistics, hotel occupancy reached 42.7 per cent in 2022 compared to 26.8 per cent in 2021, and tourist arrivals increased by 156 per cent to 1.42 million. Another important factor that kept the private sector afloat in the north was the massive increase in Greek Cypriots and foreigners coming to the north to take advantage of the low prices caused by the fall in the value of the Turkish lira (TL) against the euro used in the south. The number of border crossings increased from 1.5 million in 2021 to 4.7 million in 2022.

north Cyprus

For many Turkish Cypriots, but especially for those working in the private sector, and non-Turkish Cypriot migrant workers in low-paying jobs in the private sector, the decline in their living standards accelerated. The main reason for this was the dramatic increase in the inflation rate, which had already risen from 15 per cent in 2020 to 46.1 per cent in 2021. According to official statistics, the consumer price index in 2022 rose by a staggering 94.5 per cent in 2022. Many foreign students from Asia and Africa were no longer able to make a living, and many were driven into prostitution and drug-related crime or left the north and sought asylum in the south of the island. Turkish Cypriots working in the public sector, whose salaries were indexed to compensate for the inflation-related losses, and those with hard currency incomes, fared much better.

Otherwise, the economy did better than the previous two years. Data from the Central Bank's fourth quarterly bulletin showed that the key indicators of the economy were above their pre-COVID levels in the last quarter of 2022. The report showed that the number of people in work and the number of foreigners (including Greek Cypriots) entering the country via crossing points were higher in 2022 than in 2019, which was the last full year before the devastating economic and social effects of the COVID-19 pandemic took hold. 4.67 million foreigners entered north Cyprus from the south in 2022, exceeding the figure of 4.53 million recorded in 2019. The depreciation of the Turkish Lira attracted many Greek Cypriot shoppers to the north.

The economy has also been bolstered by the return of university students and tourists; the number of arrivals (by air and sea) in 2022 was around 1.4 million (still below the level recorded in 2019, which was 1.75 million, but better than the figures of 2020 and 2021). After Turkish citizens, who accounted for more than 1.1 million arrivals in 2022, the highest arrival figures were for Russians (32,442), Iranians (31,450), and Germans (27,800). The Central Bank report also pointed to a positive outlook on the labour market: The number of registered employees, which was 119,568 before the COVID-19 pandemic, decreased to 105,945 in January 2021, but rose to 127,172 in November 2022. During the same period, the total number of employees with work permits – i.e., immigrant workers – increased by 41.7 per cent, from 38,340 to 54,355, while the number of citizens of north Cyprus in work

also rose, from 67,605 to 72,817. The unemployment figure in 2022 was 6.3 per cent down from 7.8 per cent in 2021. The budget deficit also decreased by 73.9 per cent in 2022 compared to 2021.

TRADE UNION CONTEXT

Republic of Cyprus

The first half of 2022 found the Republic of Cyprus in the aftermath of the negative consequences of the coronavirus pandemic, negatively affecting every aspect of workers' daily lives. The workers, who in recent years had already been burdened with the heavy price of the financial crisis, had to face new challenges, brought about by the consequences that the pandemic created. These included the reduction of incomes. Moreover, new price increases in basic goods and fuel due to the war in Ukraine were added.

The surge in inflation and the cost of living crisis that began to manifest itself from the second half of 2021 onwards, with the launch of Russia's attack on Ukraine and the economic sanctions it provoked in the West, are predicted to reach ominous proportions both at the global level and in the Cypriot economy. Although the Cypriot economy seems to be on the rise in terms of investment capacity, the considerable and high profits it produces seem to benefit only businesses. This results in a standstill in the country's productive potential, which does not increase. In addition, this potential is quickly exhausted when the GDP increases, leading to inflation and foreign trade deficits.

However, within this context, in 2022, the trade union movement of Cyprus was invited to be part of the social dialogue in the Labour Advisory Body. Specifically, the Minister of Labour sent an invitation to employers' organisations and trade unions to address any labour issues they consider important. One of the important issues that concerned all stakeholders partaking in this dialogue was the Cost of Living Allowance (CoLA). The main issue that prevailed in this matter was that the employers brought forth their claim for the abolition of the allowance. In contrast, the trade unions claimed its full reinstatement and return to all eligible employees. From 2018, based on the framework agreement, 50 per cent of the CoLA is paid once a year, provided that, during the second and third quarter of the previous year, there was a positive sign of economic growth.

This agreement had expired in December 2020. Before the 2013 crisis, CoLA was calculated every six months. Its validity was extended for another year, due to the negative effects caused by the COVID-19 crisis on the economy, and it was renewed in 2021 as the pandemic restrictions had yet not been lifted. The problems in the economy were extended because of the ongoing Russian-Ukrainian crisis, resulting in inflation soaring to unprecedented levels. The trade union movement demands the restoration of wages, in response to the unprecedented price increase in basic goods and emphasizes that the CoLA was established through collective struggles and, as

such, it will not be subject to negotiation. The unions expressed their dissatisfaction with the attitude of the employers' organisations, and also with the delay observed in completing the process concerning CoLA, based on the logic envisaged in the transitional agreement of July 2017.

The unions also stated their determination and commitment to collective action aimed at a positive outcome for the restoration of CoLA, and they called on all those involved (government and employers' organisations) to respect the content of the agreement. The trade unions reaffirmed their strict adherence to the need to extend collective agreements and CoLA for all workers in all sectors. The employers' organisations insist on the complete abolition of the allowance, as they claim that the allowance is anachronistic and that it affects the competitiveness of the national economy. The trade unions, on the other hand, insist on the complete reinstatement of the allowance, in order to restore the purchasing power of wages from inflation.

This social dialogue with the Labour Advisory Body was an important part of trade union mobilisations in 2022. It gave an opportunity to trade unions to discuss issues that concerned them throughout the year. Therefore, the rest of the issues that concerned the body comprised claims by trade unions not only for 2022, but also from previous years. These included:

- the modernisation of the strategy for the employment of foreign workers;
- the enactment into law of the social partners' agreement regulating strikes in essential services;
- the regulation of basic minimum rights and expansion of the coverage of employment conditions with collective labour agreements;
- the improvements of labour laws in relation to the "termination of employment" law;
- the parental leave laws;
- the concealment of the employer-employee relationship;
- the fight against the purchase of services and false employment;
- the modernisation of the pension system and the abolition or regulation of the actuarial cut of 12 per cent for those who retired at the age of 63;
- the protection of employees in case of the employer's insolvency;
- the ratification of the ILO convention on decent work conditions for domestic workers;
- welfare funds;
- the delay in examining benefits paid by the Ministry of Foreign Affairs;
- standards of professional qualifications.

In December 2022, an important mobilisation took place, that set the scene for new regulations and that involved trade union action. The new working conditions brought about by the pandemic gave rise to new professions and modes of work. One of those is digital platform work, a sector that boomed during the pandemic. In Cyprus, delivery drivers, mostly third-country nationals, went on a strike pro-

testing their working conditions. As a result, intensive consultations were held, with the aim of reaching an agreement between trade unions and the employers on the working conditions of online platform delivery workers, under the auspices of the Department of Labour Relations of the Ministry of Labour. The consultations followed a nine-day strike by delivery workers of Wolt Delivery. In particular, the problem with Wolt started last year, when the company began to reduce the per order fee paid to delivery workers. Specifically, last year, delivery workers received 3 euros per order, which decreased to 2.60 euros and, then to 2.40 euros, and is now 2.26 euros per order. Employees are also considered freelancer-partners of Wolt, and they are officially employed by another company, which is essentially an agent that manages distribution fleets. The agents get 30 per cent of the 2.26 euros, while the employees themselves contribute another 11 per cent to social security and the Cyprus statutory health insurance system GESY, because they work as freelancers. With the remaining 59 per cent of their income, they have to maintain their own motorcycles and pay for their fuel and even their uniforms, which they buy from Wolt.

The strikers demand that the amount of the commission the agents get is reduced and the fee for each order is increased. The trade unions demanded the introduction of a new legislative framework that will protect digital platform workers.

Another important development in 2022 was the introduction of the national minimum wage. The dialogue took place throughout 2022, and the minimum wage was implemented in January 2023 and will be re-evaluated in 2024. Even though the Minimum Wage Law (21/1973) was established in 1973, a national minimum wage was only introduced for the first time in 1 January 2023. Set at 940 euros per month, the measure is expected to impact 40,000 workers. However, those working in agriculture, shipping and domestic work are exempted from the minimum wage requirements, as are interns or individuals undertaking training for a degree or professional qualifications.

north Cyprus

In a year in which runaway inflation seriously undermined the purchasing power of the salaried, Turkish Cypriot trade unions tried to remain active on various political and economic fronts. As in other years, they used strike action, organised protests and issued press statements individually or collectively (the unions spearheaded the formation of a new and short-lived platform, i.e. Communal Existence Platform, which was made up of trade unions, professional and civil society organisations across the political spectrum) to influence political decision-makers and the wider public. Yet, though these probably helped the public sector employees maintain their living standards (thanks to the statutory cost of living adjustments in the public and semi-public sectors), it was not sufficient to protect the purchasing power of the most vulnerable group in the face of inflation, which reached 94.5 per cent at the end of the year: minimum wage earners in the private sector.

Minimum wage was one of the biggest issues throughout the year. The minimum wage for the first part of 2022 was already set in December 2021 due to the government's efforts to please minimum wage earners in the run-up to the general elections scheduled for January 2023. Although the representatives of the business community in the Minimum Wage Determination Commission (the only regularly functioning social dialogue mechanism, which usually meets twice a year) had initially left the committee meeting in protest and announced that they would challenge the legality of the decision made in their absence, they eventually decided against it and, instead, announced that they would focus on lobbying the government to provide support for their social security premium payments. As a result, the new minimum wage rate came into effect in January. Accordingly, private sector employees received a 41 per cent pay rise: The gross monthly minimum wage for a full-time employee has gone up from 4,970 TL (324 euros) to 7,000 TL (457 euros), while the net amount has risen from 4,324 TL (282 euros) to 6,090 TL (397 euros). Although at first sight, this looks like a decent raise, a year earlier, in February 2021, the net minimum wage was 447 euros. Furthermore, the lowest gross salary in the public sector for those with a secondary school education was set at 8,340 TL (543 euros) in early 2022.

Like in 2021, the Trade Union of Turkish Cypriot Public Servants (KTAMS) calculated and announced the minimum amount needed for a family of four to have a healthy diet, i.e. the hunger line, on a monthly basis in 2022. As of the end of December 2021, this was 5,774 TL (376 euros) per month. So already at the beginning of the year, the newly set minimum wage was only slightly above this rate and because of the rapidly increasing prices throughout 2022, the minimum wage regularly fell below this level. At the end of May, the hunger line reached 8,676 TL, while the net monthly minimum wage was only 6,090 TL because the prices rose by 43.1 per cent in the first five months of the year alone. Though at this point the Federation of Free Trade Unions (Hür-İş), which represents the employees in the Minimum Wage Determination Commission, had made an official request for the Commission to set a new minimum wage, this was not accepted by the government. Eventually, on July 7, the Commission chaired by the Minister of Labour and Social Security set the net minimum wage at 8,600 TL (491 euros) despite the workers' representatives walking out of the meeting in protest. As pointed out by Ahmet Serdaroğlu, the leader of Hür-İş, the cost of living increase of 56.76 per cent was taken into account for public and semi-public sector employees, the minimum wage was only raised by 41.21 per cent, thus failing to protect the purchasing power of minimum wage earners. Although this was protested by trade unions, and on 27 July 2022, the Minimum Wage Determination Commission convened once again to evaluate the objections, the rate was not changed.

Subsequently, KTAMS announced in August that the minimum wage was still below the hunger line, despite the increase introduced in July. KTAMS also repeatedly called for legal arrangements, which will (1) index the minimum wage to the cost of living, (2) update the criteria for the determination of the minimum wage, and (3) change the structure of the

Minimum Wage Determination Commission. In October, KTAMS also demanded a legislation which would promote unionisation in the private sector "as soon as possible to prevent private sector employees from being exploited by their employers". From time to time, various trade unions also repeated the demand raised by some trade unions in the previous years to peg the minimum wage to the lowest salary in the public sector (this would mean automatically applying the cost of living adjustment to the minimum wage every six months, so that purchasing power is better protected in times of high inflation). The government did not heed any of these demands.

At the end of November, KTAMS pointed out that the difference between the minimum wage – 8,600 TL net (446 euros) – and the "hunger line" had increased to 2,553 TL (132 euros). Yet, although Hür-İş made an official appeal to the Ministry of Labour to call for a meeting of the Minimum Wage Determination Commission, the Ministry did not take any action in November, and although the Commission convened twice in December, a new minimum wage could not be agreed upon.

Like in 2021, the trade unions organised collective actions particularly to protest the government's inaction to lessen the impact of inflation; these were more intense during the first half of the year. On March 18, seven trade unions and two trade union federations (KTAMS, Kamu-Sen, KTOEÖS, KTÖS, Hak-Sen, Güç-Sen, Koop-Sen, Hür-İş federation and Dev-İş federation) visited the Prime Minister Faiz Sucuoğlu. Trade union leaders urged the government to apply the "cost of living allowance" on public sector salaries and pensions every two months instead of currently every six months, to no avail. The union representatives also set out their demands during a joint press conference, where they put forward their proposals regarding the ongoing price hikes. They warned the government of protests, should there be inaction on this issue. KTAMS chairperson, Güven Bengihan, said that the unions had joined forces to "protect the people's purchasing power".

On 1 April, the trade unions made good on their promise and staged one of the biggest protests in recent history in Nicosia. Public services ground to a halt across the country as trade unions across the political spectrum staged a one-day general strike and a protest march against rising prices, stagnant wages and the "impoverishment" of the people in general. The strike was organised by a long list of trade unions representing a wide range of professions, including civil servants, teachers, healthcare workers and municipality staff. A number of opposition political parties and non-governmental organisations also joined the protest, including the main opposition Republican Turkish Party (CTP), the People's Party (HP) and parties not represented in the parliament. Thousands marched towards the Prime Minister's Office, where police took extensive security measures. They carried an array of banners and placards bearing messages such as "No to price hikes", "No to impoverishment", "Turkish lira = poverty", "Labour is cheap for you, life is expensive for us", "Wealth tax for the ultra-rich" and "Government resign". The left-leaning KTAMS leader, Güven Bengihan, the president of the right-leaning Hür-İş, Ahmet Serdaroğlu and the left-leaning Türk-Sen federation leader Arslan Bıçaklı addressed the crowd.

On 31 May, KTAMS leader Bengihan issued a press statement on behalf of the “Platform for Community Life”, which is made up of trade unions, professional organisations and civil society organisations across the political spectrum. Bengihan said that the member organisations held a meeting and, believing that community life can only be achieved through the joint struggle of all segments of society, agreed to form a broad union. He noted that during the meeting the determination to stand up against the “interventions against the will of the people” and to fight together in order to ensure production and fair distribution in the country was emphasised.

On 17 June, the Communal Existence Platform organised another protest march against the soaring prices in Nicosia. The march was supported by the opposition political parties including the Republican Turkish Party (CTP) and the People’s Party (HP). The march ended in front of the parliament building, where the crowd demanded the resignation of the government. They also waved banners and placards with messages such as “No to poverty and extinction”, “Ban non-unionised labour”, “Nationalise the fuel companies”, “Link the minimum wage to the lowest public sector salary” and “Wealth tax for the ultra-rich”. Earlier that month, on June 6, the same trade unions had held another protest against the cost of living crisis, the 2022 Turkey-north Cyprus Economic and Financial Cooperation Protocol, and proposed changes to defamation laws. Then, they had used their cars to block the road outside the parliament.

On 22 July, the government announced the new salary bands for public and semi-public sector employees, which reflected the 56.76 per cent increase in the cost of living during the first six months of 2022. As a result, the lowest-paid public workers’ gross monthly salary rose to 13,074 TL (747 euros). On the following day, the government introduced a decree to cut salaries and pensions above 15,000 TL (857 euros) (by 10–20 per cent for a temporary period) citing the pandemic, the war in Ukraine, depreciation of the Turkish Lira and budgetary constraints. The unions filed a lawsuit at the Constitutional Court, demanding the annulment of the decree, but before the Court took any action, the decree was already withdrawn by the government. Prime Minister Üstel announced that the “problem” requiring salary cuts in the public sector was resolved.

On a different front, on September 12, the members of KTAMS and Kamu-Sen stormed and occupied the meeting room of the Public Service Commission to protest the Commission’s chairperson’s decision to exclude the unions’ representatives from the interviews to be held for the recruitment of new prison guards. The police arrested the unionists including the two leaders. After their release, the two union leaders argued that the method used for the last 17 years in the oral competition exams was changed by the chairperson and said that he would go down in history as the Commission chairperson who had the union presidents and executives arrested because they asked for transparency.

As in earlier years, Kıbrıs Türk Elektrik Kurumu Çalışanları Sendikası (El-Sen, Cyprus Turkish Electricity Authority Workers

Union), which is organised in the public Electricity Authority (Kıb-Tek), was at the center of attention in 2022. Kıb-Tek’s privatisation and/or restructuring have been mooted for a very long time leading to underinvestment as well as concerns among its personnel while its tender processes have been subject to intense corruption allegations. Against this backdrop, in February 2022, the head of El-Sen announced that public and semi-public institutions owed the Authority around 900 million TL (57.5 million euros) in unpaid electricity bills. The union threatened to cut off the energy supply to government offices that do not pay up.

On 30 March 2022, El-Sen held a press conference to share the latest developments regarding Kıb-Tek with the public. El-Sen chairperson Kubilay Özkırac stated that those who wanted to privatise Kıb-Tek were responsible for rolling power cuts, which condemned the country to darkness. Özkırac stated that the internal feuds within the coalition government, the government’s refusal to make required investments, the tenders that were not completed, and the government’s failure to appoint a new Board of Directors were the reasons behind the power cuts, and that the most urgent problems to be resolved were the appointment of the Board of Directors and addressing the shortage of materials. Özkırac reminded that three out of five generators had been waiting for spare parts for months, whereas AKSA (the private company from Turkey which operates one of two power plants) is paid 26 million euros every year. He emphasised that the cuts would continue if the investment was not made, and that they would not sacrifice Kıb-Tek to the cronies of the government who fight among themselves for more rent. KTÖS and Türk-Sen leaders also participated and gave their support to El-Sen in the press conference. On 12 April 2022, the electricity in all government offices was cut as part of a protest by El-Sen. The El-Sen leader said that his union was open to meeting with the government but expressed his firm opposition to the prospect of the privatisation of Kıb-Tek, claiming that Kıb-Tek is being forced to sell electricity at below-cost prices in order to drive it into bankruptcy and thereafter make the case for privatisation.

In February, Ali Yeltekin, the Secretary General of the Hür-İş federation who represents the federation on the Board of Directors the Social Security Department, pointed out that the department ran a deficit in January (which was plugged with a loan from two private banks) due to the COVID-19 pandemic. Before the pandemic, there were 130,000 “active employees” registered with the Social Security Department, but this number went down to 76,000 due to the pandemic. As the economy recovered over the year, this issue did not come onto the agenda of the public again.

Towards the end of 2021, two trade union federations across the Green Line, Türk-Sen and SEK, had announced their cooperation to help bring together jobseekers and employers, a scheme designed to enable Turkish Cypriots to find employment in the south. The scheme started to bear fruit in 2022: In early February, Türk-Sen announced that of 130 Turkish Cypriots who applied to Türk-Sen in December to work in the tourism sector in the south, 60 had started to work, with an-

other 40 due to start their new jobs “in the coming days”. The initiative was introduced to facilitate Turkish Cypriots’ employment in the tourism, restaurant, and construction sectors in the south. Following the sharp fall in the value of the Turkish Lira, jobs in the south – paid in euros – have become more attractive to Turkish Cypriots. Though exact figures regarding the number of Turkish Cypriots placed in jobs in the south in 2022 are not available, a Türk-Sen official estimates the number to be between 150 and 200.

On 2 August 2022, teachers from the Cyprus Turkish Primary School Teachers’ Trade Union (KTÖS) and the Cyprus Turkish Secondary Education Teachers’ Trade Union (KTOEÖS) held a protest outside the Ministry of Education, during which they broke police lines and forced their way inside the building. The protest was aimed at halting proposed amendments to legislation regulating teachers’ rights and duties. On October 17, the KTOEÖS went on strike in all public secondary schools and held a demonstration. The KTOEÖS took action over “Education Minister Nazim Çavuşoğlu’s attitude towards teachers”, while also demanding that the “Draft Teachers (Amendment) Bill” be dropped. The bill seems to be shelved for the moment, although it is not abandoned altogether.

On a more negative note, Kamu-İş’s efforts to organise cleaners working in public schools as employees of private companies did not succeed. In July, Hür-İş organised a protest in front of the Prime Minister’s office, claiming that the government had not kept its promises on improving the rights of workers who work for sub-contractors in public schools. Previously, Prime Minister Ünal Üstel had promised to address the problems of cleaners working in public schools, who claimed during a previous demonstration that they had not been paid for two months and that their social security contributions had not been paid for the last six months. Kamu-İş’ Secretary-General said that there were around 1,700 workers providing services in the public sector who work for the minimum wage and have their pay cut on holidays and other days they do not work.

On 13 October, Kamu-İş members laid a black wreath in front of the Ministry of Education as part of an ongoing strike by cleaners at public schools. Speaking at the protest, Kamu-İş chairperson Ahmet Serdaroğlu said that some 230 cleaners demanded a collective bargaining agreement after they complained of not being paid properly and that their rights as workers were being violated. While the cleaners “knew from the very beginning” that they would not be hired as public sector workers, Serdaroğlu said that unionised employees now had the right to collective bargaining. On 17 October, Serdaroğlu announced that cleaners from another 16 primary and secondary schools had joined an “indefinite strike” that was being held at nine schools. On 24 October, the trade union held a protest outside the parliament demanding the parliament focus on ensuring the cleaners’ rights. During the demonstration, the protesters tried to force open the parliament gates, but were held back by police officers. In November, fears were raised that state schools could turn into a “breeding ground” for disease due to the strike of public

school cleaners. The insufficient cleaning services at public primary and secondary schools have led to scenes of overflowing bins and dirty classrooms and toilets. The Cyprus Turkish Medical Association called for the Ministry of Health, Ministry of Education and municipalities to take action to ensure that minimum hygiene conditions at schools were being met. On 22 December, Kamu-İş marched to the Ministry of Education because its members had not been paid and had been treated unfairly by the private company outsourced for cleaning services. The demonstration, during which a fire was lit and rocks were “boiled” in a pot to illustrate the hardship faced by the cleaners. Speaking during the protest, Kamu-İş leader Serdaroğlu accused the Minister of Education and the coalition government of “violating” human rights and claimed that the cleaners, who were employed by a private firm under a government contract, had been subjected to “pressure and threats”. Serdaroğlu also claimed that Prime Minister Ünal Üstel, on the campaign trail, said that the cleaners were suffering because they had unionised. Serdaroğlu also accused Çavuşoğlu of “trying to run away from his responsibility” and likened working in cleaning services at schools to “slavery”. As of the end of the year, there was no improvement in the conditions of the workers.

Memur-Sen, a trade union, which was under the Hür-İş federation left Hür-İş and became independent. The reason was not specified.

TRADE UNIONS IN CYPRUS – FACTS AND FIGURES

HISTORICAL ASPECTS

Republic of Cyprus

In the crisis conditions prevailing in the Greek Cypriot community after the war of 1974, the tripartite system – the institutionalised consultation between workers’ and employers’ representatives under the auspices of the state, – already in operation in a rudimentary form since the late colonial era and in the process of being consolidated in the first years of the Republic, was further boosted, strengthened and formalised, although it was 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. Collective agreements are an important component of labour law. However, the general rule is that collective agreements between trade unions and employers are not legally binding for the latter. One of the most defining characteristics of the Cypriot corporatist model is its reliance on collective bargaining agreements, which involve negotiations between the parties concerned. In 1977, the establishment of the Industrial Relations Code (IRC), negotiated and agreed upon 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 IRC is essentially a soft-law document, a gentlemen’s agreement that regulates the collective bargaining process, and provides a conflict resolution

mechanism when employers' and employees' representatives fail to reach a mutually acceptable outcome. The participation of trade unions in a series of tripartite committees in the 1980s and 1990s allowed them on the one hand 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, was at no time extended to include state economic policy.

As the political realm had been 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". Those unions are: Panygyria Ergatikí Omospondia (PEO, Panycyprian Federation of Labour), which is directly aligned to AKEL; Synomospondia Ergazomenon Kyprou (SEK, Cyprus Workers' Confederation), which is indirectly aligned to DISY and DIKO, and, the Demokratiki Ergatikí Omospondia Kyprou (DEOK, Democratic Labour Federation of Cyprus), a small union that broke away from SEK, aligned directly with the social democratic party EDEK.

By the 1990s, the Cypriot economy was increasingly opening up to the international economy. Manufacturing, never a big sector, shrank further as a result of global competition. Services expanded even more, with foreign workers and, after the accession of Cyprus to the EU in 2004, workers from EU-countries becoming an increasingly important workforce. Although trade unions continued to expand in membership in both the 1990s and the 2000s, they lagged far behind the expansion of the labour force, resulting in a significant drop in overall density levels, from around 80 per cent in the 1980s to around 50 per cent by the 2010s. Service workers, non-Cypriot workers and young workers, in general, were more difficult to organise, 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 unionisation effort, as precarious workers are more difficult to organise.

north Cyprus

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 in this period of intercommunal conflict. 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 Sec-

ondary School Teachers Union), and one of the federations, Türk-Sen (Federation of Cyprus Turkish Trade Unions), had preceded 1974, the circumstances in small enclaves, where Turkish Cypriots lived under military rule, were not conducive to class-based unionism. Therefore, unionism gained momentum only in the relatively more democratic post-1974 period.

In this early post-conflict period, there was only small-scale production in the private sector and the state was the biggest employer. State economic enterprises were active in tourism and manufacturing, where the scale was conducive to unionisation. These factors explain the dominance of the public sector trade unions.

Due 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 laws, empowering the trade unions (at least in the public sector). Consequently, in 1981, when the total employment figure was around 54,000, there were around 20,000 union members. Yet the union membership could not sustain this figure for a very long time; even though the total employment figure reached 90,000 in 2001, the trade union membership was still around this level. By 2021, there were around 26,000 union members while the total employment figure was around 125,000.

TRADE UNION LANDSCAPE

Republic of Cyprus

The gradual but substantial expansion of the broader public sector allowed the centre-right SEK to catch up with PEO in terms of membership, as it organised the overwhelming majority of employees in the public services and municipalities. At the same time, the Panycyprian Union of Civil Servants (PASYDY), representing the civil servants properly, was also strengthened, expanding in membership and attaining a series of wage increases and benefits for its members.

PASYDY is formally politically neutral and is not affiliated with 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 in 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: Panygyria Organosí Ellinon Daskalon (POED, Panycyprian Organisation of Greek Teachers), Organosí Ellinon Leitourgon Mesis Ekpedeúsis Kyprou (OELMEK, Organisation of Greek Secondary Education Teachers) and Organosí Leitourgon Tehnikis Ekpedeúsis (OLTEK, Organisation of Teachers in Technical Institutions), representing the primary, secondary and technical education, respectively. Enosi Trapezikon Ypallilon Kyprou (ETYK, Union of Banking Employees of Cyprus), is like PASYDY in the sense that it is not formally aligned with any political party, and, in fact, was able to benefit from the substantial expansion of the banking system and its strong labour market position, achieving consid-

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	56 742 (2020)	WFTU
Συνομοσπονδία Εργαζομένων Κύπρου, ΣΕΚ (Confederation of working persons in Cyprus, SEK)	Chair: Andreas Matsas Vice-Chair: Michalis Michael	56 388 (2020)	ITUC, ETUC
Παγκύπρια συνδικαλιστική οργάνωση δημοσίων υπαλλήλων, ΠΑΣΥΔΥ (Pancyprian Trade Union of Civil Servants, PASYDY)	Chair: Stratis Mathaiou Vice-Chair: Antonis Koutsoullis	21 535 (2020)	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	10 673 (2020)	UITBB
Συντεχνία Ξενοδοχοϋπαλλήλων και Κέντρων Αναψυχής, ΣΥΞΚΑ (Trade union of hotel and leisure centre workers, SYXKA)	PEO	Chair: Lefteris Georgiadis Vice-Chair: Andreas Kombos	11 763 (2020)	TUI-HOTOUR
Ομοσπονδία Σωματείων Ημικρατικών Οργανισμών, ΟΗΟ (Federation of unions of Semi-governmental Organisations, ΟΙΟ)	SEK	Chair: Andreas Elia Vice-Chair: Ilias Demetriou	5 141 (2020)	EPSU, PSI
Ομοσπονδία Υπαλλήλων Ξενοδοχείων. Επισιτισμού και Κέντρων Αναψυχής, ΟΥΞΕΚΑ (Federation of hotel, food and leisure centre employees, ΟΙΧΕΚΑ)	SEK	Chair: Miltiadis Miltiadous Vice-Chair: Georgios Karas	15 040 (2020)	EFFAT, IUF
Ένωση Τραπεζικών Υπαλλήλων Κύπρου, ΕΤΥΚ (Union of Cyprus Bank Employees, ΕΤΥΚ)	Independent	Chair: Chatzikostis Loizos Vice-Chair: Christos Konomis	6 753 (2020)	UNI Europa, UNI Global
Παγκύπρια Ομοσπονδία Ανεξάρτητων Συνδικαλιστικών Οργανώσεων, ΠΟΑΣΟ (Pancyprian Federation of Independent Trade Union Organisations, POASO)	Independent	Chair: Kostas Ioannou Vice-Chair: Achilleas Charalampous	App. 4 000	WOW

erable wage raises, benefits and privileges for its members 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, Anexartiti Sintehnia Dimosion Ypallilon Kyprou (ASDYK, Independent Union of Civil Servants of Cyprus), emerged in the 2010s as a second general public sector union; Pangypria Syntehnia Kyvernitionon Iatron (PASIKY, Pancyprian Association of Government Doctors), and Pangypria Syntehnia Nosileuton (PASYNO, Pancyprian Nursing Association) all challenged PASYDY. More recently,

the trade union Pankýpria Syntehnia Isotita (ISOTITA, Pancypriot Union Equality) was formed to represent irregularly employed workers in both the public and semi-public sectors.

In October 2020, POAS was renamed the Pan-Cypriot Federation of Independent Trade Union Organizations (POASO) after the inclusion of the unions ASDYK (Independent Union of Civil Servants of Cyprus) and PASYNO (Pan-Cypriot Union of Nurses). Today there are eight trade union members of POASO, with approximately 4,000 members.

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

Trade union representation varies enormously depending on the sector of economic activity and enterprise size. In the public, semi-public, municipal and 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 in 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, from 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 the transport and manufacturing sector, 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 trans-national enterprises, unionisation 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 unionisation is more difficult in small, often extended-family businesses compared to medium-sized ones.

north Cyprus

Historical and structural factors, such as the very small scale of industrial production, and the small size of private enterprises, rendered unionisation in the private sector very difficult. Consequently, the level of unionisation is very low in the private sector. According to a study conducted in 2014, there were no trade union members in 95 per cent 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, whereas it was around 33.7 per cent in 2004, it was around 22 per cent in 2022.

The trade union landscape in the northern part of Cyprus is quite fragmented. According to the Registrar of Trade Unions, there were around 45 active trade unions in 2022. By law, 20 people may come together to form a union. Unionists consider this as a deliberate strategy adopted by politicians to undermine the development of larger and more influential unions because in practice rather than joining larger existing sectoral unions and pooling resources, employees prefer to set up a new union and lead it.

Table 3
Most important trade union federations in north Cyprus

Trade Union Federation	Chairperson and Vice Chairperson	Members	International Memberships
Hür İşçi Sendikaları Federasyonu, Hür-İş (Federation of Free Trade Unions)	Chair: Ahmet Serdaroğlu Secretary General: Ali Yeltekin	4 304	None
Kıbrıs Türk İşçi Sendikaları Federasyonu, Türk-Sen (Federation of Cyprus Turkish Trade Unions)	Arslan Bıçaklı (Chairperson) Secretary General: Tamay Soysan	1 651	ETUC, ITUC
Devrimci İşçi Sendikaları Federasyonu, Dev-İş (Federation of Revolutionary Trade Unions)	Chair: Koral Aşam Secretary General: Semih Kolozali	1 164	WFTU

Table 4
Most important branch or individual unions in north Cyprus

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: Mustafa Baybora Secretary General: Burak Maviş	1 722	EI, ETUCE
Kıbrıs Türk Orta Eğitim Öğretmenler Sendikası, KTOEÖS (Cyprus Turkish Secondary School Teachers Union)	Independent	Chair: Ozan Elmalı Secretary General: İbrahim Ermihan	2 840	EI, ETUCE
Kıbrıs Türk Amme Memurları Sendikası, KTAMS (Union of Turkish Cypriot Public Servants)	Independent	Chair: Güven Bengihan Secretary General: Serman Yiğit	3 556	EPSU, PSI
Kıbrıs Türk Kamu Görevlileri Sendikası, Kamu-Sen (Cyprus Turkish Public Officials Trade Union)	Independent	Chair: Metin Atan Secretary General: Özgür Kıdrışlıoğlu	2 203	None
Kamu İşçileri Sendikası, Kamu-İş (Public Workers Trade Union)	Hür-İş	Chair: Ahmet Serdaroğlu Secretary General: Devrim Gündüz	2 550	International Eurasian Metal Workers' Federation (IEMF)
Belediye Emekçileri Sendikası (Municipal Workers Trade Union)	Independent	Chair: Mustafa Yalınkaya Secretary General: Ulus Arpalıklı	1 572	None

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 unionise 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 have 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 employ-

ing more than 30 people, unions represent at least 50 per cent of the employees. If unions represent at least 25 per cent, 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 per cent or more 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 operationalisation of the Registrar's new powers has happened only four times since 2012, the mere existence of the law has partly helped unionisation efforts by both established and new trade unions, as activists know 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, 43 out of 176 are ratified. In general, Cyprus has ratified 56 Conventions and four Protocols: 50 are in force; seven Conventions and two Protocols have been denounced; two instruments have been abrogated, while no new ones have been ratified in the past 12 months.

north Cyprus

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 organising in the public sector. Indeed, an overwhelming number of the unionised labour force works in the public or semi-public sector.

On the other hand, it can be said that private sector employees in general and the immigrant workforce in particular work in precarious conditions. Although only a limited number of ILO conventions has been ratified by the Turkish Cypriot parliament, the Labour Law from 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 the 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 between these two levels and no systematic, coordinated bargaining 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. At sectoral level, direct negotiations are always held between the two sides of the industry, in most cases between the two biggest confederations PEO and SEK, from the employees' side, and OEB, from the employers' side. At enterprise level, collective agreements are drawn up and usually negotiated directly between the trade union representatives and the employer, but in a number of cases with the assistance of the employer association the company is affiliated to.

There are no bargaining standards at national level nor at 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 per cent in 2001 to 45.2 per cent 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 is often misunderstood and misinterpreted. As a result, many labour disputes arise from questions of interpretation.

The two main ways of resolving disputes are mediation and arbitration. The Department of Labour Relations (Industrial Relations Service) of the Ministry of Labour, Welfare and So-

cial Insurance is responsible for providing mediation assistance by intervening in a dispute after negotiations have reached a deadlock and the two sides (employers and trade unions) have formally requested the Ministry to mediate. The mediation process is governed by the Industrial Relations Code (IRC), which provides detailed procedures for dispute resolution in the private and semi-public sectors; the public sector adheres to a different set of rules. The mediation process governed by the IRC is not a mandatory procedure and is not covered by legislation. However, collective agreements between employers and their employees may expressly provide that any labour law dispute is to be subject to mediation. The aim of mediation is to assist employers and employees in reaching a mutually acceptable solution. Overall, trade unions can be said to be partially successful in their core tasks, albeit less so in the current decade compared to the previous one.

From 2011 onwards, 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 done to 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 Labour took on the mediation role on several occasions, based on the IRC. During 2021, many employers viewed the pandemic crisis as an opportunity to restrict the rights of employees, previously established by collective agreements, and to violate their obligations towards them. Moreover, fear of unemployment has led many employees to accept various forms of violations of their rights. At the same time, the maintenance of peace in labour relations in a period of pandemic crisis remains a major challenge for the future of the Cypriot corporate model, and for that once again the Ministry of Labour took on the mediation role on several occasions.

north Cyprus

As mentioned earlier, trade unions are almost exclusively organised in the public and semi-public sectors where various social dialogue mechanisms exist. Some of these are functioning relatively well, some work well when the government is willing, and some of them exist only on paper. In the last ten years, a general deterioration can be observed in the functioning of these mechanisms. This largely stems from the economic protocols signed between north Cyprus and Ankara, which envisage austerity measures. In a setting where the government remains the biggest employer, the Ministry of Finance casts a long shadow over the social dialogue mechanisms, particularly when it comes to negotiations over material benefits for the working population. Additionally, the government is reluctant to take steps which may limit its room for manoeuvre vis-à-vis other social part-

ners. Therefore, it tends either to ignore its responsibilities as a stakeholder in the social dialogue at the expense of violating the law or fails to take the steps to render these mechanisms functional.

Although public sector employees have the right to collective bargaining in general, they are not entitled to sign 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 decentralised and takes place exclusively at the workplace level. White-collar employees in the public sector, on the other hand, are subject to a different collective bargaining mechanism, called the "protocol talks". These are 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 representing teachers and healthcare sector employees. However, this mechanism has started to lose its relevance; since 2007, no protocol has been signed, and for some years, the Ministry of Finance did not even bother to schedule a meeting, although by law one has to take place every year.

As mentioned earlier, unionisation and collective bargaining is very rare in the private sector. The only social dialogue mechanism concerning 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 (currently Hür-İş) and five government representatives. The commission meets at least once a year to determine the statutory minimum wage. In recent years, it met twice a year.

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 in 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 increasing difficulties of trade unions 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, prioritising them over legal means. In the hotel and tourism industry, they managed to renew the sec-

toral collective agreement in 2020, even though this was violated by employers in many cases, according to trade unions. Trade unions continue to emphasise 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 Labour, 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 it.

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 being held accountable for it, in conjunction with the recession and austerity, have brought about a serious discredit 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 or 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 of the labour market. However, recognising the decrease in their own power on the labour market level, PEO and SEK support the institutionalisation of a set of minimum wages and rights for all 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 that

the trade unions have lost is not enormous, and things are not as 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 has clearly declined in the last decade. However, in the last two years, the 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 confident that, in the “post crisis” conditions of 2020, this is possible, and they push for these measures through the social dialogue procedures.

At European and international level, the Cyprus trade unions are well connected, 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 connected federation at the European level, participating regularly in the European Trade Union Confederation (ETUC) processes.

north Cyprus

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 organising mass protests, which may create some impact on broader social and political issues. For instance, they played a major role in mobilising people to demonstrate in favour of the 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 materialise because of the “no” vote of the Greek Cypriot community in the referendum held in 2004, the island as a whole has become 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 unions' capacity to create a lasting impact on economic policymaking has been historically low. This has further declined in the last fifteen years in the face of the growing influence of Ankara in economic policymaking, which manifests itself in the form of economic protocols signed between the Turkish government and the authorities in the north. Initially, the Trade Union Platform, which brought together unions across the political spectrum, had managed to mobilise public support against these policies in 2010 and 2011. However, this mass mobilisation failed to stop the implementation of the main austerity measures.

On a more positive note, in July 2018, the Ministry of Labour introduced a scheme, which promoted collective bargaining and unionisation in the private media institutions. The scheme was designed to grant financial incentives to media companies in which a collective agreement is signed for a limited period of time (36 months) but this was later extended indefinitely; according to this scheme, 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 north Cyprus. Thanks to the scheme, collective agreements have been signed in many media companies. Overall, this is considered as a success by the trade unionists. However, there are also negative developments: In Kibris, the biggest private media institution in the northern part of Cyprus, the company forced the employees to join a separate trade union organised only among the employees of the Kibris media company (Kibris-Sen).

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 has been further weakened after the coming to power of the minority coalition government in 2020, which was composed of three right-leaning parties, the National Unity Party (UBP), the Democratic Party (DP) and the Rebirth Party (YDP). This government came to an end in October 2021 and an interim government, made up of UBP and DP, led the country into early parliamentary election on 23 January 2022. Following the elections, two new UBP-DP-YDP coalition governments were formed by two different UBP Prime Ministers.

The public standing of trade unions remains low. To give an example, according to a poll conducted in March 2021 by the Centre for Migration, Identity and Right Studies (CMIRS), a local pollster, the trust score of trade unions was 2.35 (out of 5); in September 2022, it went down to 2.05. The worst performers were the government (1.82) and the parliament (1.89), while the best performers were the police (2.79) and the judiciary (2.62).

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