

CYPRUS

Trade Union Monitor

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POLITICAL, ECONOMICAL AND SOCIAL CONDITIONS

POLITICAL DEVELOPMENT

2018 was characterised by a standstill in the Cyprus question. The negotiations aimed at overcoming the partition of the island at an international conference in Crans Montana, Switzerland had failed on the home straight in July 2017. Since then the efforts in the Cyprus question have not gone beyond preliminary talks about starting fresh negotiations. Towards the end of the year the leader of the Greek-Cypriot community and President of the Republic of Cyprus, Nikos Anastasiades, had spoken out against the political equality of the Turkish Cypriots, which has been the basis of all attempts at settlement since 1974.

Moreover he promoted a loose federation with a weak central government instead of the bi-zonal, bi-communal federation, the model for a solution thus far. At the year's end therefore the signs for a reunification of the island were extremely poor. In domestic politics the most significant event in 2018 was the re-election of Nikos Anastasiades (DISY – Democratic Rally) as President of the Republic of Cyprus. On 4 February, as expected, he won in the second round against the colourless candidate of the Communist AKEL (Progressive Party of Working People), Stavros Malas.

There have been no substantial reforms in individual or collective labour law or social and employment policy in the Greek Cypriot dominated Republic of Cyprus in 2018. Trade unions and employers' associations continued to express their diverging views on several matters the most basic being their understanding of the conditions prevailing in the labour market.

Whereas trade unions voiced again their view that additional legislation was needed to ensure some minimum standards for the most vulnerable workers, employers' associations emphasised the drop in unemployment and the stabilisation of the economy and warned that these processes should not be put to risk.

In the Turkish Republic of Northern Cyprus (TRNC)¹ there were early parliamentary elections at the start of 2018 and hence the fourth government in four years. The centre-right UBP and DP parties had given in to intense domestic pressure and had agreed to snap elections in January 2018. The National Unity Party (UBP) emerged as the winner receiving 35.37 % of the votes, and 21 seats, yet failed to secure majority to form a single party government. Republican Turkish Party (CTP) which won 20.97 % of the votes (12 seats) came in second, followed by the People's Party (HP) 17.1 % (9 seats), the Social Democratic Party (TDP) 8.61 % (3 seats), the Democratic Party (DP) 7.83 % (3 seats) and the Rebirth Party (YDP) 6.96 % (2 seats). This is the first time that six parties cleared the 5 % threshold to win representation in the 50-seat Turkish Cypriot Legislative Assembly. Although initially the continuation of a UBP-led coalition government was taken for granted, the air changed later when CTP, HP, and TDP all strictly ruled out entering a coalition with the UBP (citing corruption allegations against various UBP deputies and other irregularities during the UBP's stint in power). This left only two possible coalition scenarios: a three-party coalition between three right-wing parties, UBP, DP and YDP, or a four-party coalition between CTP, HP, TDP and DP. This made the DP leader Serdar Denktas, once again, the kingmaker. Eventually, Denktas opted for the second option and therefore for the first time four parties formed a government. The leader of the centre-left CTP, Tufan Erhurman became the new Prime Minister and the former chief negotiator Kudret Ozersay, his deputy.

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In the economy, the loss in value of the Turkish lira led to a massive loss of prosperity in the north as, although many Turkish Cypriots do receive their salaries in Turkish lira, they have to settle much expenditure in euros. Furthermore, the financial transfers from Turkey fell almost by half, from 930 million TL in 2017 to 487 million TL in 2018. Yet, the political influence of Ankara in general, and its persistence in implementing austerity policies in particular did not subside.

In the Cyprus question, the Turkish Cypriot community's leader and President of the internationally unrecognised TRNC, Mustafa Akinci, whose responsibility is limited to conducting inter-communal negotiations was increasingly marginalised by Ankara because of his insistence on a federal settlement model. Turkish government argues that after the failure in Crans Montana, other models should be on the table too.

ECONOMIC AND SOCIAL SITUATION

The attempt to introduce a general state healthcare system called GESY in the south met with the energetic opposition of most doctors. Even if the project is implemented in 2019 as intended, many doctors have stated that they will not be taking part in it.

Economically, the south of the island continued in 2018 to recover further from the recession triggered in 2013 by the bail-in/bail-out of the two largest banks and the threatened state bankruptcy of the Republic of Cyprus. In the past year the economy grew by 3.9% and the feeling that the crisis has more or less been overcome prevails in large parts of the population – even if the after-effects still remain clearly noticeable. However, the growth is largely connected with the new boom in construction and the associated foreign investor naturalisation schemes while there are already signs of »over-heating« in the economy as a whole. Salaries are only in some sectors approaching again pre-crisis levels while the benefits of the growth are overtly accruing to the capital's side as measured by the proportion of capital's share of national income as opposed to the share of wages. The rate of inflation rose by 0.3% to 1.4%. In December the Cypriot parliament passed the budget for 2018. The budget envisages a budget surplus of 3% of the gross domestic product with total state revenues of 8.55 billion Euros (previous year 7.72 billion Euros) as well as expenditure of 7.91 billion Euros (previous year 7.53 billion). Primary spending was set at 6.27 billion Euros. In September, for the first time in six years, the credit rating agency Standard & Poor's rated the Republic of Cyprus as creditworthy once more. The upward revaluation from junk status was justified by the prospect of strong growth, which would offset the risks due to the high state and private debt.

Unemployment remained high but did reduce to noticeably. Youth unemployment remained at a high level and the pressure to emigrate resulting from this remained high. Moreover, starting salaries in many careers remained insufficient to provide an acceptable standard of living. The unemployment rate

sank within one year from 10.3% to 8.8% in December 2018. Youth unemployment also decreased significantly from 26.64% to 18.7%.

In the Turkish Cypriot north, due to the early parliamentary elections the budget for 2018 was only passed in February. It amounted to 5.82 billion TL (1.15 billion euros) and was therefore slightly below the level of the previous year's budget of 5.73 billion TL (1.27 billion euros). In January 2019 the parliament approved a slightly increased budget adjusted for inflation of 7.7 billion TL (1.24 billion euros) for the 2019 financial year. According to official Turkish Cypriot figures, unemployment rose from 5.8% in October 2017 to 6.9% in October 2018. Youth unemployment also increased from 18.7% to 22%. Inflation rate for 2018 was 29.96%. More up-to-date figures are traditionally not published by the Turkish Cypriot authorities.

TRADE UNION ACTIVITIES

In the south, in view of the economic recovery, the trade unions made it their aim, as they had already done in 2017, to recoup the losses employees had had to suffer during the economic crisis. This succeeded to a great extent in industries where trade unions remain strong and where collective bargaining is still operative. In the broader public sector this was set in motion in a gradual process after two framework agreements were signed by the government and PEO (Pancyprian Federation of Labour) and SEK (Cyprus Workers' Confederation) for the semi-public sector and subsequently with PASYDY (Pancyprian Union of Civil Servants) for the public sector proper. The most significant labor dispute in 2018 was that between the government and the public sector education trade unions when the government attempted to impose a set of organisational changes against their will. After two large protests in the summer months and with the threat of strike action in September a temporary compromise was reached on some issues allowing for social dialogue to take place for the rest and most important ones. It was concluded in 2019 with the government taking back most of its initial plans.

Employees in the north were badly affected by the rapid devaluation of the Turkish lira, which started as far back as 2017, as many Turkish Cypriots are paid in Turkish lira but many bills have to be settled in euros or pounds. In August alone, the Turkish lira lost 30% of its value against the euro.

Generally, there are two basic weaknesses of the trade unions in the north: (1) they are very fragmented, and (2) the level of unionization in the private sector is negligible. Although there was some progress in unionization in private media institutions (discussed in Part B), the general picture has not altered in 2018. In the public sector, in contrast, the trade unions are clearly stronger and have joined together to form coalitions to protest price hikes and protect their members' interests. This has led to a gaping divide in working conditions, which are so poor in the private sector that working there is completely without attraction for Turkish-Cypriot employees.

TRADE UNIONS IN CYPRUS – FACTS AND FIGURES

HISTORICAL ASPECTS

A *The Republic of Cyprus*

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 – already in operation in rudimentary form since the late colonial era and in the process of consolidation in the first years of the Republic, 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.

Since its establishment in 1977, the Industrial Relations Code, negotiated and agreed by the main trade unions and employers' associations under the auspices of the state, has governed in letter as well as in spirit the conduct of 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 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 at no time extended to include 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 (Democratic Party), the Democratic Labour Federation of Cyprus (DEOK), another small union that emerged after breaking away from SEK aligned directly with the social democratic party of EDEK.

By the 1990s as the Cyprus economy was increasingly opening to the international economy, manufacturing, never a big sector, shrank further as a result of global competition. Services expanded yet more. Foreign workers, and after the accession of Cyprus in 2004 workers from EU countries as well, became an increasingly important section of the labour force. Although trade unions continued to expand in membership both in 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 % in the 1980s to around 50 % by the 2010s.

Service workers, non-Cypriot 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 arrested by the unfolding of the economic crisis. The acceleration of the expansion of non-standard employment in the 2010s has also played a role slowing the unionization effort as precarious workers are more difficult to organize.

B *Turkish Republic of Northern Cyprus (TRNC)²*

Although the roots of Turkish Cypriot trade unions can be traced back to the 1940s, the trade union movement had played a subservient role in the Turkish Cypriot community before 1974 because right-wing nationalists dominated the politico-economic scene. Both during the British colonial rule and after independence, ethnic tension and then conflict between the two communities hindered economic modernization and development of the Turkish Cypriot society. 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 for Turkish Cypriot politico-economic development. Trade union movement is not an exception. Though the establishment of some major trade unions such as KTAMS (Turkish Cypriot Union of Public Employees), KTÖS (Cyprus Turkish Primary School Teachers' Union) and KTOEÖS (Cyprus Turkish Secondary School Teachers' Union), and one of the umbrella unions, Türk-Sen, had preceded 1974, the political circumstances i.e. the life in small enclaves dominated by military rule 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 very small-scale production in the private sector and the state was the biggest employer involved in, among other things, tourism and manufacturing. 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 54.000, there were around 20.000 union members. Yet the union membership figure stagnated at around 20.000, even though the total employment figure reached 90.000 in 2001; by 2016, there were around 26.000 union members while the total employment figure was almost 120.000.

TRADE UNION LANDSCAPE

A *The 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 (PASY-DY) representing the civil servants proper was also strength-

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ened, expanding in membership and acquiring a series of wage increases and benefits for its members. PASYDY is formally neutral, that is not aligned to any particular party – yet as the majority of its members are DIKO and DISY supporters, it is usually leaning politically towards the right. There are party members and party officials 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 the 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 the fact that 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 protect these workers has led to the formations of other small independent unions. The biggest of these are ASDYK (Trade Union of Cypriot Employees) which emerged in the 2010s as a second general public sector union, PASIKY (Government Doctors’ Union) among the public hospital doctors, PASYNO (Union of the Public Nurses) among the public hospital nurses all challenging PASYDY. More recently the trade union ISOTITA (Pancyprian Equality Union) was formed representing all the irregularly employed workers in the both the public and semi-public sectors.

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

Trade union representativeness varies enormously according to sector of economic activity and enterprise size. In public, semi-public, municipal and banking sectors trade union den-

sity remains very high, although not as extremely high as it used to be, as union membership for the regularly employed has been traditionally almost automatic upon employment. Exceptions to this are the higher administrative and managerial positions at the top, and professionals, regular as well as project-based who hold fixed term work posts. Also, 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, has partly changed that.

In the private sector the main trend is for most big firms to have 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 where trade unions are relatively strong and negotiate industrial collective agreements. There are however some big employers in these industries that manage to keep the trade unions out of their businesses. Trade unions face increasing difficulties in the last decade even in these two industries that are relatively large and very dynamic, driving along with the banking sector the whole economy. Construction was severely hit by the crisis and shrank substantially in the crisis years but currently it has been regenerated again. 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 improving both conditions and representativeness.

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,

Table 1
Most important trade union federations in the country

Trade Union Federations	Chairperson and Vice Chairperson	Members	International memberships
Παγκύπρια Εργατική Ομοσπονδία (ΠΕΟ). Pancyprian Labour Federation (PEO)	Pampis Kyritsis, Soteroulla Charalambous	61.529 (2016)	World Federation of Trade Unions (WFTU)
Συνομοσπονδία Εργαζομένων Κύπρου (ΣΕΚ). Confederation of working persons in Cyprus (SEK)	Andreas Matsas, Michalis Michael	55.813 (2016)	International Confederation of Free Trade Unions (ICFTU), European Trade Union Confederation (ETUC)
Pancyprian Trade Union of Civil Servants (PASYDY)	Glafkos Hatzipetrou Antonis Koutsoullis	22.513 (2016)	Public Services International (PSI), European Public Service Union (EPSU), European Trade Union Confederation (ETUC)

Table 2
Most important branch or individual unions in the country

Branch or individual unions	Membership in Union 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	Michalis Papanikolaou, Eftihios Papamichael	11.154 (2016)	Trade Union International of Workers in the Building Wood, Building materials and allied Industries (UITBB)
Συντεχνία Ξενοδοχοϋπαλλήλων και Κέντρων Αναψυχής (ΣΥΞΚΑ) Trade union of hotel and leisure centre workers (SYXKA)	PEO	Lefteris Georgiadis, Andreas Kombos	11.621 (2016)	Hotel and Tourism Trade union International TUI-HOTOUR
Ομοσπονδία Σωματείων Ημικρατικών Οργανισμών (ΟΗΟ) Federation of unions of Semi-governmental Organisations (OIO)	SEK	Andreas Elia, Ilias Demetriou	approx. 7.500	Public Services International (PSI) European Public Services Unions (EPSU)
Ομοσπονδία Υπαλλήλων Ξενοδοχείων. Επισιτισμού και Κέντρων Αναψυχής (ΟΥΞΕΚΑ) Federation of hotel, food and leisure centre employees (OIXEKA)	SEK	Militiadis Miltiadous, Georgios Karas	approx. 10.000	European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)
Ένωση Τραπεζικών Υπαλλήλων Κύπρου (ETYK) Union of Cyprus Bank Employees (ETYK)	Independent	Andreas Panagiotou, Christos Panagides	9.341 (2015)	UNI-Finance Global Union

collective agreements very rare and when this is the case, 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 the minimum wage where applicable.

In transnational enterprises unionization tends to be rarer because of a usually anti-union policy adopted in sectors such as fast food chains, but also because of prevailing individualist ideologies for example in professional services where many transnational enterprises are present.

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 enterprises, often extended family businesses, compared to medium sized ones.

B Turkish Republic of Northern Cyprus (TRNC)

Historical and structural factors such as the very small scale of industrial production, and the small size of private enterprises,

rendered unionization in 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 % 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 % in 2004, it was around 26.2 % in 2016.

The trade union landscape in the northern part of Cyprus is quite fragmented. According to the Registrar of Trade Unions, there were 83 registered unions in 2018, of which 53 were active. 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, and primary and secondary public education.

Table 3
Most important trade union federations

Trade Union Federation	Chairperson and Vice Chairperson	Members	International memberships
Hür İşçi Sendikaları Federasyonu, Hür-İş (Federation of Free Labour Unions)	Ahmet Çaluda (Chairperson) Ali Yeltekin (Secretary General)	5.174	—
Kıbrıs Türk İşçi Sendikaları Federasyonu, Türk-Sen (Cyprus Turkish Trade Union Federation)	Arslan Bıçaklı (Chairperson) Tamay Soysan (Secretary General)	1.748	ETUC & ITUC
Devrimci İş Sendikaları Federasyonu, Dev-İş (Federation of Revolutionary Trade Unions)	Hasan Felek (Chairperson) Koral Aşam	1.188	World Federation of Trade Unions (WFTU); Regional Energy Trade Unions Network of South-Eastern Europe (Retun-See)

Table 4
Most important branch or individual unions

Branch or individual unions	Membership in Union Federation	Chairperson and Vice Chairperson	Members	International memberships
Kıbrıs Türk Öğretmenler Sendikası, KTÖS (Cyprus Turkish Primary School Teachers' Union)	Independent	Emel Tel (Chairperson) Şener Elcil (Secretary General)	2.199	Education International; WFTU
Kıbrıs Türk Orta Eğitim Öğretmenler Sendikası, KTOEÖS (Cyprus Turkish Secondary School Teachers' Union)	Independent	Selma Eylem (Chairperson) Aziz Selengin (Secretary General)	2.635	Education International; ETUCE; Euro- Clío; WFTU
Kıbrıs Türk Amme Memurları Sendikası, KTAMS (The Union of Turkish Cypriot Public Servants)	Independent	Güven Bengihan (Chairperson), Devrim Barçın (Secretary General)	3.322	WFTU / EPSU
Kıbrıs Türk Kamu Görevlileri Sendikası, Kamu-Sen (Turkish Cypriot Public Officials Trade Union)	Independent	Metin Atan (Chairperson) Özgür Kıdrışlıoğlu (Secretary General)	2.171	—
Kamu İşçileri Sendikası, (Kamu-İş) (Public Workers Trade Union)	Hür-İş	Ahmet Serdaroğlu (Chairperson) Devrim Gündüz (Secretary General)	2.900	—

WORKING CONDITIONS OF THE TRADE UNIONS

A The 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 recent 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 often has dis-

sueded unions from embarking on such a course. With this 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 % of the employees. If unions represent at least 25 %, the Trade Union Registrar may organise a secret ballot on the firm's premises without the employer's presence whose result shall be valid with a simple majority. To be valid the participation in the vote needs to be 40 % or more. The law has also allows easier access of trade unionists to workplaces and allocats 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 4 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 the beginning 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 as well as 38 technical Conventions.

B 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; a system which is occasionally being questioned by right-wing politicians.

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

A The 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 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 national level bargaining setting standards and no cross-industry or regional-level bargaining. There are also 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 and can therefore not 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 shape individual contracts as well. The absence of extension mechanisms at industry level and effective erga omnes rules at company level leads 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 % in 2001 to 45.2 % in 2013 has led to a corresponding decline in collective bargaining as well. Trade union density in the Republic of Cyprus is above, 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, signaling 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 on the interpretation of 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 can be said to be 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 Memorandum of Understanding of the Republic of Cyprus with the Troika allowed little room for discussion in the realms of social and labour policy. This continued and intensified and according to PEO the undermining of social dialogue processes was also a result of conscious design by the (DISY) government as a means with which to »marginalize the trade union movement«. In its 2017 report, PEO cites a series of issues concerning overtime pay, the fight against unemployment, Provident Funds, the operational time of retail shops and the Minimum Guaranteed Income, where decisions were taken without prior consultation. It also notices the rare convening of some of consultation bodies in the period 2013–2017. This under-functioning of the social dialogue mechanisms has led PEO demand change in the operational framework of social dialogue structures, »rendering it more clear and binding where necessary«.

B Turkish Republic of Northern Cyprus (TRNC)

As mentioned earlier, trade unions are organized in the public and semi-public sectors. Although employees working in these sectors are entitled to collective bargaining, signing a collective agreement has been the privilege of a small group consisting mainly of manual workers in the public and semi-public sectors, particularly in local administrations. Collective bargaining is very rare in the private sector.

Collective bargaining even in the public sector has increasingly come under pressure due to austerity measures introduced in 2010, which »further restricted the scope of collective bargaining for public sector workers who were employed after« 2010.

Collective bargaining is very decentralized and takes place exclusively at workplace level. »The exception is the public sector agreement negotiated between the Ministry of Finance and Kamu-İş and the protocol talks between the Ministry of Finance and white-collar employees in the public sector«. »Bargaining takes place between individual unions and individual employers. Although there is an employers' association it is not involved in collective bargaining«. But the Employers' Union plays an important role in the Minimum Wage Deter-

mination Committee, which is made up of five representatives from the Employers' Union, five representatives from the biggest trade union federation and five government representatives.

»There are various social dialogue mechanisms in the public sector; 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 general, a deterioration can be observed due to austerity measures adopted particularly in the last ten years. 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 steps, which may limit its room to 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«.

TRADE UNIONS AND THEIR (POLITICAL) WEIGHT

A The Republic of Cyprus

The most positive development in the last years is that collective bargaining has survived the economic crisis and although trade union density and influence has decreased, it has not diminished too much like it was the case with other South European countries, with Greece constituting the most negative example. However, the increasing proportion of workers employed under precarious conditions, the general drop of living standard and involuntary under-employment continue to be reasons for alarm.

The 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. That was blocked by the employers, however. The unions remain committed to this policy and continue their attempts to strengthen collective agreements as primary regulatory tools, with priority over legal means. They have had some success in the hotel industry with regard to working time and provident funds, which are pension schemes funded directly by employer and employee contributions and indirectly by the state through tax concessions. They are currently focusing on minimum wage rates for each pay grade in the hotel and construction industries through the institutionalisation of an accreditation system for skill and experience. They are also trying to strengthen the Labour Inspection Services increasing the scope and depth of their powers but the resistance of employers and the reservations of some right wing parties delays the process as the voting of the relevant bill has been pending for years in the parliament.

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 austerity 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 them to reduce the size and costs of their apparatuses. Their inability to adequately protect their members and their continued ties with political parties, which legislated the Troika sponsored austerity plan, resulted in a steep decrease of trust in them. Nevertheless, since no significant new actors emerged to constitute alternative promoters of workers' rights and no other representatives of workers' interests have arisen, trade unions do not face any serious competition.

The biggest political challenge currently faced by the trade unions is the aggressiveness of some employers and the shrinking scope of their political influence with respect to the political parties and the state. At the societal level the main challenge is their obvious weakness and their increasing difficulty to persuade workers that they are able and willing to protect their interests in general and especially their vulnerable members. The priority set by the trade unions themselves has not changed – it is the protection of 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, recognizing the decrease of their own power at the labour market level, PEO and SEK support the institutionalization 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 as well as agreed or unilaterally imposed negative changes by the employers within their duration. 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 at the organisational level. Density has been falling but this is a gradual process and comparatively it remains significantly above the EU average, something that shows that despite trade union decline, trade unionism in Cyprus sustains itself.

The political influence and the social acceptance of the trade unions has certainly declined in the last decade. However, in the last two years momentum has been growing that some further legislative steps could finally be taken in the direction of regulating the labour market. The three main directions are 1) conversion of the »main clauses« of the collective agreements into law, 2) establishment of a national minimum applicable to all workers not covered by existing agree-

ments while converting the minimum wage stipulated in the collective agreements as law for the relevant industries and 3) establishment of extension mechanisms with respect to the collective agreements. The trade unions are today confident that in the »post crisis« conditions of 2019 this is possible and they push for these measures through social dialogue procedures.

At the European and international levels, the Cyprus trade unions are well networked, but given Cyprus' small size their involvement is neither central nor a priority. All three of the main trade unions have international liaison officers, follow up on common days of action and campaigns emanating from the European and or international level and report 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 it was in the structural position to be one of the few main trade unions in the EU to be part of WFTU. SEK on the other hand is the union at European level, participating regularly in ETUC processes.

B 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. Consequently, pro-reunification candidates won the presidential elections twice between 2005 and 2015.

However, the trade unions' 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 neoliberalism, in the form of austerity policies, which have been imposed by Ankara with more and more determination. 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 but failed to stop the implementation of austerity measures.

The only positive development to announce in 2018 can be the increase in number of trade union members in the media sector thanks to a scheme introduced by the Ministry of Labour in July 2018, which promotes collective bargaining and unionization in private media institutions. The scheme basically grants temporary financial incentives to media compa-

nies where a collective agreement is signed. For a period of 36 months, the social security and provident fund premiums of 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, the scheme does not cover foreign employees. Thanks to the scheme, collective agreements have been signed in major media companies including Kıbrıs, the biggest private media institution in the northern part of Cyprus.

Trade unions are not faring well in surveys. According to the quarterly surveys conducted by the Center for Migration, Identity and Rights Studies (CMIRS), they are among the least trusted institutions along with the parliament, political parties, religious institutions and financial institutions. The average score of trade unions in 2018 was 2.47 (out of 5), while the average scores of political parties, the parliament, financial institutions and religious institutions were 2.17; 2.5; 2.55 and 2.49 respectively. Most trusted institutions, on the other hand, were the police (3.37), the president (3.28) and the judiciary (3.27). According to a different survey, conducted by the Ministry of Finance in 2018, 41.6 % of the respondents said that they did not trust the trade unions at all, while 13 % said they totally trusted them. Trust in the parliament and the government was even lower: 51 % of the respondents did not trust the government at all, while the share of those who did not trust the parliament at all was 53 %.

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