

CYPRUS

Trade Union Monitor

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**FRIEDRICH
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POLITICAL, ECONOMICAL AND SOCIAL CONDITIONS

POLITICAL DEVELOPMENT

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

Most of the year 2019 was characterized by a standstill and uncertainty in the Cyprus question, which has prevailed since the collapse of the last round of talks aimed at the reunification of the island at an international conference in Crans Montana, Switzerland in July 2017. Until the tripartite meeting of the two Cypriot leaders with the UN Secretary General on 25 November 2019 in Berlin, the Cyprus question had primarily been discussed around what should be the way ahead and on what basis the future solution would be – two states, a confederation or the long-time established federal basis. The Berlin tripartite meeting put an end to the questions on the basis of the future solution since the two Cypriot leaders confirmed their commitment to finding a bi-zonal, bi-communal federal solution to the Cyprus conflict in the presence of the UN Secretary General Antonio Guterres. The expectation after the Berlin meeting was to resume the negotiations after the Turkish Cypriot Presidential election that was scheduled for April 2020.

The escalation of 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 on hydrocarbons with Israel, Egypt and Greece, Turkey escalated the situation. 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.

Domestically, the Republic of Cyprus had a quiet year. There were only elections for the European parliament in which the four parties managed to hold on to their seats. (DISY 2, AKEL 2, DIKO 1, EDEK 1).

The northern part of Cyprus continued to suffer from political and economic instability in 2019. After months of speculations about the future of the four-party coalition, on May 8, the party assembly of Kudret Ozersay's People's Party (HP) decided to withdraw from the coalition. The pretext was the leasing of public land to Minister of Finance Serdar Denktas's son's company to build a university campus on it. However, many political observers saw Ozersay's maneuver as a move to secure the support of the UBP in his bid to become the president in 2020 by handing the government to the UBP – both parties have similar views regarding the handling of the Cyprus issue, which is the main mandate of the president. On a last-ditch attempt to save the coalition, Serdar Denktas had tendered his resignation as Minister of Finance, to no avail. As a result, the first four-party coalition government, which had inspired hope when it was formed, came to an end only after 15 months.

The HP's decision paved the way for the forming of the long-rumored and anticipated coalition government between the National Unity Party (UBP) (right-leaning) and HP (centrist). On May 22, the UBP and HP had signed a coalition

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

protocol officially forming the new government of the TRNC. The distribution of cabinet seats is seven to three (7-3) with the UBP also holding the Prime Minister's post; the HP kept the same portfolios that it had had at the previous government. The UBP leader and Nicosia MP Ersin Tatar, who had implemented austerity policies as the minister of finance between 2009 and 2013, became the fifth prime minister in as many years.

The new government set signing an economic protocol with Turkey, which is a precondition to receive financial assistance and grants from Turkey, as one of the top priorities of the new government. The delay in signing the protocol was widely been speculated to be a sign that Ankara did not want to work with the four-party coalition government.

An interim financial and economic cooperation protocol, which would cover the rest of 2019, was signed by Turkish Vice President Oktay (who is in charge of the newly formed Coordination Office for Cyprus Affairs) and Turkish Cypriot Prime Minister Ersin Tatar on July 20. The protocol envisaged the release of 750 million TL (€119.54 million) in financial assistance to the TRNC. In return, it set five-month targets including fiscal discipline, unbundling Kib-Tek [public electricity authority] responsibilities; rebate of raise given to the public sector employees, pensioners and social benefit recipients at the end of 2018; public-private partnerships at Kyrenia and Famagusta sea ports and the marina in Kyrenia old harbour; restructuring of municipalities and introducing a general health insurance scheme.

ECONOMIC AND SOCIAL SITUATION

For the fifth consecutive year since the 2013 financial crises the economy in the south continued to grow. According to data released by the Cyprus Statistical Service (Cystat) the economy expanded by 3.2 percent. The Cypriot real GDP in absolute terms amounted to €21,346 million in 2019 while nominal GDP reached €21,943 million. The Labour Force Survey results for the 4th quarter of 2019 showed that 449,784 people or 62.9 percent of the population comprised the workforce (men 68.8 percent, women 57.6 percent), compared to 440,765 people (62, 5 percent) in the corresponding quarter of 2018. The number of unemployed reached 28,481 and the unemployment rate accounted for 6.3 percent of the workforce (men 5.8 percent, women 7.0 percent) compared to 33,383 people (7.6 percent) in the same quarter of 2018. For the whole of 2019 the unemployment rate was counted at 7.1 percent compared to 8.4 percent in 2018. Among young people aged between 15–24, the unemployment rate stood at 16.0 percent (men 15.9 percent, women 16.0 percent) compared to 20.6 percent (men 25.7 percent, women 16.0 percent) in the corresponding quarter of last year.

The picture was very different in the north. The Turkish Cypriot Central Bank estimated that the GDP shrank in dollar terms to US\$ 3,71 in 2019 from US\$ 3.79 billion in 2018, while the inflation rate fell from 29.96 percent in 2018 to 11.66 percent

in 2019. According to the data announced by the Department of Trade, compared to the year earlier, the TRNC's exports in 2019 decreased by 13.8 percent from US\$ 95.4 to 82.2 million, and imports by 12.7 percent from US\$ 1,816 to 1,585 million, also pointing to a slowdown in the economy.

According to the Household Labour Force Survey which was held in October 2018 and released in May 2019, unemployment rate in the TRNC was 6.9 percent while youth unemployment stood at 22 percent. Both figures revealed a worsening of the economy's performance compared to the year earlier when the figures were 5.8 percent and 18.7 percent respectively. Both unemployment figures were considerably higher among women: 9 percent and 27 percent respectively. The labour force participation among women was also quite low: 40.3 percent.

TRADE UNION ACTIVITIES

In the south, in view of the continued economic recovery, the trade unions continued their efforts, as in the previous years, 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 proceeded in 2019 according to the time frame set by the agreements signed by the government and PEO and SEK for the semi-public sector and subsequently with PASYDY for the public sector proper, a process that is due to be completed in 2021. The most significant developments in labour relations in 2019 were a) the decisions of the Administrative Court rendering unconstitutional various salary cuts imposed during the crisis years and b) the rejection by a parliamentary majority of the centre-right parties of the bill, already delayed for years, to institute an Independent Labour Inspection Service. The state has appealed the decision of the Administrative Court and has been refusing to comply pending the final decision of the Supreme Court. The rejection of the bill about the establishment of an Independent Labour Inspection Service has provoked reactions by the trade unions but it is not expected to return in an amended form to parliament soon. The public discussion about the introduction of a national minimum wage continued in 2019 but no concrete steps have been taken so far as the government insists that unemployment should decrease below 5 percent before such a step is taken. In 2020 the COLA interim agreement will expire on which the two sides have adopted opposite view – its full reinstatement in its pre-crisis form is demanded by the trade unions and its abolition is brought back on the table by the employers.

In the north, provisions of the financial protocol signed with Ankara angered the Trades Union Platform, which demanded its cancellation and signalled that its members would stop work at »strategic points« – including Ercan Airport, the Kib-Tek, municipalities and courts. The Trade Unions Platform stated that they saw the economic protocol as nothing but a political imposition by Turkey, which was signed by the TRNC government for the sake of government seats and money.

Particularly, the electricity authority workers' union (El-Sen) made good on this threat and staged various actions against the government. On August 29, El-Sen cut the power supply of the Ministry of Finance and warned that other government departments would face the same fate unless the Ministry pay unpaid bills to the Kib-Tek. In November, the government used its legal power to suspend an indefinite strike called by El-Sen after the strike left some parts of the TRNC without power for up to 12 hours. While the government has been pushing for interconnecting the grid with Turkey, the union is concerned that this would mean switching complete control of electricity supply to Turkey and lead to dismantling of the Kib-Tek rendering it completely powerless.

In December, the leaders of the three leading trade unions staged a protest in front of the Ministry of Finance, calling on the Minister to convene the protocol talks i.e., a statutory social dialogue mechanism, to discuss their members' concerns. The leaders of the Cyprus Turkish Primary Teachers' Union (KTÖS), Cyprus Turkish Secondary School Teachers' Union (KTÖEÖS) and Cyprus Turkish Civil Servants' Trade Union (KTAMS) accused the Minister of Finance of ignoring the concerns of public sector employees and failing to meet legal requirements i.e. holding consultations with the unions on an annual basis.

TRADE UNIONS IN CYPRUS – FACTS AND FIGURES

HISTORICAL ASPECTS

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. In 1977 the establishment of the Industrial Relations Code, negotiated and agreed by the main trade unions and employers' associations under the auspices of the state, governed in letter as well as in spirit the conduct of the labour relations for more than three decades. The participation of trade unions in a series of tripartite committees in the 1980s and 1990s allowed them 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, the Democratic Labour Federation of Cyprus (DEOK), another small union that emerged 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, while services expanded yet more, with foreign workers, and after the accession of Cyprus in 2004 workers from EU countries as well, becoming 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 percent in the 1980s to around 50 percent 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 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 slowing the unionization effort, as precarious workers are more difficult to organize.

Turkish Republic of Northern Cyprus TRNC

Although the roots of Turkish Cypriot trade unions can be traced back to the 1940s, the trade union movement had played 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. The trade union movement is no 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 only 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 to 90,000 in 2001; by 2017, there were around 26,000 union members while the total employment figure was around 121,000.

TRADE UNION LANDSCAPE

Republic of Cyprus

The gradual but substantial expansion of the broader public sector allowed the centre-right wing SEK to catch up with

PEO in terms of membership as it organized the overwhelming majority of employees in the public services and municipalities. At the same time the Pancyprian Union of Civil Servants (PASDY) representing the civil servants proper was also strengthened, expanding in membership and gaining a series of wage increases and benefits for its members. PASDY is formally neutral, 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 PASDY although this does not take the form of formalised internal fractions 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 alike PASDY

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)	Pampis Kyritsis Soteroulla Charalambous	61,529 (2016)	WFTU
Συνομοσπονδία Εργαζομένων Κύπρου (ΣΕΚ) Confederation of working persons in Cyprus (SEK)	Andreas Matsas Michalis Michael	55,813 (2016)	ITUC, ETUC
Παγκύπρια συνδικαλιστική οργάνωση δημοσίων υπαλλήλων (ΠΑΣΥΔΥ) Pancyprian Trade Union of Civil Servants (PASYDY)	Glafkos Hatzipetrou Antonis Koutsoullis	22,513 (2016)	ETUC, EPSU, PSI

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

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

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 substantially these workers despite some improvements achieved has led to the formations of other small independent unions. The biggest of these are ASDYK which emerged in the 2010s as a second general public sector union, PASIKY among the public hospital doctors, PASYNO among the public hospital nurses all challenging PASYDY while more recently the trade union ISOTITA 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 the public, semi-public, municipal and the banking sectors trade union density 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, 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 both in because of a usually anti-union policy adopted in sectors such as for example fast food chains, but also because of the prevailing of more individualist ideologies such as 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.

Table 3

Most important trade union federations in the TRNC

Trade Union Federation	Chairperson and Vice Chairperson	Members	International Memberships
Hürişçi Sendikaları Federasyonu Hür-İş (Federation of Free Labour Unions)	Ahmet Serdaroğlu (Acting Chairperson) Ali Yeltekin (Secretary General)	5,174	None
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)	Koral Aşam (Chairperson) Ömer Naşit (Secretary General)	1,188	WFTU; RETUN-SEE (Regional Energy Trade Unions Network of South-Eastern Europe)

Table 4
Most important branch or individual unions in the TRNC

Branch or Individual Union	Membership in Federation	Chairperson and Vice Chairperson	Members	International Memberships
Kıbrıs Türk Öğret-menler Sendikası, KTÖS (Cyprus Turkish Primary School Teachers' Union)	Independent	Emel Tel (Chairperson), Şener Elcil (Secretary General)	2,199	EI, WFTU
Kıbrıs Türk Orta Eğitim Öğretmenler Sendikası, KTOEÖS (Cyprus Turkish Secondary School Teachers' Union)	Independent	Selma Eylem (Chairperson) Aziz Selengin (Secretary General)	2,635	EI, ETUCE; Euro- Clio; WFTU
Kıbrıs Türk Amme Memurları Sendikası, KTAMS (Cyprus Turkish Civil Servants' Trade Union)	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	none
Kamuişçileri Sendikası, Kamu-İş (Public Workers Trade Union)	Hür-İş	Ahmet Serdaroğlu (Chairperson) Devrim Gündüz (Secretary General)	2,900	IEMF (International Eurasian Metal Workers' Federation)

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 percent of the privately owned workplaces. Therefore, an overwhelming majority of the union members work in the public and semi-public sectors. Trade union density is in decline: Whereas it was around 33.7 percent in 2004, it was around 26.2 percent in 2016.

Turkish Republic of Northern Cyprus TRNC

The trade union landscape in the northern part of Cyprus is quite fragmented. According to the Registrar of Trade Unions, there were 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.

WORKING CONDITIONS OF TRADE UNIONS

Republic of Cyprus

There are no significant direct legal obstacles limiting the ability of trade unions to act properly. The right to unionize and the right to strike are protected by the Constitution and trade union legislation. Furthermore, the trade union law of 2012 »On the recognition of trade union organisation and the right of trade union facilitation for the purpose of recognition for collective bargaining« has improved the situation for unions by establishing a procedure to overcome an employer's refusal to grant recognition through a decree by the Trade Union Registrar. Previously, the only option was full-fledged industrial action to try to force the employer to back down. The high cost and high risk of this often has dissuaded 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 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 whose result, whether for union representation or not, shall be valid with a simple majority if there is 40 per cent participation or above. The law has also allowed easier access of trade unionists to workplaces and allocated more time for shop stewards to perform their union duties. Although the operationalization

of the Registrar's new powers has only been occasional, utilized only 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 before-hand 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. 38 up to date technical Conventions also remain unratified.

Turkish Republic of Northern Cyprus TRNC

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

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

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

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

TRADE UNIONS AND THEIR CORE TASKS

Republic of Cyprus

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

er 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 per cent in 2001 to 45.2 percent per cent in 2013 has led to a corresponding decline in collective bargaining as well. Trade union density in the Republic of Cyprus is above the EU average, 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 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 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 (MoU) of the Republic of Cyprus with the Troika allowed little room for discussion in the realms of social and labour policy. The damage effected on social dialogue structures and processes was not fully healed in the years following the expiration of the MoU in 2016 as the DISY government frequently took unilateral initiatives without consulting the social partners. In 2019 however some progress was observed with some signs of a modest revival of sectoral collective bargaining and social dialogue.

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-Is 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 Determination 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 the steps, which may limit its room for manoeuvre 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

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 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. In construction industry they managed finally in 2019 to renew the sectoral collective agreement and to agree with employers that certain articles in it to be legislated – this is now pending in parliament. Trade unions emphasize the need for 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 open to discussing the possibility of a national minimum wage, extending that is the existing one which currently covers only 9 occupational categories as this is seen as especially needed for sectors and industries that do not have collective bargaining procedures. The long attempt to strengthen labour inspections by establishing an Independent Labour Inspection Service with an increased range, scope and depth of authority has been defeated in 2019 as a parliamentary majority has blocked it. The attempt is however expected to continue.

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 the political parties which legislated unanimously the Troika sponsored austerity plan meant that trust in them decreased. 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 the revealing of their weakness and their increasing difficulty to persuade 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 – 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 the workers not covered by collective bargaining.

At the level of employment relations, the biggest challenge that lies ahead concerns the future of collective agreements. As mentioned above the trend is already negative in terms of declining coverage, increasing violations, delays in their renewal and agreed as well as 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 for 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 clearly declined in the last decade. However, in the last two years impetus has been growing that some further legislative steps can finally be taken in the direction of regulating the labour market. The three main directions are the conversion of the »main clauses« of the collective agreements into law, the establishment of a national minimum 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 push for these measures through the social dialogue procedures.

At the European and international levels, the Cyprus trade unions are well networked, but given Cyprus' 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, being since the 1990s 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 one most networked at European level participating regularly in the ETUC processes.

Turkish Republic of Northern Cyprus TRNC

Generally speaking, left-wing trade unions have good relations with left-wing political parties though there are no organic links between them. To a large extent the same applies to the right-wing trade unions and right-wing political parties. Trade unions are good at organizing mass protests, which may create some impact on broader social and political issues. For instance, they played a major role in mobilizing people to demonstrate in favour of reunification of the island and joining the EU in the 2002-4 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, 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 union's capacity to create a lasting impact on economic policy making has been historically low. It is possible to say that this has been in further decline in the last decade in the face of growing influence of neoliberalism, in the form 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.

In July 2018, the Ministry of Labour introduced a scheme, which promoted collective bargaining and unionization in the private media institutions. The scheme basically grants temporary financial incentives to the media companies where a collective agreement is signed; for a period of 36 months, the social security and provident fund premiums of the employees covered by the collective agreement are paid by the state. The funding of the scheme comes from a different scheme, which aims to promote the employment of Turkish Cypriot citizens in the private sector and therefore, the scheme does not cover foreign employees. Thanks to the scheme, collective agreements have been signed in major media companies including Kibris, the biggest private media institution in the northern part of Cyprus.

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 as the new UBP-HP government did not follow up the work done by the previous government.

Trade unions are not faring well in surveys. According to the quarterly surveys conducted by the Centre 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 2019 was 2,53 (out of 5), slightly better than the 2018 score of 2,47. The average scores of political parties, the parliament, financial institutions and religious institutions were 2,22; 2,47; 2,74 and 2,73 respectively. Most trusted institutions, on the other hand, were the police (3,53), the president (3,34) and the judiciary (3,39).

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