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IMPLEMENTATION OF THE INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL
AND CULTURAL RIGHTS

Second periodic reports submitted by States parties to the Covenant concerning rights covered by articles 6 to 9, in accordance with the first stage of the programme established by the Economic and Social Council in its resolution 1988 (LX)

CYPRUS*

[4 January 1984]

I. ARTICLE 6: THE RIGHT TO WORK

A. Basic constitutional, legislative and other provisions

1. Freedom of choice of employment is guaranteed by article 25 of the Constitution of the Cyprus Republic, which provides that "every person has the right to practise any profession or to carry on any occupation trade or business".

2. As far as Government as employer is concerned, no discrimination whatsoever is made. In the private sector, terms and conditions of employment are negotiated between the two sides through free collective bargaining and, apart from exhortation, the Government is unable and unwilling to interfere more positively in freely negotiated collective agreements. Labour legislation covers only the conditions of employment of certain categories of employees, for example, hotel catering employees, and is in line with the provisions of ratified international conventions.

* The initial report submitted by the Government of Cyprus concerning the rights covered by articles 6 to 9 of the Covenant (E/1978/8/Add.21) was considered by the Sessional Working Group of Governmental Experts on the Implementation of the International Covenant on Economic, Social and Cultural Rights at its 1980 session (see E/1980/WG.1/SR.17).

3. Article 10 of the Constitution expressly prohibits the performance of forced or compulsory labour except in certain cases which, however, are not in conflict with the International Labour Organisation (ILO) or other relevant international conventions.

4. Thus, article 10 of the Constitution provides:

"No person shall be required to perform forced or compulsory labour.

"For the purpose of this Article the term 'forced or compulsory labour' shall not include -

"(a) any work required to be done in the ordinary course of detention imposed according to the provision of Article 11 or during conditional release from such detention.

"(b) any service of a military character if imposed or, in case of conscientious objectors, subject to their recognition by a law, service exacted instead of compulsory military service.

"(c) any service exacted in case of an emergency or in calamity threatening the life or well-being of the inhabitants."

5. General principles of non-discrimination are embodied in article 28 of the Constitution, which includes the following provisions:

"1. All persons are equal before the Law, the administration and justice, and are entitled to equal protection thereof and treatment thereby.

"2. Every person shall enjoy all the rights and liberties provided for in this Constitution without any direct or indirect discrimination against any person on the ground of his community, race, religion, language, sex, political or other convictions, national or social descent, birth, colour, wealth, social class, or on any ground whatsoever, unless there is express provisions to the contrary in this Constitution."

6. The Cyprus Government has ratified the following ILO Conventions:

2 Convention concerning Unemployment, 1919

29 Convention concerning Forced or Compulsory Labour, 1930

88 Convention concerning the Organisation of the Employment Service, 1948

105 Convention concerning the Abolition of Forced Labour, 1957

111 Convention concerning Discrimination in Respect of Employment and Occupation, 1958

122 Convention concerning Employment Policy, 1964

142 Convention concerning Vocational Guidance and Vocational Training in the Development of Human Resources, 1975

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150 Convention concerning Labour Administration: Role, Functions and Organisation, 1978, and articles 1, 9 and 15 of the European Social Charter relating to the right to work, the right to vocational guidance and the right of physically or mentally disabled persons to vocational training.

7. The objective of the Termination of Employment Legislation of Cyprus are:

(a) To protect all employees against arbitrary dismissals by the employers and to cushion the effects of redundancy by the payment of compensation or the provision of redundancy payment, respectively;

(b) To provide a minimum period of notice in cases of dismissals and redundancy;

(c) To establish a National Redundancy Fund into which employers pay contributions at the rate of 0.5 per cent of their payroll in order to spread the risks of redundancy, on the insurance principle, over all the employers in the island.

8. The Termination of Employment Laws of 1967 to 1983 and the Regulations made thereunder are as follows:

Law 24 of 1967

Law 17 of 1968

Law 67 of 1972

Law 6 of 1973

Law 1 of 1975

Law 18 of 1977

Law 30 of 1979

Law 57 of 1979

Law 82 of 1979

Law 92 of 1979

Law 54 of 1980

Law 12 of 1983

The Termination of Employment (Redundancy Fund)
Regulations of 1977

The Termination of Employment (Redundancy Fund)
(Amendment) Regulations of 1979

The Termination of Employment (Redundancy Fund)
(Amendment) (No. 2) Regulations of 1979

The Termination of Employment (Redundancy Fund)
(Amendment) Regulations of 1980

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The Termination of Employment (Redundancy Fund)
(Amendment) Regulations of 1983.

Copies of the legislation enacted since 1979 are attached.

9. The minimum compensation for arbitrary dismissal is the amount which would be payable as redundancy payment if the employee concerned were declared redundant on the day of the dismissal (see below, article 9: right to social security, unemployment benefits).
10. The maximum compensation has increased from one year's wages to two years' wages, but the employer pays such part of the compensation as does not exceed one year's wages and the excess, if any, is paid out of the Redundancy Fund.
11. The minimum period of notice that an employer shall give to an employee, under the Termination of Employment Legislation, is now as follows:
 - (a) For a period of employment of 26 to 51 weeks, one week's notice;
 - (b) For a period of employment of 52 to 103 weeks, two week's notice;
 - (c) For a period of employment of 104 to 155 weeks, four week's notice;
 - (d) For a period of employment of 156 to 207 weeks, five week's notice;
 - (e) For a period of employment of 208 weeks and over, six week's notice.

B. Labour policy and measures

12. As mentioned in our previous report (E/1978/8/Add.21), as a result of the Turkish invasion in 1974 the conditions of full employment which had prevailed in Cyprus for over 10 years, with an annual average of registered unemployed of 3,300, were followed by mass unemployment and Cyprus was faced with a very acute problem in mid-1974. The number of unemployed (registered and non-registered) was estimated to be 75,000 persons for the period soon after the invasion, and 51,000 persons at the end of 1974, figures which correspond to more than 25 per cent of the economically active population.
13. In order to combat these problems of unprecedented magnitude the Cyprus Government has taken a series of measures within its Emergency Economic Action Plans.
14. Reference to the First Emergency Economic Action Plan for 1975-1976 was made in our previous report.
15. The Second Emergency Economic Action Plan, which covered the period 1977-1978, included as one of its main targets the creation of opportunities for permanent, more productive and remunerative employment.
16. In parallel the general promotion of technological readjustment of the productive process to capital intensive projects and the intensive cultivation of

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farm land, together with labour intensive works in certain branches, constituted one of the most important elements of the strategy of the Plan.

17. The results of the efforts exerted during the Second Plan period, in the field of manpower, were very impressive. It was estimated that employment recorded an average annual increase of the order of 4.9 per cent. In parallel the average annual rate of growth of productivity was 6.4 per cent.

18. As a result of the favourable developments in employment there was a significant fall in the unemployment level. The average number of registered unemployed in 1978 constituted 2 per cent of the economically active population. At the same time, the number of unemployed in the professional category of diploma holders/technicians showed an absolute increase. Employment difficulties were also encountered by clerks, whereas there was a shortage of skilled and unskilled labourers. Another characteristic of the Second Plan period was the observed increase in the average duration of unemployment, which was attributed to the existence of a comparatively large number of unemployed persons over 60 and many unemployed university graduates. Secondary school and university graduates constituted about 60 per cent of the unemployed in 1978.

19. To overcome the weaknesses observed in the supply of and demand for manpower, a series of measures were implemented which aimed at increasing the supply and encouraging the mobility of the labour force. Among these were the expansion of the capacity of public technical schools, where vocational education has been reintroduced, the establishment of new workshops for labour training in the Ministry of Labour educational institutions and the increase in the number of training programmes for skilled or semi-skilled workers etc. Regarding the supply of manpower, even though available statistics are inadequate, the general indications showed that there has been an overall increase in the participation of women, mainly in the younger age groups, in the labour force.

20. The period 1979 to 1981 was covered by the Third Emergency Economic Action Plan, which was introduced within the framework of the Government's efforts to mobilize and utilize the economic resources and potential of the country with a view to reactivating and further developing the economy of the free areas, following the heavy blows inflicted by the Turkish invasion and occupation. At the same time, it was a Plan for further social reconstruction.

21. One of the long-term objectives of the Third Plan was the full and more efficient utilization of the country's labour force. More analytically, the aims of the Plan with reference to the manpower sector were:

- (a) The maintenance of conditions of full employment;
- (b) A more productive and remunerative employment;
- (c) A more rational distribution of the labour force;
- (d) The qualitative improvement and further technical training of the labour force; and
- (e) The improvement of the conditions of employment.

22. The provisional data for 1981 shows that, in general, conditions of full employment have been maintained and the terms of employment have been impressively improved. The labour market, however, continued to be characterized by imbalances. The number of additions to the labour force who found employment during the three-year period amounted to about 8,500 compared to the target of 9,300. Hence, the realized average annual rate of growth of the gainfully employed population was of the order of 1.6 per cent, compared to the planned 1.8 per cent. The reason for this relatively smaller increase in employment is basically due to the somewhat higher rate of growth of productivity, as well as the observed recession in the construction sector.

23. Productivity (value added per person employed) increased at an average rate of 3.9 per cent per year, in comparison to the planned 3.3 per cent. The favourable achievements with respect to productivity enabled production to surpass targets. It must be noted, however, that the rate of growth of productivity declined progressively from 5.8 per cent in 1979 to 3.4 per cent in 1980 and 2.4 per cent in 1981, which was mainly due to the slackening in productive investments.

24. The comparatively faster rate of growth of the economically active population, which was mainly the result of the return of Cypriots from abroad, in conjunction with the problems faced by the construction sector, created conditions which raised the level of unemployment. Consequently, in 1981 the average number of registered unemployed reached 5,900 persons, or 2.8 per cent of the economically active population, in comparison to the set target of 3,600 persons, or 1.7 per cent.

25. The Third Emergency Plan predicted that the major sources for the creation of additional employment opportunities would be the manufacturing, construction and services sectors (including tourism). While the target in the services sector was surpassed, owing to the very favourable development of tourism, the observed recession in the construction sector resulted in a reduction of sectoral employment instead of the planned increase. At the same time, the manufacturing sector did not achieve the expected increase in employment, because the attained sectoral rate of growth fell short of that planned. As expected, primary sectors experienced manpower losses as mining sector activity was further restricted and the rate of growth of agriculture was below planned levels. Despite the fact that the share of the agricultural labour force in the total gainfully employed population is diminishing steadily, the agricultural sector continues to be the largest sector from the point of view of the number of persons gainfully employed. The importance of manufacturing in terms of employment is also increasing rapidly.

26. Despite the general increase in unemployment, the imbalances which had been observed during the Second Emergency Plan continued. Analysis of the statistics for unemployment, vacancies and remuneration by sector and occupational category, showed clearly that the manufacturing and tourist sectors continued to experience shortages of skilled labour, while demand for labour in the construction sector appeared considerably reduced. Unemployment of production workers increased considerably, owing to the decline in the construction sector both domestically and abroad, and that among university graduates continued its upward trend. Hence, despite the noted steady increase in the number of unfilled vacancies in the category of professional and technical workers, it has not been possible to tackle dynamically the problem of highly qualified personnel who are underemployed or idle.

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27. In order to deal with the imbalances in the labour market a number of measures were planned concerning the strengthening of the institution of industrial training and of the various training programmes which provide the necessary labour force to industry, as well as the suitable improvement of the services of the Ministry of Labour to facilitate the more effective functioning of the labour market. Considerable progress has been made in this direction. During the period, the Industrial Training Authority became fully operational, the new vocational training workshops of the Cyprus Productivity Centre were established in Larnaca and Limassol, two new technical schools started operations and the Hotel and Catering Institute was fully utilized. In addition, the Higher Technical Institute expanded its activities, the Apprenticeship Scheme was strengthened and the Mediterranean Institute of Management of the Cyprus Productivity Centre continued to operate with good results. (Reference to the various training institutions of the Ministry of Labour and Social Insurance is made below.) All those activities contributed to the amelioration of the various imbalances which appeared between the demand for and supply of labour by occupation and sector. During the Third Plan period, various services of the Ministry of Labour were reorganized and strengthened in order to be able to fulfil their role more effectively.

28. The implementation of the Fourth Emergency Economic Action Plan started in 1982 and is of five years' duration.

29. The objectives of the Fourth Plan with respect to the labour force are summarized below:

- (a) The maintenance of conditions of full employment;
- (b) An increase in labour productivity;
- (c) An increase in earnings within the margins of the rate of growth of productivity;
- (d) The elimination of those factors which constrain the participation in economic activity and the complete mobilization of groups of population facing special problems;
- (e) The more rational distribution of the labour force;
- (f) The qualitative improvement of the labour force through the provision of technical training;
- (g) The improvement of working conditions.

1. Increase in productivity

30. In addition to the measures aiming at encouraging productive investments, establishing advanced technology units and improving the structure and organization of production, anticipated to have favourable effects on the rate of growth of productivity, a series of additional measures are planned which will widen the long-term potential of the economy. Those measures include the continuous training

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of the labour force and a study of the feasibility of introducing incentive pay schemes. In the manufacturing sector, productivity gains will be realized through the employment of qualified personnel, the carrying out of studies for the identification of new investment opportunities and the improvement of production and organization methods. In the agricultural sector, productivity will significantly increase as a result of the planned expansion of irrigated areas. There is an urgent need for structural changes in the sector, such as land consolidation, which will continue to be implemented during the Fourth Plan and whose purpose is to overcome the weaknesses which prevent the realization of a higher level of productivity. In parallel, the study on part-time farming will be completed. This is expected to facilitate the analysis of the effects of this system on productivity and on the labour force requirements of the sector, in general. The wider use of micro-computers will allow substantial improvements in productivity in the various service sectors, including the civil service, where apart from other measures it is planned to train senior staff on a systematic basis in modern methods of management and organization.

2. Amelioration of the problem of unemployed university graduates

31. Unemployment among university graduates is the most serious imbalance in the labour market and is considered a very disturbing social and economic problem which involves the wasting of valuable human resources, not only because of the unemployment or underemployment of highly qualified staff, but also because a large number of university graduates remain abroad, owing to the limited employment opportunities in Cyprus. The most important measures planned for the amelioration of this problem are:

(a) Creation of employment opportunities. It is anticipated that additional demand for personnel with high educational qualifications will be created in the private sector through the introduction of advanced technology, the encouragement of larger-sized units and the imposition of high quality standards on products through the institution of industrial standards, as well as the provision of tax incentives to enterprises for the employment of graduates, which is under consideration. The planned operation of the Consultancy Services Organization, the establishment of a university in Cyprus and the policy of attracting foreign capital and off-shore companies are expected to have beneficial effects on the absorption of unemployed university graduates. In parallel, self-employment for those people is being promoted by working out, whenever possible, specific schemes;

(b) Temporary employment abroad. The conclusion of international bilateral agreements for the temporary employment of unemployed graduates abroad, where there is a shortage of those categories of labour, and until the time when appropriate employment opportunities become available in Cyprus, will also contribute to the amelioration of the problem;

(c) Retraining programmes for graduates with inadequate qualifications or qualifications in saturated sectors. The Mediterranean Institute of Management, which was created with the basic objective of retraining unemployed university graduates in business management and for their appropriate employment, will continue its operation. For the same purpose, during the Fourth Plan it is envisaged to

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operate similar programmes in hotel management and other occupations for which there will be demand. Efforts are also being made for the preparation of foreign language learning programmes, especially in English, as well as of a scheme through which unemployed graduates will be placed in industry for the purpose of acquiring experience, an element which enhances their chances of obtaining employment;

(d) Measures aiming at restricting the future supply of university graduates. It is known that the academic bias of the secondary education curriculum generates an excessive tendency for university education and has contributed to the creation of the problem. Consequently, attempts will be made during the Fourth Plan to adapt the secondary education system appropriately. In parallel, vocational guidance provided to secondary education students will be improved so that with better information on labour market prospects they will be in a position to form more realistic expectations. Other measures which will play a role in dealing with the problem are the improvement of the placement services for the unemployed and of the planning mechanism. It will also be attempted to improve the functioning of the labour market so that the private sector in particular may absorb more qualified personnel.

3. Increasing the participation of women in the labour force

32. The female population of working age is a source of additional labour which may be mobilized to alleviate labour shortages. Despite the substantial increase over the last few years in the participation of women in the labour market, it is still considerably lower than that of men. During the Fourth Plan, labour shortages will mainly appear in sectors and occupations which traditionally employ a large number of women. For this reason, efforts will be made to attract more women to the labour market through the further improvement of conditions of work and other benefits and through measures that will allow women to combine their traditional role of wife and mother with economic activity. Thus, legislation will be pushed through guaranteeing the right of working women to maternity leave, while the expansion and improvement of public and private sector child-care services will be encouraged.

33. The position of women in the labour market will also be the subject of study during the Fourth Plan, in order to honour the Government's commitment for the equal treatment of women in employment.

4. Provision of industrial training

34. The system of industrial training of the labour force will acquire added significance during the period of the Fourth Plan because, as mentioned above, it contributes considerably to raising labour productivity, while at the same time it provides the basic means to meet the imbalances in the demand for and supply of labour by occupational category.

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C. Services and programmes

1. Employment services

35. The main functions of the Employment Service of the Ministry of Labour and Social Insurance are to help job seekers to find suitable employment and employers to find qualified employees; to co-operate with other public and private bodies with a view to achieving the best possible distribution, effective use and mobilization of manpower; to provide vocational training and rehabilitation services to the disabled; to offer vocational guidance services; to collect and disseminate relevant statistical data and other related information; and to implement government policy on the temporary employment of Cypriots abroad.

36. During the period under review the Service continued its efforts to improve the mechanism for registering the unemployed and identifying employment opportunities. Various surveys and studies were carried out on priority subjects and sectors, such as the status of women in the labour force, the characteristics of university graduates who remain unemployed for long periods, the degree to which secondary school graduates are interested in employment in the construction and clothing industries etc. In the field of vocational guidance the Service concentrated its activities on the organization of information seminars in the schools, the provision of information on industrial training opportunities and the organization of the summer employment programme for secondary school pupils.

2. Industrial training

(a) Training institutions

37. The training institutions functioning under the jurisdiction of the Ministry of Labour and Social Insurance are the following: the Higher Technical Institute, the Productivity Centre, the Mediterranean Institute of Management and the Hotel and Catering Institute.

(i) Higher Technical Institute

38. The Higher Technical Institute is the highest technical educational establishment in Cyprus, its mission being to train technician engineers in the basic engineering specializations of civil, electrical and mechanical engineering to meet the needs of the industry. The Institute also offers a three-year full-time course in engineering for marine officers.

39. A development towards the implementation of the long-term objective of developing the Institute into a regional training centre refers to the signing of a joint project with the World Health Organization (WHO). This project aims at establishing at the Institute a unit which will offer training in the repair and maintenance of medical and hospital equipment, as well as advice on general maintenance policy.

40. The Institute also provides research and consultancy services to industry.

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(ii) Productivity Centre

41. The original long-term objective of the Centre "to assist private and public organizations utilize their human and capital resources in the best possible manner in order to increase productivity" is still valid today. This general objective, though, has been modified to keep in line with the national goal of economic development. More specifically, the objectives of the Centre today aim at:

(a) Increasing productivity both in the narrow sense of "labour productivity" as well as in respect of capital, raw materials, and plant and equipment utilization;

(b) Developing managerial skills at all levels, through training programmes and seminars for working executives as well as through ab initio training programmes for the eventual employment of secondary school graduates as industrial supervisors;

(c) Developing the skills of technicians and, through accelerated training programmes, retraining both technicians and unskilled workers for the sake of optimum employment;

(d) Rendering consultancy and research services for the private and public sectors.

(iii) The Mediterranean Institute of Management

42. The Institute, which is the regional/international component of the Cyprus Productivity Centre, continues to offer quality management education through the post-graduate management diploma programme; it also, upon request:

(a) Organizes short upgrading "package" programmes and seminars in all the fields of management, designed to satisfy specific training needs of private and public organizations;

(b) Undertakes research and management consultancy projects.

(iv) Hotel and Catering Institute

43. The Institute offers ab initio training and upgrading courses in cookery, waiting, front office and house-keeping for basic, middle and higher level personnel in the hotel and catering industry. The Institute also carries out research and provides information on matters concerning hotel and catering development.

44. The Hotel and Catering Institute has now been developed into a regional training centre in its sphere of activity. It is currently functioning at full capacity offering training to persons in the 15-23 years age group. The Philoxenia Hotel, which was built primarily to facilitate the proper training of Institute students, started its operation during the autumn of 1977 on a commercial basis, thus making possible the practical training of the students under the direct supervision of the Institute's instructors.

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45. In addition to its training programmes, the Institute continues to promote the conduct and provision of research studies and consultancy services to the hotel industry.

(b) Apprenticeship Training Scheme

46. The Scheme has two main objectives:

(a) To increase the number of skilled workers in industry;

(b) To upgrade the skills of young workers in industry on the basis of contemporary ideas and methods of work in order to increase productivity.

47. The Scheme accepts industry-based trainees between the ages of 14 and 18 years who, in agreement with their employers, attend the technical school of their district twice a week during working hours and receive theoretical instruction. During the remaining days they receive practical training at the place of work by a competent supervisor or foreman.

48. The costs involved in implementing the Scheme are borne by the Government, and the employers pay the trainees their normal wages for the period of attendance at the technical school. An important step, initiated in 1979, towards the smooth functioning of the Scheme is the fact that the Industrial Training Authority now pays grants to those employers whose apprentices attend the Apprenticeship Scheme; the aim is to compensate the employers' costs of the day-release.

49. The Scheme, which made a modest beginning in 1963, has since been developed into an island-wide institution and its results have proved to be practical and useful. It is the second biggest source of supply of semi-skilled and skilled workers in industry, after the technical schools.

(c) The Industrial Training Authority

50. The Industrial Training Law, 21/74 (a copy of which is attached) remained dormant for several years as a consequence of the conditions of mass unemployment which prevailed immediately after its enactment, and was only fully implemented on 1 January 1979. Since then the activation of the Industrial Training Authority was achieved through the imposition of the relevant fee on emolument, which is currently 0.5 per cent and the organization of vocational training programmes.

51. The Authority is currently involved in ab initio training, upgrading and retraining in the form of on-the-job training, as well as training at institutions and centres.

52. Specific schemes functioning under the auspices of the Authority provide for:

(a) The training of new entrants to the labour market and young unskilled workers who have not completed their secondary education;

(b) Upgrading the skills and knowledge of skilled and semi-skilled workers;

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(c) Retraining employees whose skills have or will become redundant due to technological and/or economic changes;

(d) The training of personnel abroad where this cannot be provided in Cyprus;
and

(e) Retraining unemployed university graduates and other top-level personnel.

53. The Authority is governed by a Board of Governors, at which there is representation of governmental, employers' and workers' organizations and bodies. The Board is the body responsible and empowered for formulating training policies and establishing training programmes and schemes. The members of the Board were increased by 3 and reached 13 as of 1980 (the Industrial Training Amending Law No. 17 of 1980). (Attached to the present report are copies of the Industrial Training (Amending) Laws Nos. 6 of 1975, 17 of 1980 and 53 of 1980; the Industrial Training (Terms of Employment of Employees) Regulations of 1977; the Industrial Training (Employers' Levy) (Amending) Regulations of 1979, 1980 and 1983.)

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II. ARTICLE 7: THE RIGHT TO JUST AND FAVOURABLE
CONDITIONS OF WORK

A. Remuneration

1. Principal laws and regulations

2. Principal methods used for fixing wages

1. Wages and salaries have always been regulated through free collective bargaining in almost all cases where workers are organized in trade unions (except during a period following the Turkish invasion of the island - July 1974 to December 1976 - when a system of compulsory arbitration was put into operation).

2. Legislative provisions regulating wages exist only with regard to shop assistants and clerks - two classes of employees who are largely unorganized and whose bargaining power is relatively weak; hence, the need to protect them by legislation.

3. Since shop assistants and clerks in the private sector are the largest section of the labour force who are not organized, there remain very few workers who are not covered by either collective agreements or minimum wage-fixing machinery. As far as the remuneration of workers covered by neither collective agreements nor minimum wage orders is concerned, no exact data are available on the number and remuneration of such workers but it seems they are few. A relevant report has been prepared by the Ministry of Labour and Social Insurance and the subject of minimum wage fixing is being studied by a high-level, tripartite committee. A large number of agricultural workers (both permanent and seasonal) are covered by collective agreements and their remuneration compares favourably with that of other workers. The remuneration of the rest (mainly employed by small, family undertakings) is lower than of those unionized but higher than the minimum wage of clerks and shop assistants.

3. Bonuses, cost-of-living differentials

(a) Christmas bonus

4. The concept of a Christmas bonus, in the form of an extra month's salary paid at the end of the year (thirteenth salary) to employees paid monthly and the payment of one or more weeks' extra wages (fifty-third, fifty-fourth week etc.) to workers paid weekly, has been almost universally established in Cyprus.

(b) Cost-of-living allowance

5. In Cyprus the cost-of-living index has been published since 1939 and this index has always been used as the basis for the grant of the so-called cost-of-living allowances (COLA) to government non-industrial and industrial workers.

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6. In private industry the method of COLA commonly in practice was the one used by the Government for its industrial employees. That method provided for a 3 per cent change estimated on the basic salary or wages whenever the retail price index (RPI) changed by three points.

7. Since July 1974, however, RPI had ceased to be issued and therefore no increase in the cost-of-living allowance had been effected. The decision by the Government to discontinue the issue of the index was taken immediately after the war operations in August 1974. The reaction to the Government's decision began to be manifested at the end of 1975 and during 1976 the unions' claim for the reissuing of the index became more intensive. The reissuing of RPI became the subject of consultations between all the main trade union confederations, employer associations and the Government.

8. In July 1977, the Government agreed to publish a new RPI as of 1 July 1977. The Government and employers in the private sector also agreed, with the concurrence of trade unions, to increase the cost-of-living allowance, frozen at the pre-July 1974 levels, by 5 per cent as of the same date to compensate workers for the increase in the cost of living since January 1977. All three sides also agreed that future cost-of-living adjustments should take place every six months instead of every three months as had always been the practice before July 1974.

4. Level of wages and prices

9. The level of wages in Cyprus has been rising constantly since independence, both in money and in real terms, until the Turkish invasion of the island in July 1974. At the same time there was a relative increase in the cost of living. The following tables give the indices of (a) average rates of pay in money terms, (b) real average rates of pay and (c) the retail price index, 1975 to 1981 (tables 1, 2 and 3).

5. Equal pay (between men and women) for work of equal value

10. In Cyprus there is no central or other unit or other administrative machinery in any government department to deal with equal pay for work of equal value, because, as stated above, the system of industrial relations is one which relies more on free collective bargaining than on legislative measures. At the moment, however, consultations are under way in the Labour Advisory Board - a tripartite body chaired by the Minister of Labour.

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Table 1. Index of average rates of pay in money terms by sector

1974 to 1981

(Base: October 1973 = 100)

SECTOR	1974	1975	1976	1977	1978	1979	1980	1981
Agriculture	116	124	138	161	183	236	303	347
Mining and quarrying	117	121	130	152	178	220	286	342
Manufacturing	115	117	128	159	196	253	330	397
Electricity, gas and water	133	138	147	168	194	241	303	350
Construction	117	108	108	133	172	209	268	310
Wholesale and retail trade	100	108	122	147	178	219	280	330
Banking, insurance and real estate	112	113	120	140	164	205	260	309
Transport, storage and communication	111	124	134	154	180	223	283	330
Government	115	119	123	147	180	222	282	332
Municipalities	115	122	128	150	181	221	297	337
Other services	106	113	123	149	182	231	288	342
TOTAL	113	116	125	149	181	227	291	344

Source: Survey of Wages, Salaries and Hours of Work (annual), Statistics and Research Department, Ministry of Finance.

Note: Data cover both wage- and salary-earners and refer to October of each year. They refer to normal rates of pay, that is, excluding overtime.

Table 2. Index of real average rates of pay by sector

1974 to 1981

(Base: October 1973 = 100)

SECTOR	1974	1975	1976	1977	1978	1979	1980	1981
Agriculture	100	102	109	119	126	148	168	174
Mining and quarrying	101	99	103	112	123	138	159	171
Manufacturing	99	97	102	118	135	159	183	198
Electricity, gas and water	114	112	117	124	134	152	168	175
Construction	101	89	86	98	118	131	149	155
Wholesale and retail trade	86	89	97	109	123	138	155	165
Banking, insurance and real estate	96	93	95	104	113	129	144	154
Transport, storage and communication	96	102	106	114	124	140	157	165
Government	99	98	98	109	124	140	156	166
Municipalities	99	101	101	111	125	139	165	169
Other services	92	93	98	110	125	145	160	171
TOTAL	97	95	99	110	125	143	161	172

Source: Department of Statistics and Research, Ministry of Finance.

Note: Data cover both wage- and salary-earners and refer to October of each year. Real average rates of pay refer to rates of pay in money terms deflated by the yearly average retail price index.

Table 3. Retail price index
1975 to 1981

GROUP	Base: 1967 = 100		Base: July 1976-June 1977 = 100				(Yearly average)
	1975	1976	1977	1978	1979	1980	
Food and drinks	175.27	179.88	105.47	111.44	118.96	136.29	151.93
Rent and housing	128.43	128.64	102.39	111.01	122.93	135.87	145.94
Fuel and light	153.22	160.34	102.53	109.33	124.27	170.55	223.75
Household equipment	158.98	166.76	105.36	114.62	124.52	136.40	145.37
Household operations	187.85	195.99	101.73	104.17	109.88	125.42	140.38
Clothing and footwear	136.89	140.69	104.93	113.92	125.26	136.55	147.04
Miscellaneous	163.57	175.38	103.38	111.93	124.73	143.52	160.86
ALL ITEMS	155.66	161.54	104.11	111.84	122.43	138.96	153.92

Source: Department of Statistics and Research, Ministry of Finance.

11. In the public sector (including public utilities and undertakings) there is no discrimination either in pay or in other conditions of employment between men and women. In the private sector, in the absence of specific legislation, employers are free to negotiate the wages of their employees with the unions and, although research on the matter has just begun, there are indications that in many cases women are paid less than men for work of equal value. There are also indications, however, that the gap has been decreasing.

12. In any case the Ministry of Labour and Social Insurance, mainly through its mediation and conciliation service, encourages and supports equality of pay in all cases where this is possible. This policy is in line with article 28, paragraphs 1 and 2, of the Cyprus Constitution, which reads as follows:

"1. All persons are equal before the Law, the administration and justice and are entitled to equal protection thereof and treatment thereby.

"2. Every person shall enjoy all the rights and liberties provided for in this Constitution without any direct or indirect discrimination against any person on the ground of his community, race, religion, language, sex, political or other convictions, national or social descent, birth, colour, wealth, social class, or on any ground whatsoever, unless there is express provision to the contrary in this Constitution."

13. As regards conditions of work, equality of treatment in the private sector is almost universal.

6. Difficulties encountered and progress made to ensure fair remuneration

14. Besides fixing a minimum salary for shop assistants and clerks and wage determination for most other groups through free collective bargaining, salaries and wages in Cyprus, with very few exceptions, are based on the "job value" principle. The basis for fixing the statutory minimum salary for shop assistants and clerks has been the prevailing minimum salary for similar types of employees in unionized undertakings and the satisfaction of the basic needs of a young man or woman living with his or her family. As stated above, however, the issue of minimum wage fixing is now under review.

15. As far as wage determination for organized workers is concerned, because of the conditions of full employment which had prevailed in Cyprus prior to the invasion, trade unions enjoyed considerable bargaining power which enabled them to secure fair wages for the needs of their members and their families. The severe unemployment which followed the Turkish invasion turned the tables in favour of the employers (though the latter, in their majority, did not take advantage of that situation).

16. With the improvement in the level of unemployment the equilibrium has gradually been restored.

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17. In special cases the State comes to the aid of families or persons if their income is not sufficient for their basic and/or special needs.

18. According to the new legislation (Public Assistance and Related Services Law 10/75 as amended by Law 40/76) the right of every citizen to be entitled to financial assistance for the satisfaction of his basic needs (food, clothing, shelter, water, electricity rates), as well as those of his dependants, is legally safeguarded for the first time in Cyprus. The Law includes many supplementary provisions, which are intended to offer further social assistance to meet special or urgent needs, as well as assistance to the individual to enable him to become self-sufficient. Thus, such provisions as free health services, additional grants for special diet, grants for improvement of homes, for occupational training, for purchasing of tools for occupational purposes etc. are provided. In addition, social case work services are provided for all elderly and disabled persons over the age of 18, who are unable to look after themselves, either at their own homes or in private or State homes for the elderly and disabled.

B. Safe and healthy working conditions

19. The Factories Law, Cap. 134 (a copy of which was furnished with the 1978 report) continues to be the principal law which provides for the safety, health and welfare of all people working in premises that come under the definition of "factory", in accordance with the above Law, whether those premises are private, public or Government-owned.

20. Except for the additional legislative measures mentioned below there have been no changes concerning the responsibilities, field of action and general competence of the Inspectorate Service of the Ministry of Labour and Social Insurance and no difficulties were encountered in the realization of the targets set, with the exception of enforcing this legislation in the occupied parts of Cyprus.

21. Since the previous report of 1978 a series of additional legislative measures were enacted aiming at:

(a) Safeguarding workers against particular occupational risks not previously covered by the existing legislation;

(b) Protecting the safety and health of people working in branches of economic activity for which no special legislation previously existed;

(c) Updating existing occupational safety and health standards in the light of international and local experience and knowledge, for the more effective protection of people at work.

22. In particular, the legislation mentioned in (a), (b) and (c) above is the following:

(a) The Electricity (Factories), Special Regulations of 1981 (para. (a) above);

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(b) The Agricultural Works (Safety, Health and Welfare), Regulations of 1982 (para. (b) above);

(c) The Factories (Amendment) Law of 1982 (para. (b) above);

(d) The Control of Factory Atmosphere and Dangerous Substances (Amendment), Regulations of 1981 (para. (c) above);

(e) The Standards for Health Provisions (Amendment) Regulations of 1981 (para. (c) above).

23. During the period under report, in addition to the enactment of the above-mentioned legislation, the Government of Cyprus, in close collaboration with the workers' and employers' organizations, took further action by the adoption of administrative and other measures for the most effective protection of the safety and health of the workers.

24. In this respect a Common Declaration on the Safety, Health and Welfare of Workers was signed on 20 May 1983 by the Government and the most representative organizations of employers and workers in Cyprus; this Declaration contains the basic principles of a coherent national policy in the field of occupational safety and health and constitutes a broad tripartite consensus on the priority objectives of a programme of action in the field.

25. The signature of the above Declaration was the result of a proposal made by a multidisciplinary mission of ILO experts who visited Cyprus in March 1980 within the framework of the International Programme for the Improvement of Working Conditions and Environment (PIACT), after a request made to ILO by the Cyprus Government.

26. In the above report other recommendations were also included concerning the improvement of working conditions and the environment, and the prevention of occupational accidents and diseases, as well as institutional and administrative measures for effective implementation of the labour legislation.

27. The Government of Cyprus, in close consultation with the employers' and workers' organizations, is studying the above recommendations in order to decide on the more appropriate measures and procedures to be adopted for their materialization, in the light of national priorities and economic potentialities.

28. The number of industrial accidents reported during 1981 was 1,225, eight of which were fatal.

29. A review of the reported industrial accidents shows that those which occurred in the building industry continue to constitute the greatest percentage of cases (table 4).

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Table 4. Distribution by industry of reported industrial accidents

1982

INDUSTRY	Sex		Age		Degree of injury		CAUSATION					
	Male	Female	Under 18	18 and over	Fatal	Non-Fatal	Mach-ines	Means of trans- portation	Other equip- ment	Materials and sub- stances	Working environ- ment	Other causes
Agriculture, hunting, forestry and fishing	18	27	-	45	1	44	4	3	12	5	12	9
Mining and quarrying	15	-	-	15	-	15	2	3	1	4	3	2
Manufacturing	390	131	28	493	2	519	180	20	55	115	113	38
Electricity, gas and water	21	1	-	22	-	22	-	1	2	2	14	3
Construction	280	10	10	280	4	286	21	30	77	61	70	31
Wholesale and retail trade and restaurants and hotels	54	15	3	66	-	69	6	5	3	13	31	11
Transport, storage and communications	121	4	-	125	-	125	2	30	10	31	45	7
Community, social and personal services	52	11	2	61	-	63	3	2	6	14	27	11
Total	951	199	43	1 107	7	1 143	218	94	166	245	315	112

Source: Ministry of Labour and Social Insurance.

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C. Equal opportunity for promotion

1. Principal laws and regulations

30. In the public sector, by virtue of article 124.1 of the Constitution of the Republic of Cyprus, there exists a Public Service Commission which has the duty to "... appoint, confirm, emplace on the permanent or pensionable establishment, promote, transfer, retire and exercise disciplinary control over, including dismissal or removal from office of, public servants".

31. The Commission is appointed by the Head of State for a period of six years (article 124.3) during which time neither the Chairman nor the members can be removed from office except on the same grounds and in the same manner as a judge of the High Court (article 124.5). This ensures that the members of the Commission carry out their task without fear or prejudice. The members of the Commission must be citizens of the Republic of Cyprus, of high moral character and have the qualifications for election as members of the House of Representatives (article 124.6(2)).

32. In the public utilities, mainly the Electricity Authority of Cyprus, the Cyprus Telecommunications Authority and the Cyprus Broadcasting Corporation, there exist joint staff committees, consisting of management and employee representatives, whose functions, among other things, are to examine applications for promotion and to interview candidates as necessary and to advise top management on the most suitable candidates. The final decision rests with the top management.

33. In the private sector some trade unions demand that a clause be inserted in all collective agreements, which provides that "other things being equal promotion should be effected on the basis of seniority of service".

2. Principal arrangements and procedures

34. In the public sector the relevant Public Service Law gives the right to an employee to have recourse to the Supreme Court and contest an adverse decision made by the Public Service Commission.

35. The Court does not act as an appeal body which can substitute another candidate for the one selected by the Commission. It can only annul or confirm an appointment or promotion and, in the former case, the Commission will have to take a fresh decision.

36. As regards training in the public sector, this takes a variety of forms. In essence, it is a continuous process which includes the granting of scholarships abroad for long or short periods, specialized courses, seminars, interdepartmental courses and on-the-job training. Public utilities also have their own specialized training programmes. Reference can be made here to the Cyprus Telecommunications Authority and the Electricity Authority of Cyprus, where the staff relations committees - joint management/staff committees - usually decide on the number, content and extent of the training programmes.

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37. As regards training in the private sector, the unions, in general, are not very active in this respect at present. However, many employers take advantage of the programmes of the Productivity Centre for the upgrading of their personnel. In addition, certain large companies have their own training programmes but these again arise out of the companies' own initiative and they are the exception rather than the rule.

3. Factors and difficulties

38. Except for the Staff Relations Committee in Public Utilities very little is known with regard to participation in the private sector. The same holds true for career planning, a practice applied by very few companies.

39. Specific provisions for placements, promotions and training programmes are, in general, not included in collective agreements. However, where a dispute arises this is manifested in the form of a grievance (dispute over rights) which is dealt with through the established procedure, that is, as specified in the Industrial Relations Code (an agreement between the two main trade union confederations and the Cyprus Employers Association concluded under the auspices of the Ministry of Labour and Social Insurance which specifies in detail the procedure to be followed in the settlement of labour disputes, including grievances).

D. Rest, leisure, limitation of working hours and holidays with pay

1. Principal laws and regulations

2. Information on rest, hours of work and holidays with pay

(a) Weekly rest and (b) hours of work per week

(i) The Hours of Employment Law (Cap. 182) and the Orders issued thereunder, that is:

(a) Order No. 127 of 1961 which limits the hours of work of clerks to 44 (maximum) per week and which defines a "week" as the period between 6 a.m. Monday till 6 p.m. the following Saturday. The Order further provides that the maximum hours of work on any one day should not exceed eight but, under special circumstances, overtime work is allowed provided the extra hours do not exceed two hours on any one day and four hours in any one week.

(b) Order No. 128 which limits the hours of work of miners and those working in quarries to 40 per week (for underground work) and 44 (for surface work). This order, however, specifies a "week" as the period from midnight Sunday to midnight the following Sunday in order to facilitate shift work.

(ii) The Shop Assistants Law (Cap. 185) which provides that every shop shall be closed at least on Sunday or on such other day in every week as the Council of Ministers may appoint in lieu of Sunday. The Law further provides that every shop shall close not later than 5.30 in the evening in the months of October to March

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inclusive in every year and not later than 7 o'clock in the evening in the months of April to September inclusive in every year and that in both cases shall not reopen earlier than 5 o'clock the following morning. There are a few exceptions to the above provisions mainly in regard to essential supplies or services. The Law limits the hours of work of shop assistants to 45 per week (order No. 165 of 1979). Further, it is provided that a shop assistant shall have a holiday at least two days a week after 1 o'clock in the afternoon and shall not during that holiday be employed in any capacity.

(iii) The Summer Afternoon Recess Law (Cap. 186) which provides that the Council of Ministers may by order direct that places of business shall be closed and be kept closed during such period between May and September in any year and for such interval between the hours of 12 and 4 in the afternoon, as the Council may determine by order (the period is usually fixed from 15 May to 15 September and from 1 p.m. to 4 p.m.).

40. For the great majority of the work force, however, both weekly rest and weekly hours of work are regulated by collective agreements. An extract from the relevant chapter of Digest of Collective Agreements as at 31 December 1980 is given below:

"The analysis shows that out of the total of 52,760 workers of the sample, 45,804 or 86.8 per cent worked for up to 40 hours per week (compared with 80.8 per cent in 1979), 2,980 or 5.6 per cent worked for 41-42 hours per week (compared with 11.5 per cent in 1979) and the remaining 3,976 or 7.5 per cent worked for 43 hours per week or more (compared with 7.7 per cent in 1979).

"The number of workers enjoying the benefit of a five-day week was 36,400 or 69.0 per cent of the sample (67.8 per cent in 1979). Of these, 34,759 workers or 95.5 per cent worked for up to 40 hours per week; 1,641 or 4.5 per cent worked for 41-42 hours per week; no one worked for 43 or more hours per week.

"The workers who worked a six-day week numbered 16,360 and formed 31.0 per cent of the sample.* Of these, 11,045 workers or 67.5 per cent worked for up to 40 hours per week; 1,339 or 8.2 per cent worked for 41-42 hours per week, and the remaining 3,976 or 24.3 per cent worked for 43 hours or more per week.

"Almost all of those who worked for 43 hours or more were employed in the sectors trade, restaurants and hotels, in agriculture and in the transport and communication sectors.

"The most predominant combination of working hours and working days per week was that of up to 40 hours in a five-day week, which was the case for 11,045 workers or 20.9 per cent of the sample."

* Those working in hotels have been classified in the six-day category, although according to their collective agreement they work five and one half days per week (11 out of 14 days).

41. Second or third shifts in the sense that a second or third shift of workers turns up for work after the normal day shift is completed, is not common in Cyprus. However, in certain undertakings, mainly public utilities and some government departments, workers work on a rota system. This means that their hours of work are not always the same and rotate week after week. Nevertheless, even in those cases where workers have to work on Saturday afternoons and on Sundays they take another day off. In most cases a shift allowance is paid as well, the rate of which may come up to 15 per cent of the normal wage rate.

(c) Annual holidays with pay

42. The Annual Holidays with Pay Laws of 1967 to 1980 and the Regulations made thereunder include:

Law 8 of 1967

Law 25 of 1968

Law 23 of 1969

Law 26 of 1970

Law 34 of 1972

Law 66 of 1972

Law 5 of 1973

Law 85 of 1979

Law 55 of 1980

The Annual Holidays with Pay Regulations of 1980

The Annual Holidays with Pay (Amendment) Regulations of 1980.

A copy of the legislation enacted since 1979 is attached.

43. Rights under the Annual Holidays with Pay Legislation have been substantially improved since the submission of the initial report, as described below.

44. By Law No. 85 of 1979, which came into operation in November 1979, the following improvements were introduced:

(a) The minimum period of annual holidays with pay has been increased from one and one half working weeks to two working weeks;

(b) The minimum period of continuous holiday leave has been increased from seven to nine working days;

(c) The minimum period of employment giving right to holidays with pay has been reduced from 25 to 13 weeks in a year;

(d) As a consequence of (a) above, the minimum employer's contribution to the Central Holiday Fund in respect of employees receiving the holiday payment through this Fund has been increased from 3 to 4 per cent of the employee's earnings.

45. By the Annual Holidays with Pay (Amendment) Regulations of 1983 unpaid contributions are deemed as paid, where the liability of the employer for such contributions has been recognized by a decision of the Court. This provision safeguards the right of employees to holidays with pay in case of failure of the employer to pay in time the contributions due to the Central Holiday Fund.

46. In addition to providing holiday payments, the Central Holiday Fund has since 1977 resumed the operation of a scheme for holiday subsidies. This scheme covers fully or partly the costs of a one-week stay at a hotel in any of the mountain resorts in Cyprus for low-income employees and their families.

47. In practice, the number of paid holidays exceeds by far the legal minimum. In the private and semi-public sectors the average number of annual leave days was 17.9 days in 1980 (17.3 in 1979). Public utilities and banks grant the greatest number of annual leave days with an average of 30 and 24 days respectively.

(d) Public holidays with pay

48. With regard to public holidays with pay, reference is once again made to the findings of the 1980 Digest of Collective Agreement:

"All workers, irrespective of the sector of economic activity where they are employed, enjoy a relatively high number of holidays with pay. According to the collective agreements in the sample, the average number of these holidays ranged from 13.0 to 15.9 days per year by sector of economic activity and the weighted average from all sectors was 14.1 days (14.0 in 1979).

"The small increase in the general average is due especially to the sector of mining and quarrying.

"Most collective agreements provide for the payment of holidays through a system of union stamps. The employer buys the stamps from the unions and gives the workers as many as correspond to the agreed number of holidays."

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III. ARTICLE 8: TRADE UNION RIGHTS

A. Principal laws

1. The Constitution of the Republic of Cyprus
2. Trade Unions Law 1965
3. The Public Service Law 1967
4. Port Workers Law (Regulation of Employment Law) Cap. 184
5. Trade Disputes (Conciliation, Arbitration and Inquiry) Law
6. The Industrial Relations Code.

B. Right to form and join trade unions

1. The right to organize is guaranteed by the Constitution. Article 21 of the Constitution of the Republic of Cyprus provides:

"1. Every person has the right to freedom of peaceful assembly.

"2. Every person has the right to freedom of association with others, including the right to form and to join trade unions for the protection of his interests. Notwithstanding any restriction under paragraph 3 of this Article, no person shall be compelled to join any association or to continue to be a member thereof.

"3. No restrictions shall be placed on the exercise of these rights other than such as are prescribed by law and are absolutely necessary only in the interests of the security of the Republic or the constitutional order or the public safety or the public order or the public health or the public morals or for the protection of the rights and liberties guaranteed by this Constitution to any person, whether or not such person participates in such assembly or is a member of such association.

"4. Any association the object or activities of which are contrary to the constitutional order is prohibited.

"5. A law may provide for the imposition of restrictions on the exercise of these rights by members of the armed forces, the police or gendarmerie."

2. The legal status of trade unions is established and safeguarded, through their registration, as provided by article 9 of the Trade Unions Law, 1965. Application for registration must be made in the prescribed form and be signed by at least seven members of the union. Where the total number of persons employed in the particular trade or calling in respect of which the application is made is less

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than seven, the application is signed by at least three members of the union. If the number of persons in the trade or calling exceeds 20, membership in the applicant union must not be less than 20 persons (article 8).

3. Article 20 provides that only persons actually engaged in or working at a trade or calling to which the union relates shall be admitted to and retain membership in such union. However, the law provides that trade union officers who, because of their trade union activities, cannot actually work at the trade to which the union relates and persons temporarily unemployed will not be disqualified from membership.

4. Article 21 provides that persons under the age of 16 cannot be members of a trade union and that persons under the age of 21 shall not hold office of a trade union or a branch thereof.

C. Right of trade unions to federate

5. Part III of the Trade Unions Law, 1965, provides:

"Application to confederations. "53.-(1) Save as hereinafter expressly provided this Law shall apply, in so far as applicable, to a confederation as if the component registered trade unions comprising such confederation were individual members of a trade union.

"(2) Save as otherwise provided, every notice, copy of rules or other document required by this Law to be signed, shall, in the case of a confederation, be signed by the secretary and one other officer thereof.

"Application for registration of confederation. "54. In the case of a confederation, an application for registration in accordance with section 8 shall be signed by the secretary and one other officer of each of the trade unions comprised therein, and shall be accompanied by a declaration from each of the trade unions, signed by the secretary thereof, that the application is made with the consent of the members thereof as declared by a majority of votes taken by secret ballot at a general meeting or conference of delegates of the trade union.

"Restriction to the registration of a confederation. "55. No confederation shall be registered by the Registrar unless each of the trade unions comprising such confederation is duly registered.

"Additions to membership of confederations. "56. Where a confederation has been registered under this Law, no trade union shall subsequently enter into any agreement for membership thereof or be a member of such registered confederation unless -

" (a) such trade union is duly registered;

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"(b) there has been submitted to the Registrar a declaration signed by the secretary of such registered confederation signifying that an application for membership accompanied by a declaration as required by section 54 was made by such trade union and has been duly approved by the confederation.

"Officers of confederation.

"57. No person shall be an officer of a confederation unless he is an officer or member of one of the component federations or trade unions comprising such confederation."

6. There is no legal provision regarding the right of trade unions or trade union confederations to form and join international trade union organizations. In practice, however, unions are free to do so and all the principle trade unions or trade union federations in Cyprus are affiliated to international trade unions or federations.

D. Right of trade unions to function freely

7. The Law provides that trade unions registered under the Law have the power to hold property, to enter into contracts, to institute and defend suits and other legal procedures, and to do all things necessary for the purpose of their constitution and objects. The Law further provides that no trade union shall be deemed to be unlawful merely because its purposes are in restraint of trade nor are the members of such union liable to criminal prosecution for conspiracy or otherwise (article 38).

8. Article 40 protects members of trade unions, under certain conditions, against criminal proceedings for conspiracy in relation to trade disputes. However, the Law does not accord immunity with regard to riots, unlawful assembly, or breach of the peace or sedition or any offence against the State. Article 41 offers immunity to persons acting in contemplation or furtherance of a trade dispute, from civil suits such as: inducing a person to break a contract of employment, interference with the trade, businesses or employment of some other person, or with the right of some other person to dispose of his capital or of his labour as he wills.

9. Article 50 renders unlawful making the employment of a workman subject to the condition that he shall not join a trade union or shall relinquish trade union membership. It also renders unlawful the dismissal of or prejudice against a workman by reason of trade union membership. However, employers are not restricted in their choice of workmen in the sense that they are obliged to engage solely trade union members.

10. The First Schedule (article 18) of the Law, which sets out the matters for which provision must be made in the rules of every registered trade union, specifies that decisions must be taken by secret ballot in the following cases:

- (a) Changing the name of the trade union;

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- (b) Amalgamating with another trade union;
- (c) Joining or forming a federation or confederation;
- (d) Dissolving the trade union;
- (e) Electing delegates to the trade union or to a federation;
- (f) Electing the officers of a branch;
- (g) Electing the officers to a federation or confederation;
- (h) Amending the rules of the trade union.

11. Further, a decision by secret ballot of the members of a trade union affected by a trade dispute on matters relating to lock-outs or strikes (any decision to take part in any lock-out or strike being subject to the approval of the committee of management of the trade union) is also required.

E. Right to strike

12. Article 27 of the Constitution of the Republic of Cyprus provides:

"1. The right to strike is recognized and its exercise may be regulated by law for the purposes only of safeguarding the security of the Republic or the constitutional order or the public order or the public safety or the maintenance of supplies and services essential to the life of the inhabitants or the protection of the rights and liberties guaranteed by this Constitution to any person.

"2. The members of the armed forces, of the police and of the gendarmerie shall not have the right to strike. A law may extend such prohibition to the members of the public service."

13. No legislation has been enacted so far, with a view to regulating the right to strike or prohibiting strikes by public servants.

14. The Trade Unions Law, 1965, does not speak directly about strikes. The definition of "trade dispute" and "workman" given by the Law, in article 2, has been interpreted by the Attorney-General that sympathy strikes, that is strikes by workmen who are not in the employment of the employer with whom the trade dispute arose, are not legally protected.

15. Whether sympathy strikes are legally protected or not has not been decided by the courts.

16. Article 44 of the Trade Unions Law, which refers to peaceful picketing, provides that it is lawful for one or more officers or members of a registered trade union involved in a trade dispute and for one or more persons acting on behalf of an individual employer or firm, in contemplation or furtherance of a

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trade dispute, to attend at a place where a person works or carries on business, if they so attend merely for the purpose of peacefully persuading any person to work or abstain from work.

17. Article 45 renders a person guilty of intimidation and annoyance if that person, with a view to compelling any other person to abstain from doing or to any act which such other person has a legal right to do or abstain from doing:

(a) Uses violence to or intimidates such other person or his wife or children, or injures his property; or

(b) Persistently follows such other person about from place to place;

(c) Hides any tools, clothes or other property owned or used by such other person, or deprives him of or hinders him in the use thereof;

(d) Watches or besets the house or other place where such other person resides or works or carries on business or happens to be or the approach to such house or place; or

(e) Follows such other person with two or more other persons in a disorderly manner in or through any street or road.

18. The Industrial Relations Code extends the notice for strikes or lock-outs on disputes over interests to 10 days (instead of 7 as had been agreed in the Basic Agreement of 1962) and reaffirms that all disputes over rights must eventually be referred to binding arbitration.

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IV. ARTICLE 9: RIGHT TO SOCIAL SECURITY

A. Principal laws

1. The Social Insurance Laws of 1980 to 1983 and the Regulations made thereunder are as follows:

Law 41 of 1980

Law 48 of 1982

Law 11 of 1983

The Social Insurance (Contribution) Regulations of 1980

The Social Insurance (Contribution) (Special) Regulations of 1980

The Social Insurance (Benefit) Regulations of 1980

The Social Insurance (Diseases) Regulations of 1980

The Social Insurance (Accounts of the Social Insurance Fund) Regulations of 1980

The Social Insurance (Contribution) (Amendment) Regulations of 1982

The Social Insurance (Contribution) (Amendment) Regulations of 1983

The Social Insurance (Benefit) (Amendment) Regulations of 1983

The Social Insurance (Accounts of the Social Insurance Fund) (Amendment) Regulations of 1983

A copy of each of the above is attached.

2. Since the submission of the previous report fundamental changes have been effected to the Cyprus Social Insurance Scheme, especially with the introduction of 6 October 1980 of Law No. 41 of 1980, which amended and consolidated the previous Social Insurance Legislation. These changes, which are outlined below, mainly affect the structure of contributions and benefits.

B. Main features of the schemes in force

1. Financing

3. As of 6 October 1980 contributions to the Social Insurance Scheme are earnings-related. The total contribution is 15.5 per cent of earnings up to a prescribed ceiling 1/ and is shared among the contributing parties as follows:

1/ Fixed at £C 118 a week or £C 510 a month as of April 1983.

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	<u>Employer</u>	<u>Insured person</u>	<u>State</u>
	(Percentage)		
Employed persons	6	6	3.5
Self-employed persons	-	12	3.5
Voluntary contributors	-	12	3.5

2. Benefits

4. The Social Insurance Scheme provides cash benefits in the form of sickness benefit, maternity benefit (maternity allowance and maternity grant), unemployment benefit, invalidity pension, old-age pension, widow's pension, orphan's benefit, missing person's allowance, funeral grant and marriage grant. It also provides cash benefits for employment injuries in the form of injury benefit, disablement benefit and survivor's benefit.

5. The Scheme also provides free medical care to persons suffering employment injury and to invalidity pensioners.

6. All periodical cash benefits include basic benefit and supplementary benefit. The basic benefit, which includes increases for dependants, is an improved form of the flat-rate benefit payable under the legislation in force up to 5 October 1980. Supplementary benefit is payable on top of the basic benefit and is related to the insurable earnings of the person concerned above a prescribed basis. ^{2/}

7. The contribution conditions for the various benefits are shown in table 5 and the rates and amounts of benefit are shown in table 6.

8. The improvements regarding the persons protected and the conditions of entitlement for the various benefits are summarized below.

(a) Sickness benefit

9. Sickness benefit has been extended to persons insured voluntarily in respect of employment outside Cyprus in the service of a Cypriot employer.

10. The waiting period for the payment of benefit to self-employed persons has been reduced from 78 days to 18 days and, in case of incapacity due to an accident or in case of hospitalization, to three days.

(b) Maternity benefits

11. Maternity allowance has been extended to insured self-employed women. The qualifying period for all women employed and self-employed has been reduced from 156 weeks to 26 weeks insurance.

^{2/} Currently £C 19.600 mils per week.

(c) Invalidity pension

12. Invalidity pension has been extended to persons insured voluntarily in respect of employment outside Cyprus in the service of a Cypriot employer.

13. The qualifying period in case of incapacity for work caused by an accident has been reduced from 156 weeks to 26 weeks insurance.

(d) Old-age pension

14. The pensionable age for miners has been reduced from 65 to 60 years. For each five years of employment in mining the pensionable age is reduced by one year.

15. An old-age pension is now payable to insured persons with an annual density of contributions equivalent to 0.25 per cent of one year's insurance, instead of 0.40 per cent which was the condition under the previous legislation.

(e) Survivor's benefits

(i) Widow's pension

16. The qualifying period in case of death caused by an accident has been reduced from 156 weeks to 26 weeks insurance. In addition, the annual density of contributions giving right to pension has been reduced from 0.40 per cent of one year's insurance to 0.23 per cent.

(ii) Orphan's benefit

17. Orphan's benefit has been extended to the case of a child when only one parent is dead, if the surviving parent fails to provide maintenance for the child.

(iii) Funeral grant

18. The funeral grant has been extended to cover the death of a dependant of an insured person. The amount of the funeral grant in such case is 50 per cent of that payable for the death of an insured person.

(f) Missing person's allowance

19. The missing person's allowance is payable to the dependants of a person who is missing as a result of the conditions created by the Turkish invasion in Cyprus in July-August 1974.

20. The wife of a missing person is entitled to a missing person's allowance under the same conditions and at the same rate as for widow's pension.

21. A child having one parent missing and the other dead is entitled to a missing person's allowance under the same conditions and at the same rate as for orphan's benefit.

(g) Unemployment benefits

(i) Unemployment benefit

22. Unemployment benefit has been extended to persons insured voluntarily in respect of employment outside Cyprus in the service of a Cypriot employer. The benefit for this category of persons is payable after the thirtieth day of unemployment, as opposed to the third day for normal cases. Unemployment benefit is payable independently of the redundancy payment.

(ii) Redundancy payments

23. Payments out of the Redundancy Fund have now taken the form of a lump sum and are not conditional on unemployment. Wages taken into account for calculating the amount of redundancy payment have increased from £C 30 a week to £C 118 a week. The basis of assessment of the redundancy payment is as follows:

(a) For each of the first four years of service, two weeks' wages;

(b) For each year of service between the fifth and tenth year of service, two and one half weeks' wages;

(c) For each year of service between the eleventh and fifteenth year of service, three weeks' wages;

(d) For each year of service between the sixteenth and twentieth year of service, three and one half weeks' wages;

(e) For each year of service between the twenty-first and twenty-fifth year of service, four weeks' wages.

(h) Increase of basic benefits

24. The rates of the basic benefits other than those for employment injuries, have increased by about 190 per cent on the average and those for employment injuries by about 157 per cent.

25. The amounts for marriage grant, maternity grant and funeral grant have increased from £C 19, £C 12 and £C 19, respectively, to £C 80, £C 60 and £C 80, respectively.

Table 5. Contribution conditions

1. The contribution conditions for maternity allowance, sickness benefit, unemployment benefit, marriage grant, maternity grant and funeral grant are:

(a) That the insured person's paid insurable earnings in the lower part of insurable earnings are at least equal to 26 times the weekly amount of the basic insurable earnings; and

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Table 5 (continued)

(b) That his paid and credited insurable earnings in the last complete contribution year before the beginning of the benefit year which includes the day on which the conditions are required to be satisfied are at least equal to 20 times the weekly amount of the basic insurable earnings.

2. The contribution conditions for old-age pension are:

(a) That the insured person's paid insurable earnings in the lower part of insurable earnings are at least equal to 156 times the weekly amount of the basic insurable earnings; and

(b) That the weekly average of the insured person's paid and credited insurable earnings in the lower part of insurable earnings for the period beginning on 5 October 1964 or, if he reaches the age of 16 years after 5 October 1964, on the first day of the contribution year in which he reaches that age, and ending with the week before the week which includes the relevant day, is at least equal to one fourth of the weekly amount of the basic insurable earnings.

Provided that for the purposes of subparagraph (b) where paid or credited insurable earnings referring to periods before 5 October 1964 are taken into account under subsection (5) of section 25, the weekly average of paid and credited insurable earnings shall be for the period beginning with the first day of the contribution year which includes the first paid or credited insurable earnings which are taken into account and ending with the week before the week which includes the relevant day.

3. The contribution conditions for invalidity pension are the same as those referred to in paragraph 2 and in addition the insured person's paid or credited insurable earnings in the last contribution year before the beginning of the benefit year which includes the relevant day, must be equal to at least 20 times the weekly amount of the basic insurable earnings.

Provided that this condition shall be deemed to be satisfied if the yearly average of the paid and credited insurable earnings in respect of the last two contribution years before the beginning of the benefit year which includes the relevant day is at least equal to 20 times the weekly amount of the basic insurable earnings.

4. The weekly average of paid and credited insurable earnings in the case of widow's pension where the deceased husband was entitled to old-age pension at the time of his death or would have been so entitled had he made a claim therefor, shall be the same as the one ascertained for the purpose of the old-age pension of the deceased spouse.

Table 6. Amount and rate of benefits

A. Benefits other than for employment accidents

Part I. Marriage grant, maternity grant and funeral grant

Kind of benefit	Amount of grant
	£ mils
Marriage grant	80.000
Maternity grant	60.000
Funeral grant	30.000

Part II. Maternity allowance, sickness benefit and unemployment benefit

Weekly rate of benefit	
Basic benefit	Supplementary benefit
Sixty per cent of the weekly average of paid and credited insurable earnings in the lower part of insurable earnings in the last contribution year before the beginning of the benefit year which includes the day on which the contribution conditions are required to be satisfied; the amount so calculated shall be increased by one third for one dependant, by one half for two dependants and by two thirds for three or more dependants.	Fifty per cent of the weekly average of paid and credited insurable earnings in the upper part of insurable earnings in the last contribution year before the beginning of the benefit year which includes the date on which the contribution conditions are required to be satisfied, but in no case the weekly amount of the supplementary benefit shall exceed the weekly amount of the basic insurable earnings.

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Table 6 (continued)

B. Benefits for employment accidents

Part I. Injury benefit

Weekly rate of benefit	
Basic benefit	Supplementary benefit
Fifty per cent of the weekly amount of the basic insurable earnings, increased by one third for one dependant, by one half for two dependants and by two thirds for three or more dependants.	Fifty per cent of the weekly average of paid and credited insurable earnings in the upper part of insurable earnings in the last contribution year before the beginning of the benefit year which includes the date of the accident, but in no case the weekly amount of the supplementary benefit shall exceed the weekly amount of the basic insurable earnings.

Part II. Death benefit

Kind of benefit	Weekly rate of benefit	
	Basic benefit	Supplementary benefit
Widow's/ Widower's pension	Sixty per cent of the weekly amount of the basic insurable earnings, increased by one third for one dependant, by one half for two dependants and by two thirds for three or more dependants.	Sixty per cent of the amount of the supplementary disablement pension for 100 per cent disablement, as calculated in accordance with part IV of this schedule.
Parent's pension	£7.840 mils	Thirty per cent of the amount of the supplementary disablement pension for 100 per cent disablement as calculated in accordance with part IV of this schedule.

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Table 6 (continued)

Kind of benefit	Weekly rate of benefit	
	Basic benefit	Supplementary benefit
Orphan's benefit	£7.840 mls	Fifty per cent of the supplementary widow's/widower's pension which was or would have been payable for the death of the orphan's parent, but if the benefit is payable for more than two orphans, the weekly rate of benefit shall be reduced accordingly so that the total benefit payable for all the orphans does not exceed the amount of the supplementary widow's/widower's pension.

Where both parents have died as a result of an injury caused by an employment accident, the weekly rate of the supplementary orphan's benefit shall be determined by virtue of the parent's insurance which is more favourable to the orphan.

Part III. Old-age pension, invalidity pension and widow's pension

Weekly rate of benefit	
Basic benefit	Supplementary benefit
Sixty per cent of the weekly average of paid and credited insurable earnings in the lower part of insurable earnings as ascertained under subparagraph (b) of paragraph (2) of the Third Schedule; the amount so calculated shall be increased by one third for one dependant, by one half for two dependants and by two thirds for three or more dependants.	(a) Old-age pension and invalidity pension: 1/52 of 1.5 per cent of the total amount of the paid and credited insurable earnings in the upper part of insurable earnings. (b) Widow's pension: sixty per cent of the benefit referred to in subparagraph (a) above.

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Table 6 (continued)

1. In case of invalidity pension or widow's pension awarded under the proviso to subsection (1) of section 38 or subsection (3) of section 39, as the case may be, the weekly rate of basic benefit shall not be less than the weekly rate of the basic sickness benefit, which the insured person was or would have been entitled to on the date of the accident.

2. In case of old-age pension or widow's pension, if the insured person was entitled to invalidity pension, immediately before he reached pensionable age or he died, as the case may be, the weekly rate of benefit shall be determined by taking into account a weekly average and a total of insurable earnings which are not less than the weekly average and the total of such earnings as taken into account in determining the rate of invalidity pension.

Part IV. Orphan's benefit

Weekly rate of benefit	
Basic benefit	Supplementary benefit
£7.840 mils	Fifty per cent of the supplementary widow's pension which was payable or would have been payable for the death of the parent of the orphan and where the orphan's benefit is payable in respect of more than two orphans, the rate of the supplementary benefit shall be reduced accordingly so that the total benefit payable for all orphans shall not exceed the rate of the supplementary widow's pension.

Where both parents have been insured, the weekly rate of supplementary benefit shall be determined by virtue of the insurance of the parent which is more favourable to the orphan.

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Table 6 (continued)

Part V. Disablement grant

Degree of disablement	Amount of grant
(Percentage)	£ mils
10	428.000
11	471.000
12	514.000
13	556.000
14	599.000
15	642.000
16	685.000
17	728.000
18	771.000
19	813.000

Part VI. Disablement pension

Weekly rate of benefit for 100 per cent disablement	
Basic benefit	Supplementary benefit
Sixty per cent of the weekly amount of the basic insurable earnings, increased by one third for one dependant, by one half for two dependants and by two thirds for three or more dependants.	Sixty per cent of the weekly average of paid and credited insurable earnings in the upper part of insurable earnings in the period ending with the last contribution week before the week of the relevant accident and including the two complete contribution years before the week.
	Provided that in no case account shall be taken of any period before the appointed day.

For disablement of less than 100 per cent the weekly rate of disablement pension shall be fixed in proportion to the degree of disablement.

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List of reference material a/

1. Laws 30, 57, 82 and 92 of 1979; Law 54 of 1980; Law 12 of 1983.
2. The Termination of Employment (Redundancy Fund) (Amendment) Regulations of 1979.
3. The Termination of Employment (Redundancy Fund) (Amendment) (No. 2) Regulations of 1979.
4. The Termination of Employment (Redundancy Fund) (Amendment) Regulations of 1980.
5. The Termination of Employment (Redundancy Fund) (Amendment) Regulations of 1983.
6. The Industrial Training (Amending) (Laws Nos. 6 of 1975, 17 of 1980 and 53 of 1980.
7. The Industrial Training (Terms of Employment of Employees) Regulations of 1977.
8. The Industrial Training (Employers' Levy) (Amending) Regulations of 1979, 1980 and 1983.
9. Law 85 of 1979; Law 55 of 1980.
10. The Annual Holidays with Pay Regulations of 1980.
11. The Annual Holidays with Pay (Amendment) Regulations of 1980.
12. Law 41 of 1980.
13. Law 48 of 1982.
14. Law 11 of 1983.
15. The Social Insurance (Contribution) Regulations of 1980.
16. The Social Insurance (Contribution) (Special) Regulations of 1980.
17. The Social Insurance (Benefit) Regulations of 1980.
18. The Social Insurance (Diseases) Regulations of 1980.
19. The Social Insurance (Accounts of the Social Insurance Fund) Regulations of 1980.

a/ These reference materials are available for consultation in the files of the Secretariat in their original language as received from Cyprus.

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20. The Social Insurance (Contribution) (Amendment) Regulations of 1982.

21. The Social Insurance (Contribution) (Amendment) Regulations of 1983.

22. The Social Insurance (Benefit) (Amendment) Regulations of 1983.

23. The Social Insurance (Accounts of the Social Insurance Fund) (Amendment) Regulations of 1983.
