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Political context affecting working life aspects

2018 was elections year. Mr. Anastasiades secured in February a second term as president of the Republic of Cyprus by dominating over his main challenger, Mr. Malas, in the second round with 56% of the votes. Abstention grew to a historical peak for presidential elections of 26%. Labour related issues were addressed only at the side-lines of the pre-election campaign, as the politics for the solution of the Cyprus problem was once again at the epicentre of confrontations. Nevertheless, the presidential elections bestowed a debate over the introduction of a national statutory minimum wage, against the current regime securing minimum wage only to certain professional groups. The debate is briefly discussed below under “Labour market reforms” and “Social partners’ views” and in more detail under “Selected major social dialogue debates”.

Labour market reforms or major packages of working life regulations

Introduction of national statutory minimum wage

The debate over the introduction of a national statutory minimum wage was triggered by Mr. Anastasiades expressed intention to consider the introduction of a national statutory minimum wage when the unemployment rate falls below the 5% margin. However, some kind of a social dialogue would only take place several months later, in November, in the framework of a hearing for three minimum wage related draft laws in the Labour Committee of the House of Representatives. In the hearing, representatives of the Ministry of Labour revealed that relevant studies have already been commissioned and that the ministry has already requested in this respect the support of the European Commission and of the International Labour Organisation. The debate is discussed in more detail under ‘Selected major social dialogue debates’.

Implementation of the Law for introduction of the General Health Scheme

Last year has been also important for the implementation of the law introducing a new General Health Scheme (GESY). The law on GESY has been adopted unanimously by the House of Representatives in 2017 and provides for full medical care for all employees, self-employed and pensioners to be financed through contributions by the employers, employees and the government. In the course of 2018 serious disputes arose between the doctors association, specialised doctors societies and privately owned hospitals association on the one side and the Health Insurance Organisation (HIO) and the Ministry of Health on the other side over the mode of remuneration of health care services, as well as over a particular feature of the scheme providing that doctors who decide to join the GESY are not eligible to attend to private patients. The dispute is further discussed under “Selected major social dialogue debates”.

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Social partners’ views and reactions on changes in governments and working life policies

Introduction of national statutory minimum wage

The choice of the government to start unilaterally the process for the introduction of a national statutory minimum wage, without addressing the issue in the Labour Advisory Body has been harshly criticised by some trade unions. At the hearing of the Labour Committee of the House of Representatives, trade unions welcomed the consideration of a statutory minimum wage, expressed, however, their firm belief that in order to avoid adverse developments the establishment of national minimum wage should be extended to workers and employees not covered by a collective agreement and that legal measures should be taken to introduce the obligation of employers to adhere to collective agreements, as well as to extend the application of a collective agreements to all employees of a sector, if not possible all at least the main features of the collective agreement.

In the same hearing, OEB (Cyprus Employers and Industrialists Federation) and KEBE (Cyprus Chambers of Commerce and Industry) expressed their opposition by principle to any minimum wage policy, indicated, however, their readiness to engage in social dialogue to be carried out after the completion of the relevant studies and before final decisions are taken by the government.

Implementation of the Law for introduction of the General Health Scheme

The majority of the country’s trade unions reiterate their adherence to GESY as it was finally formed with the adoption of the law in 2017. Their day-to-day intervention in the dispute is mainly channelled through the Social Alliance for the Implementation of GESY, a frontal alliance they have formed in 2017 to co-ordinate their efforts in the context of the debate for the introduction of the scheme.

The Executive Committee of the Cyprus Employers’ and Industrialists Federation (OEB) has issued in relation with the dispute a statement at the end of January reiterating its full and unserved support, despite its disagreement with the architectural design and implementation schedule of the scheme and calls upon the conflicting parties to negotiate in a sincere manner, so as to resolve the dispute the soonest possible. OEB called upon all employers to maintain their medical care arrangements until the start of GESY operations. OEB has finally suggested the postponement of the start of contributions until an agreement between HIO and the service providers can guarantee the smooth start of medical services’ delivery.
Developments in industrial relations 2018

Changes affecting the national-level actors and institutions in 2018

Actors

Registration of a new trade union

In March 2018 a new trade union was registered by the Trade Unions Registrar. This is the “Pancyprian Trade Union of Temporary Contracted Doctors (PASISE)”. This is a union aiming at promoting the labour interests of doctors with fixed term contracts in public hospitals.

Resolution of a trade union organisation

The “Cyprus Ports Authority Employees’ Trade Union” was formally removed from the Trade Unions Registrar in November 2018. The union was a member of the Pancyprian Federation of Independent Trade Unions (POAS).

Representativeness

No changes have been observed during 2018 affecting the representativeness of national-level actors and institutions of industrial relations.

Institutions

No major legislative or institutional changes to the main social dialogue institutions have been observed during 2018.

Changes affecting the sectoral and company level social dialogue 2018

A dispute emerged in the Limassol’s ports industry in December 2018 when the Limassol Port council - obviously in coordination with the Ministry of Transport, Communication and Public Works - decided by majority and unilaterally to address the dispute for the renewal of the national Ports Collective Agreement to an Arbitration Court. It should be noted, that the country’s two port councils have never been involved in the negotiation and conclusion of the collective agreement. The negotiating and signatory parties of the agreement have always been the SEGDAMELIN (PEO) and OMEPEGE (SEK) for the trade union side and the Cyprus Shipping Association. More details on these developments are provided under “Collective labour disputes in 2018”.

Innovation in collective bargaining

No innovation in collective bargaining could be detected for 2018.
## National social dialogue in 2018 – Scope and Contribution

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Employment - Major ALMP</strong></td>
<td>Future of the “Incentives Scheme for the Recruitment of Beneficiaries of Guaranteed Minimum Income in Combination with Three-months-long Training” (HRDA, 2018a). The scheme aims at decreasing unemployment and at increasing the employability of the beneficiaries. The scheme provides for the employment for the beneficiaries for 12 months after the three months training with Ministry of Labour Welfare and Social Insurance covering 60% of labour costs.</td>
<td>The extension of the scheme has been discussed in the Board of the Human Resource Development Authority (HRDA), which has a tripartite composition. Labour market measures of the government are normally implemented by the HRDA.</td>
<td>The Board of HRDA adopted the extension of the scheme until 31/05/2019.</td>
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<tr>
<td><strong>Employment - Major ALMP</strong></td>
<td>Extension of the “Scheme for the Training of Long-term Unemployed in Enterprises/Organisations” (HRDA, 2018b). The scheme provides opportunities to long-term unemployed to receive training and gather four months long work experience in enterprises or organisations. The participating enterprises/organisations receive subsidies up to monthly €1000 per employed beneficiary.</td>
<td>Consultations have taken place within the Board of Human Resource Development Authority (HRDA), which has a tripartite composition. Labour market measures of the government are normally implemented by the HRDA.</td>
<td>The Board of HRDA adopted the extension of the scheme until 31/12/2018 and in renewed consultations in December the scheme was extended to 31/12/2019.</td>
</tr>
<tr>
<td><strong>Skills - Skills improvement, validation and matching</strong></td>
<td>The Human resource Development Authority has developed the “Initiative to Support the Hotels and Restaurants Sector” (HRDA, 2018c) in February 2018. The initiative aims at a) improving the quality of employees’ skills through providing funding for single-company and multi-company training activities, b) improving the recruitment of adequate personnel and c) the validation of employees’ skills.</td>
<td>Consultations have taken place within the Board of Human Resource Development Authority (HRDA), which has a tripartite composition. Labour market measures of the government are normally implemented by the HRDA.</td>
<td>The Board of HDRA adopted the initiative,</td>
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<tr>
<td><strong>Taxation - Tax reform</strong></td>
<td>The Cyprus Workers Confederation (SEK) has submitted in November 2018 a petition to the President of the Republic of Cyprus pleading for a taxation reform (SEK, 2018). SEK’s petition included 11 proposals aiming a taxation relief for the benefit of workers and low income families, as well as proposals for enhancing the taxation effectiveness of public revenue authorities.</td>
<td>SEK addressed its proposals in a letter to the President on the 28th of November 2018.</td>
<td>The outcome of SEK’s petition is as of January 2019 unknown.</td>
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<td><strong>Wage setting - Minimum wage setting</strong></td>
<td>Initiation of a debate over the introduction of a national statutory minimum wage covering all workers and employees in all economic activities. The debate was triggered by the President of the Republic of Cyprus (SIGMALIVE, 2018) in the context of last February’s presidential elections and statements made by the Minister of labour, Welfare and Social Insurance (PHILENEWS, 2018). A first debate took place many months later in a hearing of Labour Committee of House of Representatives.</td>
<td>In the course of 2018 three parties have submitted separately minimum wage related draft laws. In this context the Labour Committee of the House of Representatives held in November 2018 a hearing with invitees representing the Ministry of Labour, Welfare and Social Insurance, the major trade union confederations and employers’ organisations. Detailed information on the debate is provided under Major Social Dialogue Debate 1.</td>
<td>The hearing of the Labour Committee was concluded with president of the committee urging the Ministry of Labour, Welfare and Social Insurance to start a structured social dialogue for the drawing up of a mechanism for the determination of a minimum wage for employees not covered by a collective agreement, for the provision of legal protection to collective agreements, as well as to take up measures for the re-regulation of the labour market.</td>
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<tr>
<td><strong>Terms and conditions of employment - Change of terms and conditions of employment</strong></td>
<td>In July the Ministry of Education and Culture decided unilaterally to proceed with the change of terms and conditions of employment of thousands of teachers in the public primary and secondary education without prior consultations (EUROFOUND 2018c; European Centre of Expertise, 2018c).</td>
<td>Following industrial actions and mass demonstrations in July and August, the government formed an inter-ministerial committee and September 2018 with the mandate to negotiate with the trade unions. Renewed disagreement has led to 2 days long strike in the middle of September. Then, on the mediation the parents organisation and SEK, an agreement was reached to refer the dispute to the Joined Personnel Committee of the Educational Service, which constitutes the institutional framework for labour relates issues of the.</td>
<td>The dispute should be discussed and resolved within the Joint Personnel Committee of the Educational Service until the end of 2018, which was not the case. A new deadline was set for the end of January 2019.</td>
</tr>
<tr>
<td><strong>Terms and conditions of employment - Change of terms and conditions of employment</strong></td>
<td>Following a three-hours long work stoppage by teachers in State Institutes for Further Education (KIE) on 15th of January 2018 (EUROFOUND, 2018a) protesting against the 2013 change of their employment status to self-employment, the government formed an inter-ministerial committee with the mandate to review the issue.</td>
<td>On the 19th of January representatives of the unions (including SEK and PEO) representing the self-employed teachers met with the undersecretary to the president and the minister of education.</td>
<td>In the above mentioned meeting the minister of education requested two months’ time to review the matter. On the 24th of January 2018 the government announced the formation of an inter-ministerial committee. The committee has commissioned a study to Ernst &amp; Young, which was completed by the end of the year. The study shall be presented to union representatives in February 2019.</td>
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<tr>
<td><strong>Health - Health and safety regulations</strong></td>
<td>In the context of the last year’s enacted “Regulations on Health and Safety at Work” (Supervision of Health, the Minister of labour Welfare and Social Insurance has issued the “Safety and Health at Work (Medical Examinations for Asbestos) Order of 2018” (R.A.A 184/2018) and the “Safety and Health at Work (Medical Examinations for Dockwork) Order of 2018” (R.A.A 185/2018).</td>
<td>Consultations over the orders have been carried out in technical committees of the Labour Advisory Body, which has a tripartite composition.</td>
<td>A tripartite agreement was reached in the technical committees and thereafter the minister proceeded to issuing the orders.</td>
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<td><strong>Health- Physical hazards</strong></td>
<td>The Protection against Ionising Radiation and Nuclear and Radiological Safety and Security Law of 2018 was adopted in December together with the Protection against Ionising Radiation and Nuclear and Radiological Safety and Security (Basic Safety Standards for the Protection against the Dangers Arising from Exposure to Ionising Radiation) Regulations of 2018. In this respect the government published also the “Protection from Ionising Radiation and Nuclear Safety (Appointment of members of the Council of Radiation Protection and Nuclear Safety) Order of 2018”. Both the law and the regulations were enacted in replacement of previous existing instruments.</td>
<td>Consultation over the legislation has been carried out in technical committees of the Labour Advisory Body, which has a tripartite composition. Further consultations with social partners were carried out in a related hearing of the Labour Committee of the House of Representatives.</td>
<td>All legislative measures have been taken in the framework of harmonisation of Cypriot legislation with the respective EU framework and have been adopted unanimously.</td>
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<tr>
<td><strong>Work-life balance - Breastfeeding</strong></td>
<td>Adoption of a legislation providing for the promotion and protection of breastfeeding. The legislation provides for the establishment of a National Committee for the Protection and Promotion of Breastfeeding. It also gives the authority to the Council of Ministers to issue regulations providing for designating and setting up of breastfeeding appropriate spaces in public areas, as well as at work place.</td>
<td>The breastfeeding issue was brought up in the House of Representatives by members of the House from opposition parties. The government did not oppose the draft law, which was then in late 2017 discussed and debated in the Labour Committee. A hearing was organised also with representatives coming from social partners and other social organisations.</td>
<td>The legislation was adopted by the plenary of the House of Representatives in January 2018. However, as of January 2019 the National Committee for the Protection and Promotion of Breastfeeding has not yet been formed and the regulations have not been issued.</td>
</tr>
<tr>
<td><strong>Other - Contributions to health scheme</strong></td>
<td>In view of the introduction of the General Health Scheme (GESY) the country’s major trade union confederations, PEO and SEK, entered in late 2018 into negotiations with the Cyprus Employers and Industrialists Federation (OEB) in an effort to bridge a time related gap. According to the implementation schedule of GESY, employees and employers shall start paying their contributions from the 1st of March 2019 onwards, however GESY shall start providing medical care services three months later, namely from 1st of June 2019 for primary services and secondary services (full services including hospitalisation) from the 1st of June 2020.</td>
<td>Negotiations began on the initiative of trade unions and are carried out in various meetings at top officials meetings.</td>
<td>As of January 2019, negotiations have not yet been concluded. Further meetings are expected to take place in February. Negotiations shall be concluded the latest by the end of February 2019.</td>
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No major social dialogue debates were held on the following themes: Employment; Terms and conditions of employment; Wage setting; Work-life balance.

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Selected major social dialogue debates

Introduction of a National statutory minimum wage for Cyprus debated

In the context of last year’s presidential elections, the now president of the Republic, Mr. Anastasiades, voiced his intention to introduce a statutory minimum wage applying to all employees in all economic activities. In his inauguration speech by the House of Representatives, on the 28th of February 2018, he repeated his intension adding this would be the case if the unemployment rate goes below 5%. The Minister of labour, Welfare and Social Insurance (MLWSI) made similar statements at various occasions.

Two draft laws for reforming the minimum wage law are lying by the Labour Committee of the House of Representatives. The draft laws, put forward by the Ecologists and ELAM respectively, aim to amend the basic law in a certain manner providing the authority to the Council of Ministers to release an order (ELAM) or regulations (Ecologists) setting a statutory minimum wage for all employees in all economic activities. Another party, the Citizens Coalition, has submitted in October 2018 a draft law aiming at establishing a provisional regulation fixing a statutory minimum wage for all employees at a rate of €1125 for a duration of two years. During these two years comprehensive social dialogue should be carried out to elaborate on the scope and mechanism for the setting of a national statutory minimum wage.

The Labour Committee organised a hearing on the three draft laws on the 20th of November 2018, where all social partners were invited.

The permanent secretary of the MLWSI explained that the government has already commissioned the relevant studies, which are expected to be concluded in March 2019 (first phase) and November 2019 (second phase). He stressed that such an important issue has to be studied thoroughly and methodically and that the government has requested support from the European Commission as well as from the International Labour Organisation. He assured the committee members that extensive consultations with trade unions and employers’ organisations constitute an integral part of the whole process.

The representatives of employers’ organisations voiced their disagreement with the content of all three draft laws. OEB (Cyprus Emproyers and Industrialists Federation) and KEBE (Cyprus Chambers of Commerce and Industry) expressed their opposition by principle to any minimum wage policy, indicated, however, their readiness to engage in social dialogue to be carried out after the completion of the relevant studies and before final decisions are taken by the government.

The trade unions welcomed the initiative of the Labour Committee and stressed the necessity of a comprehensive and structured social dialogue for drawing up a mechanism for the determination of a minimum wage. The Pancyprian Federation of Labour (PEO) stated that the social dialogue is commencing in an unorthodox manner; the government should have carried out a dialogue involving all social partners before initiating the process for reforming the minimum wage regime. PEO underlined the necessity to consider the issue within the framework of the country's labour relation system; the introduction of a minimum wage is necessary, however it should provide coverage to those workers and
employees, who for any reason are not covered by a collective agreement. Any minimum rates should be of course the result of an effective negotiation involving all representative social partners. In sectors where employees are covered by collective agreements, minimum wages and other benefits are negotiated and determined by means of collective negotiations. In order, to avoid adverse impact of statutory minimum wage on the wage setting through collective negotiations, we should at the same time legislate the obligation of all employers of a sector to adhere and apply to all employees the provisions of negotiated collective agreements. Furthermore, any individual agreements should only then be legal, if they provide to the respective employee better terms than the applicable collective agreement.

The Cyprus Worker’s Confederation (SEK) expressed their support for a national minimum wage. The national minimum wage should be designed in a manner, that it supports and not replaces collective negotiations. Collective negotiations present the most effective tool for the determination of decent wages in the labour market. Therefore, any national minimum wage policy requires also the legal protection of collective agreements, as well the extension of their coverage to all employees in the same sector, by at least a minimum level covering the minimum recruitment wage, working time and remuneration of overtime, public holidays and annual leave, 13th salary and providence fund.

The president of the Labour Committee concluded the hearing by requesting the permanent secretary of the MLWSI to convey to the minister the demand both of the committee and of the social partners for an immediate beginning of a structured social dialogue for the drawing up of a mechanism for the determination of a minimum wage for employees not covered by a collective agreement, for the provision of legal protection to collective agreements, as well as to take up measures for the re-regulation of the labour market.

Cyprus: Turmoil few months before the introduction of the General Health Scheme

Last year has been also important for the implementation of the law introducing a new General Health Scheme (GESY). The law on GESY has been adopted unanimously by the House of Representatives in 2017 and provides for full medical care for all employees, self-employed and pensioners to be financed through contributions by the employers, employees and the government.

In the course of 2018 serious disputes arose between the doctors associations and privately owned hospitals association on the one side and the Health Insurance Organisation (HIO) and the Ministry of Health on the other side over the mode of remuneration of health care services, as well as over a particular feature of the scheme providing that doctors who decide to join the GESY are not eligible to attend to private patients. The Cyprus Doctors Association and the majority of doctor’s societies are urging their members to reject their registration with GESY. HIO and the government, as well as opposition parties seem at the moment to be intolerable to doctors and private hospitals demands. HIO considers the turmoil to have arisen out of disinformation and tries to attract doctors with targeted communication campaigns and information events. At the same it indicates its flexibility to
review some procedural and administrative aspects of the scheme, with the presumption that any changes do not affect the scheme’s main characteristics.

The majority of the country’s trade unions reiterate their adherence to GESY as it was finally formed with the adoption of the law in 2017. Their day-to-day intervention in the dispute is mainly channeled through the Social Alliance for the Implementation of GESY, a frontal alliance they have formed in 2017 to co-ordinate their efforts in the context of the debate for the introduction of the scheme.

The Executive Committee of the Cyprus Employers’ and Industrialists Federation (OEB) has issued in relation with the dispute a statement (OEB, 2018) at the end of January reiterating its full and unserved support, despite its disagreement with the architectural design and implementation schedule of the scheme and calls upon the conflicting parties to negotiate in a sincere manner, so as to resolve the dispute the soonest possible. OEB called upon all employers to maintain their medical care arrangements until the start of GESY operations. OEB has finally suggested the postponement of the start of contributions until an agreement between HIO and the service providers can guarantee the smooth start of services delivery.

The prospects of a smooth introduction and implementation of GESY, which according to schedule is expected to start providing services in June 2019, shall now very much depend on individual decisions of doctors and private hospitals to join the scheme despite the opposition of their associations.

In another aspect of the introduction of the General Health Scheme (GESY) the country’s major trade union confederations, PEO and SEK, entered in late 2018 into negotiations with the Cyprus Employers and Industrialists Federation (OEB). The negotiations relate with the schedule of GESY’s implementation: employees and employers shall start paying their contributions from the 1st of March 2019 onwards, however GESY shall start providing medical care services three months later, namely from 1st of June 2019 for primary services and secondary services (full services including hospitalisation) from the 1st of June 2020.

Trade unions are seeking the consent of the employers for the continuation of the trade unions operated medical care schemes until GESY is fully operational (1st of June 2020). The idea is that employers and employees continue to pay in full rate their contributions to the trade unions schemes until the end of May 2019 and then reduced rates until the end of May 2020, in an effort to bridge the medical care gaps until GESY is fully operational. Negotiations were in January in an advanced stage, final decisions is however expected in late February 2019.

*Unilateral government actions – without social dialogue*

**Governmental plans to change conditions of employment bring thousand teachers to the streets**

The unilateral decision of the Ministry of Education and Culture, in July, to proceed with the change of terms and conditions of employment of thousands of teachers in the public primary and secondary education without prior consultations has led to industrial actions.
and mass demonstrations in July and August. The dispute is further discussed under “Selected major labour disputes of national significance”

**Massive protest of hotel employees against bill for outsourcing**

In the second case was the turn of the trade unions in the hotel industry to take to the streets in November protesting against a draft law aiming to replace the current basic Law on Hotels and Tourist Lodging Undertakings of 1969. The new draft law, contrary to the current law, repeals the obligation of the hotelier (or the company running the hotel) to be uniquely responsible for all services offered to hotel customers; with the new law services such as bar and restaurants may be subcontracted to third parties, who actually may offer these services with their own employees not necessarily covered by the applicable collective agreement. The draft law was submitted by the government to the Internal Affairs Committee of the House of Representatives, also without prior consultations with the sector’s trade unions. The dispute is discussed in more detail under “Selected major labour disputes of national significance”

Involvement of the Limassol Ports Council in the dispute over the renewal of the national Ports Collective Agreement leads to industrial actions

The unilateral decision of the Limassol Port council - obviously in coordination with the Ministry of Transport, Communication and Public Works - to refer the dispute for the renewal of the national Ports Collective Agreement to an Arbitration Court has led unions to resort to industrial actions. More details on these developments are provided under “Collective labour disputes in 2018” in “Changes in the regulation of collective labour disputes”

**Collective labour disputes in 2018**

**Changes in the regulation of collective labour disputes**

A dispute emerged in the Limassol’s ports industry in December 2018 when the Limassol Port council - obviously in coordination with the Ministry of Transport, Communication and Public Works - decided by majority and unilaterally to address the dispute for the renewal of the national Ports Collective Agreement to an Arbitration Court. It should be noted, that the country’s two port councils have never been involved in the negotiation and conclusion of the collective agreement. The negotiating and signatory parties of the agreement have always been the SEGDAMELIN (PEO) and OMEPEGE (SEK) for the trade union side and the Cyprus Shipping Association.

When requested by the Minister to nominate their representatives to the Arbitration Count, trade unions rejected and expressed their disappointment. They explained that the ports collective agreement is a national one and therefore can be addressed by the Ports Council of a single city in Limassol. Secondly and most importantly the selected process presents a fragrant violation of the Industrial Relations Code, in particular thos applying to the resolution of labour conflicts (resort firstly to the mediation service of Labour Relations Department and if the conflict still persists then recouse to a arbitration court only with the consent of both parties). In view of strikes called by the unions for the 16th and 21st of January 2019, the Limassol’s Port Council repealed its earlier decision and there after the

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strikes were cancelled. As of end of January 2019 no formal negotiations have begun for the renewal of the collective agreement.

**Selected major labour disputes of national significance**

**Teachers protest over employment status**

Teachers in the State Institutes of Further Education (KIE) launched industrial action in protest against their self-employed status. The teachers, who had a employee status until 2013, are unhappy with the impact of the change, and regard it as an attack on their employment rights. The change to self-employment status affected approximately 5,000 teachers and was introduced in 2013 as part of a package of economic reforms.

On 15 January 2018, the State Institutes of Further Education organised a three-hour work-stoppage, to draw attention to the detrimental consequences of the measure on annual leave and school holiday allowances and on the right to conclude a collective agreement. A stakeholder meeting followed on 19 January to address teachers’ concerns. Undersecretary to the President Vasilis Palmas led the talks, attended by the Minister of Education and representatives of sectoral trade unions (PEO, SEK, PASYPAE KIE, PASEEKYP and OPEPOS). The Minister requested two months to review the matter and to negotiate with all sides.

On 24 January 2018, the Cabinet set up an inter-ministerial committee to study the teachers’ concerns. On 5 April (after some delay), the Minister issued revised proposals, offering compensatory pay for teachers, while stopping short of granting employee status. His proposals have not gone far enough to satisfy teachers and, although another meeting is expected soon, further industrial action seems inevitable.

The interministerial committee has, according to information from trade unions, commissioned a study over the employment status of teachers in KIE, as well as similar cases in other public sector activities. The study, which has been commissioned to Erns & Young, was completed at the end of December 2018 and be presented to teachers union’s representatives in February 2019.

**Limassol bus drivers in 48-hour strike**

Limassol bus drivers held a 48-hour strike during 21–22 March 2018, after the bus company (EMEL) refused to reintroduce a collective agreement. The sectoral trade unions and EMEL agreed to suspend the implementation of the collective agreement in 2013 due to the economic crisis. However, following negotiations, the agreement was set to be restored on 1 January 2017. Bus drivers’ had been threatening strikes since February 2018 as a result of the delay. Nevertheless, EMEL has claimed it cannot afford to implement the collective agreement due to Government cuts of 2013, and has called on the Ministry of Transport, Communication and Public Works to increase its subsidies.

At a meeting after the strike, bus drivers authorised their unions to negotiate with the company and the Ministry in order to reach an agreement. Meanwhile, the Minister of Transport, Ms Vasiliki Anastasiadou appealed to all stakeholders to continue the talks. It is
clear, however, that nothing short of the reintroduction of the collective agreement will prevent further industrial action.

It should be noted that for the very same reasons bus drivers had struck repeatedly throughout 2018 in other cities too. The latest strikes were staged in December by Paphos bus drivers.

**Agreement to restore public sector salaries settles dispute once for all**

Following intensive negotiations in the wider public sector, an agreement between trade unions – the Pancyprian Federation of Labour (PEO) and the Cyprus Employees Confederation (SEK) – and the government successfully brought an end to workers’ pay cuts (these had been implemented in 2012 via Laws 168(I)/2012 and 31(I)/2013 as part of the economic adjustment programme). This agreement followed on from the Framework Agreement on the State Payroll (4 January 2017) and Complimentary Agreement (October 2017). The agreement addresses the salaries of employees in local administration and state-owned companies, hourly paid workers and school committees.

The agreement, signed on 3 July 2018, introduced a five-year implementation period and the gradual rolling back of all cuts to wages and pensions introduced since 2012. Additionally, it provided for the renewal of all collective agreements in the sector up to 31 July 2018 and launched a consultation about the introduction of a pensions fund for new entrants hired after 1 October 2011.

The trade unions were happy to sign the agreement. However, employers’ organisations the Cyprus Chamber of Commerce and Industry (CCCI) and the Employers and Industrialists Federation (OEB) stated that the agreement is heading in the wrong direction; they pointed out that pay cuts had been agreed with the European troika as a permanent measure because the state could not afford the unsustainable public payroll. OEB added that the pay cuts represented an important pillar for a good fiscal policy, which remains very high and above the EU median rate and therefore the agreement is a step back for a country still facing asymmetric threats. OEB argued that pay issues will be regulated after the government’s public administration overhaul, which includes the digitalisation of data, the application of e-governance in delivering governmental services and the reorganisation of human resources.

In this respect, it is worth mentioning that in July 2018 a law was enacted providing for gradual repeal of all pay cuts imposed in the whole public spectrum during the crisis by the end 2022. The only pending issue refers to the provident fund, which needs to be regulated for all recruits after 2011. According to trade unions information, this is expected to be resolved in the first quarter of 2019.

**Agreement reached in the education sector**

The government’s announcement on 4 July to introduce a string of measures designed to streamline the operation of public schools fuelled strong reactions by the teachers’ unions, notably the Pancyprian Organisation of Greek Teachers (POED), the Organisation of Greek Secondary Education Teachers (OELMEK) and the Association of Teachers of Technical
Education (OLTEK). The government’s decision constituted a comprehensive reform including the extension of teaching time on the expense of other school activities such as tutoring of classes and students, theatre, library and other non-teaching related activities, as well as cuts of seniority based working time entitlements and trade union time for elected representatives. The teachers’ unions not only rejected the measures, but strongly opposed the unilateral decision of the government which violates the established institutional dialogue. The unions demanded the withdrawal of the measures and requested an open dialogue with the government. In parallel, parents’ associations that had sought a role in the dialogue criticised teachers’ unions for excluding them from the dialogue, having previously requested their support.

On 13 July, teachers’ unions protested outside the Ministry of Education, demanding their trade union rights (European Centre of Expertise, 2018c) and calling on the Minister to resign. A meeting between the unions and the Minister took place on 17 July, but ended in deadlock as both parties refused to compromise. The President of the Republic intervened in the dispute and took part in a long meeting with the unions’ management on 27 July. The meeting offered amendments to the initial decision of the government but the unions’ decision-making bodies rejected the proposal. Two bridging proposals were put also forward: one by the President of the Parliament and another by the Labour Committee, which were rejected by the unions and the government respectively. Furthermore, the repeated meetings of the Minister with stakeholders during August intensified the public dispute. As a result, the unions organised a mass protest on 28 August outside the Presidential Palace, demanding that the government suspend their decision. In early September, the President appointed an Inter-ministerial Committee with the goal of reaching an agreement with the unions. The long meetings of the Committee and the unions brought progress, but no agreements were reached in terms of the finer details. The unions decided to take further action, including a 48-hour strike that took place on 18 September. These measures and the reactions from society created a chaotic situation. Three more bridging proposals were put forward, one by parents’ associations and one by the centrist political party (which were rejected by unions and the government respectively), and another by the Cyprus Workers Confederation (SEK).

The agreement reached at the end of September, grounds on the SEK and the parents’ associations’ proposals and foresees the tolerance of trade unions towards the implementation of some of the changes for a limited period of time (until the end of school year 2018-19) and the reference of all disputes to Joint Personnel Committee of the Educational Service, which is the institutional framework for dialogue in public education. The deadline for resolving all disputes was set for the end of December, later postponed to end of January 2019. Trade unions complained of sluggish tactics on the part of the ministry, which threaten to disrupt the peace reached with the agreement.

Labour Turmoil in the Construction Industry

The sudden decision of the Constructors’ Association (OSEOK) in October 2018 to withdraw from the ‘special agreements’ signed with the sectoral trade unions (PEO, SEK and DEOK) for the bill that provides the mandatory implementation of the basic provisions of the collective agreement and the renewal of the agreement, pending since 2013, fuelled the
dispute in the construction industry. In an effort to smooth the dispute, the mediatory service of the Ministry of Labour carried out since 4 November 2018 three meetings with the interested parties. However, the mediation did not produce the expected results as OSEOK remained steady in its decision to withdraw from the ‘special agreements’ in the mediation process. It is noted that this draft bill was prepared by both parties after ten years of consultations; intensified since 2013 along with the ‘special agreements’ concluded between the parties for the regulation of the terms of employment in the industry. The conclusion of ‘special agreements’ and the agreement for the postponement of the renewal of the collective agreements present a gesture of goodwill from workers and trade unions as a way to give support, following the severe damage faced by the construction industry during the economic crisis.

The General Secretary of the builder’s union PEO stated that the workers are determined to support the bill, blaming OSEOK for braking all the agreements. On the other hand, OSEOK stated that despite having rejected the bill, the organisation is prepared to discuss the renewal of the collective agreement. According to its president, OSEOK considers the two issues – the renewal of the agreement and the bill – as two separate and parallel processes, which is a position against of what the special agreements provide. On another development, the workers in the industry and their unions – PEO, SEK and DEOK – appear determined to undertake dynamic measures. The district committees of the workers carried out five general assemblies in December 2018 to discuss the issue. The assemblies and decided to authorize their Union Councils for industrial action, if and whenever necessary, for the implementation of all decisions agreed between the parties. Taken the expressed positioning of the two parties, the undertaking of strict measures by the workers seems inevitable.

**Massive Protest of Hotel Employees Against the Bill for Outsourcing**

On 20th November 2018, hotel employees marched from the Ministry of Finance to the House of Representatives (HoR) to protest against the government’s bill that provides the outsourcing of hotel services. The protest was co-organized by the two hotel trade unions – SYXKA-PEO and OYXKEA-SEK – who strongly believe that the provisions of the bill deregulate the terms of employment of hotel employees, abolish the existing employment legislation, lead to massive layoffs and lower the quality of hotel services. The unions also denounced the government that the bill took forward to the HoR without any consultation with social partners on an issue that is closely related with the terms of employment in the industry. On the other hand, the two hotel employers’ associations – PASYXE and STEK – considered the protest and the reactions of trade unions and hotel employees as unjustified because the bill, in their opinion, is not related with the terms of employment. They claim that the bill is clearly of a technical nature concerning the building criteria of hotel premises. Trade Unions called the government to initiate a constructive dialogue for the resolution of the issue and warned for further industrial action in case that the bill will be promoted for voting in the HoR prior the regular dialogue.
Dockworkers Strike for the Renewal of the Collective Agreements

On December 28, 2018 dockworkers held a 24-hour work strike for the lack of progress concerning the renewal of the collective agreements. Trade unions attribute the responsibly to the employers’ side accusing them for deliberate delays. The renewal is pending since November 2017; meanwhile, an extensive dialogue between the sectoral trade unions and the port’s management companies, DP World Limassol and Eurogate, has been preceded. It is noted that two 2-hour work stoppages have been headed the strike by dockworkers on October 18 and December 14, 2018. Additionally, the mediation attempts undertaken by the Ministry of Labour for the resolution of the issue have also failed. The Port Council, a Council provided by the law and constituted by members of the five major stakeholders, decided that the striking measures shall be suspended and refer the issue to arbitration. The position from the Port Council was strongly rejected by the union SEGDALELIN-PEO and according to a trade union representative ‘the decision pushed workers to react even further’. On the other hand, Cyprus Workers’ Confederation OMEPEGE-SEK called its member dockworkers to abstain from participation in the strike warning for the right of the Port Council to undertake disciplinary measures. OMEPEGE-SEK argued that since there was a decision of the Port Council, the striking measures should have been suspended. The members of OMEPEGE-SEK, however, ignored the call of their leadership and finally strike together with their co-workers of SEGDALELIN-PEO.

In view of strikes called by the unions for the 16th and 21st of January 2019, the Limassol’s Port Council repealed its earlier decision and thereafter the strikes were cancelled. As of end of January 2019 no formal negotiations have begun for the renewal of the collective agreement.

Working time 2018

Changes in the regulation of working time 2018

Legislation on working time duration or organisation
No changes have been observed in 2018

Collective bargaining outcomes on working time duration or organisation
No changes have been observed in 2018.

Major debates concerning working time duration or organisation
No debates have been observed during 2018

Health and well-being at work 2018

Physical working environment
New legal instruments for the protection against ionised and nuclear radiation
The Protection against Ionising Radiation and Nuclear and Radiological Safety and Security Law of 2018 was adopted in December together with the Protection against Ionising Radiation and Nuclear and Radiological Safety and Security (Basic Safety Standards for the Protection against the Dangers Arising from Exposure to Ionising Radiation) Regulations of 2018. In this respect the government published also the “Protection from Ionising Radiation and Nuclear Safety (Appointment of members of the Council of Radiation Protection and Nuclear Safety) Order of 2018”. Both the law and the regulations were enacted in replacement of previous existing instruments.

The new instruments were adopted so as for Cyprus to be harmonised with Directive 2013/59/Euratom of the Council the determination of basic safety requirements for the protection against ionised radiation hazards, as well for the abolition of Directives 89/618/Euratom, 90/641/Euratom, 96/29/Euratom and 2003/122/Euratom.

Enactment of Orders for the supervision of health of dockworkers and workers in asbestos related activities

In the context of the last year’s enacted “Regulations on Health and Safety at Work (Supervision of Health”, the Minister of labour Welfare and Social Insurance has issued the “Safety and Health at Work (Medical Examinations for Asbestos) Order of 2018” (R.A.A 184/2018) and the “Safety and Health at Work (Medical Examinations for Dockwork) Order of 2018” (R.A.A 185/2018).

It is reminded here that these acts were part of last year’s agreement for a gradual introduction of obligatory regular medical examinations to be financed by the employer for these two categories workers. These two categories of workers were prior the enactment of the regulations anyway subjected to medical examinations and therefore the regulations do not present additional financial burden to the employers.

The agreement was reached in 2017 in the Labour Advisory Body provide for an extension of the obligation to further professional activities, despite the employers’ organisations position for a limited application of the regulations, only for workers in asbestos and port related activities. Trade unions on the other side demand a universal application.

**Psychosocial working environment**

No changes could detected as regards psychological working environment.
Employment status 2018

No major changes in 2018 for: Self-employed; Standard employment contracts; Temporary agency workers; Posted workers; Seasonal workers and Zero hour contracts.

Fixed term contracts

Transfers of fixed-term employees to Ministry of Finance

A new law was enacted in 2018, Law 57(I)/2018 (Law on Transfer of Staff of the Foundation of Culture to the Ministry of Finance Law of 2018), regulating the transfer of employees who had initially concluded fixed-term contracts with the Foundation of Culture (European Centre of Expertise, 2018b).

The legislation applies only for 4 employees who have been working with the now resolved foundation, who with the legislation are granted contracts of indefinite duration with the Ministry of Finance and are placed on corresponding scales of the public pay grid. The legislation does not have any impact or present any precedence for other fixed-term employees of the broader public sector.
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