



Prospects for Integration of Migrants from “Third countries” and their Labour Market Situations: Towards Policies and Action



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Analysis of data on (un)employment of “third country nationals” and of industry and service sectors where they work – The case of Cyprus

Summary

Cyprus, a small state which joined the EU on Mayday 2004, is a de facto divided country which has recently been transformed from a net exporter to a net importer of migrants. The change of policy in 1990 allowed migrant workers to be granted short-term contacts to specific employers on specific jobs in the designated sectors of employment. The system is based on a short-term work permits and stay visas, which lasted up to 4 years, but under certain circumstances and in practice could be extended further.

The historical setting of Cyprus has been dominated by the ethnic relations between the two constitutionally recognised ‘communities’, Greek-Cypriots and Turkish-Cypriots, as well as the role of foreign forces, something also reflected in the research agenda on Cyprus. The result is a general neglect in initiating studies on other subjects such as migrant rights, equality issues, marginalised and vulnerable and civic participation, as the research agenda has historically been subsumed on the so-called ‘national question’. Recently however, particularly since accession to the EU, there have been developments that have begun to put on the agenda the issues of migration, integration, exclusion and equal participation of migrant and other discriminated communities in institutions of Cypriot society; yet these issues as disciplines of study are at an infancy level, despite a new vigour and breath of fresh ideas asserted by new scholars. To appreciate the context of migration to Cyprus one has to locate *new* migration within the politically turbulent historical setting of the island, in which ethnic conflict prevailed over other issues. Since independence in 1960, the political stage was dominated by the inter-ethnic relations and clashes between the two constitutionally recognised communities, Greek-Cypriots (78%) and Turkish-Cypriots (18%), and by the role which foreign powers played in this conflict. These characteristics are also reflected in the research landscape of Cyprus. In 1960 the smaller ‘religious groups’, as referred to in the Constitution, consisting of Armenians, Latins, Maronites and ‘others’ constituted 3.2% of the population. In an area of 9,251 sq. km, the population of Cyprus in the Government controlled area was estimated at 789,300 at the end of 2007, recording an increase of 1.4% from the previous year. The population in northern Cyprus is 265,100 persons who resided in the unrecognized Turkish Republic of Northern Cyprus (TRNC), but population and demographics is a hotly disputed issue. The current divide was shaped in 1974 with the Greek coup and the Turkish army invasion and occupation of the northern territories. The two main communities of the island, the Greek-Cypriots and the Turkish-Cypriots have collided over issues of governance and the ‘course’ of the newly established republic. Efforts to resolve the problem have so far failed but there is a new round of negotiations currently taking place.

Cyprus had historically been a country of emigration, exporting migrants to richer countries. As is usually the case in former British colonies, many Cypriots migrated to the UK, as well as other destinations such as Australia, the United States, South Africa; in fact the number of Cypriots living abroad nears half the population of the island. The Greek junta coup and the Turkish invasion of 1974 left the Cypriot society and economy devastated: 18% fall of the GNP between 1973 to 1975, 30% rise in unemployment, mass poverty and a loss of 37% of the country's territory. Since then Cyprus has seen extensive economic development and has been transformed into a society which acts as 'host' to immigrants. The dramatic economic growth in the 1980s and 1990s, referred as 'the economic miracle' was structured by a number of 'external' factors such as the Turkish occupation of the north since 1974. This, by default, created the preconditions for rapid modernisation, in spite of the severe drop in the GDP during 1973-75 and the sharp rise in unemployment and mass poverty. Cheap labour was provided by the 200,000 Greek Cypriot refugees, who were forcibly expelled from the northern part and lived in refugee camps. This fact, together with a concerted effort by the Government, political parties and trade unions, created the conditions for the kind and level of development that was subsequently experienced in Cyprus based on the massive expansion of the model known as 'mass tourism'. Prior to 1990 immigration policy was restrictive hence very few migrants were allowed to work. The current immigration policy in Cyprus was formulated in the 1990s, when the government decided to abandon the restrictive policies followed until then and allow more migrant workers into the country in order to meet labour shortages. The trade unions abandoned their opposition to the change of policy on the condition that certain criteria are met: the permits will be restricted only to those economic sectors that Cypriots no longer do; the labour relations and standards of labour and pay are to be maintained. This change of policy meant that Cyprus was almost overnight transformed, from a country that traditionally exported migrants to all corners of the earth, to a net recipient of migrants from all over the globe.

Today, the total number of resident non-Cypriots is estimated to a total of about over 150,000-200,000, if we included the estimation of the irregular/undocumented migrant workers: 70,000 third country nationals and another 70,000 EU citizens representing approximately 20% of the total population which resides in the south of the island. Most of these are migrant workers whose main areas of employment are: domestic workers, service industry (tourism, trade), manufacturing industry, agriculture and construction. Estimations about the numbers of undocumented migrant workers vary between 10,000 and 30,000. We have witnessed a steady rise in the number of EU citizens taking up the right of movement of workers to work in Cyprus: according to the migration office there are currently 138,000 non-Cypriots legally residing in Cyprus, out of whom over 70,000 EU citizens. According to the Ministry of Labour and Social Insurance, the number of EU citizens figure in July 2008 was 49,639 and mean figure for 2008 was 42,303 EU citizens, in comparison to 57,137 and 55,174 respectively from third countries. Third country nationals include persons from Eastern Europe (citizens for former Yugoslavia, who are mainly Serbs; Russians; Ukrainians; Georgians; Moldavians; Ukrainians and others), south east Asia (particularly women, mainly from the Philippines, Sri Lanka, India and Pakistan), China and Arab and middle eastern countries such as Syria, Palestine, Egypt, Lebanon, Iran etc. In the northern part of the country the estimations vary from 120,000 to 220,000-230,000, some even put the figures as high as 500,000 depending on their perspective and method of estimation.

Net migration has been positive since 1983 and reached 2.7%, the highest within the EU25, in 2005. Women account for approximately half of all immigrants in the period since the mid-1980s. In 2003, a year before accession to the EU, almost 12% of immigrants were returning nationals, a lower figure than in previous years, and over 53% of foreign migrants were citizens of EU15, mainly from Greece and the UK. Immigrants from Eastern Europe accounted for 18% of all immigrants and a further 18% of migrants were Asian. Migrants from Russia accounted for almost 10% of all immigrants and this was the largest group of third country nationals in 2003. 78% of Russians entered Cyprus for employment reasons. Asian migrants came mainly from Sri Lanka,

Philippines, China and India. Migrants from the Philippines and Sri Lanka enter exclusively for work and most of them are women (88%) and are employed as domestic servants. In contrast, 89% of Chinese immigrants enter for study or training. While migrants from Asia and Eastern Europe enter Cyprus primarily for employment or business reasons or for study, many EU15 nationals, mainly from the UK, many of whom are pensioners, and returning Cypriots intend to become permanent residents. The majority of Greek migrants are Russian-Greeks or Pontians and over two-thirds of them enter Cyprus for employment purposes. Overall, in 2003, 55% of long-term migrants came for employment; 10% for study or training; and 31% for permanent settlement. Migrants entering on a student visa are not allowed to work and as a result many subsequently apply for asylum in order to obtain a work permit. Since April 2003, when the border between the north and south was opened, several thousand Turkish Cypriot workers daily have been entering the south for employment. These crossing of barbed wire may be considered as 'internal migrants' but are not included in the migration statistics. The number of official foreign workers increased by one third between 2001 and 2003 and were mainly employed in private households (30%); hotels and restaurants (19%); wholesale and retail (11%); agriculture and forestry (9%); construction (8%); manufacturing (8%); and other (15%). Unemployment is low in Cyprus (about 3.5-4% between 2003 and 2006). In general, migrant workers are employed in manual, unskilled, low-paid and low-status jobs. Migrants are often forced into conditions of isolation and many, such as domestic workers, are restricted in terms of the sectors where they can work. Migrants entering Cyprus on a work permit are rarely allowed to stay long enough to acquire citizenship. This may partly explain why there is systematic discrimination against immigrants and only a limited attempt to integrate them into the country's labour market and social life.

There are major discrepancies in the figures provided by different Governmental departments. According to the Statistical Section of the Social Insurance Services, Ministry of Labour, the average monthly number of EU citizens who were working and paying social insurance was 31,345 in 2007 compared to 20,542 for 2006. During 2007 they were employed in the following sectors of the economy: in construction 6,074 (19.38%), hotels 4,395 (14.2%), in wholesale and retail trade 4,064 (12.97%), restaurants 3,790 (12.09%), in manufacturing 3,246 (10.35%), and in transport/communications/storage 1,723 (5.5%). However, figures from the Social Insurance give different numbers as they are based on social insurance contributions showing that the total number of union citizens paying social insurance contributions is 37,470, which is considerable different to the 31,345 referred to above. The discrepancy in the figures is probably due to the fact that the former refers to the numbers of European Union citizens workers who have paid social insurance contributions, whilst the latter referred to processed applications. European citizens working in Cyprus in 2007 were from the following countries: Greece 8622, UK 4880, Bulgaria 4479, Poland 3573, Slovakia 1876, Hungary 636, Germany 544, Latvia 343, France 307, Lithuania 258, Low countries 178, Austria 97, Belgium 57, Denmark 44, Switzerland 30, Estonia 71, Ireland 98, Island 3, Italy 91, Luxemburg 5, Norway 24, Portugal 52, Slovenia 46, Sweden 173, Czech Republic 319, Finland 73, non disclosed country 4400. Of course the numbers increase in comparison to 2006 as Bulgaria and Rumania joined the EU on 1.1.2007.

We can notice a steady rise in the number of Union citizens taking up the right of movement of workers to work in Cyprus: there are currently 138,000 non-Cypriots residing in Cyprus, out of whom over 70,000 EU citizens. According to the Ministry of Labour and Social Insurance, the number of EU citizens figure in July 2008 was 49,639 and mean figure for 2008 was 42,303 EU citizens, in comparison to 57,137 and 55,174 respectively from third countries. However, these trends may be reversed as the financial crisis is beginning to be felt in Cyprus with the reduction in the numbers of tourists visiting the country.

Cyprus's earnings from tourism fell 15.5% in the first seven months of 2009 as holidaymakers from countries hit by the financial crisis cut back on spending. Revenue from January until the end of

July was estimated at 798.3 million euros, down from 944.8 million in the same period of 2008, statistics showed. In July earnings were down 14.8% from July last year. Tourism earnings represent between 10 and 11% of Cyprus's economy, which is in recession after recording two successive quarters of negative growth this year. Arrivals fell 10.9% in the first seven months of the year. July, August and September are traditionally Cyprus's busiest months. Tourists from Britain, Cyprus's biggest market, marginally cut spending and their average length of stay. Irish tourists cut spending by nine euros a day on average while American tourists, who are a minority, were spending 35 euros per day less.

The Labour Department claims that the percentage of “migrant workers” in Cyprus is 11.7% of the total labour force, referring only to non-EU nationals and excluding certain categories of migrant workers such as “entertainment workers”, often victims of trafficking. In other contexts this percentage and total figure rises to at least double or even as much as triple on occasion. According to the Demographic Report of 2005 the total population of foreign residents was 100.200 or 12.9% of the population. This figure will presumably include retired persons who are not part of the labour force. The discrepancy derives from the fact that the different departments of Government produce figures according to what sort of area they are regulating or trying to monitor, whether or not they include EU citizens for example, or undocumented workers and others working in the so-called ‘informal sector’.