

Caritas Cares Cyprus Report November 2015

What this report is about

This report describes the main challenges related to poverty and social inclusion in Cyprus and provides recommendations for policy makers to address these challenges. The recommendations are based on an analysis of the grass-roots experience of Caritas Cyprus, which is compared to official data.

About Caritas Cyprus (CCy)

Caritas Cyprus (CCy) fights poverty and social exclusion through its Parishes and Sectors such as the Youth Sector, the Diaconia Sector and the Migrants Sector, which operates through the Migrants Centre (CCyMC). The main services of CCy cover the basic needs (food, medical care, housing, financial assistance, etc.) as well as employment and educational support, legal and administrative advice and support to migrants. Its main beneficiaries are migrants and people at risk of poverty as well as those facing social exclusion (the unemployed, people on low income, people with disabilities, elderly people, children and young people).

In 2014, the organisation reached a total of 1,000 beneficiaries in Cyprus; 60% of them were male and 40% female; 75% were foreigners, mostly third country nationals; the majority (50%) were adults aged between 18 and 60, followed by children and youngsters aged 0 to 18 (30%) and elderly people aged 60+ (20%); 50% were unemployed. In the case of the beneficiaries supported by CCyMC, in 2014, the majority were migrant men and women aged 20-55 (80%). With regards to the parishes, their main beneficiaries were mostly families with children.

Institutional representative:

Archbishop Joseph Soueif, President of CCy
caritascy.secretary@hotmail.com
+35799677949

Press contact:

Michael Hadjiroussos/Dolores Savvides (CCy Migrants Centre Coordinator)
mhr@cobeconsultants.com/caritascyprus.migrants@gmail.com
+35799470703/ +357 99672602

46% of non-EU migrants are at risk of poverty and social exclusion in Cyprus. Their high rate of unemployment, combined with limited access to minimum income schemes, prevent them from having a decent and independent life

Cyprus's main challenges related to poverty and social exclusion:

- ❖ **There is a lack of investment in social inclusion policies and programmes that address the needs of groups that are more in need (namely, migrants and children) and a lack of effective implementation of existing policies and programmes**

Recent policies implemented by the Government have addressed some of the problems related to poverty and social exclusion, especially in the areas of minimum income support (Guaranteed Minimum Income (GMI)) and access to employment. However, they are often not adapted to the specific needs of certain groups that are more in need, especially migrants.

- ❖ **Long-term unemployment and in-work poverty are major problems, especially among migrants, older people, youth, women, people with disabilities and low-skilled workers**

Reducing the high rates of long-term unemployment, especially among certain groups, should be a priority of the Government, which should be supported by EU funding.

Policy recommendations for the National Government:

Adequate income support:

1. Reduce bureaucracy in the implementation of the Guaranteed Minimum Income, combined with specific employment services, and extend the coverage to include migrants within this scheme.

Inclusive labour markets:

2. Design and implement more effective and adapted employment programmes, in collaboration with specialised civil society organisations, based on active inclusion pillars aimed at the most vulnerable groups, especially the long-term unemployed, migrants, women, young people, older workers and people with disabilities.

In addition, we also propose the following:

3. Adopt a comprehensive social inclusion strategy, including minimum income schemes, access to housing, access to education, access to employment, access to healthcare services, access to social services, access to Cypriot nationality, non-discrimination and human rights.

1. Poverty and social exclusion in Cyprus: the reality behind the data

The problems of most concern in Cyprus

- ❖ Long-term unemployment
- ❖ In-work poverty
- ❖ Abuse of female migrant workers
- ❖ Poverty and health

Long-term unemployment

Cyprus registered a long-term unemployment rate of 43.1% in the first quarter of 2015. This means that almost one out of every two of the unemployed has been unemployed for more than 12 months.¹ This is dramatic because the longer this situation remains stagnant, the more likely it is to generate greater poverty and social exclusion, such as child poverty, elderly poverty, in-work poverty, etc.

In-work poverty

The number of people living at risk of poverty among employed people is high². In the case of Cypriot nationals who become employed, it may take at least one year to surpass the poverty threshold.

In the case of migrants, they are often faced with discrimination in accessing employment (some employers often prefer not to recruit migrants, especially third country nationals). When migrants are employed, it takes them longer to surpass the poverty threshold as generally the job opportunities offered to them are less well-paid and offer little scope for salary increases or promotion. The fact that refugees and asylum seekers face restrictions on moving to other EU countries limits their employment opportunities. This is particularly worrying and frustrating for highly qualified and competent people. Access to Cypriot nationality is generally very difficult and, in many cases, discretionary, which puts many refugees and asylum seekers at greater risk of poverty and social exclusion. This situation is resulting in an increasing dependency on minimum income schemes and public service support to live a decent life, with very few opportunities to live an

J is a 60 year old Cypriot National Refugee, with health problems, divorced and with 2 children. He used to work at a factory, lived in a rented room and received a rent allowance from the government. In 2012, he was made redundant. He sought housing support through a public scheme in order to buy a house but, due to the financial crisis, the scheme was reduced by more than half and J has not yet received the grant. He currently receives a monthly grant of €552 for citizens with no or low income. Due again to lack of public funding, this monthly allowance has been delayed many times, thereby creating a survival problem for him.

¹ Cyprus Statistical Services, 2015. [Unemployment](#).

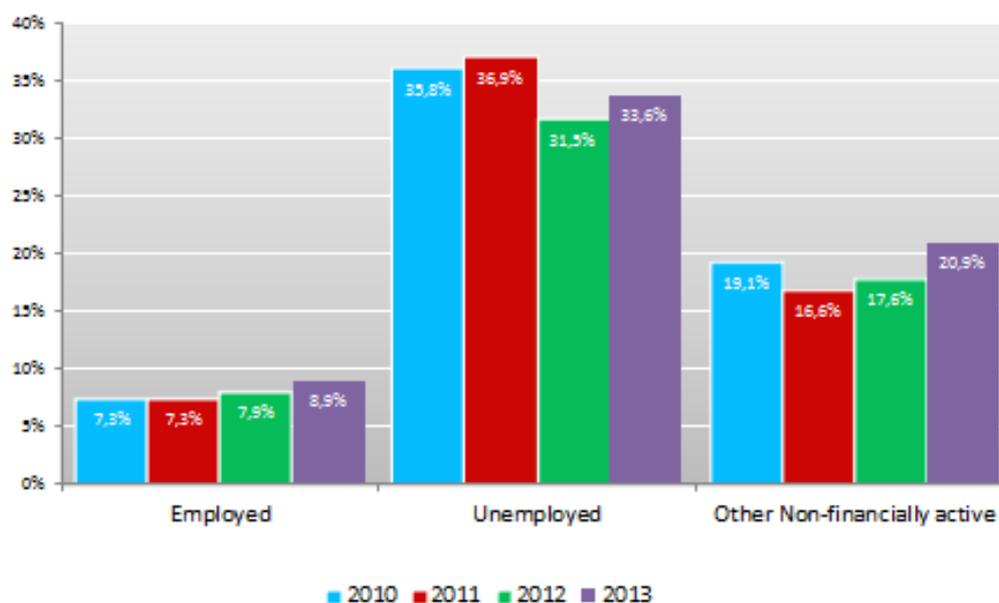
² Cyprus Statistical Services:

http://www.mof.gov.cy/mof/cystat/statistics.nsf/index_en/index_en?OpenDocument.

independent and inclusive life.

Risk of Poverty in Cyprus by Employment Status

Population 18+



Reference Link

[http://www.mof.gov.cy/mof/cystat/statistics.nsf/All/92AB0A3C219CADD8C22577DD003523E8/\\$file/EUSILC-2010_2013-311014.pdf?OpenElement](http://www.mof.gov.cy/mof/cystat/statistics.nsf/All/92AB0A3C219CADD8C22577DD003523E8/$file/EUSILC-2010_2013-311014.pdf?OpenElement)

Abuse of female migrant workers

Many migrants face discrimination in Cyprus, especially those who live at risk of poverty and social exclusion, in particular third country national women who have reported cases of sexual or labour abuse at work. When faced with these situations, many migrants do not file reports for a variety of reasons, among them lack of financial resources or free legal representation.

Caritas Cyprus has had to support several third country national women, who report having been sexually abused at work. In some cases, they do not want to report their case or pursue criminal action.

Poverty and health

Due to decreased purchasing power in Cyprus, Caritas Cyprus has observed that many individuals and families have turned to public health services (due to the high cost of medical services and drugs in the private sector), which often results in an increase in the number of patients per doctor. This risks a higher probability of medical error and a reduction in the quality of services, as well as longer waiting lists and waiting times.

Groups at risk of poverty with the highest need for political action in Cyprus

- ❖ Migrants
- ❖ Children

Migrants

Migrants³ are one of the groups at highest risk of poverty in Cyprus. According to Eurostat, in 2013 non-EU nationals experienced a poverty and social exclusion rate of 46.3% compared to 25.5% for nationals.⁴ This was mainly due to the fact that migrants and refugees are the most disadvantaged in finding employment because of the economic situation, bureaucratic procedures, discrimination and xenophobia.

When unemployed, their access to welfare and free health care service is severely limited due to lengthy and complex procedures. Unable to speak Greek, or to have a local/fluent Greek speaker to accompany them and help them at the interface with public servants, they are marginalised and discriminated against. Most live below the poverty threshold, are often evicted from their homes or threatened with eviction and cut off from utilities due to non-payment of bills. Although they are entitled to welfare, many do not receive anything for many months, until the GMI procedures are completed.

Another problematic issue is that the residence status of many migrants becomes 'irregular due to administrative problems regarding their visas⁵ and live in fear of being arrested, detained and deported. They often do not have the means to pay for lawyers to defend their cases or to rectify their papers. Furthermore, the migrant's passport, visa, and contract are often illegally withheld by employers or agents. Migrants lack the means to appoint lawyers to remedy the lack of documentation regarding their status or to appeal against deportation.

A particularly worrying situation is the case of third country national women with children. It is common for them to lose their jobs while pregnant or after giving birth. As a result, they

"It took me two months to get registered at the Labour Office. I called several times and received the support of Caritas to help me with the process. I had to go to the Labour Office eight times. Without this registration, I could not apply for social welfare."

Fatima, Caritas Cyprus beneficiary

"I went to the Labour Office to seek a job but the usual questions started: why I was in Cyprus, why would I not go back to my country. During this encounter, the labour officer covered her face, as if I was carrying a contagious disease and she was to be infected. She would not touch my official documents and asked me to hold them away from her. I consider myself to dress adequately and am clean. This made me feel humiliated. I was powerless to complain or go back to my home country."

Cameroonian asylum seeker,
Caritas Cyprus beneficiary
(C. would not go back to the Labour Office again or file a complaint; he would rather have his file closed, even if that meant not being able to access social welfare.)

³ The term 'migrants' used in this report includes all categories of migrants, asylum seekers, refugees, domestic/agricultural workers, third country nationals, etc.

⁴ Eurostat. [People at Risk of Poverty or Social Exclusion by Broad Group of Citizenship \(population aged 18 and over\)](#).

⁵ Such as the need for a new visa to be issued upon a change of employment and/or problems in migrants receiving notice of the cancellation of their visas by post.

lose their residence permit and medical insurance, and therefore become an irregular immigrant, which forces them to pay for private healthcare. That puts this group in a very vulnerable position.

Finally, it is worth highlighting the case of asylum seekers who can be considered one of the most vulnerable groups. The fact of having to live in a camp puts them at a very high risk of poverty and social exclusion. Those who stay in the camp are entitled to request social benefits under certain conditions, although these are well below the Guaranteed Minimum Income. Camps are usually located in remote areas with no easy access to key services (shops, schools, medical centres and hospitals, etc.). Those who do not live in the camps can also request social benefits but these benefits are very limited and in certain circumstances are only available when camps are full. Although asylum seekers are given a working permit after 6 months of filing their asylum application, they are only allowed to work in certain sectors, which are generally under-paid. In many cases, asylum seekers live under very precarious conditions, a situation that often becomes worse due to ineffective and slow administration procedures, which puts some families into a situation of “limbo” (a state of uncertainty, insecurity and/or neglect) that forces them to depend on services provided by NGOs and other charitable organisations.

Many of these problems are not being properly addressed by the Government, in spite of frequent complaints and reports from NGOs and charitable organisations, due to the lack of government will and funding. In general terms, migrants are rarely prioritised in public policies, programmes or measures and, therefore, few specific services exist to reach this target group.

Children

Child poverty is increasing, mainly due to the austerity measures (cuts in government allowances, reductions in pensions, parents’ financial insecurity, etc.). According to Eurostat, the rate of children at risk of poverty and social exclusion has increased by 8% since 2009, reaching a worrying rate of 27.7% in 2013.⁶ This is in line with the statement of the Minister of Health, Mr. Kadis, who said that in 2014, 13,317 students were receiving food rations in elementary, middle and high schools.⁷ This number is expected to increase due to the decrease of purchasing power caused mainly by lowered salaries and long-term unemployment.

The challenges in achieving active inclusion in Cyprus

- ❖ Adequate income support
- ❖ Inclusive labour markets
- ❖ Access to quality services

Adequate income support

In Cyprus, minimum income schemes are accessible but with limitations. Currently, they are only moderately adequate in covering basic living needs. The most effective

⁶Eurostat. [People at Risk of Poverty or Social Exclusion by Age and Sex.](#)

⁷ Cyprus News Agency, 2014. [Περίπου το 12% των μαθητών λαμβάνουν σίτιση στα σχολεία.](#)

response of the government has been the complete reform of social policy based on the principle of securing a Guaranteed Minimum Income (GMI) for all citizens.

In spite of this, this measure has certain restrictions related to: its limited budget and coverage (it would require an increase in order to reach more people who are in need of this type of income support); the long and tedious application and grant processing procedures; most migrants are excluded from the scheme and those who do qualify do not speak (any or enough) Greek or do not have access to a knowledgeable person (e.g. a lawyer) and therefore find it extremely hard to go through the bureaucratic complexities that would allow them to access this benefit. It is so complex for them that the non-take up rate is extremely high, which causes them to seek the help of Caritas or other charities. In addition, although in general terms, the amount granted is adequate to cover Cypriots' income needs, it is insufficient for migrants who do not have access to family and social networks that could also help to support them. While Cypriots generally have additional support from family and social networks to cover basic needs and use the income support to pay for other costs, this is not the case for migrants who have to cover all their needs through this income support. Moreover, those that do access the scheme are likely to remain at risk of poverty indefinitely, mainly due to the fact that their employment opportunities are very limited and/or poorly paid.

"I applied for the GMI in August 2014 and I am still waiting for the outcome".

J, Cypriot national refugee, unemployed, with health problems

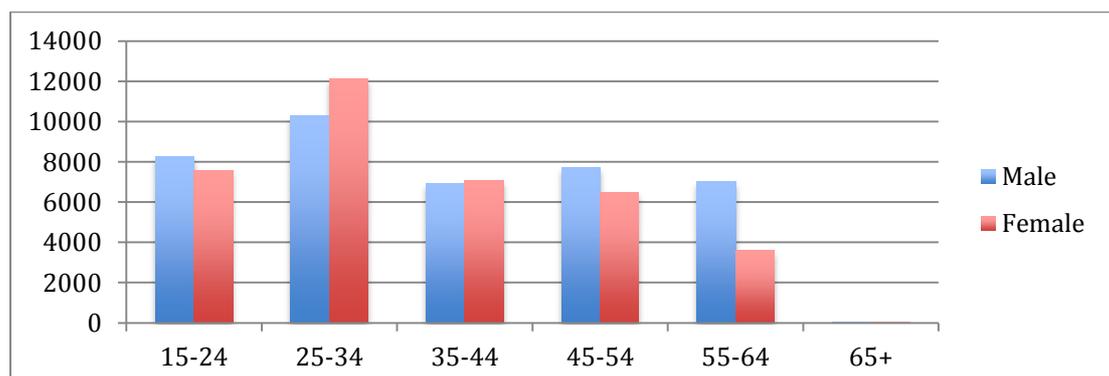
"It took my family 12 months to receive welfare/minimum income and rent support. In the interim we had to seek help from Caritas"

M & E, husband and wife with 5 children, from Syria.

Inclusive labour markets

The labour market in Cyprus is partially inclusive. Certain groups, such as women, young people, older workers and low-skilled workers, remain under-represented in the labour market and under-employed in many economic sectors. The most worrying problem is unemployment among young people. According to the Cyprus statistical services, there are currently 77,142 registered unemployed individuals on the island; of these, 49.6% is aged between 15 and 34.

Table 1. Registered unemployment by age group and gender



Source: Cyprus Statistical Authorities 2015

Recently, the Government started promoting access to employment support services for groups that are under-represented in the labour market, with the support of EU funding: people with low educational levels or are low-skilled, young people, elderly people, women of childbearing age, migrants and disabled people. These services focus on:

- Funding for young entrepreneurs
- Funding for women entrepreneurs
- Funding for innovation
- Funding for companies who wish to employ low-skilled personnel
- Funding for companies who employ new/recent graduates
- Funding for traineeships for unemployed individuals

In spite of this, additional measures are required to increase the level of inclusiveness, especially in the following areas:

- Structural measures aimed at promoting part-time and other flexible forms of employment.
- Programmes aimed at promoting employment among migrants, older people (45-64 years old) and people with disabilities.
- Carrying out reforms of the education system to ensure it is appropriately and adequately connected to the needs of the labour market.
- Anti-discrimination campaigns and programmes, especially regarding ethnic and racial origin.

Access to quality services

In general terms, services in Cyprus tend to be accessible for the general population. Social and healthcare services are normally linked to social insurance contributions. As such they are not particularly accessible to migrants due to their high rate of unemployment and therefore their lack of social insurance contributions. Conversely, education is accessible to all, including migrant children.

2. How effective are Cyprus's policies to fight poverty and social exclusion?

The Country Report for Cyprus,⁸ published by the European Commission in February 2015, partly reflects the main problems and reality of poverty and social exclusion in the country. No mention is made of the percentage of migrants that were at risk of poverty and social exclusion.⁹

At the same time, the National Reform Programme¹⁰ (NRP) published by the Government of Cyprus partly reflects the main problems and reality of poverty and

⁸ European Commission, 2015. [Country Report Cyprus 2015](#).

⁹ Ibid. p. 23.

¹⁰ Government of Cyprus, 2015. [National Reform Programme Cyprus 2015](#).

social exclusion in the country. No mention is made in the report of reforms to improve the lives of migrants in Cyprus with regards to their welfare, access to rights, integration, citizenship rights, and non-discrimination.

In general, it can be said that the current policies implemented in Cyprus address some of the problems related to poverty and social exclusion, especially in the areas of minimum income support and access to employment. These have been partially effective in addressing the problems of poverty and social exclusion. For instance, the Guaranteed Minimum Income has been a key improvement in the area of social protection, however, due to funding restraints, migrants rarely have access to this benefit.

What policies are needed to address poverty and social exclusion more effectively?

The Cypriot Government should invest in policies aimed at reducing long-term unemployment as well as adopting a comprehensive policy aimed at promoting the social inclusion of migrants, especially third country nationals. This policy should consider measures in a variety of areas: minimum income schemes, access to housing, access to education, access to employment, access to healthcare services, access to social services, access to Cypriot nationality, non-discrimination and human rights. Perhaps the Citizens Service Centres (the one-stop-shops cited on page 23 of the NRP), which is a successful example, could be expanded to include Migrants' Service Centres.

In addition, more budget resources need to be invested in measures aimed at ensuring that the labour market is inclusive and non-discriminatory, through awareness-raising campaigns and specific training.

In this context, the EU could support the Government of Cyprus in addressing the problems of poverty and social exclusion more effectively by providing funds, assistance and guidelines to invest in social inclusion policies, especially with regard to migrants.

The impact of social protection system reforms

Social protection system reforms & modernisation in Cyprus

- ❖ The reforms have focused on budget cuts and some steps have been taken to partially reform some aspects of the social protection system, especially in the area of minimum income schemes.
- ❖ However, social protection services and benefits are not targeting the groups most in need.

Recent social protection reforms have had both positive and negative impacts on poverty and social exclusion in Cyprus. The introduction of the Guaranteed Minimum Income scheme has definitely been positive but the ineffective and delayed administrative procedures dilute its impact, especially due to the recent cuts in

benefits and allowances; although its coverage has been widened to include more applicants.

Example of an effective policy or programme related to the active inclusion pillar of adequate income support

An example of a policy measure with a positive impact on the reduction of poverty and social exclusion is the newly adopted Guaranteed Minimum Income (GMI), which has been implemented by Ministry of Work and Social Insurance. This measure guarantees that all citizens or families have an income sufficient to live on, provided they meet certain conditions.¹¹ It provides a minimum income to citizens who are not covered by the existing welfare system and do not receive any substantial help from the State, such as unemployed graduates of colleges and universities, those who have a very low income, and self-employed persons who have become unemployed. The GMI provides all or a combination (depending on the applicant's situation) of a variety of benefits:

- Monthly allowance to cover the subsistence needs of the applicant/recipient.
- Monthly allowance for the provision of housing.
- Allowance to cover Municipal or other similar taxes.
- An allowance to cover emergencies or other care needs.

3. The response of Caritas: initiatives that have been effective when addressing poverty and social exclusion

The following initiative run by Caritas Cyprus is having a positive impact on the reduction of poverty in Cyprus:

SOCIAL INCLUSION OF MIGRANTS

Project: the “Migrants Project”

Description

The Caritas Cyprus Migrants Centre operates throughout Cyprus providing key social services adapted to the needs of migrants. Its services cover access to basic needs (food, housing, etc.) as well as administrative and legal advice.

Problem addressed

This project addresses the challenge related to the active inclusion of migrants.

Results

Since July 2015 these services have been formalised through the funding of Migrant

¹¹Such as the following requirements: citizenship of the Republic of Cyprus or EU citizenship or Third country citizenship; or a person who has long- term residence status in the Republic of Cyprus based on the Aliens and Immigration Law; or Third country citizens, who those hold legal status based on the Refugee Law, but excluding asylum seekers; or individuals who are “victims” within the meaning of the Law on the Prevention and Combating of Trafficking and Exploitation of Human Beings and Protection of Victims. It also has requirements related to age, marital and family status as well as financial status.

Projects by the Catholic Relief Services organisation. CCyMC has established a Migrant Centre in Limassol providing the distribution of food and clothing, the provision of language classes and skills' classes (to improve employment opportunities) both to migrant adults and children. In addition, free legal and administrative advice, action and representation at government offices is given to all migrants throughout Cyprus; and volunteers are trained regarding issues concerning migrants. In Nicosia a temporary migrant men's shelter, for up to 12 homeless migrant men, has been established and is operational.

ACTIVE INCLUSION OF VULNERABLE GROUPS

Employment project

Description

Caritas Cyprus through its Diaconia Sector is in the process of leading a new employment project aimed at promoting the access to employment of vulnerable groups through a database with job vacancies. The purpose is to create a database of job vacancies as well as of people looking for work. Through the matching of the requirements for the job and the qualifications of the candidates, it will offer employment opportunities to the candidates.

Problem addressed

This project addresses a challenge related to the active inclusion of the unemployed.

BASIC NECESSITIES PROVISION

Project meeting the basic needs of people

Description

Through its parishes, Caritas Cyprus covers the immediate and basic needs in food and clothing, by delivering boxes to families of locals and migrants hit by the financial crisis and unemployment, as well as by giving them psychological counselling. It also addresses problems faced by children at schools by offering them breakfast, financial assistance regarding education, assistance with medical issues, etc.

Problem addressed

Social exclusion due to insufficient income - because of unemployment, and cuts in government allowances.

4. Recommendations to address the described problems

Recommendation 1: Reduce bureaucracy in the implementation of the Guaranteed Minimum Income combined with specific employment services and extend the coverage to include migrants within this scheme

➡ **Problem addressed if implemented:** Reducing the non-take-up rate of this scheme among people who are entitled to these benefits, in particular migrants,

thus guaranteeing they have access to an adequate minimum income for decent and independent living and are able to access employment services.

- **Governmental department that could lead this measure:** The Ministry of Labour, Welfare and Social Insurance.
- **Policy framework:** The EC Recommendation on the active inclusion of people excluded from the labour market (the “adequate income support” and “inclusive labour market” pillars).
- **How the European Commission could support this measure:** By facilitating recommendations and guidance on programmes that combine minimum income schemes with access to employment services.

Recommendation 2: Design and implement more effective and adapted employment programmes, in collaboration with specialised civil society organisations, based on active inclusion pillars aimed at the most vulnerable groups, especially the long-term unemployed, migrants, women, young people, older workers and people with disabilities

This could be done, for instance, by encouraging employment and self-employment. It could adopt the form of incentives or funding for young entrepreneurs, for women entrepreneurs, for innovation, for specialised NGOs with employment and social inclusion programmes, for companies who wish to employ low-skilled personnel, for companies that employ recent graduates, for unemployed individuals that receive on-the-job training, for companies that employ the long-term unemployed, and for short-term loans.

- **Problem addressed if implemented:** The high rates of unemployment among vulnerable groups.
- **Governmental department that could lead this measure:** The Ministry of Labour, Welfare and Social Insurance and/or the Ministry of Finance.
- **Policy framework:** The EC Recommendation on the active inclusion of people excluded from the labour market (the “inclusive labour market” pillar).
- **How the European Commission could support this measure:** By facilitating recommendations and guidance on how to establish employment programmes targeted at vulnerable groups based on research and experiences that have been proven to show good results.

Recommendation 3: Adopt a comprehensive social inclusion strategy, including minimum income schemes, access to housing, access to education, access to employment, access to healthcare services, access to social services, access to Cypriot nationality, non-discrimination and human rights

In the case of migrants, for instance, it could include the following measures: financial incentives to reside in villages or outside of town centres so as to prevent the creation of urban ghettos and to promote integration; social benefits to cover

certain needs associated with education and employment (public transport, purchase of computers, etc.); long-term residency programmes; expand the Citizen Service Centres' initiative to include Migrant Service Centres in all districts; employment and training schemes; access to justice, etc.

- **Problem addressed if implemented:** The high rates of poverty and social exclusion among migrants as well as not having policies adapted to address the specific needs of migrants.
- **Governmental department that could lead this measure:** The Ministry of Labour, Welfare and Social Insurance, the Ministry of Finance and/or the Ministry of the Interior.
- **Policy framework:** The EC Recommendation on the active inclusion of people excluded from the labour market.
- **How the European Commission could support this measure:** By encouraging Member States to adopt these types of policies and by facilitating recommendations and guidance based on research and experiences that have been proven to show good results.



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