

## Information bridge: Bulgaria-Cyprus – Trade union co-operation for immigrant labour rights

### Abstract

During 2013-2014, the Confederation of Independent Trade Unions of Bulgaria and the Cyprus Workers' Confederation (SEK) started to implement a joint project: *Information Bridge: Bulgaria-Cyprus*. This is a follow-up to a Co-operation Framework Agreement concluded between the two trade union confederations in February 2012. This aims at improving the extent of co-operation between the two trade unions in the defence of the labour rights of Bulgarians working in Cyprus through: establishing an *Information Bridge* between the unions to encourage the sharing of best practice; increasing the awareness of Bulgarian workers about Cypriot labour legislation; training employment advisers; and establishing an information bureau to operate in both countries better to promote the labour rights of Bulgarian migrants in Cyprus. The improvement of the conditions of Bulgarian workers has had direct and indirect effects, including on the effectiveness of their participation in the labour process as well as regarding an improvement in the working environment micro-climate.

**Keywords:** immigrants' labour rights, trade unions, working conditions, work organisation, working time, annual leave, pay, redundancy, discrimination

### Introduction

The process of transformation of the Bulgarian economy from planned to market started in late 1989 and it opened the way for deep political, economic and social changes. This process began slowly and has taken place over a long time, due to the unstable political situation in the first years of the transition and the lack of political will to undertake large and unpopular reforms. To this should be added the consequences of the financial and economic crisis of 1996-1997, which led to hyper-inflation, the closure of basic enterprises, bankruptcies and mass unemployment. In this period, emigration abroad was the only hope for people in search of better economic opportunities and social security. In the late 1990s, income per person in western Europe was four times higher than income in Bulgaria, on the basis of purchasing power parity, and labour migration was an attractive choice for the majority of the population.

The first major flows of Bulgarian emigration began in the period of the first severe economic crisis in the country in ninety years, i.e. prior to accession to the EU. Between 1989 and 1999, the population decreased by 700 000 people due to emigration. The peak years for Bulgarians leaving the country was 1990 and 1996, in each of which nearly 85 000 people left. In the subsequent period, about 50 000 people per year left the country. There are no official records of how many Bulgarians live outside the

country but, according to the studies of several NGOs, these number some 1.2 to 1.6 million people.

In recent years, there has been a return of Bulgarians, but a significant proportion remain working abroad.

The interest of Bulgarian citizens in working in Cyprus began before the accession of Bulgaria to the EU, when certain restrictions were imposed regarding access to the labour market for citizens of countries outside the EU. According to unofficial data, Bulgarian migrants in Cyprus numbered about 6 000 people up to 2004, i.e. when Cyprus became a member of the EU. In the subsequent years, the flow of Bulgarian migrants began to grow at higher rates. According to unofficial data, by 2006 Bulgarian immigrants totalled some 18-20 000 people. However, the big wave of emigration to Cyprus began in 2007, when Bulgaria itself joined the EU. Cyprus became a preferred destination for labour migration because Cyprus did not close its labour market to our country. It is important to note that, during this period, the economic situation in Cyprus was characterised by stable economic growth in the country, an increase in production and in consumption, and low unemployment. These indicators provided the opportunity for the rapid inclusion of Bulgarian migrants in the labour market, in comparison to other European countries. In 2010, according to Cyprus social security records, Bulgarians who were legally employed on the island numbered about 11 000 people but, according to unofficial data, Bulgarians permanently living and working in Cyprus were about 20 000; if we also include seasonal workers during the months of the tourist season, their number approximately doubles.

Bulgarian workers in Cyprus represent no less than 18.5% of all EU citizens working in the country. About 80% of all Bulgarian workers are employed in the industry sectors of agriculture, forestry and fishing (3.8%); manufacturing (14.6%); construction (11.0%); hotels and restaurants (26.8%); and trade (23.6%).

### Information Bridge project

The *Information Bridge* project was undertaken during a difficult period in Cyprus, when the island was struck by the economic crisis and under the close supervision of the Troika following the signing of the Memorandum of Understanding. The main aim was to identify the degree to which Cyprus companies had been influenced by the economic crisis and, as a result of this, the Bulgarian citizens that were employees in these companies.

Unemployment in Cyprus due to the crisis surpassed 17%, which makes the recruitment of immigrants increasingly difficult. Bulgarian workers have been influenced by unemployment to the same degree as local workers.

In the effort to reduce unemployment, the government of Cyprus has adopted programmes to promote employment with a priority given to the hiring of locals. In this situation, a sense of insecurity in the workplace grew amongst migrant workers.

Despite the stimulation which Bulgarian workers have provided to the Cypriot economy, they are often placed in unequal conditions of work and pay. In recent years, there have been signals from Bulgarian citizens working, or who have worked, in

Cyprus regarding violations in terms of pay, social security, working hours, holidays and annual leave.

All this prompted the need to develop a project to improve co-operation between Bulgarian and Cypriot trade unions for the protection of the labour rights of Bulgarian citizens working in Cyprus. The specific objectives of the project were aimed at:

1. the establishment of an 'Information Bridge' between Bulgarian and Cypriot trade unions for the exchange of good practice over the protection of workers' rights and the increase of knowledge on the national legislation of each country
2. setting up information bureaus to inform Bulgarian citizens, before departure and after starting work in Cyprus, on their rights, obligations and opportunities for protection
3. training of trade union members to resolve the individual and collective labour disputes of Bulgarian citizens working in Cyprus
4. a study of the problems of Bulgarian workers in Cyprus and the attitudes of Cypriot employers towards foreign workers and especially towards Bulgarians.

Up to now, the main source of information on the rights and obligations of Bulgarian citizens in other countries have been the Bulgarian state institutions, although studies on the problems faced by Bulgarian workers in Cyprus have not been carried out. The *Bridge*, as a new tool, will increase the chances to resolve disputes over the employment security of foreign workers through an extension of collective bargaining to them. This innovative approach is new not only for the Confederation of Independent Trade Unions of Bulgaria and the Confederation of Cypriot Workers, but for the majority of EU countries. The practice of trade unions establishing an information bureau, which informs the citizens of the despatching state and defends them on the basis of the tools and opportunities available to both trade unions, is almost unknown in other EU countries.

### General characteristics of the study

The first stage in the implementation of the objectives of the project was to study the degree of satisfaction with the provision of the necessary working conditions for labour migrants in Cyprus, according to the labour and social security legislation. The first task of the research project was to analyse the subjective assessments of employed Bulgarian nationals in Cyprus regarding their working hours, overtime, pay, ways of using annual leave, the means of terminating a labour relationship and the general working environment; secondly, we wanted to examine the attitudes, motives and needs of Cypriot employers in hiring foreign workers, and Bulgarian citizens in particular.

This is the first study of the main parameters of the working environment in the context of which Bulgarian workers are exercising their right to work in the host country.

The main survey results were presented in two reports:

1. *The Problems of Bulgarian Workers in Cyprus*
2. *The Views and Opinions of Cypriot Employers in terms of the Productivity of Bulgarian Immigrants.*

### *Methodology of study, target groups*

The objects of the study were those Bulgarian workers who were exercising their right to work in Cyprus, as well as the representatives of the management of companies which were offering employment for immigrants, and Bulgarian workers in particular.

The target groups were:

- Bulgarian persons over 18 years of age and working in Cyprus
- representatives of the employers – i.e. the management team at the company level.

In the construction of the research programme, two research methods were used:

- quantitative approach:

The total number of respondents was 228 employed and unemployed Bulgarian people over the age of 18, who had temporary or permanent rights of residence in Cyprus.

The respondents are from those economic sectors which see the greatest presence of Bulgarian workers:

- agriculture – 5.0%
- manufacture – 14.9%
- construction – 5.4%
- hotels and restaurants – 24.9%
- trade, repair of motor vehicles and motorcycles – 7.7%
- other services (medical and social activities, catering, packaging of food, laundry work, maids, caretakers, security services, babysitters, hairdressers and beauty services) – 42.1%.

- qualitative approach:

A total of ten representatives of management teams at company level, and from the observed economic sectors, were interviewed for the research.

### **Results from the study on the problems of Bulgarian workers in Cyprus**

The financial and economic crisis in Cyprus increased the anxiety of labour migrants over keeping their jobs. In construction, trade and tourism workers from elsewhere in the EU were replaced by workers from Cyprus. The stagnation in production characteristic of those sectors in which Bulgarian workers had the strongest presence was accompanied by a reduction in pay, redundancies and cuts in bonuses and additional benefits. These effects of the economic crisis created a pre-requisite for the appearance of dissatisfaction with working conditions as well as a sensation of inequality in the workplace.

The summarised results and evaluations of Bulgarian immigrants in Cyprus over the basic parameters of their working environment are outlined in the following sub-sections.

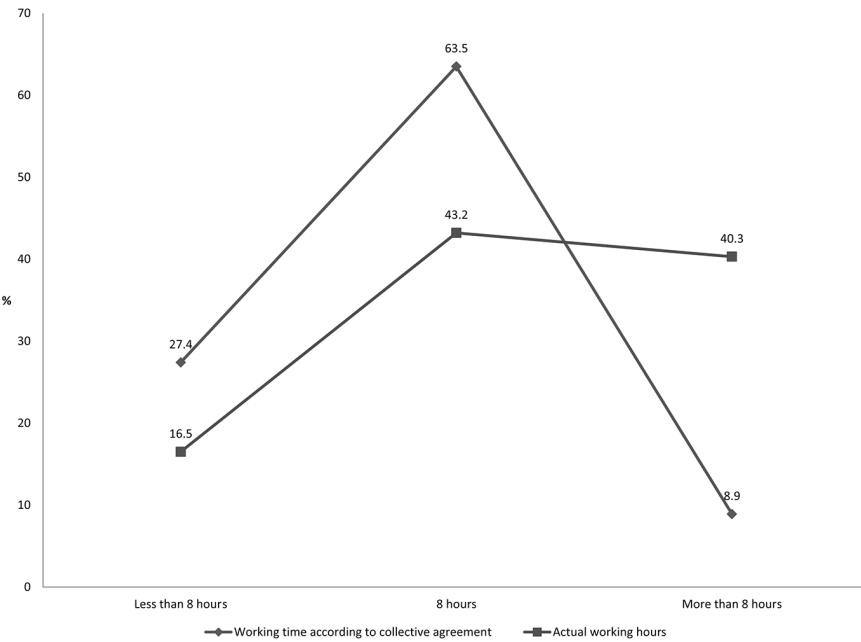
#### *Overall duration of working time*

There is a difference between agreed working hours and time actually worked. Some 35.3% of respondents showed that they actually work more than agreed working

hours. In contrast, adherence to the agreed level of working hours was the case for 62.7%.

Chart 1 clearly highlights the proportion of respondents who worked more than eight hours per day. Only 8.9% of respondents indicated that they had agreed to a working day of more than 8 hours, but the proportion of workers that actually worked more than eight hours increased to 40.3%. In parallel, the share of those who actually worked fewer than eight hours decreased to 16.5%, even though 27.4% said that their agreed working hours was below this level.

**Chart 1 – Comparison between actual hours worked and those agreed in the collective agreement**



The conclusion from an analysis of this data is that observance of the legal norms concerning agreed working hours is only formal. This indicates that good legislation does not resolve problems and that strict controls on its implementation are required.

According to our survey results, 80.0% of part-time workers worked more than they had agreed while for those employed full-time, this share was 29.1%. We can see, from conversations with respondents, that this type of violation is most often applied to part-time workers. Usually, a contract is signed for working time of six hours, but actual working time is usually 12-14 hours. There are mutual agreements with managers over extra hours for the worker, to be worked during the weekend at the end of the season. In reality, the workers concerned are paid 2-3 days prior to the termination of the contract, and this means the additional hours worked are not covered.

### *Working conditions and payment*

One of the more important modes of operation, directly connected with opportunities for rest and relaxation, is working during weekends and holidays.

According to our Bulgarian respondents, 11.5% did not have days off during the week. Furthermore, 78.4% of those surveyed worked during their holidays and, for nearly two-thirds of them (63.5%), this was at the request of the employer.

Payment for holidays differs from statutory labour standards. For 44.4% of respondents, payment was at the same hourly rate. For 26.3%, the additional hours are not paid at all but compensated with a day off. Only 28.1% of Bulgarian workers can show that working during official holidays is compensated in line with the national labour legislation.

#### **1) Annual paid leave**

Cyprus's national legislation ensures the right to a period of paid annual leave of at least four weeks, with actual entitlement to leave depending on the precise conditions (20 days for a five-day week, or 24 days for a six-day week). The survey found that nearly four-fifths of respondents (79.0%) had no problems in taking paid annual leave. For 21% of respondents, there were cases when they had not used their annual leave, of whom 13.3% said that their employer had not allowed them to use their annual leave.

Trade union affiliation is emerging as an important tool in the observation of labour legislation and the protection of the rights and interests of Bulgarian workers. The section of our questionnaire on trade union affiliation shows that, for 94.7% of trade union members, there was no problems in using annual leave, but the data for those who were not trade union members shows a drop to 87%. Non-union members reported that they were not always allowed to take annual leave at their preferred time.

Another problem that has emerged with a greater degree of frequency is an inability to use up all the annual leave entitlement. According to our interviewees, these problems concern only labour migrants, thus creating feelings of inequality among workers.

#### **2) Levels of payment**

A significant proportion of Bulgarian workers take low-paid jobs. For more than one-half of them, the main reason why they are hired is their low pay compared to Cypriot workers. Compared to the previous year, the trend of an increase in the number of Bulgarian workers on levels of remuneration close to the minimum wage may be observed in the sectors studied. This indisputable truth is clearly shown in the dynamics of wages, which show a decrease compared to the previous year.

These data highlight the levels of low-paid work amongst Bulgarian workers. Workers on the minimum wage for their industry said that, over the last two years, there had been no change in the wage, but that the additional bonuses and social benefits, which are essential for the construction of total earnings, have been withdrawn.

More than one-half of respondents (53.5%) believed that Cypriot workers in the same position received a higher level of wages, while 31.3% said that there was no difference between the two. These suggest the existence of attitudes concerning the

presence of double standards between the different communities in terms of their pay levels.

### 3) Termination of the employment relationship

The impact of the economic crisis on the decline in production and in employment is clearly likely to strengthen feelings of insecurity in the workplace for Bulgarian workers. More and more are raising concerns over the programmes which have been introduced to promote employment and in which Cypriot workers hold the priority in terms of hiring decisions. In this situation, it can be expected that the risk of job loss is significant for non-Cypriot workers.

One in five of our respondents (20.8%) said that their employment contract had been terminated before it had expired. Among these, 11.6% reported that the dismissal was without cause and took place without the notice procedure having been followed. For more than two-thirds of respondents (72.1%), however, the employment contract had not been terminated before the expiry date.

### Main conclusions from the survey of the attitudes and opinions of Bulgarian workers

The improvement of the working conditions of Bulgarian workers have direct and indirect effects, for example on the effectiveness of their participation in the labour process as well as for an improvement of the working environment micro-climate. Many immigrant problems are caused by the negative effects of the economic crisis and unfair competitiveness.

Based on the data from our study, the following conclusions and findings have been made that provide a sure argument in the process of collective bargaining, for the negotiation of sustainable and adequate measures to improve the working conditions of migrant workers:

- the parameters agreed in individual contracts do not always correspond to the reality. There are registered violations regarding working conditions – increases in working time are not regulated, while there is also improper payments for overtime, working on holidays and official days with payments made at the same (non-premium) rate. More pronounced are violations of the labour and social security legislation in small and micro companies where there is widespread practice of employment in the shadow economy
- a significant part of Bulgarian workers take low-paid jobs, while the incidence of Bulgarian citizens working at wage levels close to the minimum for their sector is on the increase
- unionisation has emerged as an important tool for the achievement of better working conditions and for the protection of the rights and interests of Bulgarian workers. Irregular payment of salaries is more often the case for non-union members (30.5%) than for those who are not members of a trade union (10.3%). The extension of working hours is a problem shared by nearly one-half of non-union (49.5%); while, for trade union members, the figure is much lower, at 29.6%
- there is a clear, distinct difference between trade union members and those who are not trade union members in the extent to which expectations of labour migration

in Cyprus are realised. Membership of a trade union definitely gives greater security and is a corrective factor in the manifestation of gross violations and inequality between workers. Three-quarters (75.6%) of all trade union members stated that their expectations had been realised; for non-union members, this figure stands at 46.8%

- subject areas in which there is interest in greater information prior to departure and after becoming established in work in Cyprus are: the labour legislation of Cyprus; social security legislation in Cyprus; ways of settling health insurance in Bulgaria for Bulgarians who have worked in Cyprus; and pensions and retirement opportunities in the accumulation of work experience in other EU member states.

Results of the survey of the attitudes, motives and needs of Cypriot employers in hiring foreign workers, and Bulgarian citizens in particular

Following the finalisation of the *Information Bridge* project, there are some important conclusions that need to be mentioned:

- the majority of employers questioned have seen a reduction in their revenues as a result of the economic crisis, which has forced them to try to find ways to reduce their operating expenditure. This has also served as an excuse to many employers in Cyprus which are not facing any financial difficulties to proceed with unjustified pay cuts
- following the economic crisis, in some 50-70% of cases, employers have taken the following steps in order to minimise risks and continue in business:
  - wage reductions
  - reductions in employment benefits
  - reduction of overtime
  - encouragement of voluntary redundancies.

It must be stressed, however, that, in cases where trade unions are active in workplaces, the impact from these actions has not been so adverse. Moreover, trade unions have managed to save many jobs that would, otherwise, have been made redundant

- 40% of employers responded by stating that the number of employees in their enterprises has been reduced
- 70% of employers stated that they have been forced into reducing employees' salaries. It is worth noting, however, that these reductions have been universal for all employees (whether they be local, from the EU or from third countries)
- groups of employees in non-speciality and support roles have been those most hit in cases of redundancies
- there is no indication of any discrimination with regard to recruitment between national and non-national employees. Rather, recruitment is based on qualifications rather than nationality
- there is a clear indication that Cypriot employers prefer to hire Bulgarian employees, for the following reasons:
  - professional expertise
  - responsible approach

- knowledge of Greek or English
- Bulgarian employees are characterised by a high degree of discipline in the workplace.

An end result to the project is that a leaflet was prepared containing important information regarding the employment rights of Bulgarian employees. This leaflet has been handed out to all Bulgarian employees that are employed, or will be employed, in Cyprus. Furthermore, a Centre of Information for Bulgarian Employees in Cyprus has been set up, situated at the SEK's Free Labour Centre in Limassol. Many Bulgarian employees turn up at the Centre every day for support. The main issues the Centre is called upon to handle on a daily basis are:

- employment advice
- the transfer of social insurance rights to Bulgaria
- filling out documents for the transfer of social insurance rights to Bulgaria
- employment rights in the workplace.

SEK, through its involvement and participation in the National Employment Committee and the Labour Advisory Board, has always worked in favour of, and has supported, every policy, measure and strategy aimed at eliminating all discrimination in employment, both of national as well as EU employees. SEK and CITUB will also continue to work together in the same direction and with the same vision for the future.

The project is the result of the efforts of CITUB and SEK to find a real and effective mechanism for the protection of the labour rights of Bulgarian citizens working in Cyprus.

A Bulgarian expert has been appointed at SEK to deal with Bulgarian trade union members in Cyprus; union membership is one of the means of extracting Bulgarians from social exclusion and including them in society. The major problem is covering workers in the informal sector, which is dominated by labour migrants. For this reason, they are vulnerable and their rights cannot be defended successfully by local unions.

An Information Bureau was opened in Cyprus and Bulgaria subsequent to the project 'Information Bridge: Bulgaria-Cyprus'. The main task of the Bureau is to inform and present information to Bulgarian citizens working in Cyprus; information which is related to the existing labour legislation and the preventive measures which are in favour of Bulgarians who intend to work in Cyprus. The Bureau provides an access point to Bulgarians intending to work in Cyprus; they can take away printed materials about the labour and social security legislation of the host country, as well as basic information on how to proceed if their social security rights and workers' rights are violated.

