



EUROPEAN ANTI POVERTY NETWORK

NATIONAL ANTI POVERTY NETWORK (Cyprus)

POVERTY OBSERVATORY REPORT 2017

PREFACE

The Cypriot National Anti Poverty Network was established in 2005 and today counts 15 active member-organizations, itself being a member of the Brussels based European Anti Poverty Network (EAPN).

It is a Network fighting poverty by demanding policies and practice against it, both on the National and the European levels. Monitoring the course of Poverty is a process by which governments are held accountable, as well as being a way of sensitizing the general public on real conditions so as political pressure for change can be exerted.

For the moment, EAPN participates in the European Semester so that the goals of “Europe 2020” Strategy for the reduction of poverty and the increase of employment and training will be achieved through civil dialogue. This presupposes the monitoring of proposed measures, both from the European Commission and the Member States, and an effort to influence these proposals by drawing attention to trends and the practical reality. This is now a major part of our work towards the Commission. Nevertheless, members are more and more worried for the amount of work that has to be put in engaging and contributing to this monitoring process and what, if any, the political impact is, especially in Member States where there is a weak commitment for substantial participation of stakeholders in this process.

The purpose of this NAPN(Cyprus) Monitoring Report is not to provide an extensive or exhaustive research on poverty in Cyprus, but to give our members’ assessment for what is happening in our country, based on official statistics, that could become a tool for sensitization and support on the national level and be used as a basis towards more effective policies on the European Union level. This Report is also based on the experience and priorities of people experiencing poverty with whom we cooperate. Foremost, we expect this report to become a useful communication tool that highlights the underlying trends of poverty, assesses the role of the EU and the national government, recognizes the major issues including those of people directly experiencing poverty and proposes solutions that are supported by examples and statistical data. This Report can be used and exploited by interested parties as well as by the general public and the decision makers alike.

DEFINITIONS AND CONCEPTS

What is Poverty?

“There are many kinds of Poverty. A general poverty due to a devastating event e.g. war, natural disaster etc. that affects almost all citizens is one thing, poverty that seems to be moving away from a bright horizon of growth is another and poverty due to huge economic and social discrepancies and to the prevalence of an unfair system, or when you see no light on the horizon, and poverty looks like the only future of people, is yet another.”

“Poverty is ONE. It is the situation where people are humiliated and stripped of any chance of development, where people are deprived from satisfying their basic needs and are led to a humiliating animal state that removes every trace of human dignity, whilst it obliges them to kneel in a way that they cannot lift their heads, submitted to a ‘destiny’ that others have prepared in order to keep them in everlasting subordination.”

According to EAPN, poverty can be an absolute or a relative concept.

- **Absolute Poverty** is when people are deprived from fulfilling their basic survival needs. For example, they starve or lack clean, drinkable water, adequate housing and/or clothing and/or medicine and they strive to remain alive. The United Nations tend to concentrate their efforts towards eliminating absolute poverty. The first of the UN Millennium Development Goals was the elimination of absolute poverty and hunger.
- **Relative Poverty:** The EU Social Inclusion Process uses a specific definition for relative poverty. According to that, poverty is when the standard of living and/or the income of certain people are much worse than those of the general standard of living in the country or the community they live in and when people strive to lead a normal life and participate in simple economic and cultural activities.

How is Poverty measured?

Till 2010, the EU placed most of its poverty monitoring efforts on relative poverty. In 2010 the EU adopted the “Europe2020” Strategy the flagship of which was to lead the EU towards a clever, sustainable and inclusive economy. Among the five primary objectives of this strategy, was the adoption, for the first time, of the goal to reduce the number of people at risk of poverty or social exclusion by 20 million till the year 2020 (AROPE).

What is the AROPE Indicator?

It is defined as the share of the total population under at least one of the following three conditions:

- The risk of poverty (AROPE) being under the relative monetary threshold of poverty (60% of the mean household income).
- In severe material deprivation (SMD).

- Living in a household with very low work intensity.

The composite AROPE Index records only part of the picture and does not fully describe poverty's complexity. It is important that each of the above 3 conditions are individually monitored. It is also important to measure other elements revealing the complexity of poverty: the formal indicators should not only include numbers but be informed by quantitative and qualitative information provided by NGOs working on the ground.

What is the Poverty Threshold?

The Poverty Threshold is calculated on the 60% of the national mean salary that in 2015 was 1509 euro. Therefore, the Cyprus Poverty Threshold in 2015 was 10,860 euro per annum.

What does People at Risk of Poverty and Social Exclusion means?

It is the population living under the poverty threshold or living in households with very low work density or living in severe material deprivation.

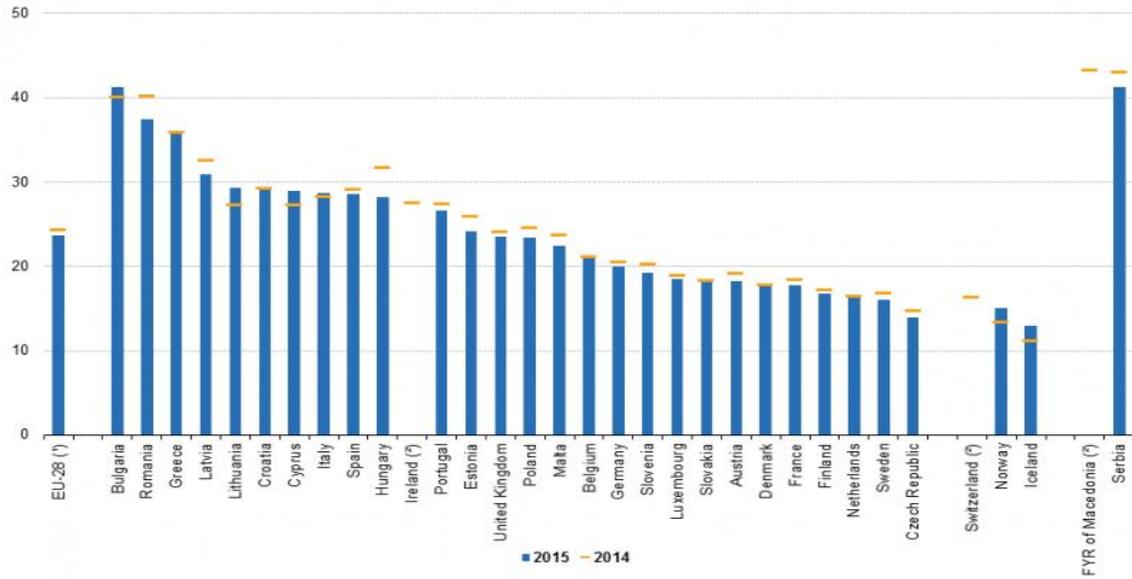
Which are the households with very low work density?

The households where adult members work less than 20% of the total they could have worked during the past year.

What is severe material deprivation?

This definition refers to the population that due to financial difficulties, are deprived of at least four of the following goods or services:

1. Delay in paying bills (electricity, water etc.), house rent or monthly loan installments for housing, or other loan installments
2. Financial inability to pay for one week's vacation per year
3. Financial inability to meet necessary or emergency spending
4. Financial inability to have adequate heating
5. Financial inability to sustain a diet that includes one meal with meat/poultry or fish every other day (or an equivalent vegetarian meal)
6. Financial inability to have a car
7. Financial inability to have a telephone
8. Financial inability to have a coloured TV
9. Financial inability to have a clothes washing machine



(*) 2015: estimate.
 (*) 2015: not available

Poverty in Cyprus: Which are the groups mostly affected?

| | | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|---------------------------------|------|------|------|------|------|
| At risk of poverty or social exclusion | Total | 27,1 | 27,8 | 27,4 | 28,9 | 27,7 |
| | Men | 25,1 | 26,8 | 26,0 | 28,1 | 26,6 |
| | Women | 29,0 | 28,8 | 28,8 | 29,8 | 28,7 |
| | | | | | | |
| Population percentage with very low work density index | Total | 6,5 | 7,9 | 9,7 | 10,9 | 10,6 |
| | Men | 5,8 | 7,6 | 8,9 | 10,3 | 9,9 |
| | Women | 7,1 | 8,2 | 10,5 | 11,4 | 11,2 |
| | | | | | | |
| Population percentage deprived of at least 4 commodities/services from the material deprivation index | Total | 15,0 | 16,1 | 15,3 | 15,4 | 13,6 |
| | Men | 15,1 | 16,6 | 15,6 | 15,9 | 14,0 |
| | Women | 14,9 | 15,6 | 15,1 | 15,0 | 13,3 |
| | | | | | | |
| At risk of poverty rate per main activity: | Working 18+ | 7,9 | 8,9 | 7,8 | 9,1 | 8,2 |
| | Out of work | 24,3 | 23,0 | 22,7 | 23,4 | 23,7 |
| | Long term Unemployed | 31,5 | 33,6 | 32,6 | 42,0 | 37,2 |
| | Pensioners | 29,0 | 19,7 | 21,3 | 16,5 | 19,8 |
| | Not active | 17,6 | 20,9 | 17,9 | 18,7 | 19,4 |
| | | | | | | |
| At risk of poverty rate per household type: | Without dependents | 18,8 | 16,7 | 18,5 | 17,8 | 16,6 |
| | With dependents | 11,7 | 14,3 | 11,5 | 15,1 | 15,7 |
| | Single parent | 17,3 | 23,2 | 27,9 | 25,2 | 27,5 |
| | | | | | | |
| At risk of poverty rate per country of origin | Cyprus | 24,7 | 25,3 | 26,4 | 26,4 | 25,0 |
| | EU28 country | 29,8 | 34,4 | 29,3 | 33,0 | 29,5 |
| | Country outside the EU28 | 43,7 | 43,4 | 42,2 | 46,1 | 44,4 |

Source: Cyprus Statistical Service, "At risk of poverty and social exclusion rates", 2008-2016

According to the Cyprus Statistical Service indexes of 2016, the percentage of Cypriot people at risk of poverty and social exclusion was 27.7% and the percentage of people under severe material deprivation was 13.6%. The minimal decrease noted between 2015 and 2016 was not a real decrease in poverty but was due to the decrease of the mean available income on which the poverty threshold was calculated. That is to say, in 2014 the threshold was at 18,418 euro per annum whilst in 2016 it was decreased to 16,943 euro per annum

On the Table above we see that the population groups with the highest risk of poverty rate are the Unemployed, especially the Long Term Unemployed with a 37.2%, Pensioners, especially women pensioners whose pensions have a 40% gap from those of men, the Single Parent Households and the Migrants, especially migrants from third countries with 44.4%.

Based on the Europe2020 Strategy, the following targets were set:

| SECTOR | EU2020 TARGET | CYPRUS TARGET | CYPRUS 2014 | CYPRUS 2015 | CYPRUS 2016 | EU28 |
|--|---------------|-----------------|-------------|-------------|-------------|-------|
| EMPLOYMENT RATE (20-64 YEAR OLDS) | 75% | 75-77% | 67.6% | 67.9% | 68.7% | 69.2% |
| REDUCTION OF POVERTY AND SOCIAL EXCLUSION | 20Million | 19.3% or 27,000 | 27.4% | 28.9% | 27.7% | 24.5% |
| REDUCTION OF EARLY SCHOOL LEAVERS | 10% | 10% | 6.8% | 5.4% | 7.6% | 11.2% |
| INCREASE OF TERTIARY EDUCATION RATE | 40% | 46% | 52.5% | 54.2% | 53.4% | 37.9% |

What is the role of the EU and what is the role of the national government?

As NAPN(Cyprus) we claim that whilst there is an increased need for social protection, policies and public spending for development, social and other services, are not adequate to effectively combat poverty and inequalities that have risen after the economic crisis and the austerity measures imposed.

The government's commitment to the so called "development policies" along with its persistence to continue with the austerity measures even after Cyprus exited the stability mechanism, do not give evidence that it is geared towards a development policy that will bring new, decent jobs to address the serious social problems faced by the working population who have suffered the greatest blow.

To eliminate poverty, a radical redistribution of wealth is necessary within a just, social welfare state that supports vulnerable groups by creating development and wellbeing opportunities for all the people and not only for the few.

Each member-state's report and the European Commission Recommendations are helpful but since they are not compulsory and their implementation and how much and to what extent a social state will be developed depends on the philosophy of each government, it is almost certain – and it is evident after the 7-year implementation of the Europe2020 Strategy – that the poverty reduction target will not be met but on the contrary, poverty will increase and social inequalities will be worsened.

What worries us most by this development is the challenging and deprecating of the ideas and institutions of the EU itself as well as of those of national governments, the social cannibalism that will grow, the racist and fascist attitudes that will be hunched which will be grouped and evolve into a strong political force within the various democratic institutions. Instead of combating the root causes of poverty and inequality, the victims of these policies will be persecuted, especially the poor and the immigrants, as if they were responsible for the worsening situation.

What does NAPN Cyprus do?

NAPN Cyprus is a network with voluntary participation of organizations that have poverty and social exclusion within their working scope. It participates in the EAPN policy development and specifies its action on the national level according to the specific characteristics of Cyprus:

- It promotes Positions and suggestions for combating poverty and social exclusion by participating in different authorities and institutions
- It informs and enlightens the general public, aiming to broaden the participation of people experiencing poverty
- It contributes to the preparation of EAPN documents towards the European Commission by submitting the relevant data and situation of Cyprus
- It organizes awareness-raising activities for the general public.

Basic recommendations

- To set minimum social indicators on the EU level and to secure their implementation on the national level
- To develop and implement policies that fight inequalities within and among EU member-states
- Immediate measures to be taken to ease the situation of groups of people under the highest risk of poverty and social exclusion
- To create quality jobs and secure access to them
- To create quality and accessible general services that cover basic needs such as education, healthcare, care etc.

“POVERTY IS NOT OUR FUTURE! THERE IS NO FUTURE WITH
POVERTY. THE FIGHT AGAINST POVERTY IS OUR BIG FIGHT FOR
JUSTICE AND FREEDOM”

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