

# Chapter 6

## Migrants' Access to Social Protection in Cyprus



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### 6.1 Overview of the Welfare System and Main Migration Features in Cyprus

Cyprus is small island country located in the eastern Mediterranean. The country gained its independence in 1960. In 1974, a failed coup d'état triggered the invasion of the Turkish army which occupied the northern part of the island. The invasion caused economic devastation and forced many Cypriots to flee to Greece, the UK, Canada and Australia (Konstantinidou [this volume](#)). The ensuing humanitarian crisis strengthened social solidarity fostering political consensus for building a more comprehensive welfare state (Neocleous [2014](#)). During the 1980s and the 1990s, the Cypriot economy undergone rigorous transformations leading to an impressive economic growth that has turned Cyprus into an attractive destination for immigrants. The large inflows of migrants brought about challenges in terms of integrating them in the local society, as well as adapting social policies to address their diverse needs.

#### 6.1.1 *Main Characteristics of the National Social Security System*

The social protection system of Cyprus consists of a comprehensive array of contributory and non-contributory benefits. The architecture of the system combines elements from a variety of welfare models. It has some Beveridge type features inherited from the British colonial era (Shekeris et al. [2009](#)), while also sharing

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commonalities with the typical Mediterranean welfare regime, such as the active role of family in complementing insufficient statutory provisions (Gal 2010; Koutsampelas and Pashardes 2017). Meanwhile, the regulatory framework is in a process of constant ‘fine-tuning’ in an attempt to move closer to European standards and to conform to European Union (EU) regulations (Ioannou 2008; Koutsampelas and Pashardes 2017).

According to the ESSPROS database, the share of GDP devoted in social protection reached 19.1% in 2016, well below the EU-28 average (28.2%). Close to 70% of these resources are directed to pensions and healthcare. The share of pensions in total expenditures has been constantly increasing during the last decades (reaching 48.7% in 2016) due to population ageing and other institutional factors (Koutsampelas 2012). On the contrary, the share of healthcare in total expenditure has declined during the last years. At 18.5% in 2016, it is one of the lowest in Europe (Theodorou et al. 2018). The system is financed by social contributions (45.3% of total financing), general government contributions (49.8%) and other sources (5%), with the share of social contributions steadily increasing during the last decade.

The backbone of the social protection system is the Social Insurance Scheme (SIS)<sup>1</sup> administered by the Ministry of Labour, Welfare and Social Insurance (MLWSI). The SIS is financed by compulsory social insurance contributions paid by employees, self-employed, voluntarily insured persons, employers and the state. Apart of old age benefits, the scheme offers access to several short-term benefits providing income support to a variety of contingencies (unemployment, sickness, etc.).

There is also a number of non-contributory cash benefits covering several types of contingencies. The most important one is the Guaranteed Minimum Income (GMI), a top-up benefit ensuring that every legal resident enjoys a minimum acceptable standard of living. The level of GMI depends on family size and beneficiary’s specific needs. Other non-contributory cash benefits include the child benefit, the single parent benefit, the student grant and various disability benefits. Non-contributory benefits are typically means-tested (except for disability benefits) and financed by general taxation.

Beneficiaries of in kind healthcare provision are entitled to a medical card which provides access to free of charge healthcare services in public hospitals financed by general taxation. Medical card holders should be Cypriots or EU citizens permanently residing in Cyprus who fulfil additional requirements (i.e. means-testing). Registration in the scheme is voluntary with the exception of civil servants who have to pay a compulsory contribution calculated on their emoluments.

During the last years, the social protection system has undergone significant reforms driven by economic, demographic and institutional factors (Ioannou 2008; Simone 2011; Christou et al. 2016). The bulk of the reform efforts were concentrated on pensions and minimum income. The pension system was extensively reformed in 2010–2013 aiming at ensuring its fiscal sustainability. During the same

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<sup>1</sup>The scheme is regulated by the Social Insurance Law of 2010 and Regulations Issued Thereby.

period, non-contributory benefits were also reformed by tightening eligibility criteria, introducing stricter income-testing and reducing benefit rates (Christou et al. 2016). Not all reforms were motivated by an economic rationale. In 2014, the old minimum income scheme was fundamentally reformed by substituting the old regime of public assistance with a modern, better functioning, GMI scheme (Koutsampelas 2016), while a new universal healthcare system is expected to be in full operation in 2020.

### 6.1.2 Migration History and Key Policy Developments

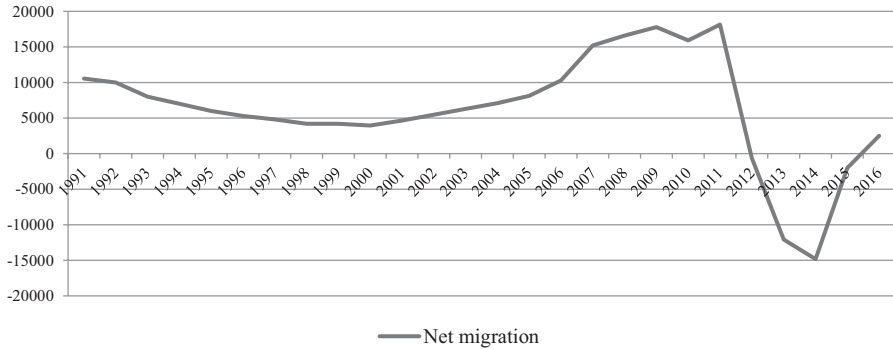
During the last two decades, Cyprus has been an attractive destination for labour migration due to labour shortages in many sectors of the economy (Trimikliniotis and Demetriou 2011). The successful accession to the EU in 2004 also played a role as it led to further opening the labour market due to the harmonisation of the legal framework with the EU Directives and the abolishment of several restrictions to immigration. Meanwhile, a large number of working permits to third-country nationals were issued to cover shortages in the low-skilled sectors of the economy (Eliofotou 2008; Christofides et al. 2007). Immigration contributed to the very good performance by means of wage moderation (Christofides et al. 2007).

Figure 6.1 shows the net migration rate (i.e. the balance between in-migration and out-migration flows) from 1981 to 2017. Net migration rate was positive during the 1990s with a peak after country's EU membership. Net migration became negative during 2012–2015 due the outbreak of the crisis which slowed inward migration and forced many Cypriots to seek job opportunities abroad (Konstantinidou [this volume](#)). However, the net migration rate became again positive since 2016, following the recovery of the economy.

As a result of these demographic shifts, the share of foreigners from the total population doubled between 2001 and 2011, reaching 20.3% in the last Census (2011). Most foreign residents originate from EU countries (Greece, the UK, Romania and Bulgaria), while there is also a considerable number of third-country nationals (Russia, Philippines, Sri-Lanka, Syria, Georgia). According to recent Eurostat data on population by citizenship,<sup>2</sup> the share of EU nationals residing in Cyprus was 13.2% (or 114 thousand persons) in 2017 while the share of third-country nationals was 3.9% (or 34 thousand persons) the same year. It is also worth mentioning that the number of asylum seekers in Cyprus has been increasing since 2013, mostly due to the geopolitical tensions in the Middle East area. In 2017, the number of first time applicants almost doubled compared to 2016 (from 2840 to 4475 persons). Most asylum seekers come from Syria.

Finally, Cyprus is a country with a large number of emigrants scattered around the globe. According to the Service for Overseas and Repatriated Cypriots of the

<sup>2</sup>Eurostat Online Database, Table: [migr\_pop1ctz], accessed on 19/03/2019.



**Fig. 6.1** Net Migration in Cyprus, 1991–2016. (Source: Statistical Service of Cyprus)

Foreign Ministry, there are 315,000 thousand Cypriots in Europe (mostly in UK and Greece), 86,000 thousand in Oceania (Australia and New Zealand), 52,000 in America (USA and Canada) and 30,000 thousand in Africa (mostly in South Africa).

## 6.2 Migration and Social Protection in Cyprus

Both nationals and foreign citizens have access to a comprehensive package of contributory and non-contributory benefits covering several contingencies including unemployment, sickness, disability, maternity and paternity, income deprivation and old age. The general rule is that contributory benefits, typically linked with employment, are open to all at equal terms irrespectively of nationality, while the EU social security coordination rules as well as a number of bilateral social security agreements protect social security rights through enabling the aggregation of periods of insurance and residence. Access to non-contributory benefits (mostly family benefits and minimum income support) is more complicated as residence-related criteria are usually required for claiming these benefits; thereby, creating some differences between national citizens and recent migrants. Healthcare is a very problematic area of public provision, mostly affecting third country nationals. Yet, a recently implemented reform promises to fill the gaps in the provision of services and reduce inequalities.

### 6.2.1 Unemployment

The unemployment benefit scheme in Cyprus is administrated by the MLWSI in the context of SIS. The beneficiaries of the scheme are involuntary unemployed persons aged between 16 and 63 who are legally residing in Cyprus and satisfy the relevant insurance conditions. Self-employed persons are excluded from the scheme. The duration of the benefit is 156 working days for each period of employment interruption. The recipient should satisfy the following insurance conditions:

- has paid actual basic insurance contributions at least equal to 0.5 of the insurance point,<sup>3</sup>
- has been insured for at least 26 weeks before the termination of employment,
- has paid actual or assimilated insurance equal to at least 0.39 of the insurance point within the relevant contribution year.

The unemployment benefit consists of a basic and a supplementary part.<sup>4</sup> The weekly rate of the basic benefit is equal to 60% of the weekly basic insurable earnings of the last year. This rate increases to 80%, 90% and 100% for one, two or three dependants respectively. The weekly rate of the supplementary part is equal to 50% of the average weekly insurable earnings exceeding the basic insurable earnings of the last year up to a maximum amount. While receiving unemployment benefits, recipients must regularly visit the Unemployment Office on specific days and times.

There are no statutory differences in terms of conditions of access and coverage between nationals and foreigners. However, EU citizens are required to submit, additionally to the documents required for nationals, a registration certificate from the Civil Registry and Migration Department,<sup>5</sup> whereas non-EU foreigners need to submit a temporary residence permit or immigration permit.<sup>6</sup> National citizens residing abroad are not entitled to unemployment benefits (with the exception of Cypriots working abroad for a Cypriot employer). However, the benefit can be exported following the rules of EU Social Security Coordination. On that basis, a registered unemployed in Cyprus may look for a job in another member state by exporting the unemployment benefit to this country for a period of three months.

### 6.2.2 Health Care

Access to public healthcare services (free of charge or at a reduced charge) is provided through the issuance of a medical card (*karta nosilias*). Registering with the scheme is not compulsory, but eligible recipients should meet the following conditions<sup>7</sup>:

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<sup>3</sup>Actual and assimilated insurable earnings are converted into insurance points. One insurance point is equal to 52 times the weekly basic amount of insurable earnings (€ 9068 in annual terms in 2017).

<sup>4</sup>A single payment is credited to the recipient. However, the basic and supplementary parts are differently calculated.

<sup>5</sup>Nationals from member states who intend to stay and work in Cyprus are required to apply for a registration certificate following a standard and simple procedure. In order to apply for the certificate, they must complete a standard form, present their ID cards/passports, submit two photos and pay a small fee.

<sup>6</sup>Immigration permits have an indefinite duration.

<sup>7</sup>According to the Government Medical Institutions and Services General Regulations 2000 to 2013.

- are either Cypriots or European citizens who reside permanently in Cyprus,
- have paid insurance contributions for at least three years (assimilated insurance is counted),
- have submitted personal income tax declaration at the date of application,
- their annual income should not exceed €15,400 (single person),
- their annual income should not exceed €30,750 increased by €1700 for each dependent child, if applicable.

Persons suffering from chronic diseases and GMI beneficiaries are excluded from these criteria, while civil servants are compulsory insured paying a 1.5% contribution calculated on their monthly emoluments. Medical card holders are subject to medical co-payments.<sup>8</sup> However, emergency care is provided free of charge to all individuals, irrespective of their income or citizenship.

As for cash benefits in case of sickness, these contributory benefits are available to employees and self-employed who are incapable for work. Sickness benefits are granted for maximum 156 days for each period of employment disruption.<sup>9</sup> In order to qualify as eligible claimants, individuals must have paid actual basic insurance at least equal to 0.5 of the insurance point, have been insured for at least 26 weeks and have paid (actual or assimilated) insurance at least equal to 0.39 of the insurance point during the relevant contribution year. The level of the benefit depends on the insurable earnings and the number of dependants. The benefit is not payable if the employed person continues to receive a full wage during sickness. In case of a reduced wage, the sum of the benefit and the reduced wage should not exceed the full wage. There are no standard rules concerning sick leaves. Several practices exist in the market, varying in accordance to the specific collective agreements or individual contracts signed between employees and employers.

Employees and self-employed who are permanently incapable of work (i.e. unable to gain from their normal economic activity income above one third of the amount earned by a healthy person with the same occupation and level of education or, in the case of persons aged from 60 to 63, above half of that amount) can claim invalidity benefits. The following insurance conditions should be satisfied:

- at least three actual basic insurance points and being insured for at least 156 weeks,
- weekly average insurable earnings (actual or assimilated) equal to at least 25% of the weekly amount of the basic insurable earnings in the relevant period,
- (actual or assimilated) insurance equal to at least 0.39 of the insurance point within the relevant contribution year or actual or assimilated insurance equal to at least 0.39 of the insurance point on average within the last two relevant contribution years.

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<sup>8</sup>For example, €3 for a visit to a General Practitioner, €0.50 for each prescribed pharmaceutical product and €0.50 for each laboratory test with a maximum charge of €10 per medicine prescription.

<sup>9</sup>The payment may be extended if the insured person meets certain insurance requirements and he/she is not expected to remain permanently incapable to work.

The level of the pension depends on insurable earnings, number of dependants and the degree of loss of earning capacity.

Overall, the provision of healthcare services is the most problematic policy area in terms of access of foreigners to social protection in Cyprus. The medical card is issued only to Cypriots and EU citizens (including European Economic Area, EEA, and Swiss citizens) who reside permanently in Cyprus. Non-EU foreigners are excluded from the medical card scheme and have to bear the full financial costs of their treatment if they make use of public services. Thus, third-country nationals who have immigrated to Cyprus for reasons other than international protection are not entitled to healthcare coverage and either stay uninsured or might be required to possess a healthcare insurance contract with a private insurance company. In many cases, these contracts come with limited coverage, while significant restrictions make access to and utilization of services quite problematic (Kantaris et al. 2019). Hence, third-country nationals in Cyprus have a high percentage of unmet health needs compared to other groups (Kantaris et al. 2014; Theodorou et al. 2018). Finally, in regard to sickness and incapacity benefits, there are not statutory provisions creating disparities between national and foreign citizens, while the exportability of these benefits ensures that national citizens who have moved abroad to EU countries can continue receiving the payments without impediments.

### **6.2.3 Pensions**

The first pillar of the pension system consists of the Social Insurance Scheme (SIS) and the Social Pension Scheme. SIS is a compulsory earnings-related scheme covering all employed and self-employed persons in Cyprus. Voluntary insurance is possible for persons who wish to continue insurance after a period of compulsory insurance and Cypriots working abroad in the service of a Cypriot employer. The social pension is a flat-rate non-contributory pension provided to persons with no access to other pensions or similar payments that exceeds the level of the social pension.

The statutory retirement age is 65, with a possibility of early retirement at the age of 63. The total contribution rate for employees is 20.2% applied on the insurable earnings of the employee (with an upper ceiling of €4533) and is paid 7.8% by the employee, 7.8% by the employer and 4.6% by the government. The contribution rate for the self-employed is 19.2% (paid by themselves and the government). The total contribution rates are programmed to increase by 1.3 percentage points every five year up to 2039. Early retirement is discouraged through financial disincentives, while prolongation of working life is encouraged through financial incentives until the age of 68. Old age pensions consist of a basic and a supplementary part. Their calculation is based on the contributory period, the level of gross insurable earnings and the number of dependants.

The social pension is not means-tested, however certain residence restrictions apply.<sup>10</sup> In particular, recipients should be permanent residents of Cyprus and should have resided in Cyprus, EU, EEA or Switzerland for at least 20 years after the age of 40 or for at least 35 years after the age of 18. Social pension is calculated as 81% of the basic old age pension.

There are no statutory differences in terms of conditions of access to old age pensions between national and foreign citizens. The aggregation of periods of insurance is possible in the context of EU Social Security Coordination. However, social pensions are payable only to nationals and foreigners who are permanently residing in Cyprus. The aggregation of residence periods in Cyprus, EU countries, EEA and Switzerland is possible.

#### 6.2.4 Family Benefits

Income support to families is provided through contributory and non-contributory benefits. Contributory family benefits are provided by the SIS and cover employees and self-employed persons, as well as their dependants. Non-contributory family benefits are provided in a universal or means-tested basis and cover all families fulfilling the relevant conditions. Family benefits are not subject to taxes and social insurance contributions.

The *child benefit* is a means-tested non-contributory benefit paid to all families with children, permanently residing in Cyprus.<sup>11</sup> Its annual level ranges from €345 to €1675 per child depending on family structure and income. The *single parent benefit* is also means-tested. The eligibility criteria for the child and the single parent benefit require five years of permanent residency in the country.

Parents are also entitled to maternity and paternity benefits. The *maternity benefit* is a contributory benefit payable to employed and self-employed mothers for 18 weeks. Certain contribution-related conditions should be satisfied. The amount of the benefit is calculated based on the insurable earnings of the recipient. However, the sum of the reduced wage (if any) and the benefit cannot exceed the full wage. The *paternity benefit* is payable to employed fathers at the same conditions as the maternity benefit, with the exception that its duration is 2 weeks.

There are not statutory differences between nationals and foreigners in regard to access to family-related contributory benefits. For non-contributory benefits, there is a residency requirement which might impact on migrants' access to family benefits. Specifically, the eligibility conditions require legally and continuously residing in the country for five years before successfully applying for child and/or single parent benefits. However, periods of residence in other EU Member States, EEA and Switzerland can be aggregated with periods of residency in Cyprus. Thus, this

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<sup>10</sup>According to Social Pension Law of 1995 and modifications.

<sup>11</sup>According to Child Benefit Law of 2002 to 2017.



restriction effectively excludes newcomers from third countries. Furthermore, child and single parent benefits cover families whose children reside with their parents. This provision restricts access to migrants whose children reside in their country of origin (most probably third-country nationals working in Cyprus on temporary residence permits).

### **6.2.5 *Guaranteed Minimum Resources***

The Guaranteed Minimum Income (GMI) scheme<sup>12</sup> was introduced in 2014 as a means-tested non-contributory top-up benefit whose scope is to ensure a minimum acceptable standard of living to all persons legally residing in Cyprus (Koutsampelas 2016). The GMI is calculated as the difference between a basic income level and the family (or personal) income of the recipient. The value of basic income is currently set at €480 per month for a single person and increases with the size of the recipient unit. The benefit is paid until the end of need and as long as the eligibility conditions are met. GMI beneficiaries have also access to other benefits such as a housing allowance, child care subsidisation, in kind healthcare benefits and long-term care related cash benefits.

All income and properties<sup>13</sup> of the claimant are taken into account in order to determine the eligibility of the benefit. The level of the benefit depends on the family income<sup>14</sup> and the eligibility conditions consist of job-, age- and residency-related criteria. Recipients are asked to register with the Public Employment Services (PES), accept job offers, not have resigned six months (or less) before the application day or while receiving the benefit, participate in vocational training, seminars or communal services (if offered) and accept personal tutoring from PES counsellors.

Furthermore, the applicant must be at least 28 years old (with some exceptions). Finally, the residence criterion requires that all eligible recipients should have continuously<sup>15</sup> and legally resided in Cyprus at least for five years before claiming the benefit. This means that EU and non-EU citizens have access to GMI benefits in Cyprus as long as they satisfy this residence requirement. In the case of GMI, the aggregation of periods of residence in other countries is not possible. Furthermore, non-EU foreigners ought to have been granted the long-term residence status as defined by the relevant law<sup>16</sup> before applying for the GMI. This provision excludes

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<sup>12</sup>The scheme is regulated by the Guaranteed Minimum Income and Social Benefits Law of 2014 to 2017.

<sup>13</sup>Including those located abroad.

<sup>14</sup>Certain incomes are not taken into account in the means-testing, while income from employment is partially excluded with the purpose of reducing labour market disincentives.

<sup>15</sup>Temporary absence from the country is possible if its duration is below one month or if it is related with health issues or studying abroad.

<sup>16</sup>Alien and Immigration Law, Chap. 105.

third-country nationals on short term residence permits. Finally, nationals residing abroad do not have access to GMI support; nor is this benefit exportable.

### **6.2.6 *Sanctions and Bilateral/Multilateral Social Security Agreements***

Residence related criteria, such as proving permanent residency and/or completing certain periods of residence, are only required for claiming non-contributory benefits. However, in most cases, the aggregation of periods of residence is possible for those who have lived in more than one country in the EU, EEA and Switzerland. GMI reciprocity, in addition to five years of continuously residing in Cyprus, also requires the status of long-term resident for non-EU foreign citizens. The process of applying for long-term residence can be complicated in some cases. The examination period of an application can take up to six months, while the applicant should successfully submit a number of certificates and documents and, among others, to prove that he/she has the means to economically maintain himself/herself without depending on social benefits. To assess these resources, the pertinent authorities might take into account applicants' income from full-time employment, other sources of income, cost of living, employment contract (which should be either open-ended or longer than 18 months), housing conditions and economic sustainability of business activities (if any).

In general, according to legislation, applying for a residence permit and/or family reunification requires that the applicant has adequate and stable economic sources, without relying on the welfare system. No particular benefits are specified in the legislation; however, benefit reciprocity might cause hindrances. As for the issue of exportability, contributory benefits are in most cases exportable, especially pensions and especially to EU destinations. On the other hand, restrictions are applied on non-contributory benefits. For example, the social pension and the GMI are clearly residence-based benefits, whose eligibility is lost if the recipient moves abroad. Additionally, it is important to note that the non-permanent status of several migrant groups imposes barriers to access to pensions. In particular, many third-country nationals are on temporary permits (usually of four years; often renewed for two extra years) and if they fail to renew such permits, they have to leave the country (or stay illegally), before accumulating adequate pension rights. In that case, and because their periods of insurance in Cyprus might not be taken into account in their homelands, they are entitled to a lump sum pension benefit when they reach the pensionable age.

Last but not least, Cyprus has concluded bilateral social security agreements with 6 non-EU countries (Egypt, Canada, Australia, Switzerland, Serbia and Syria). It is worth mentioning that, out of these countries, Canada and Australia belong to the top five destinations for Cypriots moving abroad (Konstantinidou [this volume](#)). The scope of these agreements is to ensure the principle of equal rights (or

non-discrimination), to enable the aggregation of periods of insurance and residence between the two countries, to facilitate the exportation of those benefits covered by the agreements by eliminating any restrictions on payments and, finally, to avoid the payment of double contributions. The agreements typically cover contributory pensions and, in some cases, certain short-term contributory benefits. For example, the agreement with Canada covers old age pensions, invalidity pensions, widow's pensions, orphan's pensions and the funeral grants. In addition to pensions, the agreement with Serbia also covers the maternity benefit, the birth grant, the sickness benefit, the unemployment benefit, the employment injury benefits and the funeral grant.

### 6.3 Conclusions

An in-depth analysis of the current regulatory framework in Cyprus reveals the existence of few statutory provisions differentiating the conditions of access to social protection between national and foreign citizens. However, this was not always the case. Approaching the issue from a historical perspective, it can be said that the architecture of the social protection system has become increasingly inclusive during the last decade. An illustrating example of this trend is the on-going healthcare reform (expected to be completed in 2020) which aims, among other things, to lift a major barrier for third-country nationals who until now had to rely on private medical insurance contracts.

There are two potential explanations of these recent policy developments. The first is the gradual europeanisation of social policy in Cyprus which entailed the transposition of many EU Directives into the national legislation (Ioannou 2008) and affected several policy areas including migrants' social rights. The influence of the EU extends beyond legislative initiatives and includes the exchange of ideas and good practices, the set of common goals and policy objectives including benchmarking, the use of EU funds in shaping national policy as well as the political weight of non-legal binding instruments.<sup>17</sup> A second explanation is related to the increasing economic and social importance of a growing migrant workforce whose diverse needs ought to be catered, at least to a certain degree, by the welfare system.

Having said that, some differences in provisions still exist. These differences are observed in regard to non-contributory benefits and mostly affect non-EU foreign residents. Most importantly, entitlement to non-contributory benefits typically requires a minimum period of residence in the country. For example, entitlement to child benefits requires five years of continuous and legal residence in Cyprus, with aggregation of periods of residence in other countries (i.e. EU, EEA and Switzerland)

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<sup>17</sup>Note that the healthcare reform was systematically included in the country-specific European Council recommendations to Cyprus, see for example: Council Recommendation on the 2018 National Reform Programme of Cyprus and delivering a Council opinion on the 2018 Stability Programme of Cyprus.

being possible for some benefits (e.g. child benefits) and not possible for others (GMI). As far as GMI is concerned, non-EU foreigners should have acquired long-term resident status, additionally to five years of continuous and legal residence in Cyprus. This restriction effectively excludes third-country nationals with fixed-term residence permits.

Furthermore, until now, non-EU citizens were explicitly excluded from the provision of free of charge access to public healthcare, meaning that they had to rely on private medical insurance. Nevertheless, the new National Healthcare System, which is expected to be in full operation in 2020, will provide universal coverage to all citizens thereby filling an important gap in social protection and reducing health inequalities.

Access to contributory benefits depends on recipient's accumulated social insurance contributions (and/or period of employment) and does not depend on citizenship, type of residence permits or other migration-related conditions. As a result, the rules defining eligibility are uniform. Moreover, with the obvious exception of old age pensions, the required minimum periods of insurance are not particularly long, so as to implicitly set barriers to migrants on fixed-term residence permits, while the aggregation of periods of insurance is possible for persons previously working in other EU countries, EEA, Switzerland or countries covered by bilateral social security agreements.

As for national citizens residing abroad, there are not specific welfare schemes targeting this particular group.<sup>18</sup> Yet, they can receive benefits from homeland if they have worked in Cyprus before moving abroad. In most cases, these benefits (typically contributory old age pensions) are exportable to their countries of residence. Furthermore, if they reside and/or work in EU, EEA and Switzerland, periods of residence and insurance in Cyprus count for claiming benefits from the social security system of the country of residence.

Thus the overall picture is that after the implementation of the healthcare reform there will be very few statutory provisions differentiating access to benefits between Cypriot citizens and migrants. These remaining disparities are mostly associated with non-contributory benefits and take the form of residence-related criteria. These criteria might be understood as necessary to fence off public worries about welfare migration, although such incidences are not common in Cyprus.

Nevertheless, it is also important to highlight that the lack of wide disparities in the statutory provisions between nationals and foreigners does not guarantee the equally effective use of these resources by the two groups. In some cases, even the provision of universal coverage does not guarantee equity when the focus lies on very vulnerable groups, which face multidimensional disadvantages in terms of inadequate knowledge of language, perceived stereotypes, limited awareness and enforcement of their social rights, marginalisation and social exclusion. Furthermore, a large part of the welfare state is based on earnings-related contributory benefits. This means that labour market inequalities (e.g. wage gaps between ethnic groups)

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<sup>18</sup>Cypriots working abroad at the service of a Cypriot employer are an exception.

translate to disparities in social provisions. On that basis, to have the complete picture, it is imperative to assess the capacity of the social protection system to effectively reduce poverty among migrants.

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