CHAPTER 6

THE INFLUENCE OF CONDITIONS IN CYPRUS II

Economic Factors: Introduction

In this Chapter we are concerned with the influence of economic conditions in Cyprus upon Cypriot migration to Britain. We must therefore enquire into the availability of opportunities for gaining a living on the island, whether in cash or in kind, into the degree of security which these opportunities provide, and into the standard of living to which the population is accustomed or to which it aspires.

There is evidence that conditions of this sort motivated the great majority of Cypriot emigrants to Britain. The survey of Commonwealth immigrants in Britain conducted in 1961 for the Economist Intelligence Unit[1] found that most Cypriots had departed Cyprus for economic reasons of one kind or another. Of those interviewed, 62 per cent gave reasons for leaving Cyprus which were categorised under the heading of 'unemployment or lack of career opportunities', and a further 15 per cent gave other economic or 'financial' reasons for having departed. Not all respondents provided reasons for specifically 'leaving Cyprus', some giving reasons only for 'coming to Britain': of those who did give reasons for leaving Cyprus as such, only 8 per cent gave ones which were other than economic. Although these interviews were retrospective, they are nonetheless impressive as indicators of the importance of economic motives among Cypriot migrants to Britain.

As such, however, they do not constitute in themselves an explanation of the role of economic factors in the migration: they merely point to the significance of such factors. What these factors are, and their relative importance, now has to be considered in detail. Since around half of the population of Cyprus is engaged in agriculture, and a good deal more are dependent on it, it is appropriate to begin by examining the agricultural sector of the Cypriot economy. The following section will examine the non-agricultural sector - industry, trade and services of one kind or another - in which the remainder of Cypriots find wage (or in a small proportion of cases, salaried) employment.[2]

Economic Conditions: Agriculture

The marked increase in pressure of population upon resources in the rural areas has been demonstrated in the previous Chapter. What factors have caused the failure of the agricultural sector to absorb the major part of this increase of population? By the time of Independence, agricultural production as a whole was estimated to have risen about 40 per cent above pre-war levels - a rate approximately equal to that of population increase. Significantly, however, there was no clear improvement in output after 1953 until the years subsequent to the achievement of Independence in 1960. Since then, production has risen substantially, as can be seen from Table 6.1.

That the trend in agricultural production is significant in relation to emigration is quite clearly indicated by the juxtaposition of the two annual series of statistics in graphical form in Figure 6.1. Although its overall significance in relation to other factors cannot be assessed until later on, the trend in agricultural production (and especially that of cereal production) appears to be sufficiently correlated with emigration to warrant further investigation into the character and development of this sector. In general, it seems that a rise in agricultural production is associated with a decline or check in emigration, and a fall in production with the reverse (as in Table 6.1a). Moreover, taking a longer view instead of a year-by-year analysis, we see that the period of substantial growth in emigration coincides exactly with the period of stagnation in agricultural production, while the recent decline in the outflow corresponds with the post-Independence agricultural expansion.

Table 6.1

INDEX OF AGRICULTURAL PRODUCTION IN CYPRUS 1950-66

(1950=100)

	Cereals	All Products
1950	100.0	100.0
1951	71.2	90.0
1952	112.9	107.1
1953	135.0	139.7
1954	141.1	126.6
1955	117.1	119.6
1956	151.4	130.2
1957	152.0	133.6
1958	154.7	117.9
1959	121.2	132.5
1960	81.2	114.0
1961	91.1	151.5
1962	149.8	155.7
1963	145.9	160.0
1964	105.4	140.1
1965	214.3	213.2
1966	105.8	187.3

Source: Republic of Cyprus, Economic Reviews.

Table 6.1a

COMPARISON OF ANNUAL TREND IN AGRICULTURAL PRODUCTION AND EMIGRATION FROM CYPRUS 1951-66

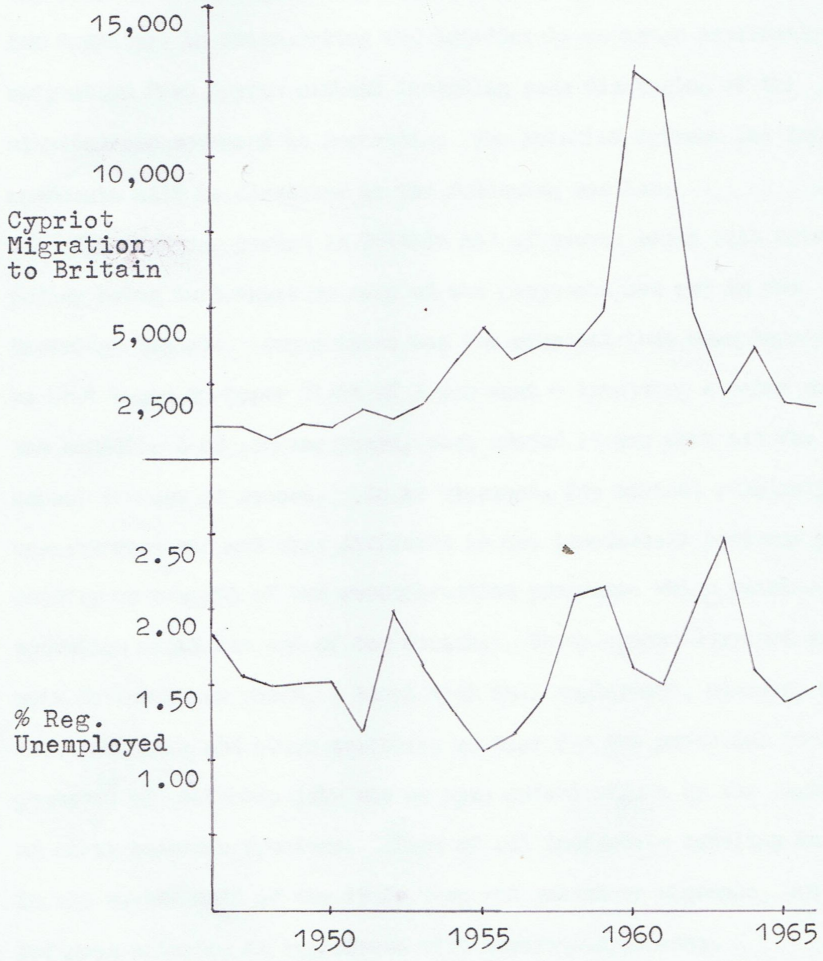
	Trend in Migration	Trend in Production		Trend in Migration	Trend in Production
1951	up	down	1959	up	down
1952	level	up	1960	up	down
1953	level	up	1961	level	level
1954	up	level	1962	down	up
1955	up	down	1963	down	level
1956	down	up	1964	up	down
1957	level	level	1965	down	up
1958	level	level	1966	level	down

Note: Production trend for cereals only.

Source: based on Figure 6.1.

Figure 7.1

CYPRIOT MIGRATION AND UNEMPLOYMENT IN BRITAIN 1946-66



Source: See Table 7.1

Why did the trend in agricultural output proceed in this manner, and how exactly did it affect the rural population? The early post-war rise in agricultural production (for which no precise figures are obtainable) was in large part a response to the agricultural development policy of the Administration. One of the more effective of the measures introduced was that providing for an increase in the ratio of irrigated to dry land for farming. Dams were built in an attempt to preserve and distribute the winter rainfall that runs so rapidly off the land, and pump wells were drilled to raise water stored naturally far below the surface. Even so, all but about 15 per cent of the island's farmland is dependent on watering by rain alone; and of this 15 per cent, only about 6 per cent is irrigable all the year round as opposed to being dependent on the flood controls. Cereal, the staple crop for much of the rural population, is almost everywhere dependent on the annual rains for its production.

But in spite of the further improvements in the agricultural sector put in hand by the Colonial Administration after 1950, output as we have seen showed little improvement throughout most of the

decade. A variety of factors were responsible for this failure, including to some extent no doubt the disturbed atmosphere prevailing during the Emergency Period. Particularly important, though, were certain radical problems inherent in the organisation of agriculture on the island - features which have so far tended to frustrate the attempts at long-term development of this sector in Cyprus.

Chief among these obstacles is the extreme fragmentation of land-holdings. According to the 1946 Census, the average holding per farmer was a mere 19 acres. Moreover, 70 per cent of farm-holdings were below this average in size, while only about 3 per cent were of 60 acres or more. By the time of the 1960 Census, the average had fallen to 15 acres per holding. When one considers that the average number of pieces held per farmer at this time was 9.5[3], and that these would be widely scattered throughout the territory surrounding his village, it is clear that the likelihood of improving the yield of the land and the productivity per man-hour is rather small.

Paradoxically enough, the reform of this situation might have been easier to carry out if Cyprus were still ensnared in a feudal system of land-ownership and tenancy. As it is, the bulk of the land is owned freehold by the villagers, and its almost irretrievable fragmentation follows from the application of the inheritance laws, according to which property is to be divided equally among the owner's children. The only large landowner renting out property on the island is the autocephalous Greek Orthodox Church, which is estimated to control some 8 to 10 per cent of the farmland, having acquired it either by outright purchase or by bequest from the populace. However, tenure (which is sold by auction in the villages) is granted for only two years at a time, so there is little incentive for tenants to make improvements. In fact, the only effective post-war developments in agriculture have come from a very small number of large capitalist farmers, based on the towns. But since these have mechanised and rationalised production to an impressive degree, there is little they can offer the rural population in the way of direct benefit except for short periods of seasonal employment.

Faced with the traditional system of agriculture in the villages, the Colonial Administration chose not to transform it, but merely to support it so that it might become better integrated into the large-scale network of buying and selling. Rural co-operatives were introduced, with marketing functions, and also as channels for investment and savings, for which purpose they operated in conjunction with the banks. In some respects these have been extremely successful, but in themselves they could not overcome the structural problems that have already been referred to. Moreover, they could do little on their own to combat the chronic degree of indebtedness to usurers that shackled villagers and their families in many parts of the island. Where crops were lost, they could provide seed for the next year, and between them and the social insurance agencies they could prevent the starvation in times of drought which in the previous decades and centuries had sent so many thousands of Cypriots fleeing desperately overseas. But this was merely patchwork on a system which was already rotten to the core, not least in the minds of most of those subject to it. Underemployment remained a basic problem, alleviated only spasmodically by Government works. In a villager's working day, much of the time is spent in moving from plot to plot. With the dry-land cereal cultivation that occupies so many of the island's farmers, there are long periods of idleness between ploughing and sowing in late autumn and the harvest which follows in early summer. Even allowing for alternative forms of employment, it has been estimated that as many as 30 per cent of the rural labour force are under-employed.

But perhaps the most critical difficulty of all, which the reform of all these organisational problems could not overcome, is that deriving from Cypriot dependence on a rainfall that is both unpredictable and almost unharnessable. Drought is endemic in Cyprus. Not only does it affect the rural population directly, but in a country as a whole so dependent on primary production it affects wages, prices and almost everything else in consequence, so that there can be little solace for the villagers if they turn in other directions than that of the land. It is hardly surprising, therefore, that the two periods of most serious drought in post-war times coincide with the periods of most rapid increase in emigration from the island - the early 1950s and the very end of the same decade.

In order to appreciate more clearly just how changes in agricultural conditions may affect the rate of emigration, it is necessary to look again at Figure 6.1, and at the same time to employ more detailed information as to the conditions prevailing in agriculture than a single production index can

convey.[4] We must consider not merely agricultural production in general, but also the output of staple foodstuffs such as cereal, and as well as these we must take into account the level of prices and of subsidies.

The early post-war years were a period of considerable prosperity in Cyprus: there was no serious drought during this time, and although there was a partial failure of the wheat crop in 1948, this is not markedly (if at all) correlated with any movement in the rate of emigration to Britain. However, Figure 6.1 does not include any reference to emigration to countries other than Britain. It so happens that the few years from 1948 onwards were the only part of the post-war period in which emigration to any other destination was relatively substantial in scale. The Australian Immigration statistics record a marked rise in immigration from Cyprus during the years 1948 and 1949[5], and one would expect the increase to be spread over into the year after the crop failure on account of the making of plans for, and time spent in such long distance travel. In this immediately post-war instance, therefore, we can definitely note a correlation between agricultural conditions and emigration as a whole: though why this should have affected the movement to Australia rather than that to Britain is something which will be investigated in the following Chapter.

1949 was, according to the Colonial Report, an "exceptionally good" year from the point of view of the harvest. In 1950, however, floods followed by drought caused a poor harvest, and the continuation of drought into the following year caused an exceptionally bad harvest from agriculture - especially from cereal crops. Yet although we find the rate of emigration to Britain increasingly substantial during this period, it is still the movement to Australia which is most marked in its attendant fluctuations. After 1952, however, the Australian movement became increasingly insignificant against the flow of migrants to Britain, though it too registered a peak in the year 1955, the only year of the mid-1950s in which cereal was adversely affected.

At the end of the decade, the situation in agriculture became somewhat more complicated than earlier. In 1957 the harvest was good, but prices for some products were lower, and the Government subsidised farmers for their losses on cereals and grapes. For reasons to be discussed later on, the long inflationary boom that had built up during the fifties was beginning to collapse, and the Government was attempting to cushion the farmers against the blow. In 1958, bad weather conditions produced a poor performance in most sections of agriculture (though significantly not in cereal production), and once again the Government stepped in to maintain receipts. Average weekly earnings in agriculture reached new peaks (almost twice the level of four years earlier) in spite of general stagnation in production. 1959, though, brought agreement on Independence, and with it uncertainty about the future and a substantial cutback in employment on the part of the Administration. Many thousands of ex-employees returned to the land, but there they could find little to satisfy them. Although agricultural production in general was fair, the output of cereals was much reduced: prices, too, fell back considerably, and both receipts and earnings were much reduced on previous years. In 1960, things continued from bad to worse, with the weather and harvest at its worst since the beginning of the decade. All of agriculture was hard hit, but especially cereal production, and unlike most other products this did not pick up again until 1962. Bad weather conditions therefore coincided with a general period of economic depression to create a most serious situation for all those dependent on agriculture in Cyprus. Since from 1959 onwards this included many people previously employed in other sectors, it is not difficult to appreciate that the agricultural situation was of considerable significance in relation to the increased outflow of emigrants that began in 1959 and reached a uniquely high level in the years 1960 and 1961.

In the most recent years agricultural production in Cyprus has improved substantially, though it is difficult to determine precisely what effect this has had on migration. It may be noted that the 1964 peak in the number of emigrants to Britain (a peak too in the series for all destinations) coincides neatly with the single set-back, which, incidentally, was particularly marked in cereal production. Although several other factors operative during this period have yet to be discussed, it can be said that here again the correlation between agricultural conditions and emigration appears to be significant.

Agriculture, it would appear then, has not been developed sufficiently in post-war Cyprus to provide secure and substantial opportunities for a rapidly increasing rural population. In spite of

attempts at improvement, production has been hampered by short-run difficulties as well as a number of long-run obstacles. Insecurity is another problem, due to periodic drought and an uncertainty about price levels. Moreover, income levels among the rural population are remarkably low: £67 being the average per capita income in 1959 of persons directly dependent on agriculture, as opposed to £196 for the non-agricultural population. Even this degree of income would not have been so high were it not for the Administration's policy of subsidising wheat production on the island, thus enabling farmers to meet the competition of substantially cheaper imported grain. Of course, on closer enquiry one finds much variation in the standard of living and extent of property-ownership among the rural population - from poor landless shepherds through to the successful entrepreneurs among village farmers. Even so, and in spite of such variations (which it is not possible to investigate here), what has been said of agriculture in general is broadly accurate for the vast majority of the rural population - which is, in turn, a clear majority of the population of the island as a whole. For making a satisfactory living, therefore, they must inevitably rely to some extent on taking jobs outside their villages and in the towns, and as an alternative (especially for the younger generation) on the possibility of uprooting themselves and emigrating overseas.

Economic Conditions: The Non-Agricultural Sector

We must now turn to consider the opportunities for employment and wage-earning outside the sector of agriculture. This is not simply a question of distinguishing urban from rural employment patterns. For a start, many villages on this small island are near enough to the military bases and to other employment opportunities for the villagers to travel to work each day. Job opportunities such as road or other communications work may come to the villagers from time to time. Quite commonly, too, villagers go out to work on a weekly basis, returning to their village homes at weekends. Those with stable jobs and good wages may bring their families into the towns and set up homes there, but many do not have such security and, though they are urban workers, they are not urban residents properly speaking. Labour mobility is therefore remarkably fluid in Cyprus and it is far from easy to define the employment situation at any one time.

Nor is it easy to say just who is an agricultural worker and who is not. Asked in the 1960 Census to report any subsidiary occupations, over a quarter of male non-agricultural workers reported subsidiary occupation in agriculture; and from agriculture itself the equivalent proportion was not much lower.[6] Given the seasonal nature of much subsidiary work, these figures are likely to underestimate quite considerably the total proportion who at some time or other during the year become involved in work in the alternative sector.

What we seek in general here is some measure of the capacity of the remainder of the Cyprus economy to absorb that proportion of the population which could not be satisfactorily supported by agriculture. We may begin with an examination of the extent of unemployment in post-war times. The available statistics are by no means satisfactory, but since they constitute the best overall index that is available, they are presented in Table 6.2 and will provide a basis for further discussion and an examination of more detailed evidence.

The series of statistics for registered unemployed have been represented graphically in Figure 6.2 so that their trend may be compared with that of annual Cypriot emigration to Britain. The correlation of the periods of maximum unemployment and emigration in post-war times is immediately obvious, but it is also noticeable that during the early and middle 1950s the two series show divergent trends. However, we must be extremely cautious in our interpretation of these data, especially the series which has been proposed to indicate the employment situation. As far as the emigration statistics are concerned, we must note what has been pointed out earlier: that if migration to the only other major post-war destination, Australia, were included, the graph would appear to rise rather more smoothly over the first post-war decade, and would thus lose the marked rise in the mid-fifties that contrasts so sharply with the trend in employment.

Table 6.2

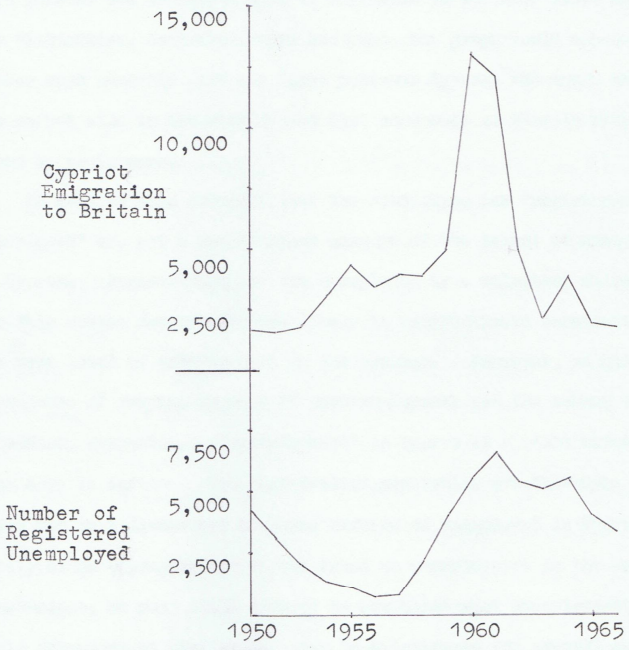
REGISTERED UNEMPLOYMENT IN CYPRUS 1951-66

	No. Registered Unemployed	% of potential working population
1951	4283	1.5
1952	3103	1.1
1953	1999	0.7
1954	1345	0.4
1955	1155	0.4
1956	829	0.3
1957	921	0.3
1958	2252	0.7
1959	4033	1.2
1960	5606	1.7
1961	6725	2.0
1962	5483	1.6
1963	5194	1.5
1964	5636	1.7
1965	4030	1.2
1966	3484	1.0

Sources: Republic of Cyprus, Economic Reviews and Statistical Abstracts.

Figure 6.2

EMIGRATION FROM CYPRUS AND UNEMPLOYMENT 1950-66



Sources: For Cypriot migration, see Chapter 1; for unemployment, see Table 6.2.

It must be said outright that the statistics for "registered unemployed" are not a satisfactory measure of the extent of unemployment in Cyprus. Registration for the unemployed is a voluntary matter, and for this reason the figures are likely to underestimate substantially the true level of unemployment in the economy. Moreover, in view of the prevalence of varying degrees of underemployment and the taking of subsidiary occupations, "unemployment" in Cyprus is a state which is far from easy to define. The registration statistics are therefore used here, not to indicate the absolute numbers of unemployed in Cyprus, but merely as an approximation to the trend in unemployment in the economy. Nonetheless, we must still attempt to establish what unemployment, and these unemployment statistics, mean in relation to the overall economic situation.

Non-agricultural employment is concentrated principally in craft and light manufacturing businesses, in building and construction, and in the services sector. With much of the manufacturing being of food and drink products, with many services devoted to tourism and with construction to some extent subject to the weather, it is inevitable that much of this employment is seasonal in character. Moreover, non-agricultural employment is predominantly in small-scale enterprises. At the time of the 1954 Industrial Census, 26,000 workers were employed in manufacturing, with more than 11,000 enterprises in operation. Two-fifths were one-person establishments, and 93 per cent employed no more than four persons. Only nine establishments employed more than a hundred workers. In building and construction the picture was almost identical. Here again, two-fifths of the enterprises were of one-person only, while 82 per cent employed not more than four workers. The subsequent Census of Industry carried out in 1962 found no significant change in the manufacturing sector; and in the construction industry the among of casual labour was such that no meaningful data on the size of establishments could be collected. [7]

Clearly, Cyprus is still far from possessing an industrialised economy. With only the rate instance of large-scale mechanised factory production, the predominant characteristic of her non-agricultural sector is the small establishment - often a one-person enterprise, and if not, a small business employing family members or others with personal ties connecting them with their employers. When trade is bad, or the work out of season, such small enterprises tend to keep going as best they can, or else lay off workers temporarily so that they can return to their homes or villages. Such workers retain a personal attachment to the enterprise, and expect to be re-employed by the manager as soon as the opportunity arises. To take a different job would be betrayal of the original employer, and anyway such vacancies are generally far fewer than the number of applicants seeing them. The villagers, lacking information and isolated from the urban registry offices, are for these reasons too, unlikely to appear in the counting, preferring to wait till the wage season returns or till work comes out to meet them in their villages - or at least reasonably nearby to their homes.

The official registers, therefore, will definitely underestimate the extent of unemployment among the population, to a degree varying according to the situation. They can be expected to reflect more accurately the position among permanent urban residents, who are committed to continuously paying their rents and maintaining their families, than among temporary urban residents and village residents who have other resources to fall back on. Moreover, they can be expected to reflect short-term fluctuations in the economy less than long-term ones, and to reflect conditions affecting small establishments (organised on a personal basis) less than those affecting the large employers of labour. A dismissal of employees by the latter may be expected to result in an immediate rise in registered unemployed: though, if such events were widespread and there was little demand for labour, a sense of hopelessness would set in and ex-employees would seek alternative solutions. On the other hand, in times of expansion and a continued demand for labour, one would find the registry offices much more active than usual, with new workers seeking out new and better opportunities in the employment field. For such reasons, therefore, we must allow that the statistics for registered unemployed will underestimate the extent, though not the immediacy of a major reduction in the demand for labour, and they will underestimate both the extent and the speed of an improvement in the labour situation.

In the light of this overview and interpretation of the employment situation during the post-war period as portrayed by the official statistics, we may now turn to look more closely at the conditions in the non-agricultural sector, charting their variation chronologically from the war-time onwards.[8]

From its status as economic back-water throughout the 1930s and earlier, the island of Cyprus was transformed during the war into a country of development and minor prosperity. Defence work after the fall of Crete brought wages for thousands of employees, the spending money of thousands of soldiers, and dramatic improvements in communications and public health. As Meyer has put it: "Some privation was felt by upper-income Cypriots as German torpedoes made luxury goods from abroad scarce, but to most Cypriots the war meant more jobs, much better income, and relief from the drab monotony of life in the island's villages."[9]

For the early post-war years in Cyprus, no statistics for unemployment comparable to those already cited are available. The Colonial Reports confirm, though, what one would be inclined to expect in view of the general prosperity of Cyprus immediately after the war - that is, that employment was well-maintained in those years. In 1949, however, the Colonial Report recorded "the emergence of unemployment for the first time on any scale since the early days of the war", and cited figures to show that even in the peak harvest period there was still a substantial number out of work. It would seem that around the turn of the decade, with the poor performance of agriculture during these years, there was considerable unemployment in the non-agricultural sector of the economy. Prices and wages had moved up to high levels since the early years of the war, and a moderate recession now set in. It is not surprising, then, that in these years the rate of emigration to Britain began to move ahead, and the movement to Australia increased substantially.

Although this set-back gave something of a jolt to the sense of prosperity in Cyprus, it was merely a temporary phenomenon and far from a basic collapse. Prevention of the latter was ensured by Britain's reactions to a number of international events of the period - chiefly the Palestine settlement and the subsequent developments in the Arab world, culminating in the withdrawal from Suez in 1952. The strategic importance of the island was greatly enhanced, and investment in military bases on the island was steadily increased from the beginning of the decade. This development, and the drawing off of some 5,000 workers for civilian labour in the Suez Canal Zone in late 1951, provided relief for many of the island's unemployed. The improvement in the labour situation is reflected in the official statistics, available from 1951 onwards, in the form of a steady decline in the number of registered unemployed. As is evident from Figure 6.2, registered unemployment remained relatively low for a number of years, during which Cyprus' general prosperity showed little sign of abating.

In spite of the outbreak of the struggle for Independence, the boom conditions in the Cypriot economy continued past the middle of the decade through into 1957. In that year a number of new factors came into play, and by 1958 their effects had become noticeable - not least in the rise in unemployment. Some of the details of the economic crisis which followed have already been given in the discussion of the agricultural sector. What were the causes of this crisis which, as we shall see, is closely correlated with changes in the rate of emigration, and how did it develop in and affect the non-agricultural sector of the economy?

The boom in the Cyprus economy which lasted from 1950 to 1957 was of unusual magnitude. The Gross National Product increased on the average by 11.9 per cent per annum, as measured in terms of current prices, while the figure was still as high as 5.8 percent when in terms of constant prices. Particularly important in this development was the extensive investment on the part of the Military Authorities, already mentioned, and also the very favourable trend in the prices obtainable for the island's export goods - especially citrus fruits and copper. Imports, however, continued to run at an extremely high level, almost doubling in value between 1954 and 1957, at which time more than half the average Cyprus pound was being spent on imported goods. The cost of living had risen by 55 per cent over the seven-year period, though average weekly earnings in real terms were still up by 38 per cent on their equivalent 1950 level. Yet agricultural output failed to achieve any increase after 1953, and throughout the period manufacturing was losing ground to other sectors in its contribution to the national product. Investment did increase, drawing on savings and on greatly extended credit facilities provided by banks, but for the most part it was directed into unproductive forms of capital such as in building and construction, usually designed to meet the needs of military personnel and of tourists. This development, therefore, was not creating the conditions for its own continuance; on the contrary, it was almost wholly dependent on external factors, uncontrollable by the Cypriot people themselves.

Sooner or later the external supports were bound to fail. It so happened that in 1957 several of them began to weaken simultaneously, and although there was in no sense a sudden collapse, the adverse effects became increasingly felt in the subsequent years throughout the economy.

Apart from the Emergency, which considerably disrupted economic life on the island in general, as well as cutting out tourism in particular, there were two other changes of major significance: the fall in export prices, and reduction in investment on the part of the Military Authorities. The fall in the price of copper in 1957 was particularly serious for Cyprus since about half of the island's export revenue is derived form this one source. Employment in this sector, however, is small both in relation to its financial importance and to other sectors, and so the change affected Cypriot workers in a diffuse rather than in any particular way. With the Military Authorities, by contrast, the impact was of both kinds: general, through a substantial cut in overall expenditure, and particular, through a direct laying-off of workers, beginning early in the following year. In order to appreciate the significance of the economic activity of the Military and Government at this time, it is necessary to take a closer look at the statistics for their expenditure. These are given in Table 6.3.

Table 6.3

EXPENDITURE IN CYPRUS OF U.K. AUTHORITIES 1951-60

	Military Authority Expenditure (1950=100)	Government Development Expenditure (£1,000's)	Government Emergency Expenditure (£1,000's)
1951	110	653	..
1952	306	944	..
1953	315	619	..
1954	449	689	..
1955	702	939	..
1956	1,420	2,853	3,625
1957	1,112	3,600	8,352
1958	1,087	2,450	10,543
1959	1,046	1,677	9,612
1960	1,217	1,114	..

Source: Republic of Cyprus, Economic Review, 1960

From this table of Military and Government expenditure form 1950 to 1960 it can be seen how the economic activity of the authorities was increased through most of the decade, especially in the years 1951 and 1952, and after the year 1955. Military expenditure in particular became reduced by towards a quarter in 1957, by comparison with 1956, and Government Development Expenditure fell as well in the following year. Emergency expenditure, however, rose dramatically at the end of the decade, falling away to nothing immediately prior to Independence. As far as direct employment by the Authorities is concerned, the most significant figures are those for Military Authority expenditure. By 1957, much of the construction work, earlier accelerated, was reaching completion, and less workers were now required. With the political uncertainty, ordinary Government expenditure was reduced in some directions, and employment here too fell slightly. Moreover, several thousand Greek Cypriot employees on the air bases and on NAAFI premises were dismissed for political reasons in late 1958. Exactly how much unemployment overall was created by the action of the Authorities in these years is uncertain, principally because the large amount of spending money passing into the economy, especially through the hands of military personnel, created or maintained many jobs that were not directly

dependent on the Authorities. Meyer has estimated for 1957 that at least 8,000 Cypriots were employed in direct labour on the bases; while a further 8-10,000 were employed in work indirectly associated with the bases, especially in construction. Allowing for the multiplier effect of the funds thus loosed into the economy, he estimates that as many as 20,000 jobs were involved, accounting for almost two-fifths of the island's non-agricultural labour force. Clearly, the policy of the U.K. Authorities was of major importance as far as the employment situation on the island was concerned, and also in relation to the economy in general. The cut-back in employment did much to aggravate an already extremely unstable economic situation, and its impact was only temporarily delayed by the continued pumping of purchasing power into the economy through Emergency expenditures.

As will already be clear, it was the construction industry that showed the most remarkable expansion during the 1950s. Employment in this industry rose from 8,830 in 1950 to around 16,500 in 1954, and during the period 1956-8 was estimated to be in excess of 20,000. The following year it was estimated to have fallen back to around 16,000. The pattern of this growth was one of a mushrooming of small-scale enterprises: in 1954, as has already been pointed out, 84 per cent of workers were in establishments employing four or less persons. In the heyday of the 'boom' wages were extremely good, with average weekly earnings in real terms rising by over a third between 1954 and 1957. Not that earnings fell very markedly after that year: rather, it seems that given the highly fragmented organisation of the industry a certain proportion of workers simply dropped out, and either returned to agriculture or emigrated. With so much employment in the non-agricultural sector in Cyprus being engaged in small-scale independent enterprises, there is a certain fluidity in the reaction of labour to an economic recession.

The ease with which labour will adapt to such changes in the employment situation, however, depends on the availability of alternative opportunities. With Government employment being reduced, the mining industry under pressure, manufacturing showing only limited expansion, and tourism at a standstill, there was little, if anything, on offer in the non-agricultural sector. Moreover, many of the workers with urban jobs had supposed them secure and had therefore to a considerable extent severed their ties with their villages. This was particularly true of young men who had left their villages in their teens, and who in adulthood had known only the life in the towns. Such persons often found the prospect of return to village life too tedious and alien to be acceptable. Furthermore, they had become accustomed to a standard of living far above anything that could possibly be achieved in village agriculture. Furthermore, even to those who had remained in the villages, the prospects were poor. Prices for some agricultural products were lower from 1957, and in 1958 poor weather conditions were only compensated for by continued Government subsidisation. In 1959 the situation of most farmers worsened, with falling prices and cereal production down by towards a quarter. Finally, 1960 brought the worst weather conditions since the beginning of the decade, and a disastrous year for agriculture in almost every respect. Clearly for those who wished to find secure jobs and to maintain their previous standard of living, agriculture at this time could provide neither sound hopes nor illusions. Many in fact did return to agriculture in 1958 and 1959, but in view of the events in the economy as whole, it is hardly surprising that emigration to Britain began to rise rapidly from its already substantial level towards the end of 1959 and in 1960.

The inadequacy of the statistics for registered unemployment, as a measure to be correlated with emigration, will by now be fully apparent. As was pointed out earlier, the trend they reveal is broadly accurate for this period, but the extent of unemployment is not. According to the official figures for mid-1960, unemployment stood in the region of 6,000. However, informed Trade Union estimates place the level of unemployment at that time in the region of 15,000 - more than twice as high. This figure represents a substantial minority of the non-agricultural male working population. Given the lack of opportunities in Cyprus, and the openings available in Britain, the number of emigrants who left at this time seems relatively modest.

A considerable economic recovery and expansion has followed since Independence in 1960. Planned development, with financial support from Britain under a five-year agreement, indirect aid through the maintenance of the Base Areas, and technical assistance from various sources, has given rise to considerable economic success in the early years of nationhood. Prices have remained stable,

while real wages have continued to rise. Agriculture, after only a partial recovery in 1961, has shown a substantial improvement in productivity. The construction industry has maintained high levels of activity, though without the dramatic increase of the previous decade. The figures for registered unemployed have decreased considerably, but they substantially underestimate the extent of the improvement in the labour situation - from the very high levels of unemployment in 1960 and 1961, to subsequent years in which the apparently maintained levels reflect in part merely the raised hopes and aspirations of the workers of Independent Cyprus, and their seeking out of further opportunities.

The sudden drop in emigration to Britain in 1962 can be explained to some extent by relating it to this improvement in the economic situation in the early 1960s. However, on this point, we must also examine the economic situation in Britain at that time, and the effect of the 1962 Commonwealth Immigrants Act. This matter will be discussed in the following Chapter. The year 1964, though, illustrates again the sensitivity of emigration from Cyprus to the external stimulated fluctuations in the Cyprus economy. The outbreak of civil strife at the end of 1963 brought disruption in some sectors and a lack of confidence: the construction sector in 1964 showed a contraction of output of 35 per cent on the previous year, though it picked up again in 1965 with a 32 per cent rise. For agriculture, too, 1964 was a poor year, with cereal production especially reduced. Unemployment rose, and so did emigration - back to the substantial levels of departure during the later 1950s. However, improvements continued in 1965, the employment situation being helped by the enrolment of a large number of young people in the Cypriot National Guard.

Economic Factors: Conclusion

In spite of these improvements in performance during the early years of Independence, the future is by no means optimistic. The basic structural problems remain. Primary production, anyway so dependent for its fortunes on the vagaries of the weather and of the international market, is still largely organised on a peasant basis, and in this respect presents major obstacles to modernisation and development. Manufacturing continues to operate mainly on a small-scale craft basis, lacking capital for investment, unable to compete with imported goods, and almost exclusively consumption-oriented anyway. The mines, a major source of income, are coming near to exhausting the known mineral resources of the island. Tourism was long at a standstill on account of the political situation. Capital investment remains directed primarily into unproductive building and construction, while a high proportion of consumption expenditure is lost on goods imported from abroad. The persistent high level of spending in the economy is due to the continued, though diminishing, presence of the British Military, to the United Nations peace-keeping force, and to the substantial numbers of regular Greek and Turkish soldiers unofficially stationed on the island. Moreover, the Military Authorities still, at the end of 1966, provided employment for some 7,000 Cypriots on the British Bases.[10] The departure of all these alien elements on the island will induce a considerable deflation in the economy, other things being equal, and will give rise to much unemployment or underemployment. Once again there will be more and more people finding that emigration is the only solution.

The conclusion of this examination of the influence of economic factors upon emigration is not simply that, on account of its under-developed nature, the Cyprus economy has been unable to absorb a quickly growing and youthful population. For the fact is, that given the powers and resources at the disposal of the Colonial Administration, much could probably have been done in the post-war period to initiate more radical changes in the economy than were actually achieved. As it happened, Britain's political interests were the main determinants of colonial economic policy, and the long-run economic interests of the Cypriot people were largely eclipsed. Although a valuable 'infrastructure' was established, industry and agriculture did not in themselves develop, but were merely improved as a mode of peasant and craft production. Obviously, it suited Britain's interests to keep Cyprus backward in these respects. Nationalist feeling was deep rooted, but the peasantry was dispersed, and organised labour, though active, was still on a modest scale in the early post-war years. Yet no one had allowed for Grivas and his guerrilla tactics in pursuit of Britain's departure. Thus throughout the 1950s, for reasons of both internal and external strategy, Britain pumped in spending money and created more jobs, giving rise to a precarious affluence among Cypriots. When the boom burst, after 1957, there

were no alternative opportunities available; some had the option of returning to peasant poverty, but for many, emigration was the only solution. Thus throughout the post-war period of mounting emigration, the search for causes takes us back by various routes to the British Colonial Authorities, whose post-war policies in Cyprus established standards and raised aspirations among the Cypriots, only later to remove the foundations beneath them without having created anything solid by means of economic development as a replacement. In such circumstances one can hardly blame Cypriots for claiming their right to come to Britain itself in order to gain the security and prosperity that had eluded them.

Footnotes

1 Studies on Immigration from the Commonwealth, Economist Intelligence Unit, 1962, Vol. 2, p. 11.

2 Evidence of economic conditions in Cyprus which is presented in this Chapter, unless indicated otherwise, is drawn from either Meyer, A.J., The Economy of Cyprus, Harvard U.P., 1962 or United Nations: Programme for Technical Assistance, Cyprus: Suggestions for a Development Programme, New York;, 1961.

3 C.P.A. 1946, 1960.

4 Figures for conditions in specific years are drawn from the Government of Cyprus, Colonial Reports and Economic Reviews (both published annually).

5 See Table 7.4 for actual figures.

6 C.P.A. 1960.

7 Government of Cyprus, Census of Industry 1954; Republic of Cyprus, Census of Industrial Production 1962.

8 Figures for conditions in specific years are drawn from the Government of Cyprus, Colonial Reports and Economic Reviews.

9 Meyer, op.cit., p. 10.

10 The Times, 25 February 1967.