



***Is forced poverty a new form of massive abuse? The  
Cyprus experiment.***

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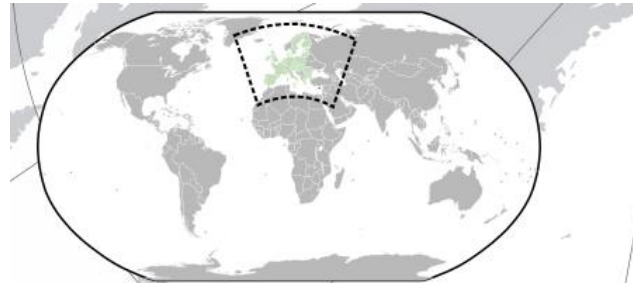
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# The Island of Cyprus

# PROLOGUE: The Island of Cyprus 1/7



**SIZE OF CYPRUS**  
**21 X YOKOHAMA**  
**6 X LONDON**

Located in the  
eastern region of the  
Mediterranean Sea  
Sovereign country  
member of the EU  
since 2004





## PROLOGUE:

### The Island of Cyprus 2/7

Human  
habitation of  
Cyprus dates  
back to the  
Palaeolithic era



*Small place, big history*



Cyprus Jug - 750 B.C.

The first undisputed  
settlement occurred in the  
9th millennium BC

## PROLOGUE The Island of Cyprus 3/7



Native inhabitants of Cyprus are Hellenes and have Greek as the mother tongue.

Nowadays 1/5 of the residents of the island are English-, Romanian- or Russian- native speakers.





## PROLOGUE The Island of Cyprus 4/7

Half part of the island has been occupied by Turkish army troops since 1974

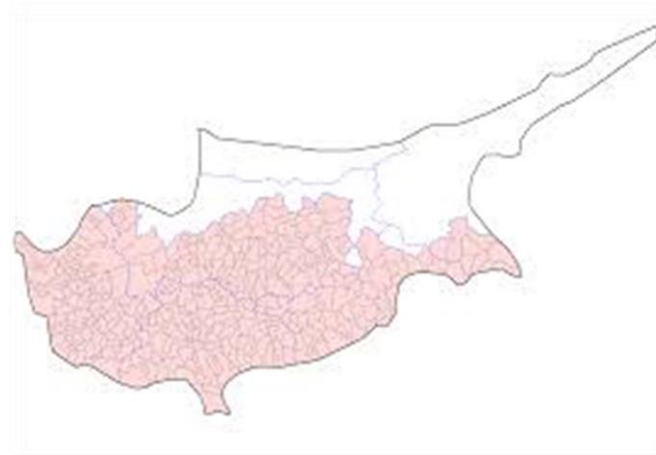
3% of the land area of Cyprus is controlled by British army forces since 1960

The remaining land area of the island is governed by the Republic of Cyprus



## PROLOGUE: The Island of Cyprus 5/7

862 000 people live in the non occupied south.



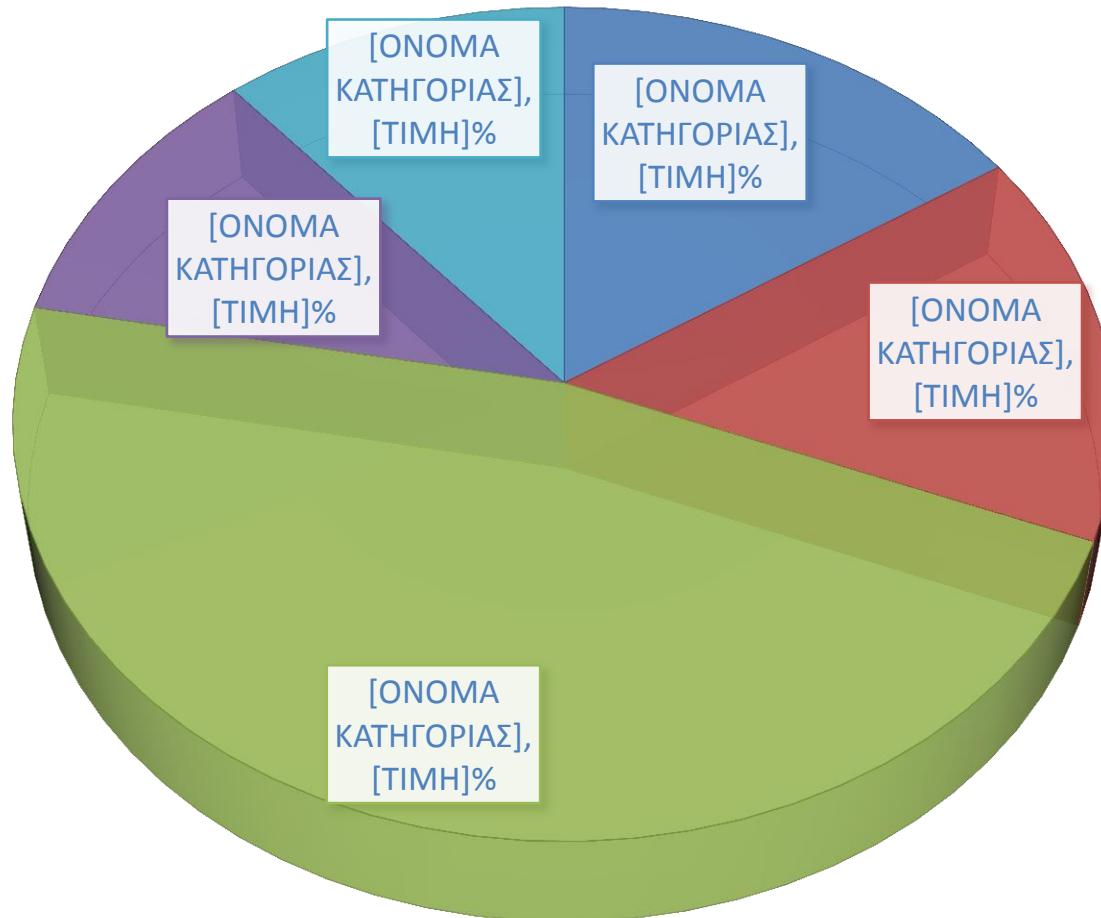
Women make up 51.4% of the population and both Cypriot males and females reserve greater mean age than the world **mean age** for the two genders.

Country	Male yrs	Female yrs
World	28.9	30.4
Cyprus	34.4	37.4
Japan	44.8	47.5





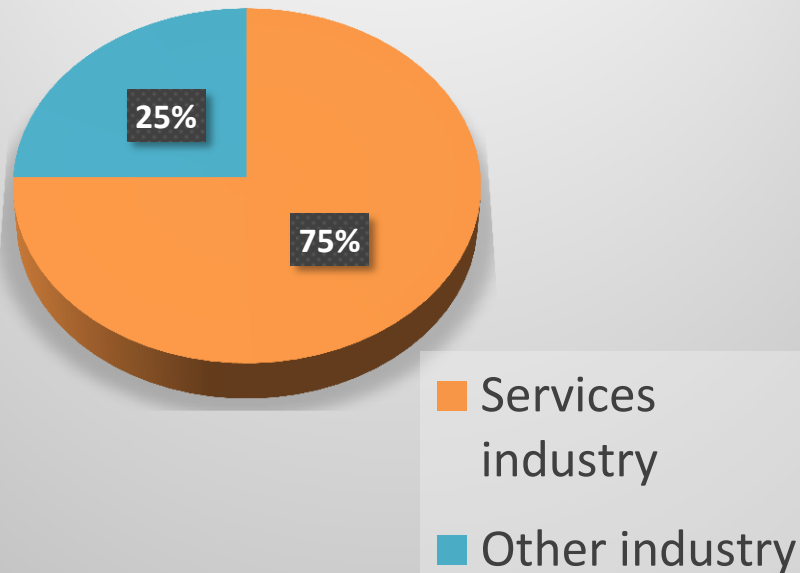
## 2014 CYPRIOTS AGE DISTRIBUTION



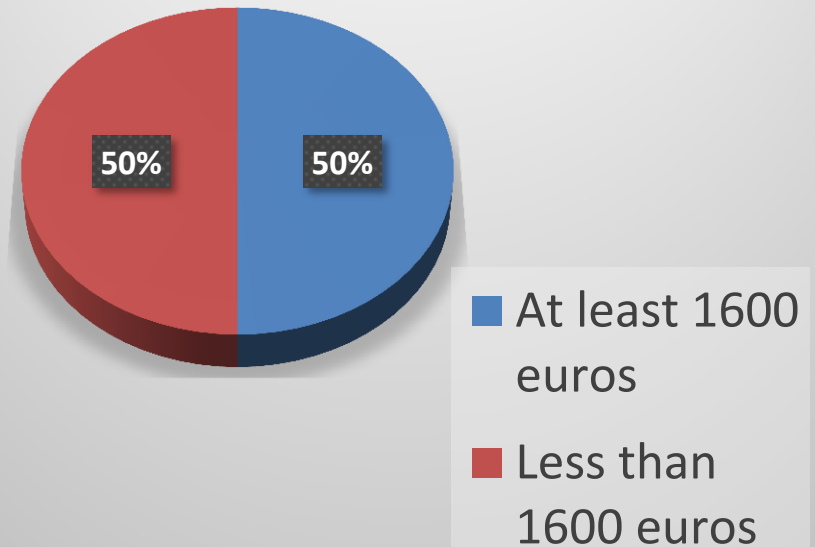


## 2016 SORT OF EMPLOYMENT AND INCOME

### EMPLOYMENT IN CYPRUS



### MONTHLY INCOME FOR EMPLOYEES





*“The Cyprus experiment”*

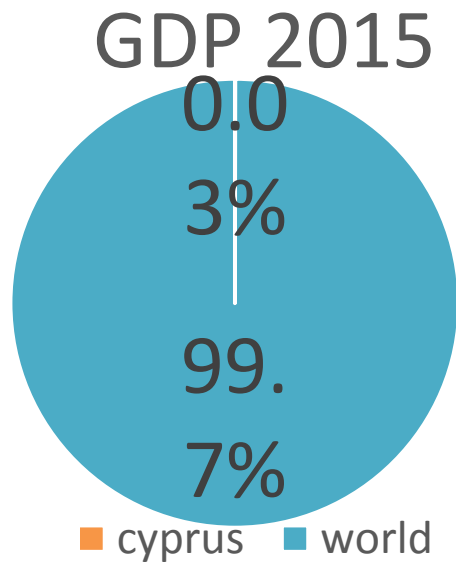
Cypriot Financial Crisis 2012 – 2013

Economic Adjustment Programme for Cyprus

Statistics During the Crisis

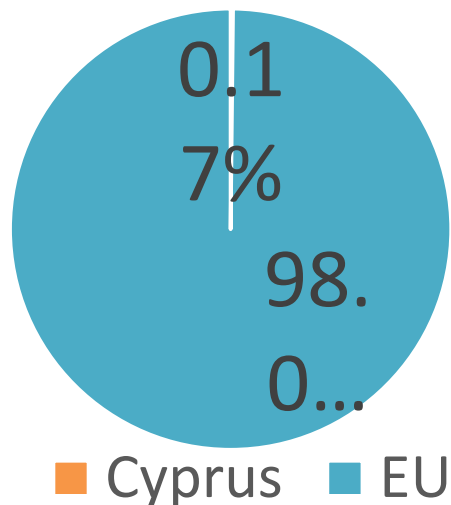


## INTRODUCTION: The experiment of Cyprus 1/13



The Gross Domestic Product (GDP) of Cyprus was worth 19.32 billions USD in 2015.

The GDP value of Cyprus represents 0.03 percent of the global economy.



It is amounting to only 0.17% of the EU GDP





## INTRODUCTION: The experiment of Cyprus 2/13



SOURCE: WWW.TRADINGECONOMICS.COM | WORLD BANK GROUP

GDP in Cyprus averaged 10.67 USD billions from 1975 until 2015, reaching an all time high of 27.49 USD Billion in 2008 and a record low of 0.49 USD Billion in 1975 (1 year after the Turkish invasion in Cyprus).



### The Milestones of the Cyprus Experiment

1. On 13 March 2012, Moody's, warned the Cypriot government that they would have to inject more fresh capital into its banks to cover losses incurred through Greece's debt swap.
2. On 25 June 2012, the day when Fitch downgraded bonds issued by Cyprus to BB+, which disqualified them from being accepted as collateral by the European Central Bank, the Cypriot government requested a bailout from the EU.
3. On 25 July 2012 Troika (European Union, the International Monetary Fund and the European Central Bank) submitted the terms of the bailout to the Cypriot government but the last expressed disagreement over the terms and continued negotiation with Troika's representatives concerning possible alterations to them throughout the following months.



## Milestones of the Cyprus financial crisis

4. A month after February 2013 presidential elections, Cyprus was facing its worst financial crisis in decades because its banks were about to collapse.
5. On 19 March 2013 the Cypriot Parliament rejected a European bail-out programme because of the unpopular condition that all depositors face conversion of their deposits into bank equity as part of a plan to recapitalise the banks.



## Milestones of the Cyprus financial crisis

6. On 20 March 2013 Cyprus authorities closed its banks while the European Central Bank (ECB) threatened to cut off emergency lending to Cyprus within the week. Intensive negotiations were followed for days causing great agony to Cypriot society.







## INTRODUCTION: The experiment of Cyprus 6/13

### **Milestones of the Cyprus financial crisis**

7. On the 25 March 2013 the new president struck a deal with the Troika to keep the Republic of Cyprus in the Eurozone and save the country from bankruptcy. However, the price was extremely high. The raid on bank accounts and the seizure of savings has been a historic first in the global financial crisis
8. ECB withdrew the threat to turn the liquidity taps off. This meant that banks could re-open after few weeks. However, capital controls were gradually eased and the last remaining of them lifted on April 6, 2015, just over two years after initially implemented becoming Cyprus the Eurozone's first country to impose cash restrictions.



## INTRODUCTION: The experiment of Cyprus 7/13

The basic conditions of 25 March 2013 Troika's 10-billion-euros bailout package were the following:

- Closure the Popular Bank of Cyprus, the island's second-largest bank.
- Loss of all uninsured deposits (savings above 100 thousands euros) in the Popular Bank of Cyprus.
- Loss of 48% of uninsured deposits in the Bank of Cyprus (the island's largest commercial bank).
- Introduction of capital controls: severe restrictions on withdrawing cash and transfer money.
- Privatization programme..

### Eurozone bailouts as % of GDP

Cyprus bailout over half the size of the economy

● Bailout ● GDP



Source: Eurostat



## INTRODUCTION: The experiment of Cyprus 8/13



Cyprus  
capital controls  
Are they the  
heart of the  
abuse/trauma?

### Twelve-days bank closure Limitations to cash flow:

- transfer money abroad
- withdraw cash (only 100 euros per day)
- Cash checks, bonds, shares





**INTRODUCTION: The experiment of Cyprus 9/13**

# Remarks on the financial recession

1. In 2014 the rate of risk of poverty or social exclusion amounted to 27.4% of the population.
2. 27.4% of the Cypriot population in 2014 was experiencing at least one of the following conditions:
  - a. lived below the poverty risk threshold (income poverty)
  - b. lived in a household with severe material deprivation
  - c. lived in households with very low work intensity index



## INTRODUCTION: The experiment of Cyprus 10/13

# Remarks on employment during recession

- A direct consequence of the economic crisis in Cyprus has been the tremendous increase of unemployment in comparison with Eurozone's average.
- According to the Cyprus Statistical Service there is an increase in unemployment in the first quarter of 2013 (15.9%) compare to the first quarter of 2012 (11.1%).





INTRODUCTION: The experiment of Cyprus 12/13

## Remarks on employment during recession

- In June 2016 approximately 12% of the population still remained unemployed.
- At the end of June 2016 there is a 13.7% less unemployed compared to same month last year.



INTRODUCTION: The experiment of Cyprus 11/13

# Remarks on employment during recession

- **Stability in the employment in Broad Public Sector**
  - Increased by 0.23% during the 1st quarter of 2016 compared to the same quarter of 2015.
- **Increase of Job Vacancies**
  - Number of vacancies in the 1st quarter of 2016 decreased by 5.8% compared to the same quarter of the previous year.

# INTRODUCTION: The experiment of Cyprus 13/13

## Remarks on employment during recession

**June 2016: Total unemployed 35265 people**



Males	Number of Unemployed	Females	Number of Unemployed
<b>Total</b>	<b>17,244</b>	<b>Total</b>	<b>18,021</b>
Under 20	<b>41</b>	Under 20	<b>82</b>
20 - 24	<b>978</b>	20 - 24	<b>1,522</b>
25 - 29	<b>2,168</b>	25 - 29	<b>3,035</b>
30 - 39	<b>4,342</b>	30 - 39	<b>5,078</b>
40 - 49	<b>2,940</b>	40 - 49	<b>3,567</b>
50 - 59	<b>4,396</b>	50 - 59	<b>3,598</b>
60 - 64	<b>2,253</b>	60 - 64	<b>1,075</b>
65 and over	<b>126</b>	65 and over	<b>64</b>





Background & significance



## Background and Significance 1/4

### *Why I was interested in this research?*

- As clinician I experienced the psychological impact of Cypriot financial crisis in my everyday practice realizing that in many cases the experiment of Cyprus was experienced in a very traumatic manner inducing PTSD-like symptomatology.
- As the chief of Department of Applied Psychology of Ministry of Health of Cyprus I have got many opportunities to observe the psychological aspects of Cypriot financial crisis in the population of Cyprus on various levels and I felt the obligations to thoroughly investigate the psychological impact of a globally new form of massive mistreatment of people via lessening their incomes and holding without their consent.



## Background and Significance 2/4

### *Why I was interested in this research?*

- Coordinating the last three years a team of mental health professionals working to the formulation and employment of preventive psychoeducational programs for primary school aged children of low-income working families and of unemployed families, the current investigation will assist our efforts.



## Background and Significance 3/4

### *Why now doing this research?*

- Investigating the possibility that the Experiment of Cyprus may induce the occurrence and persistence of symptoms related to the PTSD I speculated that it would have been more beneficiary to wait until Cypriot economy begins to overcome the recession.



## Background and Significance 3/4

### ***How can be this research useful?***

- Investigating the possibility that the Experiment of Cyprus may result in traumatic impact to some people similar to known abusive, violent and dangerous situations would allow the state to develop some early preventive strategies to protect the public and some more effective treatment measures for the sufferers.



**Purpose – Variables – Hypotheses**  
**Material – Sample – Procedure**





**METHODS: Purpose**

# The Purpose of our Project

To investigate certain aspects of the psychological impact of the economic crisis of 2012 – 2013 (the Experiment of Cyprus) on the Cypriot population.

- To study whether the Experiment of Cyprus was a situation that could provoke a massive mental health traumatization of Cypriots.
- To screen whether PTSD symptoms occurred in Cypriots victimised by the Experiment of Cyprus



# Variables

1. Impoverishment, Forced Financial Loss (FFL) and Other Economic Mistreatment (OEM)
2. Post Traumatic Stress Disorder



# Impoverishment, FFL and OEM

- Could be the result of
  - haircut deposits
  - loss securities
  - declaration of bankruptcy
  - confiscation of property
  - pay cut
  - job loss



# PTSD

- The disorder can develop after exposure to traumatic event.
- Symptoms may include but are not limited to:
  - Severe Anxiety
  - Insomnia
  - Avoidance Behaviours
  - Nightmares
  - Uncontrollable Thoughts about the events.



# Relation between Impoverishment, FFL, OEM and PTSD

## Main Hypothesis

- People that suffered either
  - haircut deposits
  - loss securities
  - declaration of bankruptcy
  - confiscation of property
  - pay cut
  - job loss
- Will satisfy the diagnostic criteria for PTSD.

## Secondary Hypothesis

- The population whose scores do not suffice for fulfilment of the diagnostic criteria for PTSD will have clinically significant levels of depression, anxiety and/or stress.



# Procedure

- Based on the snowball method and random sampling
- Participants reached via telephone
- Informing the public about the project and gathering data via questionnaires
- We are currently collecting more data!
- Presenting today the data so far.

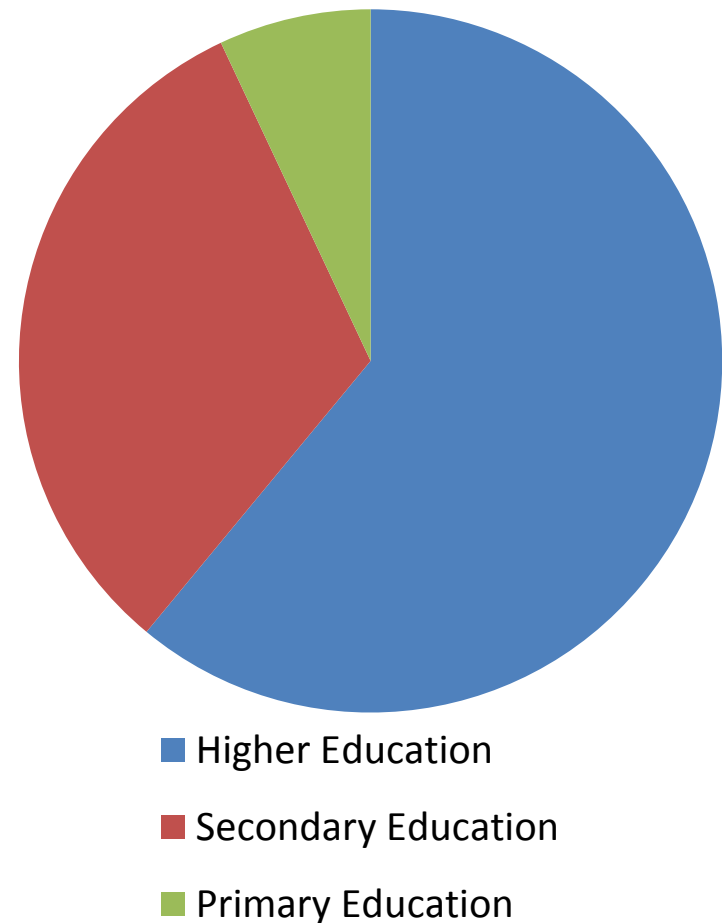


# sample

## Participants

- We are demonstrating here a sample of the population, the research is on-going.
- 47% Female
- Average Age of the respondents is 47.02 (SD 16.05) and 72% are currently employed.
- 97% are indigenous to the island.

Participant's Level of Education





# Material

- Research Tools
  - Life Event Checklist 5 (LEC – 5)
    - Detects Traumatic/Stressful Events
  - Post Traumatic Stress Disorder Checklist (PCL)
    - The PTSD symptoms for DSM-V
  - Depression, Anxiety and Stress Scales (DASS 21)
    - Three different variables – single questionnaire



# Material

## Order of Administration

- Introductory Statements and Demographics
- Life Event Checklist 5 (LEC – 5)
  - Discovering the Traumatic events and focusing on the economic variable.
- Post Traumatic Stress Disorder Checklist (PCL)
  - Using the Cut Off score of 33.
- Depression, Anxiety and Stress Scales (DASS 21)
  - Three different scores.



**PRELIMINARY RESULTS**  
WHAT WE HAVE GATHERED SO FAR



# Preliminary Results

- There is a **positive correlation** between the total score on the **PCL** and the people that suffered the traumatic event of losing their **bank securities** ( $r = 0.322$   $p = 0.001$ )



# Preliminary Results

- The **non clinically significant scores** on the PCL correlate positively with the people that experienced the traumatic events of:
  - **Confiscation of property** ( $r = 0.400$   $p = 0.004$ )
  - **Pay cut** ( $r = 0.399$   $p = 0.004$ )

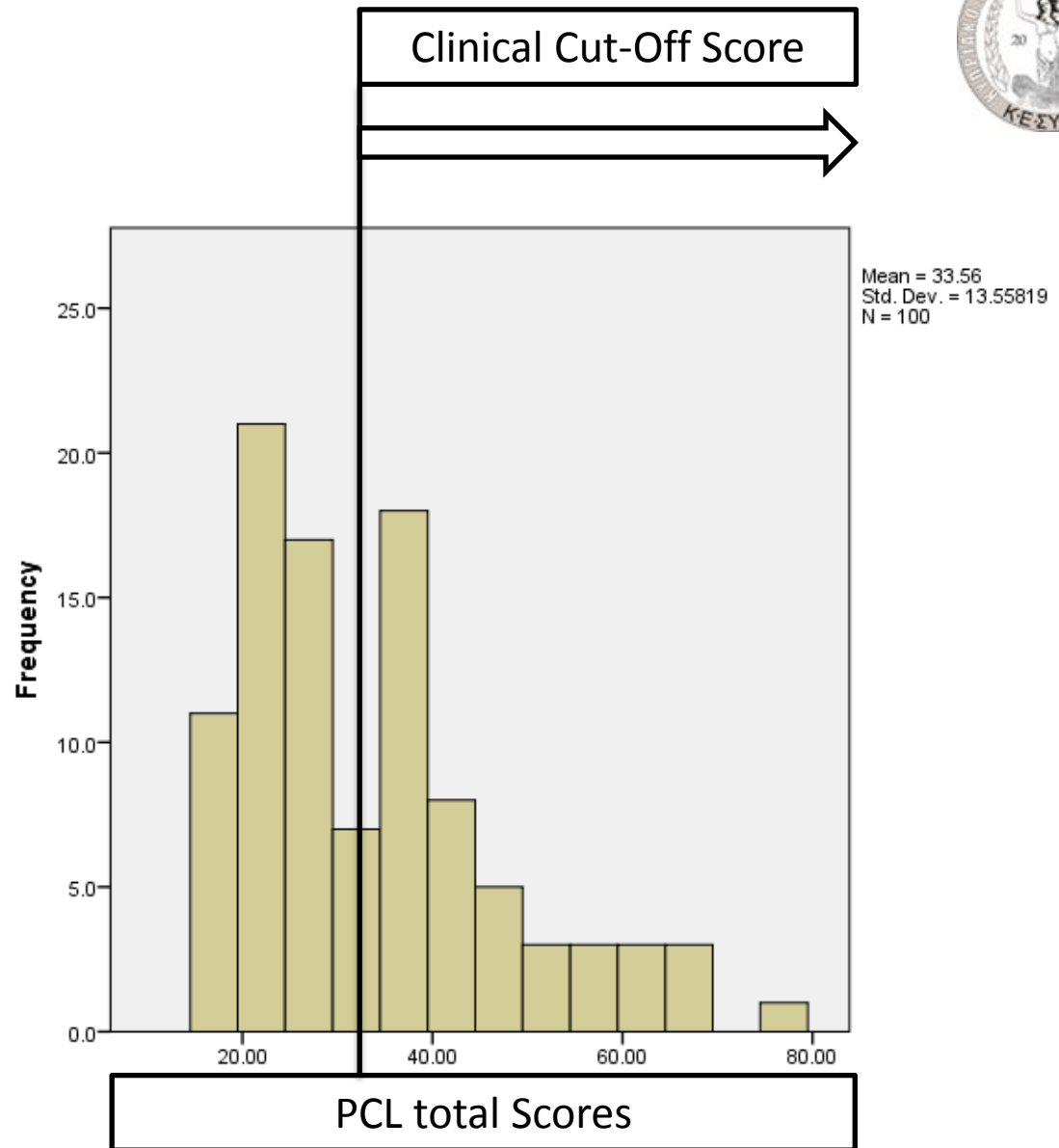




## Preliminary Results

46% consider the economic effects of the 2012-2013 crisis to be the traumatic event that bothers them currently the most.

51% of the respondents have a score above 33 on the PCL which suggests clinically significant symptoms of PTSD (min score=17, max score=85)





# Preliminary Results

- There are statistically significant correlations regarding depression and the experience of being held captive due to kidnapping or hostage/war situations ( $r=0.243$ ,  $p=0.23$ )
- Anxiety correlates positively with the experience of bankruptcy as well ( $r=0.335$ ,  $p=0.001$ ). ( $r=0.243$ ,  $p=0.23$ )
- Stress correlates positively with the experience of being held captive due to kidnapping or hostage/war situations ( $r=0.218$ ,  $p=0.29$ )



# CONCLUSIONS

PRELIMINARY



# conclusions

- Our preliminary data suggest that the people that suffered the traumatic event of loss of their bank securities suffer from PTSD.
- It seems that the pay cut and the confiscation of property have not caused PTSD to the sufferers.



# Preliminary Conclusions

Our data is only preliminary, however it seems that the population that **lost bank securities** experienced it as a traumatic event which is linked to the suffering of **PTSD symptoms**.

The fact that in the Experiment of Cyprus losing bank securities **happened all of a sudden and without to obtain the consent of the holders** differs significantly of how people experienced other forms of forced financial lose, other economic mistreatment i.e. pay cut, loss of job. This may explain why people that lost bank securities are on higher risk to suffer of PTSD in comparison with other victims of the financial crisis in Cyprus



The 31st International Congress of Psychology

*Thank you!*

