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GUIDANCE AND OUTREACH FOR  
INACTIVE AND UNEMPLOYED

# CYPRUS

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The thematic perspectives series complements the general information on vocational education and training (VET) systems provided in '[VET in Europe reports](#)'. The themes presented in the series feature high on the European agenda.

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ReferNet is a network of institutions across Europe representing the 28 Member States, plus Iceland and Norway. The network provides Cedefop with information and analysis on national vocational education and training (VET). ReferNet also disseminates information on European VET and Cedefop's work to stakeholders in the EU Member States, Iceland and Norway.

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## **Guidance and outreach for inactive and unemployed**

Many countries across the European Union (EU) have high levels of unemployment and of inactive adults. These phenomena are frequently associated with low levels of qualification and insufficient basic skills. They may also reflect lack of adjustment between skills demanded in the labour market and skills developed in formal education and training. In both cases up-skilling and re-skilling solutions could be explored to increase the employability of adults.

The national reports developed by ReferNet partners reflect efforts done by Member States to reach vulnerable groups affected by unemployment and inactivity and help them reengage in learning and employment. The reports refer, in particular, to measures which may include young adults not in employment, education or training (NEET) and adults undergoing long term unemployment (LTU), given their persistence in many countries and the high challenges these groups face.

The policy strategies and initiatives in focus shed light over ways to support the most vulnerable to find learning and qualifying solutions. Career guidance and counselling support to people with decaying skills, low levels of motivation and insufficient basic skills are addressed. Its instrumental role in providing information, identifying skills needs, clarifying career options and developing positive attitudes towards learning is made clear.

Whenever possible, outreach measures were described, addressing the ones who fall out of the scope of standard policies to support registered unemployed or recent education drop-outs. Many reports entertain an important discussion on the entitlement to social protection and its effectiveness in addressing the challenges of all demographic groups.

Lastly, Cedefop trusts that these reports will provide an important characterisation of current opportunities and challenges across the EU in establishing appropriate upskilling pathways for adults. Current European policy initiatives urge MS to integrate skills assessment measures with flexible learning and validation solution, where guidance services and outreach will necessarily play a key role.

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# Introduction

The Cypriot economy is recovering from a deep economic crisis which resulted in a deterioration of the labour market, adversely affecting employment and increasing unemployment to exceptionally high levels. The signs of economic recovery are evident, as, according to Eurostat, a positive GDP growth (2.8%) has been recorded in 2016, the highest in the last seven years. Unemployment which reached a peak level of 16.1% in 2014, started to decrease in 2015 reaching 15.0%, while in 2016 it decreased further to 13.1%. Long-term unemployment which had been increasing over the past few years, declined in 2016, to 5.8% compared to 6.8% in 2015. The share of young people (age group 15–24) neither in employment nor in education and training (NEETs) is decreasing. It amounted to 15.9% in 2016 compared to 15.3% in 2015 and 17% in 2014.

During the last few years several measures have been implemented in order to tackle unemployment. The measures aimed to improve the employability of the unemployed, with emphasis on the youth and the long term unemployed.

The challenge of youth unemployment is tackled through the National Action Plan for Youth Employment during the years 2015-17 (NAPFY). Youth guarantee is a major part of the NAPFY, more specifically addressing NEETs 15–24 years of age. The NAPFY has a total budget of €47.2 mln financed mostly from the European Social Fund (€29.2 mln), the Youth Employment Initiative (YEI) (€11.6 mln) but also from the ERDF (€3.1 mln) and national funds (€3.3 mln). It encompasses a Youth Guarantee Implementation Plan (YGIP) to which funds of €37.6 mln have been allocated. It includes measures for an early intervention in the form of a Youth Guarantee (YG) to prevent school leavers and newly unemployed individuals in the younger cohort (ages 15–24) from falling into long-term unemployment and inactivity traps. Over 1 700 young people have been supported under YEI-financed measures of which 443 are in employment, education and training<sup>1</sup>.

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(<sup>1</sup>) Cyprus National Reform Programme 2017

## CHAPTER 1.

# Description of national strategies

The Ministry of Labour, Welfare and Social Insurance, MLWSI (*Υπουργείο Εργασίας, Πρόνοιας και Κοινωνικών Ασφαλίσεων*) in cooperation with the Ministry of Education and Culture, MoEC (*Υπουργείο Παιδείας και Πολιτισμού*) has initiated efforts to identify and reach out to non-registered unemployed young people identified as NEETs. Other measures include the job placement of young unemployed graduates and schemes for the training and the employment of the long-term unemployed.

A scheme targeting NEETs 15-24 years old, which includes outreach activities to attract non-registered NEETs followed up by provision of career counselling is planned, as part of the measures covered under the National Action Plan for Youth Employment (NAPFY) for the years 2015–17. The scheme will offer counselling and career guidance services to 4 000 NEETs by career guidance counsellors and counselling psychologists. When necessary, further educational, psychological and social support will be offered through referrals to qualified professionals. During the process, counsellors will be evaluating the aptitudes, knowledge, skills and attitudes of NEET persons using psychometric testing or guidance evaluation questionnaires. Furthermore, through the establishment of an individual action plan for each recipient, counsellors will be able to refer them to regular secondary or tertiary education, to second-chance school programs, or to vocational training programs.

In addition, the Youth Information Centres of the Youth Board of Cyprus offer specialised studying and career counselling services to high school and university students as well as to young NEETs, aged 12–35. More recently free career counselling services are also being offered to young soldiers. Furthermore, the Youth Board of Cyprus in collaboration with the MLWSI, has successfully applied and will run a project under the EASI Programme “Information Sharing and Outreach Activities to Young People about the Youth Guarantee”. The project has a budget of €350 000 and aims to activate young people of diverse backgrounds, lead them to the Public Employment Services (PES) and enable them to actively search for a job, training or internship opportunity, taking advantage of the existing Youth Guarantee schemes.

The scheme for job placement of young unemployed graduates of lower secondary, upper secondary and post-secondary education of up to two years for the acquisition of work experience in enterprises/organisations, which was co-

financed by the ESF and the Human Resource Development Authority of Cyprus, HRDA (*Αρχή Ανάπτυξης Ανθρώπινου Δυναμικού Κύπρου*) is another measure included in the NAPFY (see Example 1). The latest call to enterprises and the unemployed took place in 2015.

A scheme for the training of the long-term unemployed in enterprises/organisations started to be implemented by the HRDA in 2016, offering opportunities to the long-term unemployed (unemployed persons with 6+ months duration) in order to enter/re-enter employment with the parallel acquisition of the necessary knowledge and skills. The long-term unemployed need to be registered with the PES for six consecutive months in order to be able to participate in the scheme. The scheme is widely promoted and the enterprises may request assistance from the PES in finding suitable participants. The HRDA provides incentives to employers to design, organise and implement in-company training programmes to cover the training needs of newly-employed persons who were long-term unemployed. The HRDA accepts applications for participation in the scheme from 1/7/2016 until 31/12/2018.

Another scheme providing incentives for the employment of the unemployed - target group: long term unemployed ( $\geq 6$  months), is co-financed by the ESF and the government of Cyprus. It is implemented by the Department of Labour, with the aim to provide incentives to hire long term unemployed individuals in the private sector (see Example 2).

Another scheme, implemented by the MLWSI and the HRDA during the period 2016-18, provides incentives for hiring recipients of Guaranteed Minimum Income (GMI) combined with a three-month training period. It offers practical training and work experience opportunities to GMI recipients in order to improve their employability and prepare their employment in an enterprise/organisation of the private sector. The target group is GMI recipients with the goal to have 3 months training and 12 months employment.

A job placement scheme of GMI recipients for the acquisition of work experience in the public, broader public and NGO sectors, implemented by the MLWSI and the HRDA during the period 2017-18, aims to provide work experience opportunities to GMI recipients capable to work, in order to improve their employability and help them re-enter the labour market. GMI recipients are placed in the public, broader public and NGO sectors for 6 months while they receive their GMI benefit.

The development of a national monitoring system of IVET and CVET graduates is a priority. To this end, a platform for data collection is being developed, which IVET and CVET students will be encouraged to use while they are still attending VET programmes, in order to become familiar with it. The

students and graduates will be encouraged to register and upload their CVs and information about their field of studies. Enterprises will also be encouraged to register and upload job vacancies, so that graduates will be able to be informed about job positions. In this way, and also through incentives such as notifications regarding job vacancies, events and other relevant information, as well as communication with employers' associations, IVET and CVET graduates will continue to use the platform and provide useful information regarding their progress and career. The department of secondary technical and vocational education has proceeded to purchase services for the design and development of the platform, which will be operational in 2018.



## CHAPTER 2.

# Example 1

The scheme for job placement of young unemployed graduates of lower secondary, upper secondary and post-secondary education of up to two years for the acquisition of work experience in enterprises/organisations is co-financed by the ESF and the HRDA. The Scheme was launched in February 2014. The latest call to enterprises and the unemployed took place in 2015. The scheme offers job placements in enterprises/organisations to young unemployed graduates of lower secondary, upper secondary and post-secondary education of up to two years less than 25 years old with limited work experience (less than 12 months).

The HRDA reached the young unemployed persons through open calls which were extensively posted through the mass media, including social media. They were also advertised in the HRDA website ([www.anad.org.cy](http://www.anad.org.cy)) and via newsletters sent to interested individuals who applied electronically in the HRDA website to receive the newsletter. Young people were also informed at the International Educational Fair organised by the Ministry of Education and Culture every year where more than 150 professional bodies and organisations take part.

The young unemployed persons were encouraged to apply via the PES. The unemployed, at the application stage, indicated the occupations in which they were interested for a job placement, according to their qualifications. In parallel, the enterprise/organisation, when submitting the application form, requested the placement of the unemployed in specific occupations, which were appropriate for that enterprise/organisation. The HRDA ensured through the electronic matching process that used a tailor-made software system, that each participant of the scheme would get a job placement according to his/her interests.

The selection of participants is based on eligibility and priority criteria defined by HRDA. The unemployed had to be registered with the PES, be less than 25 years of age, have no or up to twelve months work experience and be holders of a certificate of lower secondary or upper secondary or apprenticeship scheme or post-secondary education of up to 2 years duration. Priority was given to orphans, married/unmarried with dependent children, heads of single-parent families (individual, who lives with at least one dependent child and is single/widowed/ divorced) and the long-term unemployed. Disabled persons had priority for placement regardless of these criteria.

The unemployed person was placed for a specific period of time (six months) in an enterprise/organisation with the purpose of obtaining work

experience in the occupation they had chosen. The unemployed was guided and supervised by a suitable mentor employee of the host enterprise/organisation. A training allowance of €500/month was provided to the trainee for the duration of the placement.

The HRDA carried out spot checks of the implementation of job placements all over Cyprus, a standard practice for all training programmes it subsidises, on a systematic and planned basis in order to ensure that the programme was being implemented in accordance with HRDA's terms of approval.

At the end of every month, the enterprise had to fill in and send to HRDA the attendance form signed by the participant, the mentor and another responsible person, usually the manager/owner of the enterprise. On this form, the participant described the tasks performed and the mentor gave comments on the participant's behaviour and a brief assessment.

The target was for 2 500 young unemployed to benefit from the scheme, with a budget of €8.5m. During the period 2014–2016, 1 725 young unemployed persons benefitted from the scheme and total expenditure amounted to €5 824 264.

The evaluation of social interventions, including human resource training and development activities, is considered very important by the HRDA. The HRDA has in place a comprehensive system for evaluating the impact of its activities, which was designed by independent external consultants. The HRDA conducts evaluation studies regarding the impact on the participants of its schemes on a continuous basis. All studies include field research through telephone interviews with a statistically representative sample of all participants.

An evaluation study completed in 2015 covered the participants of the scheme during 2014. Results showed that approximately one in three (32.7%) of the participants in the scheme were employed at the time of the field research, approximately four months after the completion of their participation. The employment rate was higher (37.2%) for the people who were placed in enterprises/organisations in the private sector. More than two in five (42.9%) of the participants in the scheme who were employed, continued to work in the enterprise/organisation of their placement.

## CHAPTER 3.

### Example 2

The scheme providing incentives for employment of the unemployed – target group: long-term unemployed ( $\geq 6$  months), is co-financed by the ESF and the Republic of Cyprus. It is implemented by the Department of Labour and provides incentives to hire long-term unemployed individuals in the private sector. The latest call took place at the end of 2015. The aim of this scheme is to reduce unemployment and to integrate or reintegrate the unemployed to the labour market.

The long-term unemployed need to be registered with the PES for six consecutive months prior to the date of recruitment in order to be able to participate in the scheme. Furthermore, the specific candidate for employment should not have worked eight months before the date of recruitment with the same employer. The employer who joins the scheme needs to employ the employee for a period of at least 12 months in order to receive the full subsidy.

The main incentive for the employers is the financing of the wage cost of the person to be recruited. A subsidy of 60% of the employee's annual wage cost with a maximum amount of €6 000 per person per year is provided for the first 10 months of employment of long-term unemployed individuals. The employer has the obligation to maintain the employment of the employee for two additional months without a grant. The target is for 1 200 unemployed persons to benefit from the scheme, with a budget of €7.3m.

The scheme is widely promoted and the enterprises may request assistance from the PES in finding suitable participants. Employers interested in participating in the Scheme apply to the Director of the Department of Labour at the Ministry of Labour, Welfare and Social Insurance within the time frame specified in the Call. The examination and evaluation of the applications is carried out by an evaluation committee designated for this purpose by the Director of the Department of Labour. The grant is paid after the approval of the Director of the Department of Labour. Payment can be made either with the completion of the Public Financing Agreement (12 months) or at shorter intervals specified.

## CHAPTER 4.

# Conclusions

The Ministry of Labour, Welfare and Social Insurance promotes the reduction of youth labour market detachment through outreach strategies and partnerships, as part of the measures included in the National Action Plan for Youth Employment during the years 2015-17.

In cooperation with the Ministry of Education and Culture, the Ministry of Labour, Welfare and Social Insurance has initiated efforts to identify and reach out to non-registered unemployed young people identified as NEETs, followed by the provision of career counselling. Other measures include the job placement of young unemployed graduates and schemes for the training and the employment of the long-term unemployed.

It is evident that efforts are made for the outreach of non-registered unemployed young persons; however they are still at the early stages. Strategies need to be pursued more systematically in order to have the desired impact in society and assist young persons in finding employment or re-engage in learning activities.

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## Websites

Europa: [www.ec.europa.eu](http://www.ec.europa.eu)

Eurydice: [eacea.ec.europa.eu/education/eurydice/index\\_en.php](http://eacea.ec.europa.eu/education/eurydice/index_en.php)

Human Resource Development Authority: [www.anad.org.cy](http://www.anad.org.cy)

Ministry of Education and Culture of Cyprus: [www.moec.gov.cy](http://www.moec.gov.cy)

Ministry of Labour, Welfare and Social Insurance: [www.mlsi.gov.cy](http://www.mlsi.gov.cy)

Directorate General for European Programmes, Coordination and Development:  
[www.dgepcd.gov.cy/dgepcd/dgepcd.nsf](http://www.dgepcd.gov.cy/dgepcd/dgepcd.nsf)

Presidency Unit for Administrative Reform: <http://www.reform.gov.cy>

ReferNet Cyprus: [www.refernet.org.cy](http://www.refernet.org.cy)

## ANNEX 1.

# Members of the Cyprus Consortium

National coordinator: Human Resource Development Authority of Cyprus

[www.anad.org.cy](http://www.anad.org.cy)

### Ministries/government departments

Directorate General for European Programmes, Coordination and Development: [www.dgepcd.gov.cy/dgepcd/dgepcd.nsf](http://www.dgepcd.gov.cy/dgepcd/dgepcd.nsf)

Ministry of Labour, Welfare and Social Insurance/Department of Labour: [www.mlsi.gov.cy/dl](http://www.mlsi.gov.cy/dl)

Ministry of Education and Culture: [www.moec.gov.cy](http://www.moec.gov.cy)

Statistical Service of Cyprus: [www.mof.gov.cy/mof/cystat/statistics.nsf](http://www.mof.gov.cy/mof/cystat/statistics.nsf)

Cyprus Academy of Public Administration (CAPA): [www.mof.gov.cy](http://www.mof.gov.cy)

Pedagogical Institute: [www.pi.ac.cy](http://www.pi.ac.cy)

Cyprus Productivity Centre: [www.mlsi.gov.cy/kepa](http://www.mlsi.gov.cy/kepa)

### Social partners: employer and trade union organisations

Cyprus Employers and Industrialists Federation: [www.oeb-eif.org](http://www.oeb-eif.org)

Cyprus Chamber of Commerce and Industry: [www.ccci.org.cy](http://www.ccci.org.cy)

Cyprus Confederation of Professional Craftsmen and Shopkeepers: [www.povek.com](http://www.povek.com)

Cyprus Workers' Confederation: [www.sek.org.cy](http://www.sek.org.cy)

Pancyprian Federation of Labour: [www.peo.org.cy](http://www.peo.org.cy)

Democratic Labour Federation of Cyprus: [www.deok.org.cy](http://www.deok.org.cy)

Cyprus Union of Bank Employees: [www.etyk.org.cy](http://www.etyk.org.cy)

### Other organisations/non-profit making organisations

University of Cyprus: [www.ucy.ac.cy](http://www.ucy.ac.cy)

Research Promotion Foundation: [www.research.org.cy](http://www.research.org.cy)

Open University of Cyprus: [www.ouc.ac.cy](http://www.ouc.ac.cy)

Cyprus University of Technology [www.cut.ac.cy](http://www.cut.ac.cy)

### National agencies/units for managing european programmes/initiatives

Foundation for the Management of European Lifelong Learning Programmes  
[www.erasmusplus.cy](http://www.erasmusplus.cy)

National Eurydice Unit [www.moec.gov.cy/eurydice](http://www.moec.gov.cy/eurydice)

Youth Board of Cyprus [www.onek.org.cy](http://www.onek.org.cy)