



Youth employment policies in Cyprus

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- i. to advance the knowledge base that underpins the formulation and implementation of relevant policies in Europe with the aim of enhancing the employment of young people and improving the social situation of young people who face labour market insecurities, and
- ii. to engage with relevant communities, stakeholders and practitioners in the research with a view to supporting relevant policies in Europe. Contributions to a dialogue about these results can be made through the project website <http://www.except-project.eu/>, or by following us on twitter @except_eu.

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Responsibility for all conclusions drawn from the data lies entirely with the author.



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The key risk groups in the labour market in Cyprus

Table 1 “Risk group” construction¹

Potential risk groups	Importance by actors		
	Public opinion/ Media*	Mainstream policy	Academic research
All young people	3	3	1
Young unemployed	3	3	2
Early school leavers	2	1	1
Young people with low skills	1	2	1
Young people with outdated qualifications	1	2	1
Young people without qualifications	1	2	1
NEET	2	2	2
Higher education graduates	2	3	3
Migrants/Ethnic minorities	1	1	3
Teenage/single parents	1	1	1
Young people from workless families	1	1	1
Young people from remote/disadvantaged areas	1	1	1
Young people with a disability	1	2	3
Other (please indicate & if necessary include new row/s)	N/A	N/A	N/A

There are no studies examining public opinion and the media as regard the various categories of groups at risk and very few academic studies. The assessment above is based on the knowledge and observations of the researcher, after consulting various persons interviewed. Some of the Ministry officers interviewed refused to give any assessment on media and public opinion views on the subject, as they could not pinpoint any study or other authority on the subject. From the experience and studies conducted by the author of this Report, there is very little interest shown by the media on the categories at risk: very few, if any featured reports, articles etc. have been carried by the media; moreover, the mainstream media often reproduce various reports (local, EU etc.) and what state official tell them. There are however some alternative and social media, which present a different story; yet there are no studies carried out to scrutinise the different views on the subject.

Youth risk groups not adequately addressed by national policies were the following:

Migrants are certainly the group with the lowest priority. This is openly admitted by policymakers. In fact, during the crisis numerous studies show that the politicians were actively engaged in making it hard for migrants in general (1/5).

¹ 1=no significant role to 5=very important



Early school leavers: From the interviews conducted and the situation as reported in the media and academic papers, the prevailing view is that early school leavers are not thought to be a problem that warrants priority given the long-term trend to decline, as noted in the National Action plan for youth (2/5). This is reflected in the few targeted policies and funds committed to addressing early school leavers. However, the *Revised Strategy for Social Policy*, (Social Services, 2017, p.12) notes that Cyprus is among the countries with the highest proportion of their public spending on education (7.9% in 2011) relative to GDP.² Whilst the Strategy recognises that the proportion of early school leavers is 7.6% in 2016, rising from 5.3% in 2015, it seems to underplay its significance as it still below the national target and European target set in the Europe 2020 Strategy which is 10%. Furthermore, the Strategy notes:

Cyprus has managed to maintain the high percentage of the population aged 30-34 with tertiary qualifications, exceeding the national target set in the Europe 2020 Strategy (49.9% in 2012, 47.8% in 2013 and 54.6 in 2015). However, there are concerns that, due to the economic crisis and the decline in the incomes of most households, fewer people will be able to follow tertiary education programs in the future.³

Persons with low qualifications: Similar attitudes to early school leavers prevail regarding persons with low qualifications, although some attention is given (2/5 or 3/5). There is little academic and research interest. The National Action Plan for Youth Employment 2014-2017, p. 17 suggests they are less likely to be unemployed when compares to tertiary education graduates:

“Contrary to the trends in the adult labour market, a higher level of education does not have a positive effect on the probability of young people to avoid unemployment. The lowest unemployment rate is found among youth with upper secondary education (36.3%), especially among young women (33.5 per cent). The unemployment rates of high-skilled youth are higher than for youth with upper secondary education (39.3%), with tertiary educated men more exposed to unemployment compared to their female counterparts (40.2% and 39.1%, respectively).”

NEETs: Policymakers suggest that there is priority for NEETs (between 3/5 and 4/5), The *Revised Strategy for Social Policy*, (Social Services, 2017, p. 34), considers that NEETs is a priority, considering the National Action Plan for Youth Employment as,

“An important tool for combating the steep increase in the youth unemployment rate in Cyprus and the rapid increase in NEETs. The Action Plan also includes measures to implement the Youth Guarantee Recommendation, to be funded from the funds available through the Youth Employment Initiative, the ESF and the additional assistance provided to Cyprus.”

² Eurostat, European Commission, *European Social Statistics, 2014*

³ Εθνικό Μεταρρυθμιστικό Πρόγραμμα 2014



Ministry officials that the **qualified persons with tertiary education** there is a top priority (5/5).

Little priority is given to **single parents**, whilst **persons with disability** were given some priority as could participate automatically in the HRDA programs (3/5).

Young persons residing in rural areas are not considered to be priority, none of the policymakers interviewed considered them to be a priority; they receive little if any academic or media attention. However, the *Revised Strategy for Social Policy*, (Social Services, 2017, p.34) the Department of Agriculture of the Ministry of Agriculture, Rural Development and the Environment is promoting the 2014-2020 Rural Development Program, with a budget of € 243m, which will serve six priorities, including "Social inclusion, poverty reduction and economic growth in rural areas". This priority is aimed at facilitating diversification, creating new small businesses and jobs and promoting local development in rural areas. It is expected that this priority will be used mainly through the LEADER tool, which enables local communities to design and implement appropriate actions that are also innovative.



Youth employment policies: a general overview

Table 2 An overview of active labour market programmes at national level (2005-2015)

	Indicator	Year	2005 ⁴	2006	2010	2015	2016
1	Total number of active labour market programmes		-	-	-	6	
1.1	including youth-targeted		-	-	-	8	
2	Number of participants (stock) in active labour market programmes:						
2.1	Total number		-	1323	8536	8507	
2.2	% of the labour force (15-64)		-	-	-	2,1	
3	Number of youth participants (up to 29 years old) in active labour market programmes: up to 25		-				
3.1	Total number		-	106	597	3795	
3.2	% of the labour force (15-29)		-	-	-	8,6	
3.3	% of the total number of participants (stock)		-	8	6,99	37,56	
4	Expenditures on active labour market programmes:		-				
4.1	Total amount (EUR) for LMP measures		-	7,79	49,03	20,95	
4.2	% of GDP		-	0,048	0,256	0,120	
5.	Expenditures on all active labour market programmes for youth participants:				-	-	-
5.1	Total amount (EUR)		N/A	94.03	175.33	168.32	128.09
5.2	% of GDP		-	-	-	-	-
6	Expenditures on youth-targeted active labour market programmes:		-	-	-	-	-
6.1	Total amount (EUR)		-	-	-	14.700.000 ⁵	-
6.2	% of GDP		-	-	-	-	-
6.3	% of the total expenditures on active labour market programmes		N/A	-	-	-	-

Comments on Table 2

The table above was compiled using Eurostat data ⁶, which were subsequently confirmed by various the authorities.

⁴ There are no data from 2005, as these types of data were not collected

⁵ Information provided by the Labour Department of the Ministry of Labour.

⁶ <http://ec.europa.eu/eurostat/web/labour-market/labour-market-policy/database> and <http://www.except-project.eu/database/>.



From 2013 to 2015 at the height of the economic crisis, when youth employment at some point went over 40% the total expenditure on LMP has sharply dropped from 272.56 million euro to 162.17 million euro. This reduction is due to the reduction of passive labour market policies by 112 million whilst active employment measure have slightly increased by 1.5 million.

Essentially these measures for employers or individualised supply-side measures e.g. training etc. (LMP support). The number of beneficiaries' of active labour market policy measures in 2015 is more 30 times the number of beneficiaries' of 2006 for the category up to 25 years old. This is explained by the authorities as 'emergency temporary measures' for the crisis which converge with the EU funding priorities.⁷

There is no aggregated data compiled by the authorities on youth LMPs. For the period ending in 2015 the funding for two programs co-financed by the HRDA and EU funded are provided in the table above.

Table 3 Overview of types of measures and schemas against youth unemployment in the last years (both running and finished ones; time horizon – last 5-6 years, 2011-2017)

Type of measure	Importance ⁸	Preventive/reactive ⁹	Youth specific	Main source of funding ¹⁰	Linked to EU initiatives ¹¹	Main actors of delivery ¹²	Evaluation present	Youth/participant feedback used to improve the delivery
(Re-) orientation courses, preparation for training or employment	3	Reactive	Yes	ESF, national sources	Youth Guarantee	Human Resource Development Authority (HRDA)	Yes	Yes
Vocational guidance, career counselling	0 to 1 ¹³	Both	No	National sources	Linked with EU employment guidelines, recommendation	Public Employment Services	No	No

⁷ Interview with HRDA officers.

⁸ Importance depends on the comparative scale of the program (coverage & expenditure) -> Does not exist = 0; Not relevant = 1; Quite important = 2; Very important = 3

⁹ To what extent do policies focus on preventative measures or are purely reactive to manifest problems preventive = 1; reactive = 2; both=3.

¹⁰ EU = 1; national = 2, regional = 3, local = 4; other -5

¹¹ Youth Guarantee =1; Youth Employment Initiative =2; Framework for Quality traineeships and apprenticeship =3; Eures =4; Support to youth entrepreneurship =5; Other - 6

¹² state = 1, region = 2, municipality = 3, church = 4, foundations, NGOs = 5, private sector = 6, educational institutions=7 Other, please specify=8 If several, please list all

¹³ Incorporated of employment counsellors regionally and locally. Due to high unemployment, the understaffing and limited resources, this function of the Public Employment Services is in practice no longer being fulfilled.



					in line with employment policy of at EU level, adapted to the Cypriot context			
Training (with certificates)	3	Reactive	No	HRDA	No	HRDA	Not Yet	Ongoing
Training (without certificates)	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Employment incentives, subsidies for employer	3	Reactive	Yes	HRDA	No	HRDA	Yes	Yes
Direct job creation	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Start-up incentives, self-employment programmes	2 Youth entrepreneurship of the Ministry of Energy, Commerce, Industry and Tourism	Preventive and proactive	Yes	EU funded	Youth Employment Initiative	Ministry of Energy, Commerce, Industry and Tourism ¹⁴	No	Ongoing from 2015
Other	None	None	None		None	None	None	None

Comments on Table 3

The above ratings are the author’s assessments based on the assessment of the persons interviewed. State officials and officers in charge of these measures interviewed believe that these measures, which are essentially subsidized placements for the purposes of training, have contributed and do contribute in generating, at least indirectly, to creation of jobs and thus increase employment opportunities. We have been informed by these officers that the measures have helped a number of individuals find jobs, either where they have been placed or elsewhere and hence has assisted in

¹⁴ The application and details is available on line at:
[http://www.mcit.gov.cy/mcit/sit/sit.nsf/70EBD272D55EE2CEC22581F0003F221C/\\$file/%CE%91%CE%BD%CE%B1%CE%BA%CE%BF%CE%AF%CE%BD%CF%89%CF%83%CE%B7%CE%B3%CE%B9%CE%B1%2%CE%B7%CF%80%CF%81%CE%BF%CE%BA%CE%AE%CF%81%CF%85%CE%BE%CE%B7%CE%A3%CF%87%CE%B5%CE%B4%CE%AF%CE%BF%CF%85.pdf](http://www.mcit.gov.cy/mcit/sit/sit.nsf/70EBD272D55EE2CEC22581F0003F221C/$file/%CE%91%CE%BD%CE%B1%CE%BA%CE%BF%CE%AF%CE%BD%CF%89%CF%83%CE%B7%CE%B3%CE%B9%CE%B1%2%CE%B7%CF%80%CF%81%CE%BF%CE%BA%CE%AE%CF%81%CF%85%CE%BE%CE%B7%CE%A3%CF%87%CE%B5%CE%B4%CE%AF%CE%BF%CF%85.pdf)



increasing employment in emergency times. There however, a number of problems and criticisms levied against such measures. With the exception of the placement program for tertiary educated graduates, which is thought to be successful, according to the evaluations commissioned by the HRDA, in generating some good jobs for trainees after the placement period is over and has been running irrespective of external (EU funding), the other measures have not yielded the same results. Evaluation studies commissioned by the HRDA do point to indirect job creation and some success in the persons finding jobs after the placement. However, there is little evidence about the quality and types of jobs acquired. In any case, there are no independent studies on the subject. In addition, it is doubtful that such programs are likely to continue without external funding; hence, they cannot be said to be sustainable. Moreover, some of the persons interviewed and experts consulted, consider that such measures have had negative effects on wages and employment terms and conditions for other workers, as persons on such training programs are used as cheap labour substitutes for full-time well-paid workers. They point to the Cypriot statistics, which indicate a significant rise in insecure, precarious and low paid jobs, over the last years, particularly for young persons, which are forcing many young persons to join the ranks of the working poor or emigrate. Cyprus has the largest percentage of ‘brain drain’ in the EU.

Table 4 Strengths and weaknesses of the overall policy approach

Effectiveness of the overall policy approach towards tackling youth unemployment and social exclusion	
Strengths	Weaknesses
Most measures, which involved short-term (6 months) subsidizing the placement of purposes of training has helped increase employment in emergency times	Measures are short-term and do not have a long-term sustainability effect; they are stop-go measures. Employers admit that they are unlikely to continue employing persons once the funding has stopped.
The measures allowed youth to have something useful to do in acquiring skills, rather than being unemployment	There are no impact assessments and proper reviews. Critics argue that they have contributed to the reduction in wages and to artificially reducing unemployment figures.
It helped SMES sustain employment, which make up 99.8 from which micro-enterprises account for 92 percent of the totality enterprises in Cyprus	They are not evidence-based but rather are opportunistic funding-based policies.



Youth employment policies: focus on selected interventions

Table 5 A brief overview of selected youth employment interventions

No	Name	Level	Main target group ¹⁵	Type ¹⁶	Starting year	Funding source	Part of EU initiatives	Evaluation	“Good practice” ¹⁷ example	Impact of policy measures on youth inclusion ¹⁸	Trends in the way selected policy measures influence unemployed young people ¹⁹
1	Placement program for tertiary educated graduates ²⁰	National	Targeted youth, graduates	3,4	1983	national	No	Positive	Yes	4	3
2	Program for Youth 25-29 - Not in Education, Employment or Training – NEETs.	National	Targeted youth, 25-29	3,4	2017	EU	Yes	Mixed	Partially	2/3	2
3	Program for Youth under 25	National	Targeted youth, under 25	3,4	2017	EU	Yes	Mixed	Partially	2/3	2

¹⁵ a. targeted youth, b. universal, c. targeted risk group, d. targeted to youth risk group;

¹⁶ (re-)orientation courses, preparation for training or employment = 1; vocational guidance, career counselling = 2; training (with or without certificates) = 3; Employment incentives, subsidies for employer = 4, direct job creation = 5, and start-up incentives, self-employment programmes =6

¹⁷ EU Database of national labour market ‘good practices’ definition: “A specific policy or measure that has proven to be effective and sustainable in the field of employment, demonstrated by evaluation evidence and/or monitoring and assessment methods using process data and showing the potential for replication. It can cover both the formulation and the implementation of the policy or measure, which has led to positive labour market outcomes over an extended period of time.”

¹⁸ 1 - very weak; 2 - weak; 3 - medium; 4 - strong; 5 - very strong; N/A - not applicable. Please provide a brief explanation of the ratings, incl. references if relevant.

¹⁹ 1 - Significant improvement; 2 - Improvement; 3 - No change; 4 - Deterioration; 5 - Significant deterioration; N/A – not applicable. Please provide a brief explanation of the ratings, incl. references if relevant.

²⁰ Πρόγραμμα Στελέχωσης Επιχειρήσεων με Απόφοιτους Τριτοβάθμιας Εκπαίδευσης, http://www.anad.org.cy/easyconsole.cfm/page/project/p_id/180/pc_id/17178



Comments on Table 5

I consider the above measures partially fulfil the essential criteria of ‘good practices’. The most successful program however is the Placement program for tertiary educated graduates. There are no country policies, initiatives and measures aimed at ‘good jobs’ for young people (well paid, corresponding to the individual preferences of young people, with good career advancement opportunities). The other measures are the closest available that meet at least some of criteria available. I have outlined the main problems of the measures in the criticisms and problems above, the most important of which is sustainability without externs subsidisation form the EU.

The measures selected are the best measures that fit the criteria of youth active labour market policies.

Detailed description and evaluation of the selected measures

Name of the initiative	Σχέδιο Στελέχωσης Επιχειρήσεων με Απόφοιτους Τριτοβάθμιας Εκπαίδευσης (De Minimis) Placement program for tertiary educated graduates
Short description	<p>(Primary/Main) aim of the measure: Intended effects: training and employment</p> <p><u>Description</u> The measure offers services to help participants improve their knowledge, skills, work habits and other competencies useful for finding and retaining jobs or to help participants improve their qualifications through training on the jobs. Participants undertake traineeships or short-term work, many times with a mentor to gain work experience. The measure provides employment incentives (subsidies) to the firms who hire participants as trainees or for short-term work.</p> <p>Target groups: tertiary education graduates</p> <p>Eligibility criteria for beneficiaries: under 30 years old, tertiary education graduates</p> <p>Type of intervention (which type of ALMP & which elements of social policy): on the job training; social inclusion</p> <p>Level: national</p> <p>Start/ end date: ongoing since 1983</p> <p>Are stakeholders involved in the formulation/implementation of this measure? No</p> <p>How/through which institutions is this measure implemented? HRDA.²¹</p> <p>Budget (EUR, thousand) and source: National sources</p>

²¹ Σχέδιο Στελέχωσης Επιχειρήσεων με Απόφοιτους Τριτοβάθμιας Εκπαίδευσης (De Minimis), http://www.anad.org.cy/easyconsole.cfm/page/project/p_id/180/pc_id/17178



<p>Achieved results</p>	<p>Number of young people covered (entire running period): (data on number of people <u>who are entitled</u> and <u>who actually take part</u>)/ number of young people who have found a job.</p> <p>In 2016, there were 834 participants. 91,5% of the participants of the 2016 program found work 8 months after the 2016 training program; 90,1% are in full-time and permanent employment; 8 out of 10 i.e. 79,9% continue to work under the same employer, whilst 34,5% have worked for a while for the same organisation after the program had finished.</p> <p>Total expenditures for the program on annual basis: N/A</p> <p>Total expenditure per beneficiary? If not available, other expenditure data what is available. N/A</p>
<p>Targeting</p>	<p>Which are the target groups of this measure?</p> <p>Is this program especially targeted to young people or to all unemployed? Young people under thirty years of age, tertiary education graduates</p> <p>If it is targeted to all unemployed, does it include special focus to young people (for example, by providing more incentives if young unemployed are targeted)?</p> <p>No</p>
<p>Youth involvement</p>	<p>Are there specific activities planned in the programme to include targeted youth actively in designing the programme or other way (Yes/Partly/No). Please describe if Yes/Partly</p> <p>No</p>
<p>Links to EU initiatives</p>	<p>Is the program linked to an EU initiative (like Youth Guarantee, Youth Employment Initiative, Framework for Quality traineeships and apprenticeship; EURES Job; Support to youth entrepreneurship). If yes, to which one?</p> <p>No</p>
<p>Available evaluations</p>	<p>Are there evaluations on this program available? (Add Sources)? If yes, are the evaluations: ex-ante; mid-term, ex-post and/or permanent monitoring?</p> <p>Ex-post. HRDA and a consulting company did the evaluation.²²</p> <p>Are they internal (by the agency implementing it) or external (e.g. by scientific institutes)?</p> <p>Internal</p> <p>If evaluations of this program are available how detailed is the information provided (please, consider, do they include only basic information or more information, including evaluation of deadweight loss (hiring to subsidized jobs of individuals who would have found regular employment nevertheless); substitution effect (original regular workers possibly better paid and qualified are displaced with participants in the intervention</p>

²² ENOROS Consulting LTD.



	<p>possibly with lower salaries); displacement effect (rises in public sector spending drive down or even eliminate private sector spending)?</p> <p>They provide some information. No complaint or any information on substitution or displacement effects.</p>
Summary of evaluation results	<p>Please summarise the main results of evaluations. If there are many evaluations about the same measure, please indicate the results of these separately together with the source.</p> <p>The success rate of the of the program is significant: 91,5% of the participants of the 2016 program found work 8 months after the 2016 training program; 90,1% found in full-time and permanent employment; 8 out of 10 i.e. 79,9% continue to work under the same employer, whilst 34,5% have worked for a while for the same organisation after the program had finished, as follows:</p> <ul style="list-style-type: none"> • Professional, scientific and technical activities: 38,3% • Media and communications 7,5% • Health and social care 5,9% • Education 3,3% • Trade and car repair 16,8%. • Construction 9,1%.
In your view: How would you assess the quality of the intervention?	<p>Does this program achieve its stated goals and intended effects? Yes</p> <p>Assessment of the magnitude of the effect? Quite good</p> <p>Coverage and take-up: are there problems concerning coverage? Possible barriers for participation (lack of information, complexity of system, conditionality, degree of attractiveness for young people, etc.)?</p> <p>Perhaps there may be language or other ethnicity or nationality barriers but we this must be studied properly.</p> <p>In your opinion which are the main weaknesses of this intervention in terms of: adequacy; coverage; take-up; effectiveness of this intervention?</p> <p>Overall, it is adequate but there may be a problem of coverage, as it covers only tertiary education graduates and not all persons.</p>
Related to the causes of unemployment and target risk groups	<p>Does this measure address the main causes for unemployment and social exclusion of young people and target the risk groups among young people? Explain how or, instead, why not?</p> <p>To some extent, it may address the mismatch between skills and jobs available but youth unemployment has many causes and reasons, it cannot address all the reasons.</p>
Interventions assessed as 'good practice' example	<p>Explain shortly which the reasons are and what are the main "success factors" of this intervention.</p> <p>Because it addresses a specific need, i.e. matching skills to jobs; it has been going on for many years so the operation has improved over the years addressing past weakness.</p> <p>Give a reason why you value it as a good practice?</p>



	<p>It yields impressive results to those participating. Or alternatively, what do you see as main reasons hindering the potential for replication in other contexts?</p>
<p>Name of the initiative</p>	<p>Σχέδιο Παροχής Κινήτρων για την Απασχόληση Νέων Ηλικίας 25 μέχρι 29 ετών που βρίσκονται εκτός Απασχόλησης, Εκπαίδευσης ή Κατάρτισης (Not in Education, Employment or Training - NEETs Program for Youth 25-29 Not in Education, Employment or Training – NEETs.²³</p>
<p>Short description</p>	<p>(Primary/Main) aim of the measure: Intended effects: subsidies for employers in the private sector for hiring young unemployed persons ages 25-29 who are out of employment, training education and are registered as unemployed at the Public employment agency</p> <p><u>Description</u></p> <p>The measure offers services to help participants improve their knowledge, skills, work habits and other competencies useful for finding and retaining jobs or to help participants improve their qualifications through training on the jobs. Participants undertake traineeships or short-term work, many times with a mentor to gain work experience. The measure provides employment incentives (subsidies) to the firms who hire participants as trainees or for short-term work.</p> <p>Target groups: young unemployed persons ages 25-29</p> <p>Eligibility criteria for beneficiaries: young unemployed persons ages 25-29 who are out of employment, training education and are registered as unemployed at the Public employment agency</p> <p>Type of intervention (which type of ALMP & which elements of social policy): training, emolument , social inclusion</p> <p>Level: national</p> <p>Start/ end date: annual; 2017 rolling</p> <p>Are stakeholders involved in the formulation/implementation of this measure? To some extent the youth board and social partners</p> <p>How/through which institutions is this measure implemented? Run by the Department of Labour of the Ministry of Labour for the period 2014-2020</p> <p>Budget (EUR, thousand) and source: €6.700.000, ESF</p>
<p>Achieved results</p>	<p>Number of young people covered (entire running period) (data on number of people who are entitled and who actually take part)/</p>

²³Run by the Labour Bureau of the Ministry of Labour for the period 2014-2020, <http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/All/BA9BF404EB48B577C22581CB0041258A?OpenDocument>



	<p>number of young people who have found a job. 800 persons; until 27.11.2017 there were 842.</p> <p>Total expenditures for the program on annual basis. €6.700.000</p> <p>Total expenditure per beneficiary? If not available, other expenditure data what is available. The ceiling is €8.400 per beneficiary and covers 70% of the income of the employee. It covers a period of 10 months subsidized income and 2 months without subsidy.</p>
Targeting	<p>Which are the target groups of this measure? young unemployed persons ages 25-29 who are out of employment, training education and are registered as unemployed at the Public employment agency</p> <p>Is this program especially targeted to young people or to all unemployed? It targets young people</p> <p>If it is targeted to all unemployed, does it include special focus to young people (for example, by providing more incentives if young unemployed are targeted)? N/A</p>
Youth involvement	<p>Are there specific activities planned in the programme to include targeted youth actively in designing the programme or other way (Yes/Partly/No). Please describe if Yes/Partly No</p>
Links to EU initiatives	<p>Is the program linked to an EU initiative (like Youth Guarantee, Youth Employment Initiative, Framework for Quality traineeships and apprenticeship; EURES Job; Support to youth entrepreneurship). If yes, to which one? Youth Guarantee</p>
Available evaluations	<p>Are there evaluations on this program available? (Add Sources)? If yes, are the evaluations: ex-ante; mid-term, ex-post and/or permanent monitoring? No</p> <p>Are they internal (by the agency implementing it) or external (e.g. by scientific institutes)? Internal</p> <p>If evaluations of this program are available how detailed is the information provided (please, consider, do they include only basic information or more information, including evaluation of deadweight loss (hiring to subsidized jobs of individuals who would have found regular employment nevertheless); substitution effect (original regular workers possibly better paid</p>



	<p>and qualified are displaced with participants in the intervention possibly with lower salaries); displacement effect (rises in public sector spending drive down or even eliminate private sector spending)?</p> <p>No evaluations of this program are available. Trade unions claim that there is substitution effect and a downward pressure on wages. Ministry officials and employers' associations disagree.</p>
<p>Summary of evaluation results</p>	<p>Please summarise the main results of evaluations. If there are many evaluations about the same measure, please indicate the results of these separately together with the source.</p> <p>No information is available.</p>
<p>In your view: How would you assess the quality of the intervention?</p>	<p>Does this program achieve its stated goals and intended effects?</p> <p>To some extent. The specified main purpose is to reduce unemployment among young people aged 25-29, who do not participate in a training or training program. The basic direct target stated is (a) Integration into the labour market of young unemployed aged 25-29 and (b) providing businesses with a means to deal with them difficulties brought about by the economic crisis and contributing to the creation of new ones jobs for young people, whilst achieving the most effective organizing and improving their productivity. These are largely achieved. However, there is no evidence or study to show that the program As for the stated desired outcomes i.e. the inclusion of young unemployed aged 25-29 in employment in (a) creating new jobs, (b) creating quality jobs and (c) generating income and stimulate demand - stimulate economic growth activity. Hence, the success of the program can be said to be of partial and limited success.</p> <p>Assessment of the magnitude of the effect?</p> <p>The goals are very modest, i.e. temporary subsidised placement, but the implicit goal is to assist these persons to get training, experience and employment over a longer term.</p> <p>Coverage and take-up: are there problems concerning coverage? Possible barriers for participation (lack of information, complexity of system, conditionality, degree of attractiveness for young people, etc.)?</p> <p>It has good coverage and take up. Given the levels of youth unemployment and desperation, many young persons take these up.</p> <p>In your opinion which are the main weaknesses of this intervention in terms of: adequacy; coverage; take-up; effectiveness of this intervention?</p> <p>It approaches unemployment and its resolution is problematic manner i.e. subsidising employers. It does not address long-term problems; many employers admit that they would no keep employees after funding is over.</p> <p>Perhaps there may be language or other ethnicity or nationality</p>



	barriers but we this must be studied properly.
Related to the causes of unemployment and target risk groups	<p>Does this measure address the main causes for unemployment and social exclusion of young people and target the risk groups among young people? Explain how or, instead, why not?</p> <p>No it does not address any of the structural causes of unemployment, i.e. the fact that there are not enough jobs on the labour market, the mismatch between jobs and skills etc.</p>
Interventions assessed as 'good practice' example	<p>Explain shortly which the reasons are and what are the main "success factors" of this intervention.</p> <p>Young unemployed persons are desperate for any job.</p> <p>Give a reason why you value it as a good practice?</p> <p>I do not think it is good practice; but policy-makers do. The Evaluation studies commissioned by HRDA suggest that there is a positive employment impacts; however, the studies do not address the quality of the jobs generated or the general impact on employment conditions for the sector or other workers; nor it is likely to be sustainable without external i.e. EU subsidy.</p> <p>Or alternatively, what do you see as main reasons hindering the potential for replication in other contexts?</p>

Name of the initiative	<p>Σχέδιο Νέων κάτω των 25 ετών Program for Youth under 25.²⁴</p>
Short description	<p>(Primary/Main) aim of the measure:</p> <p>Intended effects: The program provides subsidies for employers in the private sector for hiring young unemployed persons under 25 who are out of employment, training education and are registered as unemployed at the Public employment agency.</p> <p><u>Description</u></p> <p>The measure offers services to help participants improve their knowledge, skills, work habits and other competencies useful for finding and retaining jobs or to help participants improve their qualifications via on the job training. Participants undertake traineeships or short-term work, many times with a mentor to gain work experience. The measure provides employment incentives (subsidies) to the firms who hire participants as trainees or for short-term work.</p> <p>Target groups: young unemployed persons under 25</p> <p>Eligibility criteria for beneficiaries: young unemployed persons under 25 who are out of employment, training education and are</p>

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See

details

at

<http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/All/B2550F3F63EF41D0C22581CB00412588?OpenDocument>



	<p>registered as unemployed at the Public employment agency</p> <p>Type of intervention (which type of ALMP & which elements of social policy): training, emolument , social inclusion</p> <p>Level: national</p> <p>Start/ end date: annual; 2017; rolling on an annual basis.</p> <p>Are stakeholders involved in the formulation/implementation of this measure? To some extent the youth board and social partners</p> <p>How/through which institutions is this measure implemented? Run by the Department of Labour of the Ministry of Labour for the period 2014-2020</p> <p>Budget (EUR, thousand) and source: €8.000.000, ESF</p>
<p>Achieved results</p>	<p>Number of young people covered (entire running period) (data on number of people <u>who are entitled</u> and <u>who actually take part</u>)/ number of young people who have found a job. It covers 1400 persons; until 27.11.2017, there were 1244.</p> <p>Total expenditures for the program on annual basis. €8,000.000</p> <p>Total expenditure per beneficiary? If not available, other expenditure data what is available.</p> <p>It covers 50% of the income of the employee and 60% for economic activities in blue and green economy. The ceiling is €5.000 (for 50% subsidy) and €6.000 (for 60%), It covers a period of 10 months subsidized income and 2 months without subsidy.</p>
<p>Targeting</p>	<p>Which are the target groups of this measure?</p> <p>young unemployed persons under 25 who are out of employment, training education and are registered as unemployed at the Public employment agency</p> <p>Is this program especially targeted to young people or to all unemployed?</p> <p>Young people</p> <p>If it is targeted to all unemployed, does it include special focus to young people (for example, by providing more incentives if young unemployed are targeted)?</p>
<p>Youth involvement</p>	<p>Are there specific activities planned in the programme to include targeted youth actively in designing the programme or other way (Yes/Partly/No). Please describe if Yes/Partly</p> <p>No</p>
<p>Links to EU initiatives</p>	<p>Is the program linked to an EU initiative (like Youth Guarantee, Youth Employment Initiative, Framework for Quality traineeships and apprenticeship; EURES Job; Support to youth entrepreneurship). If yes, to which one?</p> <p>Youth Guarantee</p>



<p>Available evaluations</p>	<p>Are there evaluations on this program available? (Add Sources)? If yes, are the evaluations: ex-ante; mid-term, ex-post and/or permanent monitoring?</p> <p>No</p> <p>Are they internal (by the agency implementing it) or external (e.g. by scientific institutes)?</p> <p>Internal</p> <p>If evaluations of this program are available how detailed is the information provided (please, consider, do they include only basic information or more information, including evaluation of deadweight loss (hiring to subsidized jobs of individuals who would have found regular employment nevertheless); substitution effect (original regular workers possibly better paid and qualified are displaced with participants in the intervention possibly with lower salaries); displacement effect (rises in public sector spending drive down or even eliminate private sector spending)?</p> <p>No evaluations of this program are available. Trade unions claim that there is substitution effect and a downward pressure on wages. Ministry officials and employers' associations disagree.</p> <p>Perhaps there may be language or other ethnicity or nationality barriers but we this must be studied properly.</p>
<p>Summary of evaluation results</p>	<p>Please summarise the main results of evaluations. If there are many evaluations about the same measure, please indicate the results of these separately together with the source.</p> <p>No information</p>
<p>In your view: How would you assess the quality of the intervention?</p>	<p>Does this program achieve its stated goals and intended effects?</p> <p>The specified main purpose is to reduce unemployment among young people aged 15-24, who do not participate in a training or training program. The basic direct target stated is (a) Integration into the labour market of young unemployed aged 15-24 and (b) providing businesses with a means to deal with them difficulties brought about by the economic crisis and contributing to the creation of new ones jobs for young people, whilst achieving the most effective organizing and improving their productivity. These are largely achieved. However, there is no evidence or study to show that the program As for the stated desired outcomes i.e. the inclusion of young unemployed aged 15-24 in employment in (a) creating new jobs, (b) creating quality jobs and (c) generating income and stimulate demand - stimulate economic growth activity. Hence, the success of the program can be said to be of partial and limited success. Like the similar program above, the goals are very modest, i.e. temporary subsidised placement, but the implicit goal is to assist these persons to get training, experience and employment over a longer term.</p> <p>Assessment of the magnitude of the effect?</p>



	<p>Limited effect: Given the large unemployment rate of young persons, many take up any options available, but there is no study or any other indication that show that the lead to continuing employment or any positive long-term effects as regards the training the trainee has received.</p> <p>Coverage and take-up: are there problems concerning coverage? Possible barriers for participation (lack of information, complexity of system, conditionality, degree of attractiveness for young people, etc.)?</p> <p>It has good coverage and take up. Given the levels of youth unemployment and desperation, many young persons take these up.</p> <p>In your opinion which are the main weaknesses of this intervention in terms of: adequacy; coverage; take-up; effectiveness of this intervention?</p> <p>It approaches unemployment and its resolution in a problematic manner i.e. subsidising employers. It does not address long-term problems; many employers admit that they would not keep employees after funding is over.</p>
<p>Related to the causes of unemployment and target risk groups</p>	<p>Does this measure address the main causes for unemployment and social exclusion of young people and target the risk groups among young people? Explain how or, instead, why not?</p> <p>No it does not address any of the structural causes of unemployment.</p>
<p>Interventions assessed as 'good practice' example</p>	<p>Explain shortly which the reasons are and what are the main "success factors" of this intervention.</p> <p>Young unemployed persons are desperate for any job.</p> <p>Give a reason why you value it as a good practice?</p> <p>It is problematic to suggest that this is a good practice, as it is short-term, funding-based programs rather than evidence-based. The measure is not based on studies or other indications that show they have long-term effects, or that there is sustainability. However, policy-makers consider them to be useful, particularly in the days of economic crisis and its' aftermath, in that something immediate is being done (a) for young persons in need for some sort of employment, training and exposure and (b) for business which can benefit from such programs. The goals of policy-makers are to utilise the EU funds available seeking short-term answers to employment problems. However, there is a need for a much longer-term planning and policy frame.</p> <p>Or alternatively, what do you see as main reasons hindering the potential for replication in other contexts?</p>



Diffusion of EU youth employment initiatives

Save for the Human Resource Development Authority HRDA, all other measures are essentially EU initiatives implemented in Cyprus. The overall approach taken is make maximum use of funding available, without necessarily scrutinising or being critical to the effectiveness and sustainability of the project. There is no single public service which comprehensive authority that oversees, monitors, and address the youth policy.

The Evaluation study on the impact of the scheme for job placement of unemployed young tertiary education graduates for the acquisition of work experience in enterprises/organisations (2015) commissioned by HRDA ²⁵ suggests that there is a positive employment impacts. It suggests that approximately 1 in 4 (24,1%) of the participants in the scheme who are employed, continue to work in the enterprise/organisation of their placement: 46,3% in the case of persons placed in an enterprise/organisation in the private sector, while there were limited employment opportunities in the Broader Public sector (includes Public Service, Semi-Government Organisations and Municipalities) where 61,5% of the participants were placed.

However, critics point to the fact there are no independent impact and review studies by academics or experts regarding the effectiveness of youth guarantee or indeed any other youth support initiative, as the evaluation studies are commissioned by the organisation in charge of executing the scheme. Moreover, the study does not examine the quality of the jobs generated or the general impact on employment conditions for the sector or other workers. Trade unionists and some employment and social policy studies and experts point that such measures (a) have positive long-term impact; (b) they may have a negative impact on the standards of employment, quality of jobs and pay and general conditions of employment.

Data collection and maintenance is not a strong point for the Cyprus.

There have not been any specific waves/political shifts where these were particularly important.

²⁵ Evaluation of the impact of the scheme for job placement of unemployed young tertiary education graduates for the acquisition of work experience in enterprises/organisations (2015), published 3.10.2017, <http://www.hrdaauth.org.cy/images/media/assetfile/Summary0004.pdf>



Consistency of the policies for youth inclusion

The officials interviewed have pointed out that we cannot speak of synergies as such in the case of Cyprus, as the measures have not been conceived, at least at the level of the design, to be organised with view to addressing a general social policy to produce such synergies. The measures adopted address the specific problem of high youth unemployment, particularly amongst graduates, hence the specific target of providing training opportunities for such persons. The target are NEETS, as per design of the EU policy. The outcome is the indirect job creations, as shown by the evaluation studies of HRDA but there is no obligation on employers to take on the trainees. None of the officers and experts interviewed, nor is there any study in Cyprus points to any synergies, of the kind conceived by the designers of the study.

One of the challenges facing Cyprus is how to properly connect by design various components of social policies. There are some that do connect, but the most significant policy change since 2013, has been to cut benefits via the introduction of the so-called minimum guaranteed income, which basically restricted benefits to the a stringent means-tested system based on income and property. Work measures where youth could also get support for housing has massively contracted. I cannot give initiatives in Cyprus, which have positive evaluations.

Given the mass of youth unemployment, which reached 40% at one point in 2014 of the economic crisis, the authorities considered that the priorities must necessary be youth unemployment in general. *Youth Guarantee* concerned young persons under 25 and NEETs were high priority, as well as highly qualified young persons.

The *National Action Plan for Youth Employment in Cyprus 2014-2017* (CYNAPYE 2014, p.4) recognizes that despite the fact that Cyprus since the economic crisis hit Cyprus, the growth in insecure, flexible and precarious forms of employment, known as atypical work, can be located in the broader context of rising unemployment, particularly amongst the youth. Studies show a significant rise in insecure/flexible and precarious forms of employment, particular amongst the youth since the beginning of the crisis (Demetriou, 2015; Trimikliniotis et al 2016; Ioannou and Sonan, 2016 Ioannou and Charalambous, 2017). However, the connection between the two can be made because the predominant driver of these atypical arrangements is not the freedom of parties to choose the arrangements that suit them best, but the result of the changing balance of forces between the employers and organised labour, which has been weakened by the crisis, the rising unemployment, the austerity policies and the memorandum of understanding with the Troika. As a result, we have a process of



precaritisation,²⁶ with a steady expansion of services based on precarious forms of employment.²⁷

Since the crisis years real wages dropped on average by 22% (INEK-PEO, 2014). Wages however did not decline uniformly across sectors and labour force groups. As Ioannou and Charalambous (2017) point out “new entrants into the labour market and the recently hired employees that bore the brunt of the crisis, with the youth being over-represented in this group”. Massive rise of unemployment, particularly amongst the youth was the most significant characteristics in the labour market, which “exert huge pressure on the wages of those in employment, but it also expanded irregular employment (fixed term, part time and other essentially precarious employment regimes) and diffused the feeling of insecurity to broader sections of the labour force including the well paid and more secure segments” (Ioannou and Charalambous 2017). This is the basis of the policy framework for prevailing forms of intervention in the labour market as regard youth, i.e. subsidized (low-income) employment. As Ioannou and Charalambous (2017) point out:

“More importantly, it normalized and more or less institutionalized low starting wages in all jobs and part time low paid publically subsidized employment through the various schemes aiming to combat unemployment and youth unemployment.”

In the field of tertiary education, an important sector of the Cypriot economy, casual/precarious employment has become common in the post-crisis era, both for teaching/training as well as for research work. In the absence of research data, it is worthwhile illustrating the various casualised and precarious forms of employment that operate in Cyprus, particularly in this sector. Flexibility is positive if it is in the interests of both employer and employee and both parties choose it freely; it is not positive if the employer imposes it. Since the creation and expansion of tertiary education, junior lecturers and other academic staff were often in precarious employment relationships. This practice seems to have expanded over the last decade and has intensified further over the last three years.²⁸ Although it is difficult to verify without an in depth empirical study, there are strong indications that there is an expanding pool of ‘peripheral workers’ who work in the expanding field of research and part-time/fixed term teaching contracts. There are various workers categorised as “Special Teaching Staff” and “visiting lecturers”, both in public and private universities and colleges; however, the percentage use of this sort of staff is restricted by law, and must not exceed 30% per

²⁶ As indicated by Standing (2014), “*precarity is now no longer restricted to those occupying a peripheral position in the labour force structure*”. Ioannou (2014) also notes “*The blurring of the lines between the core and the periphery, which was already underway before the crisis*”.

²⁷ See Constantinou, 2014, 127-143.

²⁸ Consultation with trade unionist from PASEY – the Pancyprian Trade Union for Services November 2017.



school²⁹. In addition to that, there is an increasing number of “other flexible staff”, who are often given different academic titles, but the employer has entered into individual contractual agreements that he/she is not obliged to provide the worker with stable employment, but only casual work if and when it arises. Often, retired persons who have no recourse to the Law on Termination of Employment are employed. Moreover, the employer will use the strong institution bargaining power on individuals to accept ‘pro rata’ arrangements contained in the part-time law to provide different levels of work when and if needed. Therefore, one can safely estimate that the casual teaching labour certainly exceeds the 30% limit and may well be over 50%³⁰. The trend is to expand casualised/precarious arrangements that cut across all ranks. Nonetheless, the bulk is concentrated in the bottom of the academic hierarchy, suggesting that the trend towards casualised/precarious work affects more the newcomers into the profession, who are prepared to work under inferior working conditions in light of the high youth unemployment.

The *Revised Strategy for Social Policy*, (Social Services, 2017, p. 13) refers to a SWOT analysis, which point to three key weaknesses/disadvantages of the policy framework as:

- Worsening working conditions, increasing long-term unemployment and youth unemployment, reducing wages and income;
- Lack of an institutionalized role of local authorities in social protection;
- Lack of a coherent and unified framework for the systematic monitoring and proper evaluation of active employment policies

A major problem that the subsidized employment policies is not sustainable: employers admit that they are unlikely to keep the employees once the funding is over (Stavrou, forthcoming). Moreover, in Cyprus there has been a serious contraction of the anaemic welfare state that existed; there is essentially little, if any broader social policy hence there serious problems of access to health cares, children care facilities to housing and equal pay for young and precarious.

The policy direction and design is problematic. The interviews conducted revealed that: (a) Data concerned with LMP and youth unemployment are those required by European bodies and available on European databases such as the LMP. For instance, for statistical data on the beneficiaries of youth employment policy in Cyprus, the authorities suggested us to refer to EUROSTAT, since data cannot be publicly accessed at national level, (b) Youth unemployment policy implemented in Cyprus is not nationally conceived, but derives directly from supranational, especially European, priorities. However, national actors perceive these supranational priorities as converging with the national ones. (c) It also should be noted that, in general, most of youth employment policy programmes and measures implemented by Cypriot

²⁹ Rules governing public universities and other tertiary education institutions provide for such restrictions. Also, art. 34(1) of the Private Universities law 109(I)/2005 requires that they are not more than 30%. The law is available at http://www.cylaw.org/nomoi/arith/2005_1_109.pdf.

³⁰ Consultation with officer from the trade union PASEY – the Pancyprian Trade Union for Services, November 2017



authorities are funded by European funds. In this perspective, focus on EU priorities becomes a means for national authorities of attracting funding.



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