

Joint Conference on the Framework of Actions on Youth Employment Achievements and Challenges Ahead

Actions of the Social Partners Priority 1: Learning - Cyprus



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Cyprus Labor Relations System

- The Labor Relations System was constructed in 1960 with the assistance of the International Labor Organization (ILO).
- Tripartite character from the beginning, strong tradition in social dialogue.
- For all labor-related matters (e.g. policies, law amendments etc) the government authorities follow a procedure of consultation/dialogue with the Social Partners' Organizations.
- Social Dialogue, however, is limited in other matters e.g. education.

Impact of Global Financial Crisis

- The global financial crisis brought to the spotlight certain structural problems that were not considered “top-priority” before.
- The crisis has also provided the opportunity to re-examine certain policies and implement changes in order to effectively tackle the problems that became evident.
- The complexity and/or interrelation of these problems required a more sophisticated approach that brought together different agencies, institutions, ministries etc that did not collaborate in the past (e.g. for designing policies to tackle youth unemployment, skills mismatch).

Educational Attainment

- Generally high level of educational attainment, low level of early school leavers, but also low level of attainment in vocational education:
- Tertiary Education attainment (age 30-34) for 2015:
Cyprus 54,6%, EU average 38,7%
- Early leavers from education and training (age18-24) for 2015:
Cyprus 5,3%, EU average 11%
- Vocational Education attainment very low (2013):
Cyprus: boys 20,7%, girls 4,3%,
EU average: boys 56,6%, 46,3% girls

Unemployment & Youth Unemployment

Year	Unemployment (%)	Youth Unemployment (%)
2008	3,7	9
2009	5,4	13,8
2010	6,3	16,6
2011	7,9	22,4
2012	11,9	27,7
2013	15,9	38,9
2014	16,1	36
2015	15	32,8
2016	13,1	29,1

Unemployment Rate: the number of unemployed persons as a percentage of the economically active population (the total number of people employed and unemployed = labor force) based on International Labor Office (ILO) definition.

Youth Unemployment Rate: the unemployment rate of people aged 15-24 as a percentage of the labor force of the same age.

Source: Eurostat

Social Partners' Role

- Social Partners agreed from the beginning that education is key for learning and obtaining skills and competences.
- Despite the low percentage of young people dropping out of school, Social Partners agreed that there was a need in **reforming education** and **training curricula**, with Social Partners' **involvement**.
- The goal is to have an educational system that will be **responsive to labor market's needs**, therefore reducing the skills mismatch observed.

Educational Reforms

- The Ministry of Education and Culture in association with the Ministry of Labor, Welfare & Social Insurance and the Social Partners' contribution have taken steps towards **reforming** and improving the Vocational, Education and Training (VET) system.
- The objective is to establish a **dual learning system**, where a significant part of education takes place in an enterprise in order for the students to acquire technical skills and increase their employability.

Educational Reforms

- In addition, new premises have been set up with modern equipment, machinery and technology in order for the students to acquire the necessary skills and be able to respond to today's market needs.
- During this process, Employer Associations and Trade Unions were very active and helpful in providing guidance and expertise in the technical committees' work that were established to this end.
- Moreover, the two Ministries along with the Social Partners' direct involvement have taken steps towards promoting apprenticeship systems and traineeships, which was something relatively new in Cyprus, thus not very well established.

Educational Reforms

- The Human Resource and Development Authority of Cyprus (HRDA), which operates under the supervision of the Ministry of Labor, Welfare & Social Insurance, along with the active participation of Social Partners, has designed and currently implements various Schemes, co-funded by the European Social Fund (ESF), by which an allowance is provided to the apprentices or trainees for their period of apprenticeship or traineeship.
- The idea is to limit the period where the job-seekers remain outside the labor market and at the same time to utilize that period by providing training to them, thus increasing their employability. Data shows that the majority of young people completing their apprenticeship, continued to work for the same Employer afterwards.

Educational Reforms

- The Schemes targeted youth unemployment at all levels: early school leavers, high-school graduates, university graduates.
- In the long-term, Social Partners are working with their members in promoting a lifelong learning culture, a necessary means to further develop the skills and employability of all employees as well as the competitiveness of enterprises and the economy.
- Perhaps the most important “lesson learned” is that through Social Dialogue, collaboration and the direct involvement of Social Partners, considerable changes can be made for the benefit of the society as a whole.
- Especially in times of crisis, Social Dialogue is a necessity. Therefore, Social Dialogue should be promoted further, to other non “traditional” labor-related matters e.g. education.

The European Dimension

- The participation to European-level seminars and conferences, the exchange of Member-States' good practices and the position papers, studies, reports and data that we receive from BusinessEurope, Eurofound etc have been very helpful as they help in setting the agenda and initiating dialogue at the national level (dual learning system-Germany, Schemes-Ireland).
- Moreover, additional policies and initiatives may come to support our efforts (e.g. Euroskills Competition).
- Following other Employers Organizations' examples, OEB has recently signed MoUs with public and private universities in order to bring closer the academic community with the Business World.
- It has also institutionalized the Cyprus Innovation Award to further promote research, innovation and entrepreneurship, that will create new job positions.

Thank you for your attention!



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