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CANDIDATE COUNTRIES
VOCATIONAL EDUCATION AND
TRAINING AND EMPLOYMENT
SERVICES IN CYPRUS
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VOCATIONAL EDUCATION AND TRAINING AND EMPLOYMENT SERVICES IN CYPRUS

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<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>CAT</td>
<td>Change agent team</td>
</tr>
<tr>
<td>CPC</td>
<td>Cyprus Productivity Centre</td>
</tr>
<tr>
<td>CPS</td>
<td>Candidate placement system</td>
</tr>
<tr>
<td>CVT</td>
<td>Continuing vocational training</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross domestic product</td>
</tr>
<tr>
<td>HHI</td>
<td>Higher hotel institute</td>
</tr>
<tr>
<td>HRDA</td>
<td>Human Resources Development Authority</td>
</tr>
<tr>
<td>HTI</td>
<td>Higher technical institute</td>
</tr>
<tr>
<td>IVET</td>
<td>Initial vocational education and training</td>
</tr>
<tr>
<td>JAP</td>
<td>Joint Assessment Paper</td>
</tr>
<tr>
<td>LFS</td>
<td>Labour Force Survey</td>
</tr>
<tr>
<td>LLL</td>
<td>Lifelong learning</td>
</tr>
<tr>
<td>MEC</td>
<td>Ministry of Education and Culture</td>
</tr>
<tr>
<td>MLSI</td>
<td>Ministry of Labour and Social Insurance</td>
</tr>
<tr>
<td>PES</td>
<td>Public employment services</td>
</tr>
<tr>
<td>PPS</td>
<td>Purchasing power standards</td>
</tr>
<tr>
<td>PRES</td>
<td>Private employment services</td>
</tr>
<tr>
<td>SDP</td>
<td>Strategic Development Plan</td>
</tr>
<tr>
<td>SP</td>
<td>Social partners</td>
</tr>
<tr>
<td>STVE</td>
<td>Secondary technical and vocational education</td>
</tr>
<tr>
<td>VET</td>
<td>Vocational education and training</td>
</tr>
</tbody>
</table>
The purpose of this monograph is to provide the European Commission, DG Employment and Social Affairs, with an analytical tool to facilitate their assessment of progress in implementing the priorities identified in the Joint Assessment Paper (JAP) signed in November 2001 between the European Commission and the Government of Cyprus, Ministry of Labour and Social Insurance. The aim is to provide a framework for assessing the readiness and capabilities of the vocational education and training system, lifelong learning provision and the employment services to support the implementation of national employment priorities.

The monograph provides a set of conclusions in terms of discernible progress, achievements, gaps and trends identified with the use of appropriate indicators. It pays attention to the four pillars of the European Commission’s Employment Strategy: employability, entrepreneurship, adaptability, and equal opportunities. It also takes account of the six key messages contained in the European Commission’s Memorandum on Lifelong Learning, namely:

1. new basic skills for all
2. more investment in human resources
3. innovation in teaching and learning
4. valuing learning
5. rethinking guidance and counselling
6. bringing learning closer to home.

For the purpose of this monograph, the definition of lifelong learning has been adopted from the European employment strategy: ‘All purposeful learning activity undertaken on an ongoing basis with the aim of improving knowledge, skills and competence.’

The production of the monograph is the responsibility of the European Training Foundation (ETF). Its preparation has been co-ordinated by Henrik Faudel of the ETF with assistance from two national experts from Cyprus, George Christodoulides and Iacovos Aristidou of Intercollege and one from the European Union, Moira McKerracher of the Scottish Qualifications Authority.

Note: The computation of the various indicators and the other statistical data used in this monograph are based on published ones, the latest being for the years 1998–99. When the latest figures are used, these have been obtained in most cases from the files of the various departments, ministries and/or the new Labour Force Survey for 2000. (The results of the 2001 survey are still being worked out.)
EXECUTIVE SUMMARY

The country monograph on vocational education and training and employment services provides baseline information and analysis aiming at identifying the progress in implementing the priorities identified in the Joint Assessment Paper on Employment Policy (JAP) agreed between the Government of Cyprus and the European Commission. Current EU policies based on the Lisbon conclusions, such as the lifelong learning initiative, and the European Employment Strategy set the framework for the analysis.

1. THE CONTEXT

1.1 ECONOMIC DEVELOPMENT

Cyprus has experienced strong economic growth over the last decades. The average growth rate of GDP between 1995 and 1999 was 4.0% compared with an EU average of 2.4%. In 2000, GDP rose by 5.1% compared with an EU average of 3.3%. In 2001, GDP is estimated to increase by 4.0%.

GDP per capita amounted to €19,400 PPS in 2000, which is over 86% of the EU average of €22,530 PPS:

<table>
<thead>
<tr>
<th>Structure of GDP in 1990* (%)</th>
<th>Structure of GDP in 2000* (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and forestry</td>
<td>7.2</td>
</tr>
<tr>
<td>Industry</td>
<td>17.2</td>
</tr>
<tr>
<td>Construction</td>
<td>9.9</td>
</tr>
<tr>
<td>Services</td>
<td>65.7</td>
</tr>
</tbody>
</table>

* measured as share of gross value added (at current prices)

1.2 KEY EMPLOYMENT AND LABOUR MARKET DEVELOPMENTS

The total labour force was 314,000 in 1999. The labour force participation rate of the 15–64 age group has decreased slightly from 71.2% in 1989 to 69.0% in 2000. The employment rate for the 15–64 year olds during the 1990s has varied between 66–68% and is at 67.2% in 2001 above the EU average of 64%.

According to the 2001 LFS, the male and female employment rate was 79.7% and 56.5%, respectively, which were both above the EU averages of 73.1% and 54.9%, respectively.

Employment by sector has seen major changes since 1980 with a large increase in the importance of the tertiary sector in terms of employment:

<table>
<thead>
<tr>
<th>Employment by sector</th>
<th>1980</th>
<th>1990</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary sector</td>
<td>20</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>Secondary sector</td>
<td>35</td>
<td>29</td>
<td>22</td>
</tr>
<tr>
<td>Tertiary sector</td>
<td>46</td>
<td>57</td>
<td>68</td>
</tr>
</tbody>
</table>


1 Key Figures, The Statistical Service of Cyprus (CYSTAT), 12 April 2002.
VOCATIONAL EDUCATION AND TRAINING AND EMPLOYMENT SERVICES IN CYPRUS

Unemployment in general has remained low in Cyprus over the last decades though there has been a slight increase in recent years. In 1980 registered unemployment rates stood at 2.0%, in 1990 at 1.6%, and in 2000 at 3.4%. According to the LFS, the unemployment rate was 4.9% in 2000 falling to 4.0% in 2001. This means that the unemployment rate in Cyprus is considerably lower than the EU average rate of 7.6% in 2001 and is the lowest of all the candidate countries. Female unemployment rates are nearly three times higher than male rates (in 2000, 7.4% for females compared with 3.2% for males), whereas the gap between male and female unemployment rates is considerably smaller in the EU at 8.9% for females and 6.6% for males in 2001. The long-term unemployment rate is low and equal to the EU benchmark in 2001 at 0.9% compared with an average 3.2% in the EU. Youth unemployment rates are also among the lowest in the candidate countries and less than half of the EU average.

Cyprus labour market and employment performance indicators, benchmarks and targets*

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Cyprus</th>
<th>Strategic goal*</th>
<th>EU-15</th>
<th>EU benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999 2001</td>
<td>2003</td>
<td>2001</td>
<td></td>
</tr>
<tr>
<td>Employment rate (15–64 age group)</td>
<td>64.2 67.2</td>
<td>1.2% p.a. increase</td>
<td>64.0</td>
<td>70 Goal–2010 (Lisbon Summit)</td>
</tr>
<tr>
<td>Employment rate (55–66 age group)</td>
<td>47.0 49.8</td>
<td>n.a.</td>
<td>38.6</td>
<td>50 Goal–2010 (Stockholm Summit)</td>
</tr>
<tr>
<td>Employment rate – female</td>
<td>50.2 56.5</td>
<td>n.a.</td>
<td>54.9</td>
<td>60 Goal–2010 (Lisbon Summit)</td>
</tr>
<tr>
<td>GDP (annual real growth)</td>
<td>4.6 4.0</td>
<td>2.8</td>
<td>1.6</td>
<td>3.0 (Lisbon Summit)</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>4.0 3.0</td>
<td>7.6</td>
<td>2.8</td>
<td>Average three best performance countries (LU-NL-AT)</td>
</tr>
<tr>
<td>Long-term unemployment rate</td>
<td>1.3 0.9</td>
<td>n.a.</td>
<td>3.2</td>
<td>0.9 Average three best performance countries (NL–AT–DK)</td>
</tr>
<tr>
<td>Youth unemployment rate</td>
<td>11.9 8.4</td>
<td>n.a.</td>
<td>16.1**</td>
<td>5.6 Average three best performance countries (IRL–NL–AT)</td>
</tr>
<tr>
<td>Youth unemployment ratio (15–24 age group)</td>
<td>4.9 3.5</td>
<td>n.a.</td>
<td>7.8**</td>
<td>2.9 Average three best performance countries (LU–IRL–AT)</td>
</tr>
<tr>
<td>Unemployment rate – female</td>
<td>7.4** 5.8</td>
<td>n.a.</td>
<td>8.9</td>
<td>3.3 Average three best performance countries (LU–NL–IRL)</td>
</tr>
</tbody>
</table>

** Figures for 2000.

Since 1991, Cyprus has resorted to importing foreign workers to fulfil its labour shortages especially in the services sector, including domestic servants, and blue collar jobs in manufacturing, agriculture and construction. In 1995 there were 15,000 foreign workers equivalent to 5.3% of the employed population increasing to 25,000 by 2000 (8.5%). These figures refer only to those in legal employment registered by the Social Insurance Department.

1.3 DEMOGRAPHIC DEVELOPMENT

The total population in the government-controlled area has increased from 522,800 in 1982 to 603,100 in 1991 and to 671,300 in 2000. Throughout the 1990s the proportion of the population aged 15–24 has remained stable around 14.5% – somewhat lower than in the early 1980’s (18.3% in 1982). The proportion of 55–64 year olds increased slightly but steadily from 7.9% in 1982 to 9% in 1999.

The population of working age has seen an increase of over 15%, from 391,100 in 1992 to 442,400 in 2000, while the birth rate has fallen from 18.3 per 1,000 population in 1990 to 12.3 in 2000.

2. FOUNDATIONS FOR LIFELONG LEARNING

Cyprus does not have a formulated comprehensive strategy or approach to lifelong learning as such. This is evident in the report on the consultation process on the European Commission’s Memorandum on Lifelong Learning. Nevertheless, a number of reform initiatives have been started including, for example, a reform of secondary technical and vocational education, a review of the apprenticeship system and the creation of a national qualification system. However, at the moment there is no system for the accreditation of prior or experiential learning, nor are formal and non-formal vocational education and training set within an overarching qualifications framework.

Links between initial and continuing vocational training are still weak. This has been evident in the pilot development of national vocational standards in five occupations and is due to a number of factors such as limited cooperation between the different authorities responsible.

A number of options for adults to acquire formal qualifications and/or upgrade their skills exist. However, the system is biased against the unemployed for whom only limited options are available. Also there is inadequate provision, especially for females, for the reintegration of the approximately 2000 school dropouts per annum into the education or training system and eventually to employment.

2.1 PARTICIPATION IN EDUCATION AND EDUCATIONAL ATTAINMENT

In 1997, 57% of the population over 20 years old had attained at least secondary education while 17% had attained higher education. In the EU 60% of 25–64 year olds had attained at least secondary education and 21% higher education. Educational attainment continues to increase in Cyprus. According to the LFS in 2000, 80.9% of the 20 year olds had attained upper secondary education and 28.3% of the 29 year olds had attained tertiary education. The proportion of men who have never attended school has been stable since the mid-eighties but has been reduced considerably for women. In 1976, 21% of women had never attended school falling to 10% in 1991. In 1997, 6% of women had never attended school compared with 2% of men.

The net enrolment ratio for 12–17 year olds was 91% in 1998. Participation in secondary technical and vocational education has been falling. In 1991/92, 22% of upper secondary school graduates came from technical and vocational education falling to 17% in 1997/98. In the 2001/02 school year, 17% of those enrolled in upper secondary schools were in secondary technical and vocational education. The Department of Technical and Vocational Education aims to increase the proportion in secondary technical and vocational education to 20%. Furthermore, 25% of those in secondary technical and vocational education follow the technical strand. It is the aim to increase this rate to 30%.

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These figures demonstrate the strong bias in the Cypriot population in favour of general and higher education. The gross enrolment rate of 20–24 year olds in tertiary education has increased steadily during the nineties from 35% in 1990 to 50% in 1999. More than half of this group was enrolled in education institutions outside Cyprus. Of those who obtain a university degree abroad approximately 15% have not returned to Cyprus two years after graduation although the proportion is higher – around 25% – for those who follow post graduate studies.

An estimated 2000 young people (70% male) leave the school system every year before finishing lower secondary school. Of this group approximately 400 per annum (nearly all male) enter the apprenticeship system which is at present functioning primarily as a dropout safety net. Hardly any of the female dropouts enter the apprenticeship system.

Participation of adults in part-time studies within the formal education and training system is facilitated through afternoon and evening classes run by the Technical and Vocational Education Department of the Ministry of Education and Culture. Courses offered include a range of nationally recognised skills training; preparatory classes for academic and vocational courses awarded by international bodies and university-entrance examinations; and preparation for government/semi-government selection examinations. These courses are subsidised but with a reduced fee of approximately €100–200 for courses depending on type and duration.

Participation in continuing vocational training organised by the Human Resources Development Authority (HRDA) in 2001 was in total about 30,000 participants, equivalent to almost 10% of the labour force. Participation in continuing vocational training other than that funded by HRDA is not known. Approximately 17,000 people took part in courses organised by the adult education centres.

The HRDA does not cater for the self-employed and only to a limited extent for the unemployed. It does offer ‘accelerated training’ for new entrants to the labour market or those unemployed in occupations where there are labour shortages.

The Public Employment Services refer individuals to HRDA funded training programmes, but can offer very limited training opportunities to those who are unemployed, especially the long-term unemployed, if they cannot get an employer to sponsor them. Active measures to reintegrate the unemployed into the labour market are not well developed.

2.2 FINANCIAL RESOURCES

Public expenditure on formal education has increased from 3.7% of GDP in 1990 to 4.4% in 1994, 5.4% in 1998 and 5.7% in 1999. This compares with the 1998 figures of 5.3% as the OECD average, 3.5% in Greece, 5.7% in Portugal and 4.3% in the Czech Republic. Private expenditure on formal education rose during the same time from 2.0% in 1990 to 3.2% in 1998. Total expenditure in Cyprus on education was therefore 8.6%, including studies abroad, compared with 7.2% in Denmark which is the OECD country with the highest reported expenditure on education.

The share of public expenditure on formal education of the government budget increased steadily from 11.4% in 1990 to 14.7% in 1998. The OECD average in 1998 was 12.9%.

In 1998, public expenditure on secondary technical and vocational education was 0.87% of the government budget or 0.31% of GDP. The total share of secondary technical and vocational education of public expenditure on formal education was 5.7% in 1998 compared with 7.2% in 1990.

Employers (excluding the government and the self-employed) pay a payroll levy of 0.5% to the HRDA. The funds are used primarily to fund continuing vocational training for the employed. In 2000, HRDA's total expenditure was €10.8 million out of which €6.6 million represented expenditure on training activities. In addition to the levy,
it is estimated that employers spend an additional 1–1.5% of pay-roll on training measures for their staff. This includes the co-financing of training subsidised by HRDA.

Expenditure on PES administration was 0.01% of GDP in 2001 compared with 0.11% in Denmark.

3. INITIAL TECHNICAL AND VOCATIONAL TRAINING

Seen overall, a positive reform of secondary technical and vocational education is currently ongoing. The reform will enhance transfer between general and technical and vocational education and progression routes from secondary to higher education. The introduction of new specialisations is a positive move to try to enhance the attractiveness of secondary technical and vocational education in general and redress the gender balance in particular, and to align secondary technical and vocational education more closely to the needs of the economy. However, at the same time this has not been done within the framework of a comprehensive approach to lifelong learning.

3.1 POLICY AND LEGAL FRAMEWORK

The government’s Planning Bureau is in charge of the Strategic Development Plan (the current one running from 1999–2003) which sets the overall aims for the development of Cyprus including human resources development. Some of the overall provisions in the Strategic Development Plan relating to the vocational education and training system are:

1. adjustment of the training system to the contemporary technological and IT needs of the labour market aiming at multiple skills, flexibility and adaptability;
2. development of a concept of lifelong learning;
3. reinforcement of the training infrastructure;
4. gradual introduction of standards for professional qualifications;
5. reorganisation and updating of the Apprenticeship Scheme;
6. review of secondary technical and vocational education;
7. promotion of the principle of equal opportunities and provision of second-chance options for adults;
8. strengthening placements of students and instructors in industry;
9. strengthening the cooperation between secondary technical and vocational education and HRDA.

The main quantitative targets set in the Strategic Development Plan were to increase the employment rate by 1.2% per annum, to obtain an average annual GDP growth rate of 2.8% and to maintain registered unemployment below 3%.

Based on the Constitution established in 1960, the Ministry of Education and Culture, created in 1964, is responsible for managing public education up to and including secondary education. In the special case of the apprenticeship system this responsibility is shared with the Ministry of Labour and Social Insurance while HRDA compensates employers for wages paid to apprentices who attend classes.

The Ministry of Education and Culture prepared a reform of secondary technical and vocational education, which was approved in August 2000 by the Council of Ministers. Implementation started in September 2001. The main thrust of this reform programme was to modernise curricula including the development of curricula for an enlarged number of occupations, for example, in the service sector, to redefine the technical and vocational strands, to provide for easier progression to higher education from both the technical and the vocational strands, to facilitate pathways from secondary general to technical and vocational education and between technical and vocational education, to introduce student-centred learning and increase the level of practical training including the possibility for teachers’ and instructors’ placements in
An important aspect of the reformed curriculum is the broadening of its base through the introduction of the first common year for each group of specialities. Furthermore, the Ministry of Education and Culture created the first Evening Technical School in the school year 1999/2000 on a pilot basis to promote lifelong learning for adults. This reform initiative is backed up by a separate budget allocation of €23 million (CP 13 million) for the period 2000–04. This includes:

- three new schools (CP 7 million);
- upgrading and maintenance of existing schools (CP 2.6 million);
- new equipment and IT (CP 2 million);
- in-service teacher training (CP 0.2 million).

A comprehensive reform of general secondary education has been initiated which emphasises student choice. The existing non-university tertiary education institutions will be merged into a new technological university and an Open University in the field of distance learning is expected to start operations in September 2002.

### 3.2 RESOURCES

#### 3.2.1 TEACHERS

In Cyprus teaching is an attractive profession. This is partly due to the overall salary level, and the fringe benefits, which include pension and health insurance longer holidays and shorter working hours compared with the private sector. The starting salary for a degree holder is €1,440 per month. For young engineers this corresponds to approximately 10–15% more than they could expect to earn in the private sector. Teaching in Cyprus is primarily a male profession. Young graduates often are on a waiting list for years – up to 10 years – before they are offered a teaching position.

Teachers in secondary technical and vocational education and the apprenticeship system must as a minimum hold a Bachelor’s degree and instructors a diploma (two to three years of non-university higher education).

Quite recently initial teacher training has been made compulsory for new teachers and instructors upon appointment over a 26-week period. Most of the existing teaching staff have not had any training in modern student-centred teaching/learning methods which is the essence of the new curricula. In order to address this issue an initiative has been started by the Ministry of Education and Culture through the promotion of school-based staff development by setting up change agent teams in all secondary technical and vocational education schools. The role of the change agent teams is to take the lead in the introduction of new teaching/learning methods through training of colleagues.

#### 3.2.2 EQUIPMENT

Technical equipment of school workshops in secondary technical and vocational schools will be upgraded as part of the secondary technical and vocational education reform programme. The Ministry of Education and Culture has set targets for the introduction of computers in schools. By the end of 2002, the targets in the gymnasium (lower secondary school) are 14 students per computer and seven students per computer in all types of upper secondary school. For the end of 2003, the targets are 15 students per computer in elementary schools, nine students per computer in gymnasiums and five students per computer in upper secondary schools. At present students following the apprenticeship scheme do not have access to computers.

#### 3.3 STRUCTURE AND ORGANISATION

In Cyprus, the primary and secondary school system is organised as follows: six years of primary school, three years of lower secondary school (gymnasium), and three years of upper secondary education.
The latter is divided into general and technical/vocational upper secondary education, respectively. School is compulsory until the age of 15, which is at the end of lower secondary school. Students may opt for the apprenticeship system any time between the age of 14 and 16. The apprenticeship lasts two years.

At present Cyprus has eleven secondary technical and vocational education schools, and there are plans to build three more.

The reform of the secondary technical and vocational education has created transfer possibilities between secondary general and technical and vocational education as well as between the technical and vocational strands. However, currently there is very little mobility between general and technical and vocational secondary education nor between the two strands in secondary technical and vocational education. Furthermore, progression is possible from all three options to higher education. Most students gain access to institutions of higher education based on the result of the selection exams organised by the Ministry of Education and Culture every year. In the present apprenticeship system there are neither transfer nor progression possibilities. Curricula are not modularised and do not allow for flexible attendance at initial and continuing vocational education and training for adults.

Secondary technical and vocational education in Cyprus is completely centralised from financing and planning to curricular development and the recruitment of teachers and instructors. Therefore the new curricula are implemented in all schools at the same time. The Ministry of Education and Culture also decides which courses to offer at which school.

Certification of secondary technical and vocational education is carried out by the schools. Social partners do not take part in the final qualifications examination.

The present absence of occupational standards, means there is no national framework against which to measure competence, recognise skills upgrading, or provide opportunities for mobility of skilled workers, thus facilitating transparency, comparison and mutual recognition at international level.

This has led to a pilot project as the basis for the introduction of a competence-based vocational qualification system. Occupational standards have been elaborated in five occupations. Decisions still have to be made on assessment and certification mechanisms. The Ministry of Education and Culture is in favour of allowing schools to be included as assessment centres so that their graduates do not have to be tested twice, as this would unnecessarily further damage the image of secondary technical and vocational education. Outstanding priorities remain: namely, planning for full implementation of national occupational standards as well as ensuring that the system takes an integrated approach to the formal recognition of all competences regardless of whether these are acquired through the secondary technical and vocational education school system, continuing vocational training, experience-based or through the apprenticeship system. To move the project ahead, in May 2002, HRDA decided to seek international advice and launched a study with the purpose of proposing a national vocational qualifications framework and system including the necessary organisational infrastructure to support the delivery of national vocational qualifications.

The social partners are actively participating in governing boards, advisory councils and committees in vocational education and training and have taken an active part in the development of the reform of secondary technical and vocational education and in all HRDA activities.

3.4 DELIVERY

Social partners have been involved in the curriculum development groups established by the Ministry of Education and Culture. These groups have, however, been driven by the staff of the Ministry of Education and Culture. The secondary technical and vocational education reform
recognised the need for closer links to the labour market and proposed increased provision of practical training placements for both students and teachers. Real-life work experience remains limited, however, in secondary technical and vocational education. Teacher placements in industry as part of the reform is an example of good practice both in terms of upgrading teaching practice and in strengthening links between schools and industry.

3.5 RESPONSIVENESS OF INITIAL VOCATIONAL EDUCATION AND TRAINING TO THE NEEDS OF THE LABOUR MARKET AND THE INDIVIDUAL

Guidance and counselling services are provided by the Ministry of Education and Culture to young people at grade nine of their education, before leaving the gymnasium to progress either to the lyceums or the secondary technical and vocational education schools. The services are provided through 95 qualified counsellors placed in schools and at the central office of the Ministry of Education and Culture. Just over half (55.3\%) of the total cohort were covered in 1999 through individual counselling and in some cases through aptitude and psychological testing. However, there is no systematic approach to careers education for all students. One example is in relation to the apprenticeship system. The Department of Technical and Vocational Education announces the dates for enrolling into the apprenticeship classes and prospective students then either apply directly themselves or can seek assistance at the public employment services.

The Association of Teachers of Technical Schools has promoted the idea to the Ministry of Education and Culture of using staff from the secondary technical and vocational education schools as visiting counsellors in the gymnasiums in order to boost the image of secondary technical and vocational education among young people. Further counselling is available to students on entry to the secondary technical and vocational education schools to help them decide on study options. However, there are no school-based counselling services available to the trainees within the apprenticeship system. A separate service is provided by the Ministry of Education and Culture to students graduating from secondary technical and vocational education and from other types of schools informing them of study options at tertiary level in Cyprus and Greece.

A survey conducted by HRDA of 1996 secondary technical and vocational education school-leavers found that of those secondary technical and vocational education graduates who were in employment, around 50\% of technical and 80\% of vocational graduates were in occupations relating to their specialisation. Of those graduates who did not continue studies but wanted to enter the labour market, 24\% of technical and 18\% of vocational graduates remained unemployed for six months or more; after a year the unemployment rate was 9\% and 14\% respectively and after two years, 11\% and 13\%, respectively. Some 53\% of technical and 13\% of vocational graduates proceeded to further studies.

In secondary technical and vocational education in the school year 2000/01 there were 759 girls corresponding to 16\% of total enrolment. Out of 619 students in the apprenticeship system only three were girls. The low enrolment rate in technical and vocational education relates to the traditionally male-oriented nature of study programmes and the social stereotypes associating technical occupations with male workers. Some popular specialisations (e.g. hairdressing and beauty therapy) are for the time being not available through publicly funded secondary technical and vocational education, although they still form an integral part of the reformed curriculum. Individuals wishing to pursue these options must fund their own training through the private sector.

The system is not sufficiently responsive to individual needs especially in preventative actions against school dropout. The present apprenticeship system is unsatisfactory and remains a negative
choice and a last resort. It does not serve the needs of vulnerable young people, employers, or young people who wish to opt for a work-based route to qualification. The proposed reform aims at enlarging the scope of apprenticeship training, improving its image and providing a better environment for trainees. This should be obtained through the establishment of an independent authority to take charge of the apprenticeship system, the creation of three apprenticeship institutions, and the recruitment of teachers and trainers working only within the apprenticeship system. Furthermore, a broader range of occupations should be introduced in which the apprenticeship route could be followed. There are very few opportunities for school dropouts, particularly girls. This challenge deserves a focus of its own, separate from the apprenticeship training review. It might be assisted by the introduction of more choice of vocational options through the secondary technical vocational reform programme, but it could be addressed more fundamentally by a qualifications structure that allows people to access relevant education and training at a very basic level, and climb upwards on the qualifications ladder.

Entrepreneurial skills are not a separate topic within the technical and vocational curriculum and there are no specific initiatives to encourage an awareness of enterprise in young people. Nevertheless, a few elective subjects are intended to serve the aim of acquiring entrepreneurial skills, such as general economics, commercial and accountancy studies and public relations.

4. CONTINUING VOCATIONAL TRAINING

A system of continuing vocational training is well established in Cyprus, though links with the secondary technical and vocational education and the apprenticeship route to training need strengthening. A mix of public and private sector provision exists and has been encouraged through HRDA funding. Currently the system offers limited opportunities for those excluded for the labour market (for example, the long-term unemployed, and women returnees). It is aimed principally at those already in work or those who will easily secure employment and is mainly funded through a levy on employers. The balance of participation in HRDA publicly funded continuing vocational training for 2001 was 59% male to 41% female.

4.1 POLICY AND LEGAL FRAMEWORK

The role of the Planning Bureau in preparing the Strategic Development Plan and its key priorities for human resources development are set out in paragraph 3.1 above. The drafting of a separate National Employment Plan is currently underway as part of the new Strategic Development Plan for 2004–06. Cyprus’s continuing vocational training policy is primarily implemented by the HRDA, which refers to the government through the Minister of Labour and Social Insurance. The authority’s powers were broadened under the Human Resource Development Law of 1999 and now include responsibility for:

a) standards for vocational qualifications;
b) vocational guidance;
c) research and development, international cooperation; and
d) cross-border activities.

To expand the offer of continuing vocational training and lifelong learning, the Ministry of Education and Culture is currently in the process of preparing legislation together with the Ministry of Labour and Social Insurance and the HRDA, which will govern the establishment and operation of schools for continuing technical and vocational education.

Social partnership is well established at the strategic level: the HRDA is governed by a tripartite board and its activities are supported by tripartite committees. HRDA’s mission is ‘to create the necessary prerequisites for the planned and systematic training and development of Cyprus’s human resources, at all levels and in all sectors, for meeting the economy’s needs’.
The HRDA will now align its priorities to those of the Joint Assessment Paper. Those relevant to continuing vocational training include:

- increasing the participation of adults (unemployed and re-entrants);
- promoting this through cooperation with the public employment services and more active measures targeted at these groups;
- opening up existing programmes to those outside the labour market – especially women;
- more emphasis on vocational guidance;
- monitoring and evaluation of training programmes to measure their impact on existing and new target groups;
- establishing an integrated national system of vocational qualifications.

The realignment of the HRDA’s policies to those expressed in the Joint Assessment Paper will imply a broadening of its current focus on training for the employed, to support the reintegration of those who are currently excluded from the labour market. Work has already started on developing vocational standards, which will form the basis of an integrated and coherent system of national vocational qualifications, but progress is slow, and many planning and implementation issues still remain to be solved.

### 4.2 STRUCTURE AND ORGANISATION

The main promoter of vocational training for adults is HRDA through its different training schemes. In 2000, approximately 30,000 adults participated in training funded by HRDA in the four main schemes as follows:

- 18,500 in single (in-company) training programmes;
- 10,130 in multi-company (open) training programmes;
- 750 in multi-company high priority programmes;
- 350 in training abroad.

The HRDA is not a training provider itself but funds both private and public providers to deliver continuing vocational training programmes according to its priorities identified through the appropriate studies and surveys. There are over 160 private training organisations employing over 800 trainers, which offer upgrading/updating training. Some of the HRDA’s funds have been directed towards improving the training infrastructure of both public and private training providers. Such assistance covers 75% of the estimated costs of such improvements.

The biggest public provider of continuing vocational training (mainly craft and technician as well as supervisory training) is the Cyprus Productivity Centre. During 1999, 1,361 individuals were trained through the various Cyprus Productivity Centre courses. Continuing vocational training programmes organised through the HRDA are supplemented by afternoon and evening courses offered by the Ministry of Education and Culture.

Over and above the levy, employers contribute to continuing vocational training for their employees’ training through an estimated 1–1.5% of their payroll. HRDA subsidises on average about 50% of the actual cost of running its courses.

All expenditure on human resource development is tax-deductible. Through this incentive, it is estimated that about 20–25% of total expenditure on HRD is borne by the state.

The general picture is that most of the skills-upgrading training benefits those at the upper and middle managerial levels rather than at the operational level.

For public adult training providers of *ab initio* upgrading, and updating training, teachers and instructors should have a diploma from a higher education institution as well as substantial industrial training. Salary scales for adult instructors in the public sector (for example, Cyprus Productivity Centre) are comparable to those in the technical and vocational system. However, their selection and recruitment is done by the Public Service Commission. No waiting list applies and selection is based on merit: qualifications and performance at interview.
4.3 Responsiveness of Continuing Vocational Training to the Needs of the Labour Market and the Individual

The HRDA is the main actor in the field of labour market research. Occupational shortages and surpluses are identified through research carried out through an annual study entitled ‘The Human Resources Balance’. This provides forecasting for one to two years ahead and training priorities are decided on this basis. However, research into medium and long-term labour market developments, which will provide skills forecasting for a five to ten year period, has only recently been initiated.

Responsiveness of continuing vocational training to individual needs depends largely on the types of programmes prioritised for funding by the HRDA and training institutions who apply to the HRDA to deliver these programmes. In this sense it is geared more to the training supply side rather than to individual demand. There is no mechanism to formally recognise or give credit for prior experience.

There is a lack of policy addressing the needs of vulnerable groups. Continuing vocational training programmes organised by public providers (Ministry of Education and Culture and Ministry of Labour and Social Insurance institutions) are disseminated to PES offices. However, as has been stated, these are not targeted towards vulnerable groups. Training is geared towards the needs of companies rather than individuals. Activation measures for individuals with low qualifications, such as counselling services and reintegration courses are limited.

Guidance and counselling services provided under the responsibility of the Ministry of Labour and Social Insurance via the PES are confined largely to the matching individuals to vacancies. This is due to lack of human resources and appropriately trained staff. Individual career counselling is very limited and little if any use is made of psychometric testing. In October 2001, preparatory actions were initiated for the establishment, through a European initiative under ‘Leonardo da Vinci’ called the Euroguidance Network, of the National Resource Centre for Guidance. The centre’s key objectives are the provision of access to quality information on education and training opportunities, and the support of the exchange of information on such opportunities between all other European countries and Cyprus within the ultimate aim of increasing mobility in Europe.

There is limited provision for training of disabled people. One centre in Cyprus offers training in a number of trades and sheltered workshops. However, the capacity of this centre is limited compared with the number of declared disabled. Furthermore, the training offered does not now correspond to labour market needs. There are several support schemes to integrate people with disabilities into training and the labour market, including a ‘supported employment’ scheme through which persons with disabilities work in the open market with the help of special coaches. However, more active measures are required in this area, which is recognised by the government in the Law 127(1)/2000 providing for people with disabilities. Furthermore, the national system of vocational rehabilitation and training of the disabled is now under scrutiny. The latest figures available suggest that of the working-age disabled population, only 14% are actually in employment.

The network of public and private adult-training providers combined with the classes offered to adults by the Ministry of Education and Culture means that most areas of Cyprus are well served. The training activities of the major public provider, the Cyprus Productivity Centre are centred in Nicosia, Limassol and Larnaka. However, the central mountainous area is not well served by training facilities. Travel to the nearest towns can be inconvenient and, as a result, some residents opt out of training.
5. PUBLIC AND PRIVATE EMPLOYMENT SERVICES

Public employment services are well established in Cyprus and function from district labour offices located in all the principal towns. However, due to pressure of work, lack of staff training, and lack of availability of appropriate training options for clients, the PES currently makes only a limited contribution to supporting the aims of the national employment policy. In particular there are insufficient measures to increase the participation of both unemployed and re-entrants to the labour market in continuing vocational training or to assist the reintegration of groups currently excluded from the labour market, particularly women.

5.1 LEGAL AND POLICY FRAMEWORK

Employment policy is enshrined within the strategic development plans as outlined in paragraphs 3.1 and 4.1 above. The main policy objective is to attain full and more productive utilisation of human resources under full-employment conditions. The Public Employment Service comes under the Department of Labour of the Ministry of Labour and Social Insurance – the Employment and Industrial Training Section.

The labour offices provide assistance to employers, job-seekers and those in employment who wish to change jobs, through registration and placement services, provision of information on training opportunities and job vacancies. They are also responsible for the administration and monitoring of the apprenticeship scheme. Additionally the labour offices process applications from employers for the employment of foreign workers and investigate any complaints from foreign workers about their terms and conditions. The PES are not responsible for issuing unemployment benefit, though they supply supporting data to the Social Insurance Department.

5.2 STRUCTURE AND ORGANISATION

The PES functions from district labour offices in Nicosia, Limassol, Larnaka and Paphos, and a sub-office at Paralimni. The work of the offices is managed by the Director of the Department of Labour and the Head of Section in Nicosia.

Social partner involvement in the PES is well established. Each district office maintains a tripartite advisory committee. These meet as required, for example, in cases of abnormal unemployment situations, to enact a new employment policy or to review the labour market situation.

Private employment services in Cyprus have expanded in recent years, particularly in the recruitment of managerial or highly specialised staff and in the recruitment of foreign workers. The work of the PRES is regulated through the Law Providing for the Establishment and Operation of Private Employment Offices, 1997, which required every private office, existing and new, to obtain a licence from the Ministry of Labour and Social Insurance. Currently 79 licences have been issued and a further 35 are under consideration.

5.3 RESOURCES

Annual administrative costs for the public employment services for 2001 are around CP 760,000 (€1.3 million), or around 0.01% of GDP. In 2002 more resources are pledged for the recruitment of temporary staff to cope with the pressure of work related to foreign workers. In 2001 the total number of PES officers employed was 55, compared with 62 in 1992. However, in 1992, 18 staff performed duties outside PES compared with two in 2001.

In 2000, the average ratio of PES staff to employees was 1:3,763 and the ratio of public employment services to registered unemployed was 1:195. The JAP points out that both ratios stand at the upper limit of the international range suggesting that the public employment services is under resourced.
In May 2000 a nationwide candidate placement system was installed, to which all PES counsellors have access. The candidate placement system performs a range of functions, including: registration and updating of clients’ history; registration of employers and vacancies; matching candidates with vacancies; monitoring clients’ interviews with employers; and production of statistical data. A facility for matching candidates against training programmes is currently being developed and a self-service Internet-based facility for clients is planned. Further computerisation is timed to start in October 2002.

There are no records on the division of market share between public and private employment services, but according to the Labour Force Survey 2000, the share of the unemployed who are clients of the Public Employment Service is estimated at 78%.

5.4 SPECIFIC ISSUES

Pressure of work related to responsibilities for foreign workers has grown steadily in recent years and has contributed to the strain on resources and diversion of staff from working proactively with the unemployed and those excluded from the labour market. Contact between public employment service counsellors and registered unemployed is limited to monthly meetings to reconfirm unemployment, in order to comply with the regulations for receiving unemployment benefit.

Staff are inadequately trained to provide professional vocational guidance and counselling services to clients.

The publicly funded continuing vocational training is not appropriate to the needs of many of the Public Employment Service’s clients, for example, the low-skilled, long-term unemployed or women returning to the labour market. More active measures to support reintegration to the labour market or progression to mainstream continuing vocational training are required.

6. CONCLUSIONS

Cyprus is an economy with a remarkable history of economic growth during recent decades consistently able to maintain low unemployment rates and an employment rate higher than the EU average.

Cyprus has embarked upon a major reform of its secondary technical and vocational education system and has emphasised the importance of continuing vocational training as a means to ensure an adequately qualified labour force.

Nevertheless, a number of areas may still need addressing if Cyprus wishes fully to use its potential human resources base to secure continued economic growth and to participate fully in the European Employment Strategy.

Cyprus does not have a formulated comprehensive strategy or approach to lifelong learning. Links between initial and continuing training continue to be weak and there is no system for the accreditation of non-formal and informal learning.

The competence-based national qualification system is at a pilot level only. If a future lifelong learning strategy ensured that the formal recognition of all competences be made possible regardless whether acquired through the technical and vocational school system, continuing vocational training, experience-based or through the apprenticeship system, then the pilot approach should be enlarged.

Despite the overall good record of the Cypriot economy, the vocational education and training system does not provide adequate means to support the inclusion of disadvantaged groups.

Some 2,000 students drop out of secondary school every year. The main option for them has been the
apprenticeship system, but this has attracted only a small proportion of dropouts. The apprenticeship system does not lead to a recognised qualification nor are there any progression routes from the system. There are next to no females in the apprenticeship system. A decision on the reform proposal is still outstanding.

Although there is an untapped human resource among women who have a low employment rate, there are inadequate measures for the integration of women into the labour market. There are also limited options available to support the reintegration of the unemployed in general into the labour market. The continuing vocational training system focuses on the employed. Finally, only a limited number of disabled people are included in the labour market and there is no proactive approach to support their integration into the labour market.

The PES is currently inadequately resourced to make a positive contribution to the aims of the national employment policy.
1. INTRODUCTION TO CYPRUS EMPLOYMENT POLICY AND THE JOINT ASSESSMENT PAPER PRIORITIES

1.1 ECONOMIC AND DEMOGRAPHIC DEVELOPMENT

Cyprus has experienced strong and sustained economic growth ever since independence in 1960 apart from a short period in the mid-1970s following the Turkish invasion. The average GDP growth rate between 1995 and 1999 was 4.0% compared with an EU average of 2.4%. In 2000, GDP rose by 5.1% compared with an EU average of 3.3%. In 2001, GDP is estimated to increase by 4.0%. GDP per capita amounted to €19,400 PPS in 2000, which is over 86% of the EU average of €22,530 PPS.

Annex A.1 provides a global picture of the transformation from a basically backward agrarian economy into a modern developed economy. In 1960, 44.4% of the economically active population were engaged in the primary sector compared with 9.3% in 1999. The restructuring of the economy was achieved while maintaining low unemployment, apart from a few years after the Turkish invasion. Throughout most of this period, registered unemployment has remained low at between 1–3.4%.

Table 1. Structure of GDP in 1990 and 2000

<table>
<thead>
<tr>
<th>Structure of GDP in 1990* (%)</th>
<th>Structure of GDP in 2000* (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and forestry</td>
<td>7.2</td>
</tr>
<tr>
<td>Industry</td>
<td>17.2</td>
</tr>
<tr>
<td>Construction</td>
<td>9.9</td>
</tr>
<tr>
<td>Services</td>
<td>65.7</td>
</tr>
</tbody>
</table>

* measured as share in gross value added (at current prices)

5 Key Figures, The Statistical Service of Cyprus (CYSTAT), 12 April 2002.
VOCATIONAL EDUCATION AND TRAINING AND EMPLOYMENT SERVICES IN CYPRUS

Table 1 shows that the importance of the service sector has continued to grow during the last decade while the sectors of agriculture and forestry, industry and construction have all continued to represent an ever smaller proportion of GDP. The economy is highly dependent on tourism, but other services have also expanded, such as telecommunications, transport, finance, shipping and information technology.

The total population in the government controlled area has increased from 522,800 in 1982 to 603,100 in 1991 and to 671,300 in 2000. Throughout the 1990s the proportion of the population aged 15–24 has remained stable at around 14.5% – somewhat lower than in the early 1980s (18.3% in 1982). The proportion of 55–64 year olds has increased slightly but steadily from 7.9% in 1982 to 9% in 1999. The working-age population has seen an increase of over 15%, from 391,100 in 1992 to 442,400 in 2000, while the birth rate has fallen from 18.3 per 1,000 in 1990 to 12.3 in 2000.

1.2 EDUCATIONAL ATTAINMENT

Annex 8 gives an overall picture of educational attainment in Cyprus since 1960. At that time, 16% of the population over 20 years of age had attained at least secondary education and only 1% had attained higher education. In 1997, 57% of the population over 20 years old had attained at least secondary education while 17% had attained higher education. In the EU 60% of 25–64 year olds had attained at least secondary education and 21% higher education. According to the LFS, in 2001 62.9% of 25–64 year olds had attained at least upper secondary education.

Educational attainment continues to increase in Cyprus. According to the LFS, in 2000 80.9% of 20 year olds had attained upper secondary education and 28.3% of 29 year-olds had attained tertiary education. The proportion of men who have never attended school has been stable since the mid-1980s but has been reduced considerably for women. In 1976, the 21% of women who had never attended school fell to 10% in 1991. In 1997, 6% of women had never attended school compared with 2% of men.

Table 2 shows the relation between educational attainment and unemployment among the 11,375 registered unemployed in 1999 (see also Annex 4). There appears to be an over-representation among the unemployed with elementary education only (approximately 30% compared with approximately 26%) and an under-representation among those with general or technical and vocational education (approximately 57% compared with approximately 51%).

Table 2. Educational attainment of the registered unemployed in 1999

<table>
<thead>
<tr>
<th>Educational attainment</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary education</td>
<td>3,360</td>
<td>30</td>
</tr>
<tr>
<td>Secondary general education</td>
<td>4,915</td>
<td>43</td>
</tr>
<tr>
<td>Secondary technical and vocational education</td>
<td>917</td>
<td>8</td>
</tr>
<tr>
<td>Higher education</td>
<td>2,109</td>
<td>19</td>
</tr>
</tbody>
</table>


Illiteracy has been confined almost exclusively to elderly people. In fact, illiteracy rates dropped from 25% in 1960 (12% for males and 36% for females) to 4% in 1997 (2% for males and 6% for females) as a result of the emphasis placed on education.

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7 Key Figures, CYSTAT, 31 October 2001.
1.3 EMPLOYMENT POLICIES AND PRIORITIES SINCE 1960

The creation and maintenance of conditions of full employment has been a basic policy objective since Cyprus’s independence in 1960. The first Strategic Development Plan was prepared for the period 1962–66 by the Planning Bureau, which undertakes the central planning function under the auspices of the Ministry of Finance. It recognised the right of each individual to be in paid employment and adopted as its major aims: combating emigration, unemployment and under-employment and increasing overall labour productivity through the restructuring of the economy. All subsequent Strategic Development Plans have adopted the same objectives. From the outset human resources were recognised as a key contributor to economic development.

The latest Strategic Development Plan, 1999–2003, has adopted the standing objective of full employment. The main objectives mentioned in the Strategic Development Plan in relation to employment are inter alia:

- to harmonise policy in the sector of employment with the policy of EU Member States and to learn best practices from other countries;
- to gradually liberalise the policy concerning the employment of aliens from EU countries and reduce obstacles in the movement of labour from the EU, so that the free movement of persons can operate freely when Cyprus accedes to the EU;
- to effect harmonisation with the acquis communautaire regarding the definition of the terms and conditions of employment, the protection of employees in cases of mass dismissals, the insolvency of employers, and in cases of change of ownership of enterprises, as well as part-time employment etc.;
- to maintain conditions of full employment for all categories of labour, including those who are considered vulnerable, such as young people, university graduates, women, the elderly and persons with special needs;
- to make rational use of labour by sector, professional category and district;
- to make use of the inactive female labour force;
- to upgrade career orientation services and state employment services, based on current needs;
- to promote flexible forms of employment, such as contract work, part-time employment, employment with reduced working hours, flexitime employment teleworking etc, based on the current needs of the labour market;
- to change policy related to the employment of aliens based on the current needs of the labour market;
- to encourage the repatriation of Cypriots living abroad;
- to gradually reduce current differences in the terms of employment between the public and private sectors.

In order to achieve the objectives, the Strategic Development Plan suggests a series of policy measures of which the main ones relating to vocational education and training and the employment services are listed below:

- Linking the employment services of the Ministry of Labour and Social Security with the transnational network EURES, which aims at informing the nationals of EU Member States of current employment opportunities in the EU.
- Implementation of a computerised system for the employment services of the Labour Department, aimed at updating and upgrading the vocational guidance services and the placing the unemployed in appropriate jobs, as well as the matching of candidates to the vacancies declared by employers.
- Installation of computer terminals in district labour offices for the active participation of the unemployed themselves in the process of identifying the job best suited for them according to their qualifications, knowledge, experience and the terms of employment they seek.

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Elaboration of regulations aimed at the effective implementation of the law regulating the establishment and operation of job centres.

Linking the granting of unemployment benefit to retraining and training activities.

Relieving existing qualitative and quantitative sectoral, occupational and regional imbalances in the labour market, through the systematic monitoring of trends in the labour market, the detecting of labour surpluses and shortages, and encouraging mobility of the labour force from saturated sectors and occupations to sectors and occupations that present favourable prospects based on the current needs of the labour market. This aim will be achieved through the activation of the Department of Vocational Guidance of the Ministry of Education and Culture, the Labour Services of the Ministry of Labour and Social Security and through adjustments to the training programmes of the Human Resources Development Authority (HRDA). At the same time, incentives will be considered, with a view to encouraging geographical mobility.

Expansion of measures to make full use of the inactive female labour force. Such measures include the encouragement of the creation by communities and the private sector of a larger number of child-care centres, nursery schools and pre-primary classes, the promotion of part-time employment and flexitime employment, re-training of women who have left the labour market, enforcement of the principle of equal opportunity and equal treatment etc.

Continuous adjustment of the Business Staffing Schemes with university graduates applied by the HRDA based on contemporary market needs. Within this framework, emphasis will be placed on the acquisition of core skills.

Upgrading the University Graduate Self-employment Scheme in order to make it more effective and selective, and focused on reinforcing innovative business plans. The scheme must at the same time retain its social role in order to facilitate the self-employment of graduates of colleges of higher education who come from lower-income classes.

Enhancing the publications of the Guidance and Vocational Orientation Service concerning employment prospects.

Computerisation of data regarding the employment of aliens. Systematic monitoring of the employment of aliens, introduction of further restrictive measures concerning the employment of aliens in low-skill professions and adoption of a flexible approach regarding the employment of aliens from EU member states and aliens with high qualifications and skills, particularly in those sectors in which Cyprus hopes to upgrade its role as an International Service Centre.

Carrying out a study regarding the implementation of work patterns on a contract basis, part-time employment, reduced hours of work, flexitime, etc., and elaboration of recommendations to encourage their implementation in Cyprus. It is believed that the adoption of such measures, among others, will attract greater numbers to the labour market from various categories of the workforce, such as women with family responsibilities, pensioners, the disabled, students/pupils, etc. The new forms of employment will be the result of dialogue and consensus between the social partners.

Encouragement of the repatriation of Cypriots living abroad, through the promotion of the relevant action plan adopted by the Council of Ministers, which covers matters such as systematic information regarding employment conditions in Cyprus, housing, self-employment and the employment of Cypriots living abroad, training etc.

The objectives in the Strategic Development Plan are broad. Apart from an overall target to increase employment by 1–2% annually and contain registered unemployment at 3%, there are no quantified targets. The lack of quantified targets will be addressed in the new Strategic Development Plan covering the period 2004–06 which is currently under
preparation with assistance from the European Commission. A National Employment Plan will form part of this Strategic Development Plan and, in line with preparations for accession to the EU, it will also include the Single Programming Document for access to the European Structural Funds.

The Joint Assessment Paper, signed in November 2001 between the European Commission and the government of Cyprus, identified actual and potential labour market imbalances that might constrain economic growth, and assessed how employment policies might be improved to address these imbalances. The labour market in Cyprus is considered to be relatively flexible and well functioning; however, a number of areas were identified where employment policies may contribute further to economic and social development. The main priorities related to education and training and the public employment services are as follows:

1. effective implementation of the reforms in upper secondary education and the restructuring and modernisation of the apprenticeship scheme;
2. increasing participation of adults, particularly the unemployed and re-entrants to the labour market in continuing education and training;
3. development of a coherent system of lifelong learning based on improved links between initial and continuing vocational education and training, and an integrated national system of academic and vocational qualifications;
4. encouragement of a more active engagement by the PES with the unemployed as part of a preventative employability-oriented strategy;
5. improving access to labour market programmes for the unemployed and certain target groups currently outside the labour force, primarily women.

1.4 KEY EMPLOYMENT AND LABOUR MARKET DEVELOPMENTS IN CYPRUS

The total labour force was 314,000 in 1999, which represents an increase of almost 38,000, or 14%, since 1990. However, the labour force participation rate of the 15-64 age-group has decreased slightly from 71.2% in 1989 to 69.0% in 2000. At the same time, the difference between male and female labour force participation has diminished. While the male labour force participation rate fell from 88% to 81%, the female participation rate increased from 55% to 58%.

The employment rate for 15–64 year-olds during the 1990s has varied between 66% and 68%. According to the LFS, it was 66% in 2000 and at 67.2% in 2001 it was above the EU average of 64%. In 2000, the male employment rate was 78%, which increased to 79.7% in 2001. The corresponding female employment rates were 53% and 56.5%, respectively. This means that in 2001 not only was the male employment rate above the EU average but also the female rate. The corresponding EU rates were 73.1% for men and 54.9% for women, respectively.

Employment by sector has undergone major changes since 1980 with a large increase in the importance of the tertiary sector in terms of employment as seen in Table 3.

Table 3. Employment by sector

<table>
<thead>
<tr>
<th>Employment by sector</th>
<th>1980</th>
<th>1990</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>20</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>Secondary</td>
<td>35</td>
<td>29</td>
<td>22</td>
</tr>
<tr>
<td>Tertiary</td>
<td>46</td>
<td>57</td>
<td>68</td>
</tr>
</tbody>
</table>


Most new employment within the tertiary sector is generated within telecommunications, financial services and insurance, social services, and hotels and catering.

Unemployment in general has remained low in Cyprus over the last decades, though there has been a slight increase in recent years, falling again in 2001. In 1980 registered unemployment rates stood at 2.0%, in 1990 at 1.8% and in 2000 at 3.4%. According to the LFS, the unemployment rate was 4.9% in 2000 falling to 4.0% in 2001.
This means that the unemployment rate in Cyprus is considerably lower than the EU average rate at 7.6% in 2001 and is the lowest of all the acceding countries. Female unemployment rates are nearly three times greater than male unemployment rates (in 2000, 8.9% compared with 3.2% for men) whereas the gap between male and female unemployment rates is considerably smaller in the EU at 8.9% for women and 6.6% for men in 2001. The long-term unemployment rate is low and equal to the EU benchmark in 2001 at 0.9% compared with an average 3.2% in the EU. Youth unemployment rates are also among the lowest among the candidate countries and less than half of the EU average (see Table on p. 10).
2. VOCATIONAL EDUCATION AND TRAINING AND LIFELONG LEARNING IN THE CONTEXT OF NATIONAL EMPLOYMENT POLICY

2.1 OVERVIEW OF THE EDUCATION AND TRAINING SYSTEM

2.1.1 LEGAL FRAMEWORK AND INSTITUTIONAL SETTING

According to the Constitution of 1960, which founded the Republic of Cyprus, the general public education activities come under the jurisdiction of each of the two communal chambers for the Greek and the Turkish communities, respectively. However, in 1964 the responsibilities of the Greek Communal Chamber were taken over by the newly created Ministry of Education and Culture.

The Ministry of Education and Culture now manages and operates public education institutions for the pre-primary, primary and secondary levels including both general and technical, and vocational education.

There is no legal act that details who, other than the Ministry of Education and Culture, can provide education and training courses, except for the private sector within its legitimate business activities guaranteed by the Constitution. However, in practice other ministries or departments are active in the provision of education and training. All such activities, which in fact deal with adult education and training, are legitimised by decisions of the Council of Ministers, or by subsequent Acts passed by the House of Representatives.

For example, the Ministry of Labour and Social Insurance, as part of its responsibility to cater for labour and manpower matters, has taken initiatives to set up professionally oriented education and training institutions such as the Higher Technical Institute for the education and training of ‘middle level’ professionals (technician engineers), the Higher Hotel Institute for a similar level of professionals for the respective industry sectors and the Cyprus Productivity Centre.
The Ministry of Health runs the School for Nursing and the School for Public Health while the Ministry of Agriculture, Natural Resources and Environment manages the Forestry College and offers short courses for farmers and others, under the Extension Services Scheme. The Ministry of Finance through the Academy of Public Administration and the Ministry of Justice and Public Order through the Police Academy cater for the training and upgrading of government employees.

Moreover, there is a thriving private sector in education and training covering primary, secondary and tertiary levels. All private sector institutions, which offer school leaving or other certificates or diplomas are registered and controlled by the Ministry of Education and Culture. The authority of the Ministry of Education and Culture is exercised through the various relevant decisions taken by the Council of Ministers and by acts passed by the House of Representatives. There are two basic sets of laws, which empower and control private education institutions. One is the Law (No 67 (I)/96) for the Establishment, Control and Operation of Institutions of Tertiary Education. The other is a set of laws (Nos 5/71, 56/83, 123/85 and 154 (I)/99), which cover pre-primary, primary, secondary general and secondary technical, and vocational institutions, including coaching classes.

During the last decade universities have been established as independent institutions. Whether public or private, they are also regulated/controlled by the Ministry of Education and Culture. The University of Cyprus was established on the basis of Law No 144/89, and has been operating since 1992. It is an independently managed public institution which receives substantial financial assistance from government funds.

The new public University of Applied Sciences and Arts is expected to start operating in 2003/04 and will absorb existing institutions, namely: the Higher Technical Institute, Higher Hotel Institute, School for Nursing, Forestry College and, possibly, the Mediterranean Institute of Management of the Cyprus Productivity Centre. Furthermore, an Open University intended to widen access to higher education is expected to become operational in 2002/03. The relevant legislation is yet to be enacted.

It is expected that private universities will be established through regulations under the existing law No 67 (I)/96 or through a new law. A decision should be taken in 2002. In the meantime, the diploma and bachelor’s degree-level programmes of a number of private colleges have been accredited and recognised as university degree equivalent by SEKAP. The latter is an accreditation body under the Ministry of Education and Culture whose powers derive from the relevant basic legislation (No 67(I)/96, referred to above.

Two further acts have an important impact on the vocational education and training system. One is the Apprenticeship Law of 1966 (No 13/66). This assigns the administrative responsibility for the apprenticeship system to the Ministry of Labour and Social Insurance. Responsibility for education and training is assigned to the Ministry of Education and Culture through the Department of Technical and Vocational Education.

The other is the Human Resource Development Law of 1999 (No 125 (I)/99) which replaced the Law of 1974 for the Industrial Training Authority. This regulates the operation of the Human Resource Development Authority (HRDA) whose financial resources are drawn from a levy scheme. The HRDA is an independently managed institution under the general supervision of the Minister of Labour and Social Insurance. The HRDA’s mission is to create the necessary prerequisites for the planned and systematic training and development of Cyprus’s human resources. The HRDA’s activities cover five major areas.

1. The formulation of an integrated training and human resource development policy in accordance with the priorities of national socio-economic policies, on the basis of which appropriate training activities are promoted.
2. VOCATIONAL EDUCATION AND TRAINING AND LIFELONG LEARNING IN THE CONTEXT OF NATIONAL EMPLOYMENT POLICY

2. The continuous assessment of the economy’s needs for training on the basis of which training policy and activities are promoted.

3. The modernisation of the training system with the creation of the necessary infrastructure, the systematisation and certification of training and the introduction of standards of vocational qualifications.

4. The distribution of information to enterprises and the public in general so as to raise their awareness of the need for continuing training and the provision of advisory services.

5. The analysis of the *acquis communautaire* in the human resource development field and the promotion of actions for facilitating adjustment and convergence to European systems and practices.

Although the legal framework and institutional setting provide the basis for a comprehensive provision of initial and continuing vocational education and training, the two systems appear to have functioned in parallel with limited coordination. In addition, there is no special provision for training the unemployed. Furthermore, there is no comprehensive legal framework for promoting an integrated approach to lifelong learning, although the Planning Bureau provides for policy co-ordination, for example, through the preparation of the Strategic Development Plan.

The decision making process is highly centralised and power lies with the respective ministries responsible for the various institutions. For example, for the secondary technical and vocational education system decisions regarding course content, where courses are offered and teacher recruitments are made by the Ministry of Education and Culture. Decision making power at school level is rather limited to performance grades and student discipline. However, any decisions affecting a student’s future must be approved by the Ministry of Education and Culture.

The HRDA is a tripartite institution and the role of the social partners in the board and the role of the board itself are laid down in the Human Resources Development Law of 1999. At the same time Articles 6 and 7 of this law specify that the overall control and decision-making power lies with the Minister of Labour and Social Insurance.

2.1.2 POLICY FRAMEWORK FOR VOCATIONAL EDUCATION AND TRAINING/LIFELONG LEARNING

It is clear that the Cypriot government through the Strategic Development Plan (1999–2003) has identified most of the same issues raised in the JAP as priority areas of intervention. The Strategic Development Plan though does not set specific targets to be achieved or dates for completion where it could have been relevant.

National employment policies and relevant measures

With regard to education and training as part of national employment policies, the Strategic Development Plan emphasises the development of human resources as a precondition for a competitive economy. The Strategic Development Plan’s principal objectives include:

- harmonisation with the *acquis communautaire* with regard to the general direction, approaches, practices and actions for human resource development;
- alleviating imbalances in the labour market through the further development of both initial vocational education and training and continuing vocational education and training;
- providing opportunities for receiving training leading to accredited qualifications;
- promoting special training measures for those groups more at risk of social exclusion.

To achieve the above objectives the following priority areas have been identified:

- elaboration of a long-term national plan of human resource development for the adaptation of the economically active population to labour market needs;
encouragement of business units to adopt and apply specific human resource development programmes;

- reforming HRDA’s Training Infrastructure Support Scheme in the use of modern technology and the strengthening of in-company training;

- upgrading and enhancing vocational guidance services covering all phases of workers’ lives;

- systematic promotion of lifelong learning both among business units and employees;

- systematic encouragement of women to participate in both initial training and in skills upgrading;

- systematic and dynamic promotion of vocational training for all workers, particularly in information technology;

- encouragement of innovative training programmes, training in management development, on-the-job training, training of trainers, initial vocational training, and training of the unemployed, the inactive female labour force and repatriated Cypriots;

- development of targeted training programmes including programmes for mothers who wish to work at home, people with psychological problems, and those with disabilities.

The relevant JAP priorities on the same issues are:

- move towards active engagement with unemployed (preventive and employability-oriented strategy);

- earlier and more regular Public Employment Services - initiated contacts with those who become unemployed, early identification of individual needs;

- increased participation of adults in continuing education and training through a more active approach of employment services;

- emphasis on support for active job-search and access to relevant labour market training programme opportunities;

- support to the re-integration of the long-term unemployed;

- increased access for women to training and re-training programmes;

- sufficient access to education and training programmes for those living in the less-advantaged areas.

As mentioned above these are very similar to the areas mentioned in the Strategic Development Plan.

National vocational education and training policies and relevant measures

The Strategic Development Plan highlights the following measures relating to vocational education and training and lifelong learning:

- adjustment of the training system to the contemporary technological and IT needs of the labour market aiming at multiple skills, flexibility and adaptability, computer and communication skills;

- development of the concept of lifelong education;

- reinforcing the training infrastructure in both the private and the public sectors;

- gradual introduction of standards for vocational qualifications;

- better utilisation of the training infrastructure in technical schools, the Higher Hotel Institute, the Higher Technical Institute, the Cyprus Productivity Centre, etc.;

- reorganisation and updating of the apprenticeship scheme;

- review of the aims and of the specialisations of the syllabi of the secondary technical and vocational education along the lines of the comprehensive type of secondary schooling (Eniaeon Lykion) and raising the education standards so as to encourage the enrolment of more students to technical schools;

- promoting the principle of equal opportunities and courses at evening technical/vocational schools to provide a second chance to those adults who wish to obtain a school leaving certificate. On the same principle, commissioning a study to review and modernise the apprenticeship system;

- cultivating the concept of EU citizenship by introducing new subjects to the curriculum such as the European languages, European civilisation, and environmental protection;
promoting the mutual recognition of academic and vocational qualifications;
- strengthening the plans for placements of instructors in industry and encouraging experienced professionals to teach at technical schools;
- strengthening the practical training of students through placements in industry;
- strengthening the cooperation between the Department of Secondary Technical and Vocational Education and the HRDA.

The JAP includes additional priorities. These are:

- raising completion rates in secondary technical and vocational education and in general secondary education;
- improving the quality, transparency and attractiveness of secondary technical and vocational education;
- effective monitoring of the reforms;
- modernising teaching methods through new pedagogical approaches;
- reforming of initial and continuing training for teachers and trainers;
- new approaches to integrating work and learning in schools, training centres and companies.

The actual developments of recent years, which would contribute to meeting and achieving the above policies and priorities are described below.

**Initiatives of the Ministry of Education and Culture**

**Secondary General Education**

In the late 1990s, the Ministry of Education and Culture initiated a comprehensive reform of the secondary general education system; this had two major characteristics particularly relevant to the above priorities.

1. The introduction of more student choice in study options. Until three years ago there were various set study programmes such as classical studies, mathematics and sciences, economics and mathematics, commercial and language studies. These were offered at the Lykeion Epilogis Mathimaton. Now the new Eniaio Lykeio upper secondary schools offer a mixture of obligatory core subjects common to all students, specialisation subjects for example, in mathematics and science, technology and informatics, or languages, and finally subjects of personal interest. Following a review of the pilot phase the new Eniaio Lykeio is now running in all schools.

2. The inclusion of a broader range of subjects. In addition to English and French, it is now also possible to learn German, Spanish or Italian. Other new optional subjects are ICT, environmental studies, tourism, technology as well as new subjects of personal interest such as theatre, astronomy, journalism, photography, and child-care.

It is hoped that the emphasis on student choice may contribute to raising completion rates. The Ministry of Education and Culture aims to raise the completion rates from an average of 85% in the past years to 90%. Achievement of this target will be supported by other measures such as reducing the number of final exams, improving teaching/learning methodologies, introducing foreign language laboratories and the use of computers and multimedia as a learning tool.

The Ministry of Education and Culture has also pursued a policy of enhancing the lifelong learning opportunities for adults through the operation of evening gymnasium/lyceum schools and adult education centres.

**Secondary technical and vocational education**

In response to the above-mentioned measures, the Ministry of Education and Culture introduced a new system of secondary technical and vocational education in September 2001. The main thrust of the reform is:
- the introduction of a restructured and modernised curriculum with more options in modern technological areas and in business and tourism studies;
a new definition of technical and vocational options of study ('theoretical' and 'practical' strands);
the provision for horizontal mobility (from lyceum to technical school and between the two strands);
a broad-based curriculum in the first year;
emphasis on school–industry links with practical placements for students and teachers in industry;
a student-centred teaching/learning process;
the use of improved teaching/learning tools such as computers.

Furthermore, the reform provides opportunities for adults and existing students to supplement or complete their educational attainment by enrolling at the new Evening Technical School in Nicosia.

It is expected that the reform will help improve the quality, relevance and attractiveness of secondary technical and vocational education and thus increase enrolment rates from 17% to 20% of total enrolments in upper secondary education.

The reform has received a specific budgetary allocation, within a general provision of CP13 million (€23 million) for the period 2000–04, which can be broken down as follows:

- for the establishment of three new technical schools: CP 7.0 million;
- for improvements in the safety conditions which relate to the training of the students: CP 1.2 million;
- for extensions, improvements etc. of existing technical schools: CP 2.0 million
- for maintenance of existing schools: CP 0.6 million;
- for in-service training and other upgrading arrangements for the teachers/instructors: CP 0.2 million;
- for new machinery and technological systems: CP 2.0 million.

Initiatives of the Ministry of Labour and Social Insurance

The apprenticeship system

The apprenticeship system has recently been reviewed. This system had basically remained unchanged since 1963. Major weaknesses were the steady reduction in the number of trainees, the low completion rates of about 60%, the limited number of occupations in the traditional mechanical, auto, electrical and construction trades and the lack of interest of teachers/instructors as well as employers. The apprenticeship system is associated with low educational attainment and with failure at school.

The review of the system completed in June 2001 contains a number of recommendations including:

- creating a single new organisation to take total responsibility for the management and operation of the scheme;
- engaging dedicated teachers/instructors;
- establishing new training centres, institutes of vocational education and training;
- designing modular education and training programmes;
- awarding certificates at three achievement levels (Certificate, Diploma, Higher Diploma);
- introducing a wider choice of apprenticeship courses (new technologies, new tertiary sector occupations, occupations serving female trainees etc.);
- making use of new technologies as a learning tool and teaching ICT skills;
- linking the curriculum to that of technical and vocational education to facilitate horizontal and vertical mobility;
- adopting national occupational standards and establishing links with the European Pathways and the EuroPass initiatives to facilitate mobility within the EU.

Consultations among the various stakeholders are ongoing before submitting a final proposal to the Council of Ministers. The major issues under discussion relate to the implementation mechanisms for the proposed new scheme. It is expected that the modernised apprenticeship system will establish itself as a new work-based training option and offer an alternative to school-based training. The target is to double the current intake and attract female as well as male recruits.
2. VOCATIONAL EDUCATION AND TRAINING AND LIFELONG LEARNING IN THE CONTEXT OF NATIONAL EMPLOYMENT POLICY

The HRDA

Based on the priorities outlined in the Strategic Development Plan, the HRDA currently focuses on the following:

1. technological upgrading, productivity improvements, and quality upgrading for the manufacturing, construction and tourism industries as well as for the services and the professional sectors which can benefit from existing opportunities from the region around Cyprus and support to establish Cyprus as a regional centre in the services and professional sectors;

2. improving the training system in order to meet effectively current and future labour market needs;

3. emphasis on the development of human resources to close gaps between supply and demand in the labour market.

Both the review of the apprenticeship system and the focus of HRDA activities address in part JAP priorities. However, the policies and operational plans described above are not specifically targeted at attracting women to the labour market through focused training, and addressing the needs of those living in outlying areas and of older people.

Lifelong learning policy and relevant measures

At present Cyprus has not formulated a clear policy on lifelong learning. The relevant priorities from the JAP that relate to lifelong learning are:

- a coherent system of lifelong learning which requires that the links between initial and continuing vocational education and training should be reinforced;

- establishing an integrated national system of vocational qualifications.

Although a lifelong learning policy as such is missing, education and training provision seem to provide access to learning for most of the groups in society either free at the point of delivery, or very cheap through a system of subsidies, either from HRDA funds or the government budget.

The decision to create a new evening gymnasium/lyceum school and a new evening technical school are examples of increasing access to secondary education for adults. However, the link between initial vocational education and training and continuing vocational training is not developed. Although these provisions benefit a wide range of groups, managers, professionals, engineers, technicians, skilled/semi-skilled workers and others, there are some groups that are less catered for, such as low-skilled unemployed people, girls who leave school early, people who want to (re)enter the labour market at a mature age and older people requiring skills upgrading.

The HRDA is responsible for an initiative to develop occupational standards that will form the basis of a national vocational qualifications system. The standards will provide a common framework against which all trainees can be assessed regardless of how they acquired their competences – through secondary technical and vocational education, apprenticeship training, continuing vocational training or experiential learning. So far, this is a pilot initiative with consultations between employers, trade unions, the department of secondary technical and vocational education of the Ministry of Education and Culture and others. Five standards of competence-based qualifications for waiting, cooking, reception, construction and retailing have been developed. Issues around the delivery and assessment of standards-based training still have to be resolved.

In May 2002, the HRDA decided to seek international advice from the EU to move the development of a national vocational qualifications framework and system forward. The study will look in more detail at the organisational infrastructure required to support the delivery of national vocational qualifications in terms of the key functions that such a system requires, namely, accreditation, standards setting and awarding functions.
The role of stakeholders

The key priority of the JAP is to involve the social partners in decision-making, co-financing and participation in vocational education and training provision.

In Cyprus there has been a long tradition of cooperation between social partners (government, trade unions and employers’ associations). In the early 1960s, a tripartite Labour Advisory Board was established to advise the Minister of Labour and Social Insurance on a wide range of labour and social matters. This approach was adopted by most ministries according to their needs.

The social partners participate in an advisory and consultative capacity in the development planning process, including the preparation of the Strategic Development Plan.

The main stakeholders usually participate on the board of directors of institutions dealing with human resources (the HRDA, the Cyprus Productivity Centre, the Higher Technical Institute, the Hotel and Catering Institute, the Apprenticeship Scheme) or in consultative committees (the Education Council, the Consultative Committee of Technical and Vocational Education, ad hoc committees for curriculum development). Participation ranges from policy development to the design of training programmes and curricula.

However, the social partners in general do not have final decision-making power, which is, for example, the case on the board of the HRDA where the Minister of Labour and Social Insurance is ultimately in charge.

2.1.3 RESOURCES (HUMAN, FINANCIAL AND PHYSICAL)

In relation to resources, the JAP gives priority to encouraging the social partners to invest in training.

Resource allocations by the public sector

Public sector investment has been increasing over the last decade, as shown in Table 4. (see also annexes 6, 7.1 and 7.2).

Table 4. Expenditure on education as a percentage of GDP, 1990 and 1998

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total expenditure on formal education</td>
<td>5.6%</td>
<td>8.6%</td>
</tr>
<tr>
<td>Public expenditure</td>
<td>3.7%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Private expenditure</td>
<td>2.0%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Total public expenditure on public VET (Secondary, tertiary and non-formal)</td>
<td>0.41%</td>
<td>0.49%</td>
</tr>
<tr>
<td>STVE (including apprenticeships)</td>
<td>0.26%</td>
<td>0.31%</td>
</tr>
</tbody>
</table>

Public expenditure on formal education increased from 3.7% of GDP in 1990 to 4.4% in 1994, 5.4% in 1998 and 5.7% in 1999. This compares with the 1998 figures of 5.3% as the OECD average, 3.5% in Greece, 5.7% in Portugal and 4.3% in the Czech Republic. Private expenditure on formal education rose during the same time from 2.0% in 1990 to 3.2% in 1998. Private expenditure relates primarily to the cost of private tutoring for secondary school students to improve the chances of passing the entry examinations to higher education, fees for attending private colleges in Cyprus and for attending higher education abroad. Total expenditure in Cyprus on education was therefore 8.6% including studying abroad compared with 7.2% in Denmark which is the OECD country with the highest reported expenditure on education.

The share of public expenditure on formal education of the government budget increased steadily from 11.4% in 1990 to 14.7% in 1998. The OECD average was 12.9% in 1998.

In 1998, public expenditure on secondary technical and vocational education was 0.87% of the government budget, or 0.31% of GDP. The total share of secondary technical and vocational education of
public expenditure on formal education was 5.7% in 1998 compared with 7.2% in 1990.

Each technical school prepares a budget proposal to the Ministry of Education and Culture every year, which reviews each proposal. The Ministry of Education and Culture submits an overall proposal to the Ministry of Finance (for ordinary expenditure) and the Planning Bureau (for development expenditure). The Council of Ministers then approves proposals before their submission to the House of Representatives.

Financial obligations of employers and employees

Employers (apart from the self-employed) pay a levy of 0.5% on their payroll to the HRDA. In addition to the obligatory levy, employers also contribute to staff development through in-company or external training usually only partially subsidised by the HRDA and in some cases not at all. This contribution has not been officially quantified but is estimated at 1.0–1.5% of their payroll. (Information on the time devoted to training per employee is not available.) These estimates are based on the fact that HRDA subsidises, on average, about 50% of the actual cost of running the particular courses, and that on many occasions employers engage in manpower development irrespective of the HRDA’s training priorities. (A report prepared by the Cyprus Productivity Centre in 1997 makes reference to the Cranfield Project on International Strategic Human Resource Management, at which it was estimated that the payroll costs spent on training by enterprises is 2%).

The total income of the HRDA in 2000 was CP 7.1 million (£12.3 million) and the total expenditure CP 6.2 million (£10.8 million), of which CP 3.8 million (£6.6 million) represented expenditure on training activities, CP 5.5 million (£9.5 million) in 1999. Investment in training infrastructure and equipment in the public and private sector is the other significant expenditure.

In some cases people attending certain courses have to pay a relatively small fee, especially if they are pursuing personal development (for example, attending Adult Education Centres or afternoon/evening courses at technical schools). In all other cases employees do not pay anything unless they attend courses organised by private institutions, which have not been approved by the HRDA for subsidy.

Human resources – the quantitative picture

The student/teacher ratio changes in the public secondary school system show the degree of priority given to human resources. The picture for the vocational education and training system was as follows for the years 1989/90 and 1998/99.

Table 5. Number of students and teachers in secondary technical schools

<table>
<thead>
<tr>
<th></th>
<th>1989/90</th>
<th>1998/99</th>
<th>Percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>3,117</td>
<td>4,974</td>
<td>60</td>
</tr>
<tr>
<td>Teachers*</td>
<td>462</td>
<td>604</td>
<td>31</td>
</tr>
<tr>
<td>Number of class sections</td>
<td>136</td>
<td>295</td>
<td>117</td>
</tr>
<tr>
<td>Student/teacher ratio</td>
<td>6.7</td>
<td>8.2</td>
<td>23</td>
</tr>
<tr>
<td>Number of students per class/section</td>
<td>18.0</td>
<td>18.8**</td>
<td>4</td>
</tr>
</tbody>
</table>

* FTE = full-time equivalent.
** In 2000/01 the number fell to 15.8.
Source: Education Statistics (Annual).

The total input in human resources (i.e. teachers) has been increasing at an average of about 3% during the 10-year period from 1989/90 to 1998/99, while the number of students was increasing at about double that rate. This apparent disparity, however, does not indicate a slowness in the engagement of teachers/instructors. It rather relates to the traditionally smaller size of classes in technical schools, which had room to accommodate more students in each of the sections. The increase in the number of students per section in technical schools was less than that in public secondary general schools (4% as compared with 6%).

The average class/section sizes for each of the two strands of technical school in the 2000/01 school year were 16.5 students for
the ‘theoretical’ strand, and 19.0 students for the ‘practical’ strand, while there were 13.2 students in apprenticeship classes.

The sizes of classes are smaller for Cyprus Productivity Centre training groups than for day technical schools, which were given above.

**Human resources – the qualitative picture**

A priority in the JAP is to improve the quality and attractiveness of the vocational education and training system.

All teachers/instructors in public technical schools whether teaching general subjects (e.g. languages, history, mathematics, science), technical subjects (technology, technical drawing) or workshop practice, must have as a minimum an appropriate degree in their subject area. A bachelor’s degree for teachers or a diploma (2–3 years’ tertiary education programme) for instructors. Pedagogical training is not usually included in degree courses. All candidates must attend an initial teacher training course either before they are employed or before their appointment is confirmed. Failure to do so may result in removal from the list mentioned below.

An important characteristic of the selection and appointment process for all teachers in general (whether for primary schools or for secondary general or technical schools) is that their names be placed on a list (catalogue) after they complete their degree studies. Their position on the list depends primarily on the date of graduation. This process is laid down in the Law for the Educational Service Commission of 1969 as modified by Law No. 245/87. The position on the list of graduates may be influenced by the grades achieved, any additional professional or academic qualifications held or experience deemed relevant. In many cases persons on the list take up employment in private schools or coaching centres. Many of those with technical degrees work in industry.

However, a number are in jobs that bear no relation to their future teaching position.

There is no selection interview of candidates prior to their joining the teaching profession. The only screening mechanism is satisfactory performance during the initial teacher training course. The process is administered centrally by the Education Service Commission, but in consultation with the respective education department of the Ministry of Education and Culture. This means that teachers are centrally assigned to schools.

The Ministry of Education and Culture has recently asked the House of Representatives to reconsider a draft Law dating from 1994, which provides for substantial improvements to the existing recruitment process. The procedure has been set up to ensure complete transparency; however, its adverse effects are that the schools have no influence over the selection of staff nor does the process ensure that those most motivated to work as teachers are recruited first.

**Qualifications and remuneration**

All degree holders, whether looking for teaching jobs or for any other government posts, are placed on the combined salary scales of A8–A10. All diploma holders are placed on the A5–A7 combined salary scales. Increments are granted on previous teaching experience and for relevant industrial/professional experience. The current salary at the start of scale A5 is CP 515 per month (about €895) and at A8 it is CP 830 per month (about €1,440). These salaries compare with salaries paid by private schools, which, in general, are 10–15% lower.

Young engineers who secure employment in industry would receive about 10–15% less than the starting salaries in technical schools. Even if some earn high salaries after several years’ experience in industry, teaching is still an attractive proposition because of better terms and conditions (longer holidays, working hours confined to mornings, pension, health services etc.). Teaching is therefore an attractive and high-status profession compared with other EU and acceding countries.

The qualifications required for teaching in the apprenticeship system are similar to those of secondary technical and vocational education for teaching in technical schools. Qualifications for
teaching adult courses (ab initio, upgrading, updating) are a diploma combined with substantial industrial experience. Salaries of Cyprus Productivity Centre instructors are the same as in technical schools. Their selection and recruitment, however, is administered by the Public Service Commission, based on qualifications and performance at a selection interview.

Geographical coverage

There are public general secondary schools in all major towns and large rural communities. The eleven technical schools are located in all the district towns of Cyprus as well as in two regional areas (Polis on the north-west coast and Paralimni on the eastern coast). Furthermore, the secondary technical and vocational education reform foresees the building of three new schools, one of which will be situated in a large agricultural village (Avgorou) in eastern Cyprus. If the proposed reform of the apprenticeship system is implemented, apprenticeship training will be provided at three new institutions of vocational training and education in Larnaka, Limassol and Nicosia. At present, it is provided through a network of technical schools.

The geographical distribution of the vocational education and training facilities described above, also have a positive impact on the access to further education and training for working craftsmen, technicians and others who wish to improve their competences by attending afternoon/evening classes.

The training facilities of the Cyprus Productivity Centre, which is a major adult training provider, are concentrated in Nicosia with some special training units in Limassol and to a lesser degree in Larnaka. Travel expenses are paid to trainees from outlying areas.

Adult Education Centres run by the Ministry of Education and Culture are usually accommodated on the premises of secondary general schools whose network covers the whole country. The courses organised by the Extension Service of the Ministry of Agriculture, Natural Resources and Environment are delivered in the rural areas.

The central mountainous area is not well served by training facilities. Travel to the nearest town can be inconvenient, and as a result, some residents either relocate (temporarily or permanently) or opt out of training.

2.1.4 STRUCTURE AND ORGANISATION OF VOCATIONAL EDUCATION AND TRAINING AND LIFELONG LEARNING

The main priorities mentioned in the JAP are:

- raising completion rates;
- continuous modernisation of curricula to take account of economic changes and labour market needs;
- more emphasis placed on vocational guidance; reinforcing links between initial and continuing vocational education and training;
- need for an integrated national system of vocational qualifications;
- increased access for women to training and retraining programmes;
- ensuring sufficient access to education and training programmes to those living in less-advantaged areas.

Public formal education

Compulsory education lasts for nine years and covers primary education, grades one to six, and lower secondary education in the gymnasium, grades seven to nine. Pupils are accepted at primary school at the age of five years and eight months. At the end of the gymnasium, pupils receive a certificate. Access to upper secondary education is decided by the pupil in consultation with parents and the school.

Upper secondary education lasts for three years, grades 10 to 12. There are two types of upper secondary school, namely, the eniaio lykeio (unified lyceum) and technical school, respectively. (The reforms of upper secondary education have been described previously.)
VOCATIONAL EDUCATION AND TRAINING AND EMPLOYMENT SERVICES IN CYPRUS

The unified lyceum provides general upper secondary education. The technical schools provide two major strands of upper secondary education. One is the technical (theoretical) the other is the vocational strand (practical). The technical strand is completely school-based whereas students in the vocational strand in grade 12 do practical training in industry one day a week. Upon completion all students receive an upper secondary school-leaving certificate, which provides access to higher education. However, in general owing to limited places in higher education, students sit ‘selection examinations’ organised by the Ministry of Education and Culture and compete for access to public higher education institutions.

Upper secondary education may also be attended at the Evening Secondary General Schools and the Evening Technical Schools of the Ministry of Education and Culture.

Formal education in the form of initial training is finally available through the apprenticeship scheme, which accepts students who leave formal education between grades eight and ten. The programme lasts two years and is a combination of education and vocational training at school and practical training in industry. HRDA co-funds the apprenticeship scheme.

Public higher education is provided partly in institutes/colleges and partly at Cyprus University created in 1992. The main institutes are the Higher Technical Institute, the Higher Hotel Institute and the Mediterranean Institute of Management at the Cyprus Productivity Centre, all three established by the Ministry of Labour and

The formal and non formal education and training systems of Cyprus

Note: Most of the Ab-initio, Re-training, Updating and Upgrading courses are sponsored by the Human Resource Development Authority.
Social Insurance. The Cyprus Forestry College established by the Ministry of Agriculture and Natural Resources, the School of Nursing and the Public Heath Inspectors School established by the Ministry of Health and the Cyprus Police Academy under the Ministry of Justice and Public Order. These institutes and colleges provide two to three year study programmes leading to a diploma, apart from the Mediterranean Institute of Management which provides a postgraduate diploma programme for university graduates. It is expected that the majority of these institutions will be merged into a new University of Sciences and Applied Arts to start at the beginning of the 2003/04 academic year.

At present, the University of Cyprus offers education in four faculties (humanities and social sciences, pure and applied sciences, economics and management, and letters). Further faculties are expected in the future including a medical faculty. A new Open University started in the 2002/03 academic year.

In addition to the public provision of higher education, there are 27 private institutions. Programme accreditation is ongoing, organised by the Cyprus Council for the Evaluation and Accreditation of Higher Education Institutions (SEKAP).

**Striving for academic excellence**

There is a strong feeling among the Cypriot population in favour of general and higher education. The gross enrolment rate of 20–24 year-olds in tertiary education has increased steadily during the 1990s from 35% in 1990 to 50% in 1999. More than half of this group were enrolled in education institutions outside Cyprus. Of those who obtain a university degree abroad approximately 15% have not returned to Cyprus two years after graduation though the proportion is higher – around 25% – for those who follow postgraduate studies.

As mentioned above, school attendance (public or private) is compulsory up to the age of 15, which corresponds to the end of the gymnasium or completion of Grade 9.

At the same time it is not permitted to employ people below the age of 15. The only exception, which has recently been introduced, refers to apprentices who may start an apprenticeship at the age of 14. As a consequence of the pressure to strive for academic excellence, private tutoring is widespread especially during upper secondary education to improve the chances of passing university entry examinations.

At the same time, an estimated 2,000 young people (70% of them male) leave the school system every year before finishing lower secondary school. Of this group approximately 400 per annum (nearly all male) enter the apprenticeship system which is at present functioning primarily as a dropout safety net. Hardly any of the female dropouts enter the apprenticeship system. Approximately 1,400 dropouts leave the school system during the last two years of lower secondary education (grades 8 and 9). The total number of students graduating from lower secondary school is close to 10,500, which means that approximately 13% of a cohort do not finish lower secondary school.

All public education in Cyprus is free of charge, including attendance at the University of Cyprus and public colleges. Education in accredited private institutions is subsidised as is higher education abroad.

**Non formal education**

The HRDA supports initial training through three main initiatives.

1. Enterprise-based initial training: training programmes in enterprises for newly employed personnel.
2. Accelerated training: training of new entrants into the labour market or unemployed organised together with the Higher Hotel Institute and the Cyprus Productivity Centre.
The HRDA supports continuing training through the following initiatives.

- Single (in-company) training programmes: training programmes in enterprises to meet the training needs of their employees.
- Multi-company (open) training programmes: training programmes for employees implemented by public or private training institutions and organisations. Participation is arranged between enterprises and programme providers.
- Multi-company high-priority training programmes: training programmes with institutional and in-house components in issues that the HRDA categorises as of high priority for enterprises and which require international experts.
- Single or multi-company training abroad: training abroad to meet enterprise needs, especially in the areas of new technology and innovative management methods.

Until now the role of the Ministry of Education and Culture and its institutions has been limited in the provision of continuing training. However, it is now planning to establish schools of continuing technical and vocational training which are to offer initial and complementary skills training aimed at upper-secondary school graduates from all strands, graduates from the apprenticeship scheme and people in employment. The Ministry of Education and Culture, Ministry of Labour and Social Insurance and HRDA are in the final stages of preparing legislation, which will govern their establishment and operation. The above-mentioned schools are to be set up within existing technical schools.

Finally there is a large network of about 250 public adult education centres in Cyprus which offer all types of classes such as basic language training, basic information and communication technology, dancing, cooking, auto repairs, etc. The main aim is to offer further development opportunities in areas of personal interest without a precise employment objective.

Vocational education and training

The essence of the reform of secondary technical and vocational education has been described previously.

How to become a skilled worker

Cyprus operates with four main types of qualification: semi-skilled worker, skilled worker, technician and higher technician.

There are three main routes to becoming a semi-skilled worker in Cyprus through:

1. the vocational strand in upper-secondary technical schools;
2. the apprenticeship scheme;
3. accelerated training courses primarily at the Cyprus Productivity Centre.

There is no system for recognition of experiential learning in Cyprus and this is therefore not a route to becoming a semi-skilled worker. One becomes a skilled worker only through further industrial training after taking up employment. The graduates of the technical strand in upper secondary technical school become technicians and the graduates from the Higher Technical Institute become higher technicians.

It is difficult to establish the particular level of competence achieved through any of these routes as there is no formal nationally accredited framework of occupational qualifications based on relevant industry standards. However, the accelerated courses followed by the apprenticeship scheme have the lowest perceived status. The Cyprus Productivity Centre issues a certificate indicating ‘successful completion’ of the course in question.

Progression routes

Students who graduate from either the technical or the vocational strand (where maths, science and technology are taught at a lower level) can have both access to technical universities abroad and colleges at the tertiary level. However, while
graduates from the technical strand are admitted to any kind of higher education programmes which relate to their educational background, as is the case for graduates from lyceums, graduates from the vocational strand are in practice limited to enrolling in technical institutions at tertiary level. They may however supplement their general education by attending further classes at the evening technical schools. In most cases access to higher education is limited and students must therefore sit the selection examinations organised by the Ministry of Education and Culture.

There is no progression route to upper secondary or tertiary education foreseen for graduates of the apprenticeship system. Graduates from tertiary level technical institutions may progress to universities abroad or private colleges in Cyprus accredited to run Bachelor’s degree courses and obtain recognition of credits based on their diploma. However, the University of Cyprus does not recognise any credits obtained at these institutions. This progression route is therefore limited and expensive.

**Horizontal transfer in upper secondary education**

Transfer between the different strands in upper secondary education has been very difficult up to now. The reform of secondary technical and vocational education introduces some possibilities for horizontal transfer within upper secondary education. Those who start in the technical strand may transfer to the vocational strand during the first year. It is more difficult to move from the practical strand to the technical strand. The possibility for transfer is foreseen from the end of the first year of general upper secondary school to the second year of the technical strand. A preparatory module is offered prior to the start of the second school year of the technical strand.

There is no possibility for an apprentice to transfer into, for example, the vocational strand of upper secondary education. It is easier for a student in the vocational strand to transfer into the apprenticeship system, though it must happen in time for the student to finalise the apprenticeship by the age of 18.

The trainees of the apprenticeship system do not have any possibility for either horizontal transfer to corresponding classes in technical schools or vertically to obtain the respective qualification from vocational or technical schools.

**Enrolment**

In the early 1990s, 22% of all graduates from upper secondary education came from technical schools. This share has fallen steadily and was 17% in 2001. The majority of technical and vocational students follow the vocational strand, namely 75% compared with 25% in the technical strand (see also Table 6).

The Department of Technical and Vocational Education expects that enrolment into secondary technical and vocational education will increase to 20% and that 30% of these will opt for the technical strand and 70% for the vocational strand. It is hoped that the target set will be achieved as a result of the more student-oriented curriculum and of the other improvements introduced.

The annual intake of new trainees into the apprenticeship system has gradually fallen from over 600 in the 1980s, to about 400 in recent years. It is estimated that only 60% of those enrolled graduate and receive the Certificate of Completion of the Apprenticeship System.

**Private secondary schools**

Private secondary schools attract about 10% of students, as shown in Table 6. The pathways usually offered, provide for external examinations (such as the British GCSE) and for professional examinations in secretarial studies and accounting, while a few specialise in the hotel and tourism trades, and some in beauty treatment, hairdressing and in dressmaking.
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Table 6. Secondary-school graduates by type of school, 1991–98

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<tr>
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<tbody>
<tr>
<td>1. Total number of graduates (public and private)</td>
<td>5,476</td>
<td>7,064</td>
<td>8,481</td>
</tr>
<tr>
<td>2. Number of graduates from secondary general school</td>
<td>3,764</td>
<td>5,098</td>
<td>6,342</td>
</tr>
<tr>
<td>3. Number of graduates from public secondary schools (technical/vocational)</td>
<td>1,036</td>
<td>1,118</td>
<td>1,329</td>
</tr>
<tr>
<td>4. Number of graduates from private secondary schools (all types)</td>
<td>676</td>
<td>848</td>
<td>810</td>
</tr>
<tr>
<td>5. Percentage of graduates from public secondary (technical/vocational) schools compared with all public secondary schools (3/2+3)</td>
<td>22%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>6. Percentage of graduates from private Schools compared with total graduates (4/1)</td>
<td>12%</td>
<td>12%</td>
<td>10%</td>
</tr>
</tbody>
</table>


Continuing vocational training: the role of the HRDA

The HRDA, which is a quasi-governmental organisation, is the principal actor in the field of training in Cyprus. Its activities are funded through a 0.5% payroll levy on all private enterprises and quasi-governmental organisations. The HRDA’s mission is to create the necessary prerequisites for the planned and systematic training and development of human resources in Cyprus. The main areas of HRDA’s activities are described in section 2.1.1.

The HRDA has no training facilities of its own. It accepts applications from both public (e.g. Cyprus Productivity Centre, Higher Technical Institute, Higher Hotel Institute) and private (e.g. colleges and ad hoc training centres) training centres and institutes which propose the design of courses in response to the HRDA’s given policies and priorities in the field of training. In general, the HRDA subsidises 50% of the total cost of the proposed training programme. Public training institutions usually do not ask employers to reimburse the difference. Private institutions usually charge employers the remaining 50%. However, it is thought that the choice of training provider is not substantially influenced. The types of course offered by public and private institutions, respectively, tend to differ. Public training institutions cater mostly for technology and craft courses while private institutions cater mostly for business, management, IT and service-oriented courses.

At present, the HRDA gives priority to the following areas (see also above):

- in occupations where there are labour shortages;
- for enterprise-based training;
- to assist graduating students in their transition into the labour market;
- to assist unemployed graduates to secure employment;
- to assist adults to acquire new skills.

The HRDA pay limited attention to the training needs of the unemployed.

Continuing vocational training providers

There are a number of public providers of adult and continuing training. The main providers are listed below.

The Cyprus Productivity Centre offers short upgrading courses (about 20 hrs), medium length courses (about 60 hrs) for supervisory and managerial skills, and longer courses (200 hrs) for accelerated ab initio training. Most of these courses are subsidised by the HRDA and by government which covers the associated overheads. The Cyprus Productivity Centre is the major provider of adult and continuing training in Cyprus. In 1999, almost 1400 participants took part in Cyprus Productivity Centre courses. The management division of the Cyprus Productivity Centre also offers programmes for unemployed graduates from tertiary level institutions at the post-graduate level in administration and management through
2. VOCATIONAL EDUCATION AND TRAINING AND LIFELONG LEARNING IN THE CONTEXT OF NATIONAL EMPLOYMENT POLICY

the Mediterranean Institute of Management.

The Higher Technical Institute and Higher Hotel Institute offer upgrading and updating courses in their respective fields of engineering/technology and of hotel/tourism/catering. The Higher Hotel Institute also organises *ab initio* training courses for the catering trades to meet the growing needs of the tourist industry. These courses are also subsidised by the HRDA.

The Evening Secondary General Schools and the Evening Technical Schools of the Ministry of Education and Culture provide opportunities for acquiring a recognised Leaving School Certificate for those who have interrupted their formal education. Students pay limited fees ranging from €100–200.

The Afternoon and Evening Institutes of the Technical Education Department of the Ministry of Education and Culture offer a great variety of courses ranging from 30 hours to three years in the area of engineering as well as for preparation for external exams (for example, GCSE, government and other). Students pay limited fees.

As mentioned previously, the Ministry of Education and Culture is in the process of finalising legislation to establish schools of continuing technical and vocational education and training, which will become an alternative to the existing provision.

The 250 Adult Education Centres of the Ministry of Education and Culture offer, for a small fee, a wide range of short and medium length courses for personal interest rather than to improve employability (including preparation for external examinations).

There are more than 150 private training providers, which operate primarily within the HRDA’s open multi-company training programmes. These training providers in general also offer courses to employers and individuals on a full cost basis.

Participation in continuing vocational training

The Strategic Development Plan for the 1999–2003 period estimates that €42 million will be spent on supporting activities to develop human resources and to train around 180,000 people as opposed to €30 million spent on the training of 122,200 people during the 1994–98 period.

Participation in continuing vocational training organised by the HRDA in 2001 totalled about 30,000, equivalent to almost 10% of the labour force. Of these there were 17,800 males and 12,600 females. Participation in the different types of continuing vocational training programme were:

- the single in-company training programmes (17,900 participants in 2001 with a total expenditure of CP 828,000);
- the multicompany training programmes (10,400 participants in 2001 with a total expenditure of CP 1,015,000);
- 560 participants took part in the high priority training programmes with an expenditure of CP 416,000;
- 430 participated in training abroad with an expenditure of CP 360,000.

Total participation fluctuates from year to year. Participants reached 32,100 in 1998, 40,750 in 1999 and 29,800 in 2000.

Priority is given to employees of companies that pay the levy. However, the HRDA has decided that unemployed trainees may be considered as employed by the HRDA itself and thus become eligible. In 2001, 280 mainly new entrants and unemployed participated in initial accelerated training in areas with labour shortages with a total subsidy of CP 334,000. The participation rate for unemployed undergoing training is thus minimal compared with the total number of unemployed at less than 3%.

The law on the Human Resources Development Authority does not limit participation primarily in HRDA funded courses to the employed.
In 2001, the participation of women in HRDA subsidised training activities reached 42% while women made up 41.5% of the total number in employment.

In 1998 the number of enterprises that nominated participants was 3,956 representing 6.5–7.0% of all enterprises. About half of the participating enterprises employed ten or fewer people.

The HRDA undertook a study on the participation rate of different occupational categories in the services sector. The survey asked which proportion of staff in different occupational categories had attended training within the last two years. The results were as follows:

- managerial staff: 40%
- salespersons: 30%
- professionals: 45%
- supervisors: 35%
- technical assistants: 35%
- craftsmen: 25%
- office workers: 30%
- machine operators: 5%
- service employees: 30%
- low-skilled workers: 10%

The self-employed are not eligible to take part in training funded by the HRDA.

Participation in courses at the Adult Education Centres was 17,120 in 1999/2000. The total budget in 2000 for these courses was €883,000.

Integration of vocational education and training and lifelong learning

The structure and organisation of vocational education and training is characterised by the existence of a number of schemes and providers created with no clearly defined national qualifications framework. The relative lack of coordination between the various authorities and ministries (also recognised in the Strategic Development Plan) complicates the formulation of a common national policy and priority setting. This is so despite the Planning Bureau whose role it is to ensure overall integration in the framework of the Strategic Development Plan. However, the Planning Bureau concentrates on budgetary processes rather than the overall system. The Strategic Development Plan is indicative and acts more as a catalyst than a master plan. This means that the systems created have left some areas of intervention less catered for, especially the provision of training options for the different disadvantaged groups (see also sections 2.2 – 2.5). Furthermore, the system at present remains inflexible with respect to combining formal, non-formal and informal learning towards obtaining a qualification.

The eventual implementation of a national vocational qualifications framework and system could alleviate the lack of integration between the different components of the vocational education and training system.

Interfaces between employment services and training providers

Information on courses offered by the public providers is usually publicised and made available to the employment services. The priorities set by the HRDA depend primarily on the information collected through the manpower needs assessment. The employment services do not appear to play a proactive role in trying to influence priority setting to meet the needs of the unemployed.

Specialisation studies

Until recently most options in secondary technical and vocational education and the apprenticeship system were in the area of the traditional technical occupations (for example, sheet metal, welding, plumbing, carpentry, building, electrical installations, domestic appliances and automechanics).
This situation has changed as a result of the secondary technical and vocational education reform, which provides for both new courses within existing engineering programmes and for completely new programmes such as in the occupational branches of lab technicians, accounting and banking, graphic design and tourism and hotels. Also the proposed changes to the apprenticeship system include new occupations (see also annexes 10 and 11). These changes aim to link the training system to the perceived needs of the labour market. Major changes include the services sector and IT as well as the curriculum structure, which facilitates mobility within each broader category of occupations.

Specialisation in secondary education occurs as follows:

- In lower secondary education (gymnasion grades 7–9) which is part of compulsory schooling, students follow a uniform curriculum. At the end of gymnasiion students can choose between general, technical and vocational education or an apprenticeship.

- In upper secondary general education (unified lyceum grades 10–12) the first year is standard for all students. During their final two years students have the possibility to choose subjects of their particular interest and personal aptitudes. These options range from mathematics/science to languages, and from business-oriented subjects to information and communication technology (refer also to 2.1.2 above).

- In upper secondary technical and vocational education (technical school grades 10–12), the new curriculum introduces two basic strands from the beginning of grade 10. The technical (theoretical) strand and the vocational (practical) strand. The technical strand emphasises subjects such as mathematics, physics and technology, while the vocational strands emphasises the practical skills of students and includes placements in industry during grade 12. In both cases the choice of occupational strand, that is, whether mechanical, electrical or civil engineering, hotel and tourism, etc., is made at the beginning of grade 10. The first year provides wide coverage of basic subjects in the chosen branch followed by narrower specialisation during grades 11 and 12.

Student destinations after leaving the public secondary school system

Over the 10-year period, 1988/89–1998/99, there has been a marked shift in destinations of graduates of the public secondary school system, both from lyceums and technical schools:

- of the 1988/89 cohort, 53% opted to join the labour market, 23% continued studies at local institutions of tertiary education and 24% continued studies abroad;

- of the 1998/99 cohort, only 31% opted to join the labour market, while 41% continued studies at local tertiary education institutions and 28% continued studies abroad.

For technical school graduates only the situation was as follows in 1997 and 1998:

- in 1997, 92% of graduates from the vocational strand sought employment increasing to 94% in 1998;

- in 1997, 76% of graduates from the technical strand sought employment increasing to 79% in 1998.

More recent information is unavailable to confirm whether this is a trend. There is also no tracer system in place to establish whether graduates are employed in jobs related to their specialisation at school.

Those graduates from each strand who did not seek employment were considered to have enrolled at institutions of higher learning either in Cyprus or abroad (mostly in Greece). The graduates from the vocational strand mainly attend tertiary education at the local state institutions such as the Higher Technical Institute, Higher Hotel Institute and the Technical Colleges of Greece. Graduates from the technical strand mainly attend the Higher

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Technical Institute in Cyprus, the technical programmes of private colleges in Cyprus, and the Technical Colleges of Greece as well as universities in Cyprus and Greece. Some also register at universities in other countries.

Vocational guidance and counselling

Services under the Ministry of Education and Culture

In lower secondary education (gymnasium) counselling services are provided by teachers and other professionals (e.g. psychologists) primarily to students in their final year to inform them of the courses and options offered at lyceums and technical schools. Students can also receive information about the future prospects of graduates from the different options in terms of employment and further study possibilities. Usually counsellors get information from publications from the HRDA and the Ministry of Labour and Social Insurance. Aptitude and psychological testing may occasionally be part of the guidance and counselling process. This is not done systematically owing to the lack of specialists.

In 2001, there were 94 qualified counsellors placed in schools and six at the Ministry of Education and Culture’s central office. Their services were used by over 55% of the students. Counsellors have gone through specialised post-graduate education.

Teachers at technical schools often criticise counselling officers for not understanding secondary technical and vocational education and the options and perspectives it provides to its graduates. They complain of ‘negative counselling’ by teachers who still share the traditionally held social view of secondary technical and vocational education as a second-rate option. To counteract such prejudices, the Association of Teachers of Technical Schools has put pressure on the Ministry of Education and Culture to use teachers from the technical schools as visiting counsellors in gymnasiums.

In upper secondary education counselling takes place in the schools upon enrolment to help students decide on the different study options available. There is a separate service at the Ministry of Education and Culture, which provides information to students on further study opportunities particularly in higher education institutions in Cyprus and Greece and about the requirements of the relevant ‘selection examinations’ necessary to gain access to these institutions.

A parallel information source about opportunities and requirements for studies at tertiary education institutions, private and public, and about studying abroad is made available during the ‘Education Fair’, which takes place in early spring each year.

There are no school-based counselling services available to the trainees of the apprenticeship system.

Services under the Ministry of Labour and Social Insurance

The Vocational Guidance Service of the Ministry of Labour and Social Insurance delivered through the Public Employment Service operates independently of the Ministry of Education and Culture’s services. These services are available to adults, secondary-school graduates and to adults who may need information on employment prospects and opportunities or on skills-training possibilities. These services also cater for school dropouts, who may be interested in joining the apprenticeship system.

These services in general do not offer aptitude testing or career counselling because of shortages of qualified personnel and a lack of emphasis on this problem. Furthermore, the scope of these services appears to be limited regarding the systematic collection and processing of information about public and private training provision and about career opportunities through further appropriate studies.

In addition to the above, the HRDA has prepared a web page on how to access information and advice on training opportunities. Furthermore, the Central Youth Organisation, in cooperation with
local youth organisations is currently developing similar information facilities.

**Delivery, assessment and certification mechanisms**

The Ministry of Education and Culture is responsible for the delivery, assessment and certification mechanisms for training programmes offered in public schools.

The assessment standards and to a certain extent the appropriate delivery methods, mostly with respect to vocational subjects, are worked out in consultation with technical committees representing employers, trade unions and teachers’ associations which act in an advisory capacity.

The Leaving School Certificate is awarded by each school on the authorisation of the Ministry of Education and Culture. The grades recorded in the Leaving School Certificate constitute the average of term tests, of oral exams and performance in class or at the workshops and the final year exams. There is a mixed system with a limited number of national exams and others set by the school. The national exams (four to six subjects), are marked by teams of examiners drawn from the various schools. There is not, however, a national system of examinations with social partners involved in assessment.

Assessment and certification should be strongly influenced if it be decided to implement the national vocational qualifications framework. This would require the availability of a comprehensive series of standards and an agreed procedure and mechanism for assessment and certification. At the moment, trainees following one of the courses promoted by the HRDA receive a certificate indicating successful completion of the course.

Establishment and operation of private secondary schools come under the jurisdiction of the Ministry of Education and Culture. Private schools decide on syllabus, methods of teaching, assessment as well as certification. These may be reflected in the school-leaving certificates that they issue. However, private schools usually adopt syllabuses designed by external professional bodies mostly based in the United Kingdom. This refers to specialisations such as secretarial skills, accounting and computing. The syllabuses could also be determined by internationally acknowledged examinations such as the GCSE system. In addition to the school-leaving certificate, private schools often offer double certification through external examinations.

Course content, delivery, assessment and certification in tertiary-level institutions is the responsibility of the institutions themselves. Public institutions (such as the Higher Technical Institute and Higher Hotel Institute) determine these matters internally.

Most private colleges use as their reference point information and procedures copied from foreign colleges and universities with which they have some form of association. For programmes that have been accredited by SEKAP, the institutions issue certificates in their own right.

The same applies to the design, delivery, assessment and certification of accelerated *ab initio* or upgrading/updating courses delivered by organisations such as the Cyprus Productivity Centre. These courses are designed internally by the staff of the respective institution after consultation with technical committees including employers. HRDA funded courses are submitted to the HRDA for endorsement prior to delivery.

**Division of responsibilities between government/regional/local and public/private**

Policy formulation and priority setting for the education and training system are the responsibility of the government. The Planning Bureau performs overall coordination, especially in the framework of the Strategic Development Plan and in deciding on the annual development budgets. The individual ministries are responsible for more detailed policies and implementation through the heads of departments (for example, the Director of General Secondary Education, the Director...
of Technical and Vocational Education, the Director of Tertiary Education, the Director of Labour). The directors of such institutions as the Cyprus Productivity Centre, Higher Technical Institute and Higher Hotel Institute which all relate to the Ministry of Labour and Social Insurance are also influential in the setting of priorities for their institutions.

In secondary technical and vocational education, the Ministry of Education and Culture prepares the curriculum, syllabus and textbooks to be used in all schools and decides in which schools specific occupations are to be offered. On the contrary, technical schools take an active part in deciding which afternoon and evening courses to offer in response to local demand in consultation with the Ministry of Education and Culture. There is no differentiation in the curricula for specific occupations. Decisions for the necessary resource allocations (equipment, training facilities, teachers/instructors) are also taken centrally by the Ministry of Education and Culture.

The principal matters, which are handled at the district level, refer to administrative issues such as estimating the need for teaching resources in consultation with the head teacher of the school, or for organising school inspections.

At the local level, schools are in charge of the preparation of timetables, examinations, tests and allocation of grades to students.

There are school boards for all general secondary schools. They are responsible for issues relating to the maintenance of school premises and for general supplies. However, there are no school boards for technical schools. All functions carried out by the school boards for general secondary schools are taken over centrally by the Department of Technical and Vocational Education of the Ministry of Education and Culture.

The division between public and private sectors for the provision of education and training activities is clearer. The Constitution and the relevant laws (see section 2.1.1 above) allow freedom of engagement in education and training for the private sector provided the relevant legislation is adhered to. The main issues, which the law regulates, refer to the appropriateness of the premises and accommodation, to the qualifications of the teaching staff and to the keeping of the relevant administrative records regarding enrolments, promotion and graduation.

2.2 RESPONSIVENESS OF THE EDUCATION AND TRAINING SYSTEM TO THE NEEDS OF THE LABOUR MARKET AND THE INDIVIDUAL

The main priorities mentioned in the Joint Assessment Paper are:

- improving the quality and relevance of upper secondary general and vocational education (while also raising completion rates);
- restructuring and modernisation of the apprenticeship scheme;
- further reducing the ‘brain drain’;
- increasing participation of adults (particularly the unemployed and potential re-entrants to the labour market) in continuing education and training;
- increasing the involvement of the social partners in vocational education and training at different levels;
- encouraging employers to invest in training;
- developing and implementing policies to improve further the quality, transparency and attractiveness of technical and vocational education and training (including apprenticeship);
- reinforcing the links between initial and continuing vocational education and training;
- establishing an integrated and transparent national system of vocational qualifications, academic and professional qualifications and mutual recognition of qualifications at the EU level.
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2.2.1 APPROPRIATENESS OF THE EDUCATION AND TRAINING SYSTEM

The Joint Assessment Paper highlights the importance of continuous curricular modernisation to take account of economic changes and labour market needs – particularly in new skills and competences.

**Planning and programming**

*The HRDA*

The HRDA carries out the main analyses of changes in the labour market through its research studies. These studies are an essential source of information in the formulation of the overall human resources development strategy and for annual priority-setting.

For the last 15 years, the HRDA has prepared an annual report called *The Human Resources Balance*. The report records recent trends in labour supply and demand and projects occupational shortages and surpluses in the short-term – one to two years ahead. However, due to the short-term focus of the report, its usage has been confined to setting priorities for the accelerated training programmes, aiming at counterbalancing the disparity between supply and demand of labour, calculating the needs for foreign workers, defining the approach to counselling activities and making budgetary allocations. The HRDA has therefore decided to undertake a research study aiming to make medium to long-term occupational forecasts up to 2010. The forecast will cover 36 occupations and 27 economic sectors. The report will be finalised in the second half of 2002.

In addition to labour market studies, the HRDA also carries out:

- Sectoral studies assessing the past and present situation of a particular economic sector making medium-term forecasts. Emphasis is placed on all human resource aspects and in particular on training needs analysis.
- Occupational studies analysing the characteristics and future prospects including training needs in key occupations.
- Evaluation studies on the effectiveness and impact of the HRDA’s training and development activities.
- Thematic studies are carried out on ad hoc issues, for example, on the characteristics of economically inactive women in Cyprus under preparation at the moment. HRDA cooperates with similar institutions in the EU to further enhance its practices in the documentation sphere as well as in the planning of the development of human resources.

The main sources of data on the labour market are:

- the Employment Survey;
- the Establishment Survey conducted quarterly by the Statistical Service;
- the Labour Force Survey conducted annually by the Statistical Service;
- the Household Survey, carried out in the second quarter of each year by the Statistical Service and fully harmonised with the relevant EU *acquis*.

The HRDA recognises the need for closer cooperation with the public employment services to facilitate the access of the unemployed to employment and of those not currently engaged in the labour market, especially women.

As a standard practice the HRDA informs the public employment services of all intended training programmes and asks for assistance in finding candidates among the registered unemployed. In this sense the PES supports the HRDA by identifying possible participants in training courses. However, it does not appear that the PES is playing an active role in identifying priority areas for training the unemployed.

The social partners are involved in the planning process management boards or consultative committees of training institutions and the Public Employment Service. Several organisations carry out their own research and studies in labour matters. This capacity could, though, be better exploited to enhance the planning process.
The Ministry of Education and Culture

The planning and programming of the secondary technical and vocational education in the Ministry of Education and Culture is usually done jointly by the senior officers of the Department of Technical and Vocational Education. They rely on the Strategic Development Plan for guidelines and consider the relevant HRDA reports and labour statistics. The proposals prepared are consulted with technical committees and the Advisory Council, where employers and trade unions also participate, before they are finalised and submitted to the Planning Bureau and Ministry of Finance for funding.

As mentioned earlier, in spite of the fact that overall planning takes place within the framework of the Strategic Development Plan, the authorities responsible for the development of specific policies and implementation of the plans still operate in relative isolation. This is the case regardless of the extensive consultation processes taking place in Cyprus.

Curricular design and development

The Joint Assessment Paper appreciates the initial efforts to improve the quality and relevance of the education system (both at upper secondary general and technical and vocational schools). It stresses the need to effectively implement the reforms and the expected contribution of these reforms to successful progress towards a knowledge-based society and raising completion rates.

In upper secondary general education the implementation of the new unified lyceum is ongoing. The new curricula aim to provide a wide knowledge base and greater flexibility in subject choice. The educational objectives are centred on the student’s interests and capabilities with narrow specialisation in the final year whether in academic or technological and vocational subjects. The extensive use of computers both as a skill and as a tool in the teaching/learning process is one of the priorities of the new scheme. The full implementation of this new secondary general education reform is expected to improve completion rates from 85% to 90%.

In secondary technical and vocational education, curricular design has been approached systematically by the Directorate of secondary technical and vocational education with the participation of practically all stakeholders, including representatives of the social partners, teachers/instructors and their unions, representatives of the Pedagogical Institute and the University of Cyprus. In designing the new curricula, the first step was to prepare basic occupational profiles and related competences. However, there does not appear to be any link between the design of these profiles and the pilot one on the development of competence-based vocational standards organised by the HRDA.

Some of the major improvements include the provision of a broad knowledge base and the introduction on new specialities related to the service sector. The curricula focus on core skills, and emphasis is placed on information and communication technology as a skill. New teaching/learning methods favouring student initiative are encouraged as well as action learning in the form of project work. The new curricula should both improve graduates’ immediate employability and facilitate progression to higher education.

However, the new reform recognises the importance of improving teaching skills to allow for the delivery of the new curricula in the new spirit. Therefore the Ministry of Education and Culture asked for external assistance from the ETF to assist in developing an approach to school-based staff development through the creation of change agent teams. It is the task of the change agent teams to organise staff development for their colleagues on new teaching/learning methodologies. This exercise is to be seen as an integral part of the overall efforts to improve and continuously update teaching skills carried out by the Pedagogical Institute. Although the first steps have been taken in this direction it remains a key priority to ensure that all teachers are actually able to identify with the approaches laid down in the curricula. Emphasis on pre, in-service and school-based staff development must therefore continue. Also the support from industry is important to realise industry placements for teachers.
2. VOCATIONAL EDUCATION AND TRAINING AND LIFELONG LEARNING IN THE CONTEXT OF NATIONAL EMPLOYMENT POLICY

The Ministry of Education and Culture has initiated an evaluation of the new curriculum through feedback from teachers and students. The first evaluation results are expected at the end of the current school year.

The curricula of continuing vocational training courses are prepared by the teachers/instructors in the institutions (the Cyprus Productivity Centre, Higher Technical Institute and Higher Hotel Institute) who, based on their experience, contacts to industry and research, design the training courses. The quality-check of the proposed training courses takes place when examining the proposals submitted and during implementation. The criteria used are: the suitability of the trainer, the profile of the participants, an analysis of the training programme, the duration, the delivery methods, the venue and the assessment process.

At the moment, curricula are not modularised, thus making it difficult to continue qualifications from both the formal and the non-formal system.

The involvement of industry in the delivery system

Employers are involved in a number of ways in the delivery system not only in the informal and the continuing training of their employees, but also in the formal system. Their major contribution is the provision of on-the-job training including training of apprentices, guiding and training technical and vocational students who are on industrial placements for one to two days per week as well as Higher Technical Institute and Higher Hotel Institute students on industrial placements. The institutions do not encounter any problems in placing students in industry for practical training. In some collective agreements signed between the employers and trade unions there is a specific mention of the terms and conditions for their training. The HRDA has developed a scheme for subsidising up to 75% of the costs of courses for training trainers and training managers.

The major financial incentive for investment in human resources development has been the establishment of the central fund for training under the HRDA to which all employers must contribute. In terms of tax incentives, all expenditure on human resource development is tax deductible in the same way that other production expenses are treated. In this way, therefore, it is estimated that about 20–25% of total human resources development expenditure is born by the state.

Employers have been extensively involved in modernising the curriculum. However, the social partners are not involved in the assessment and certification process.

Quality assurance is recognised by all as constituting an important prerequisite for a qualification that is expected to be relevant to the needs of industry and the professions. This process, however, is still a matter of self-audit within the internal system without a fully transparent mechanism in place.

Almost all the initial and the continuing training programmes sponsored by the HRDA are either enterprise-based or include industrial practical training. For these reasons, the HRDA has supported the modernisation of the training infrastructure of both public and private training providers. The assistance covers 75% of the total estimated cost.

Use of computers

The Ministry of Education and Culture plans to widen access to computers in public schools. By the end of 2002, there should be one computer per 14 students in gymnasiums and one computer per seven students in lyceums and technical schools. In elementary schools, it is planned to acquire one computer per 23 pupils. By the end of 2003, the targets set expect to achieve one computer per nine students in gymnasiums, one computer per five students in lyceums and technical schools, and one computer per 15 pupils in elementary schools\textsuperscript{11}. Current information indicates that 9,000 PCs have already been distributed to the various schools. Parents’ associations in many schools have provided additional computers.

\textsuperscript{11} Source: The Office of the Director of Secondary General Education.
However, the relevant EU targets may not be fully achieved by 2003. The plan also provides for every secondary school to have access to the Internet and many of the schools have already been linked up to it.

The apprenticeship system’s training curriculum has included neither information technology skills nor the use of information technology as a learning tool. This situation is expected to change with the proposed reform of the apprenticeship system.

The teaching of information technology skills not only depends on the availability of computers. At present, many teachers lack the appropriate IT skills. The Pedagogical Institute intends to speed up the training of teachers in these skills, though this is still at the planning stage. The initial plans propose that all teachers be encouraged to undergo a 70-hour course during the next three years, to be organised in the afternoons outside normal working hours. Among the incentives proposed are a 50% subsidy for the purchase of a PC and the award of a certificate that would count as an ‘additional qualification’ for promotion purposes. In the meantime, computer-science graduates on the appointment waiting list have been enlisted by the Ministry of Education and Culture as supply teachers.

Teaching and learning methodologies

Initial teacher training was made compulsory in 2000 for all new appointees. Once a person on the list is appointed, he or she must attend daytime classes. The Ministry of Education and Culture pays a subsistence allowance, which now stands at CP 280 per month (€480). They may either attend these classes prior to taking up their teaching position or after having started work in the school during the first year. The appointment will not be confirmed before the course has been successfully completed. The curricular structure for the initial training of teachers and instructors is as follows. The total course is of 26 weeks’ duration and lasts for seven months (October–April). It consists of two sets of 110 hours. One of general teaching methodology and psychology of learning, and another concentrating on teaching methodology in the particular specialised subjects of each group of trainees. This is followed by another 150 periods of teaching practice during which the trainee teachers are exposed to demonstration class teaching by their mentors for about 100 periods followed by practical teaching experience of about 50 periods during which they are assessed. The general performance of the trainee teachers is assessed through both written examinations and project assignments.

Continuing or in-service training of teachers is under further development by the Pedagogical Institute to modernise traditional methodologies and approaches. The actual targets in terms of participation are not yet stated. Nevertheless, during the last five years approximately 40% of all teachers in technical schools have had in-service training at the Pedagogical Institute for the duration of one school year for two days each week.

In general, the in-service training courses and seminars range between 15 hours (delivered usually during three afternoons for five periods each) and 60 hours. This training includes general pedagogy and pedagogy for special subject teaching including student-centred teaching, project teaching, experiential learning, promoting teamwork and the teaching of special subjects such as history and foreign languages. Training for new assistant head teachers has started at one day per week for one year. They are trained in school administration, curriculum planning, conducting meetings and guiding teachers/coordinators in the teaching of special subjects.

Incentives to attend continuing training have still to be introduced to increase participation, which is not compulsory. It is not possible to train teachers during normal working hours but incentives for teachers to attend training after normal working hours have not yet been agreed between the Ministry of Education and Culture and the teachers’ associations.
Complementary to the initial and continuing training organised by the Pedagogical Institute, the Ministry of Education and Culture has initiated school-based staff development. In each technical school, so-called change agent teams have been created to promote the use of student-centred teaching methodologies in line with the requirements of the new curricula. The change agent teams’ role is to lead this development in the schools and to engage in the training of colleagues. The Ministry of Education and Culture has confirmed its commitment to this process by introducing incentives for members of the change agent teams, for example, by reducing their normal teaching load. The development of self-assisted learning through eLearning is still in its early stages.

The HRDA funds training programmes aimed at: (a) management of training centres; (b) train the trainers; and (c) upgrading trainers’ competences to support the implementation of the continuing vocational training courses it funds.

2.2.2 RESPONSIVENESS OF THE EDUCATION AND TRAINING SYSTEM

In general, most of the upgrading training benefits upper and middle managerial and technical personnel rather than those at the operational level.

The general responsiveness of the vocational education and training and lifelong learning system

The public vocational education and training system has only started to respond to individual needs through the move towards student-centred learning and supplementary support services. Less able students may attend remedial classes for a few periods a week. The most able are less catered for, though teachers often give such students more advanced work and exercises if they are interested. Despite attending remedial classes, support could be more focused on individual needs and counselling efforts.

Provisions for working people to re-enter the formal education system through a modular scheme are still under consideration.

Provisions for groups not active in the labour market, such as married women, older people, disabled people and those living in remote areas to facilitate their return to the productive process, are not as yet in place in a systematic way. These groups are not prioritised by the current training policy, which is geared to supporting those in employment and new school-leavers and graduates. Also the provisions for school dropouts are inadequate. Only about 40% of male dropouts enter the apprenticeship system which furthermore has a low completion rate. The present apprenticeship system does not attract female dropouts.

In general, the responsiveness of the education and training system to those who need skills upgrading or require new skills is weakened by the shortcomings in the public employment services. Furthermore, the lack of a coherent approach to lifelong learning does not favour a flexible approach to learning.

An unemployed person seeking help from the public employment services is usually placed on a list that matches clients to available vacancies. This is followed up by contacts with prospective employers for the relevant interviews. Clients may also receive information about training classes that the officer happens to be aware of. This approach does not place individuals at the centre of an effective lifelong learning system and process. Rather, individuals must fit the existing system. As a result the existing arrangements (public employment services and lifelong learning) are not proactive in anticipating and meeting future skill needs, and constitute a disincentive to worker mobility.

Nevertheless, a number of programmes and measures exist, which aim at helping the unemployed to secure jobs, such as:

- for tertiary education graduates, there is a special scheme which secures a sponsor from industry for practical on-the-job training while the theoretical training in managerial issues is offered at the Cyprus Productivity Centre;
for tertiary education graduates there is a special HRDA scheme through which new graduates secure employment and at the same time undergo theoretical and practical training;

- for tertiary education graduates there is a special scheme with financial assistance (long-term loans with low interest rates and grants) for self employment;

- a scheme for repatriate Cypriots, which provides training and financial assistance, to start their own business;

- provision of information via the Internet to Cypriots living abroad on vacancies available in Cyprus for highly qualified positions;

- a recently approved scheme provides for the granting of financial assistance to business women to set up their own business in industry, tourism or trade.

The above schemes, which are directed towards helping graduates secure a job, are specifically relevant to the JAP priority mentioned earlier, that is, the reduction of the brain drain. It is to be noted from existing statistics of graduates from universities abroad that 15% do not return to Cyprus two years after graduation and that 25% of graduates with postgraduate qualifications remain abroad.

**Introducing flexible working arrangements and retaining older workers**

The labour market in Cyprus is not characterised by flexible working arrangements. The lack of opportunities to take up part-time employment has, for example, not made it easy especially for women to reconcile work and family responsibilities in the absence of adequate child-care facilities. A law regulating part-time work is under preparation.

In Cyprus retirement is common at the age of 60 in advance of the official retirement age of 63. Although discussions have been going on for some years, the retirement age has not been raised until now. Also in the early 1990s, discussions started on how to induce people of retirement age to stay on in employment. However, no real progress has been achieved. At the same time, a number of people over retirement age remain engaged in small and family businesses.

### 2.3 CONTRIBUTION OF THE EDUCATION AND TRAINING SYSTEM TO PROMOTING SOCIAL AND LABOUR MARKET INCLUSION

#### 2.3.1 ACCESS AND INCLUSION

According to the Joint Assessment Paper, the main priorities are:

- raising completion rates in secondary technical and vocational education and secondary general education;
- increasing access for women to training and retraining programmes;
- integration of the long-term unemployed;
- ensuring access to those living in less advantaged areas.

**Raising completion rates**

As mentioned above, the Ministry of Education and Culture is hopeful that the reforms of secondary technical and vocational education and upper secondary general education will increase overall completion rates from 85% to 90% and at the same time increase participation in secondary technical and vocational education from 17% to 20% of those attending upper secondary education.

Approximately 2,800 students (or 4.7%) in public and private secondary schools fail the class exam at the end of the school year (25% are girls) and about 350 (or 0.6%) drop out during the school year (about 30% are girls). Over half of those who fail the class exam do not re-enrol in the same grade. Thus, on average almost 2,000 young people (about 70% boys and 30% girls) are estimated to drop out of formal schooling.

The main safety net for dropouts has been the apprenticeship system. However, the system has only been able to attract approximately 400 male dropouts equal to 30% and no female dropouts. Only
traditional male-oriented occupations are available through the apprenticeship system, which therefore in its current form does not offer an alternative to female dropouts. In addition, the completion rates in the apprenticeship system are low at only 60%.

Female dropouts constitute one of the main disadvantaged groups. There are very few opportunities offered for acquiring skills leading to employment in the public system. Training in more traditional female occupations such as beauty therapy, hairdressing and typing/secretarial skills is only available in private schools. Courses in sales and customer service (a growing job opportunity) are not catered for, neither by public nor private schools.

The ab initio training courses at the Cyprus Productivity Centre and Higher Hotel Institute are the only alternative for dropouts. However, access to these courses is not allowed until the age of 18 and it cannot be taken for granted that these courses attract everyone.

**Increasing access for women**

A significant group outside the labour market consist of women who take care of their elderly parents and/or children. There is a lack of facilities for taking care of the elderly and children. If this group were released of their family obligations, retraining courses would be a logical next step in helping them to integrate into the labour market. At the moment, training is not specifically targeted at women to facilitate their access to the labour market. However, the HRDA is conducting a research study to examine the characteristics of economically inactive women in Cyprus. The results of this study may be used as a basis for targeting training at this group. The Ministry of Labour and Social Insurance is in the process of revising the Public Assistance Law to allow women with children who decide to take up employment to continue to receive public assistance.

The HRDA believes that the new accelerated initial training programmes (for salespersons, computer technicians and office workers) may increase female participation in training and improve their access to employment.

The gap between male and female employment rates in the last two decades has been narrowed down (see section 1.2). Progress was also made with regard to the advancement of the status of women in society. However, in practice the attainment of equal treatment and opportunities between men and women has not been fully achieved. There remain problems in the areas of equal treatment in cases of appointment and promotion, conditions of, and access to, work mainly because of the need to take care of children and of traditional male-oriented training offers.

These issues have been addressed in the current Strategic Development Plan and various measures, including legal measures, have been adopted for their handling as well as for harmonisation with the EU acquis. The main measures include:

- the strengthening of the National Committee for Women’s Rights to become more effective with regard to the coordination, planning and following up the implementation of policy measures regarding the position of women;
- the encouragement of women’s participation in public political life and in decision-making centres;
- the running of special programmes for education/training of women and provision of technical assistance to women to improve their position in economic life;
- the improvement of the infrastructure and day-care services for children of working parents to enable them to combine occupational and family obligations;
- the carrying out of a study on the findings of which a scheme can be developed aiming at facilitating women’s self-employment and participation in business activities.
Integration of the unemployed

There has been limited focus on the long-term unemployed in general and as a consequence even less on developing training schemes to support the inclusion of this group into the labour market. Also the Public Employment Service has not played an active role in promoting training schemes for the long-term unemployed. The HRDA’s focus has been on the employed and to a lesser extent on unemployed, who have recently graduated and especially those from higher education. There has been little interest in the unskilled or low-skilled long-term unemployed. The long-term unemployment rate in Cyprus according to the labour force survey in 2001 was low at 0.9% equal to the EU benchmark and considerably lower than the EU average of 3.2%.

Access for those living in less advantaged areas

There is widespread access to secondary technical and vocational education in all major towns of Cyprus. Furthermore, the secondary technical and vocational education reform foresees the building of a new technical school in a rural part of Cyprus, which will further improve access. The biggest provider of continuing vocational training, the Cyprus Productivity Centre, concentrates its activities in Nicosia, and to a lesser extent in Limassol and Larnaka. However, the HRDA subsidises travel costs and provides full board for trainees who have to travel to attend training.

The extension services of the Ministry of Agriculture, Natural Resources and Environment organise training for farmers in rural areas. Finally, the Adult Education Centres cover most parts of Cyprus.

People with special needs

Education and training for disadvantaged children as a rule takes place in mainstream schools. Every effort is made to avoid separating these children from their peers. In some cases the government, sometimes in cooperation with non-governmental organisations, offers special education/training arrangements with the aim of incorporating them into mainstream society. The 1999 law on Education of Children with Special Needs regulates this for primary and secondary school children. The law provides for the creation of an early diagnostic mechanism of children with special needs. It also encourages incorporating these children into normal schools by improving the school infrastructure, employing specialised staff, training of staff, production of appropriate materials, etc.

During the school year 1999/2000, 164 teachers, who divided their time between two or three schools each, offered individualised programmes to 3,105 children. For children with mental or physical disabilities who cannot be catered for in regular schools, education was provided in nine special schools. Some 319 children attended this type of school, which offers education to children of the age-group equivalent to primary and secondary education. There are also specialised schools for blind or deaf children as well as for children under rehabilitation.

In 1990, a separate Service for the Care and Rehabilitation of the Disabled was set up within the Department of Labour of the Ministry of Labour and Social Insurance. The aim was to promote more effectively equal rights and opportunities for people with disabilities and facilitate their full participation in economic and social life. The activities encompass the following:

- provision of vocational guidance, training/retraining, placement in employment in the open market or in sheltered employment or self-employment;
- provision of income allowances for disabled people to help cover their special needs;
- removal of physical and social barriers that prevent full participation of the disabled in cultural, religious, sport and other activities;
- provision of assistance for the acquisition of technical aids and equipment by the disabled for better living and employment conditions;
- co-ordination of all relevant activities in the public sector.
Also in 1990, the Rehabilitation Council for Disabled Persons was established, which constitutes the central body for the formulation of policies and programmes on all issues concerning disabilities and disabled people. The Minister of Labour and Social Insurance is the Chairman of the Council, whereas organisations for the disabled, social partners and the government services are represented on the board. Since early 2002, the council has been succeeded by the Pancyprian Council for Disabled Persons. The new council has the same role but includes independent experts on its board.

The basic activity in the area of training/employment/vocational rehabilitation of the disabled is carried out through the operation of the Centre for Vocational Rehabilitation of the Disabled, which was established in 1969. It offers training in a number of trades, facilities for the assessment of capabilities, free board and lodging facilities, as well as sheltered workshops for the employment of those who cannot or do not wish to be employed in the open market.

This facility has a limited capacity in both quantitative and qualitative terms. The centre currently caters for only around fifty persons and the yearly intake is negligible at less than five persons. The areas of training are not by and large aimed at employment in the free market.

Other activities carried out currently include:

- a self-employment scheme through which a certain amount of money is provided as a grant to people with severe disabilities in order to enable them to start their own business;
- a supported employment scheme, which entails a grant to voluntary organisations in order to help them to implement employment and placement programmes in the open labour market and through which a number of persons with disabilities (40 in 1997 and 103 in 2001) have been working with the help of special coaches;
- an incentive scheme for employers to encourage them to engage disabled persons.

Both the centre and the two schools for the blind and the deaf not only provide training to pupils but also provide vocational training and professional rehabilitation within the schools’ workshops or outside the schools. The government and semi-public organisations give priority to disabled people when recruiting to ensure that 3% of the employed come from this group.

In spite of the above-mentioned measures, the integration of disabled people into employment is low compared with the EU. According to the 1992 population census, the number of declared disabled was about 24,000 (or about 4% of the population) of which about 14,000 were of employable age (15–64), or 58%. Of these only about 6,000 were in employment, representing about 43%, of those employable. However, these statistics may not represent the true situation, in view of the fact that by European standards the figure should be about 11% of the population or about 74,000 of which 43,000 would be within the working ages of 15–64. Therefore the true number of about 6,000 disabled people in employment represents a very small proportion (14%) of those who could be catered for (6,000/43,000).

A recent study commissioned by the Ministry of Labour and Social Insurance and executed by Intercollege, which was completed in December 2001, makes a series of recommendations for a number of active measures to promote employment among which training and access to training stand out as priority schemes. Decisions in this regard are still outstanding, albeit the recommendations have been taken into account for the preparation of the 2003 objectives of the ministry.
2.4 CONTRIBUTION OF THE EDUCATION AND TRAINING SYSTEM TO PROMOTING ENTREPRENEURSHIP

The cultivation of entrepreneurial skills is only implicitly conveyed through the secondary technical and vocational education curriculum. There is no particular subject in which students learn to identify business opportunities in relation to evolving market/customer needs, to assess risk, to manage an SME, to obtain finance, etc. The way various subjects are taught, however, encourages students to be innovative and creative through project work and other methods.

At the tertiary education level, for example, at the Higher Technical Institute, all engineering students take a subject called ‘industrial studies’ which addresses management and marketing issues.

Many of the business studies programmes in private colleges offer special courses in small business and entrepreneurship. Furthermore, at the postgraduate level there are a number of colleges which offer MBA study programmes, including entrepreneurship.

A recent development, with initiatives from the Ministry of Commerce, Industry and Tourism, refers to the promotion and sponsoring of business incubators, which, inter alia, would entail guidance and training in entrepreneurship and in the management of small and medium-sized enterprises. The scheme has had a rather slow start. It is under review and a revised scheme is expected to be launched in 2002.

The participation and involvement of employers in formulating relevant education and training strategies for the promotion of entrepreneurship is rather weak at the secondary technical and vocational education level. The Chamber of Commerce offers a series of courses that emphasise entrepreneurial skills, and the Cyprus Productivity Centre also promotes entrepreneurship. Employment services have not been active participants in matters relating to the development of entrepreneurship.

2.5 CONTRIBUTION OF THE EDUCATION AND TRAINING SYSTEM TO PROMOTING EQUAL OPPORTUNITIES FOR MALES AND FEMALES

The JAP assessment regarding the promotion of equal opportunities for men and women is as follows.

Raising employment and reducing unemployment for women, together with a reduction in gender gaps both in pay and in access to higher occupations, are urgent priorities both from the point of view of equality of opportunities and of the achievement of overall employment-policy objectives. Every effort should be made to speed up the implementation of planned gender quality measures. Particularly important will be increased access for women to training and retraining programmes, full implementation of the acquis in relation to both equal pay and equal opportunities, support for ‘family-friendly’ employment patterns and practices, and efforts to raise awareness on equality issues.

Occupational stereotypes are still prevalent in Cypriot society especially for many of the technical occupations, which are included in the apprenticeship scheme (see Annex 10).

The vocational education and training system is not effective in combating such gender stereotyping through course offerings. However, most of the recent study programmes in secondary technical and vocational education, (see list in Annex 11) especially those that relate to new technologies are expected to be popular with female students. Also courses in design and graphic arts have mixed participation. Nevertheless, the traditional engineering courses (for example, machine shop, welding, plumbing, electrical installations) though open to all, only occasionally attract female students.
There were 759 female students during the 2000/01 school year out of a total of 4,679 students, i.e. 16% of the student population of the technical schools. Out of 619 of this year’s apprentices only three are female. The low female enrolments in secondary technical and vocational education stems from both the male-oriented choice of programmes on offer to date and the social gender stereotypes associating technical occupations with male workers.

A number of occupations particularly popular among women, such as beauty therapy and hairdressing, are only available in private fee-paying schools/colleges.

With regard to technical occupation training courses continuing vocational training has similar characteristics. At the same time, overall participation in courses sponsored by the HRDA show that the female participation is approximately proportional to their share in employment.

The picture, however, is different in the tertiary-level institutions where the female participation rate is at least equal to, and in some courses greater than, that of male students, in a variety of traditional male professional courses, including electrical and civil/construction engineering.

Of course, there are a variety of other subjects of a general nature, such as business studies, communications, etc.

Although the Strategic Development Plan makes specific reference to increasing female participation in employment, there are no proactive measures to promote equal opportunities in employment through training and retraining with positive discrimination towards female participation. However, the HRDA is undertaking a study to analyse the characteristics of economically inactive women in Cyprus.

Nevertheless, through the Adult Education Centres of the Ministry of Education and Culture and through the training activities of the Extension Services of the Ministry of Agriculture and Natural Resources, a number of specific courses are organised for the benefit of women who wish to become self-employed through the acquisition of skills for housecraft activities, like jam-making, knitting/weaving, pottery, woodcarving, etc. These courses, albeit relating to occupational stereotypes may help promote employment and reduce job inequalities.

As explained above, devising policies and setting targets for reducing the gender gap/increasing representation of women in sectors where they are under-represented are now to be formulated, as part of the process of converting the JAP provisions into action plans.
3. CAPACITY OF PUBLIC AND PRIVATE EMPLOYMENT SERVICES TO SUPPORT THE AIMS OF NATIONAL EMPLOYMENT POLICIES

The Joint Assessment Paper states that the following efforts are required:

- an increase in the participation of adults (particularly the unemployed and re-entrants to the labour market) in continuing education and training by taking a more proactive approach;
- the PES should contribute to the integration of groups currently outside the labour force, primarily women, through existing programmes and giving more emphasis on vocational guidance;
- continuous monitoring and evaluation programmes and their impact on existing and new target groups to ensure that they remain relevant to clients’ needs.

The 2001 labour force survey results indicate that about 22% of the unemployed are out of work for over one year. Preventive policies should therefore be supplemented by public employment service action to support the reintegration of the long-term unemployed.

To enhance the effectiveness of the public employment service, it will be important to move towards active engagement with the unemployed as part of a preventive and employability-oriented strategy. This will involve earlier and more regular public employment service initiated contact with those who become unemployed, building on early identification of individual needs. The emphasis should be on support for active job-seeking and, where necessary, access to relevant labour market programme opportunities. To achieve this, additional resources will need to be devoted to these areas of PES activity.
3.1 ORGANISATIONAL STRUCTURE

Employment policy and programmes are designed within the framework of the overall Strategic Development Plans always with the objective to attain full and more productive utilisation of human resources under full employment conditions. This dual objective necessitates action not only to put unemployed people back to work, but to advise and enable, through training and other means, the unemployed and other people to get a better paid job.

This is the task of the Department of Labour of the Ministry of Labour and Social Insurance, which consists of three sections: the Employment and Industrial Training Section, the Service for the Care and Rehabilitation of the Disabled and the Employment of Foreign Labour Section. In this chapter it is the first section that is relevant and especially the public employment services. There are four main district labour offices in the districts of Nicosia, Limassol, Larnaka and Paphos, as well as one sub-office at Paralimni. The work of these offices is supervised and coordinated by the Director of the Department of Labour directly in cooperation with the Head of the Employment and Industrial Training Section.

The most important responsibility of the public employment service (PES) is the task of matching job-seekers and employment vacancies at national, regional and local level. Each district office maintains a tripartite Advisory Employment Committee, which is activated when needed, such as in cases of abnormal unemployment situations or to set out a new employment policy or to review periodically the employment position. In view of the fact that registered unemployment has always been low, except for a few years following the invasion of 1974, the activities of the PES was reactive and rather passive instead of proactive and dynamic. The latter is manifest also from the fact that PES contact with the registered unemployed is limited to the monthly confirmation of unemployment to comply with the regulations for the receipt of unemployment benefits.

3.2 RESOURCE ALLOCATION TO THE PUBLIC EMPLOYMENT SERVICES

3.2.1 FINANCIAL RESOURCES

Annual administrative costs for the PES for 2001 are estimated at CP 760,000 (€1.3 million) or about 0.01% of GDP and represent salaries and office expenses. These are charged to the government budget. In the 2002 budget more financial resources are to be made available for the recruitment of extra temporary staff to cope with the pressure of work relating to foreign workers.

3.2.2 STAFFING RESOURCES

In 2001 the total number of officers employed at the Public Employment Service amounted to 55, distributed among the four district offices and the headquarters. In 1992 the respective number was 62, of which 18 performed duties outside the Public Employment Service compared with only two in 2001. The working population per office is as follows:

<table>
<thead>
<tr>
<th>District Office</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nicosia District Labour Office</td>
<td>123,600 people</td>
</tr>
<tr>
<td>Larnaka District/Paralimni Area</td>
<td>70,400 people</td>
</tr>
<tr>
<td>Limassol District Labour Office</td>
<td>77,000 people</td>
</tr>
<tr>
<td>Paphos District Labour Office</td>
<td>27,100 people</td>
</tr>
</tbody>
</table>

In 2000 the average ratio of total employees per public employment service staff and the number of registered unemployed per PES staff were 3,763 and 195 respectively. The Joint Assessment Paper considers that both ratios stand at the upper limit of the international range. The conclusion is that the public employment service is under-resourced.
3. CAPACITY OF PUBLIC AND PRIVATE EMPLOYMENT SERVICES TO SUPPORT THE AIMS OF NATIONAL EMPLOYMENT POLICIES

Taking into consideration that public employment service staff also have other tasks to perform, the attention given to the unemployed is even less. Vocational guidance and counselling activities, advice on training/retraining requirements and a more professional approach to both sides, job-seekers as well as employers, are suffering from lack of time and staff. It is the intention of the competent ministry to increase the offices, and recruit additional staff while training existing staff for tasks that are becoming more and more complex. The present timetable envisages further computerisation to start in October 2002 and to be completed by mid-2003. There is provision for training purposes in this year’s budget. The timetable for other improvements will be decided later.

3.2.3 THE USE OF COMPUTERS

A nationwide computerised candidate placement system was installed in May 2000 and a self-service Internet-based facility is at present under serious study. These tools are expected not only to improve services rendered but also to free staff’s time to be devoted to additional functions that are concerned with either placement or policy development. In addition it could be linked to the computerised system in other departments of the Ministry of Labour and Social Insurance to deliver better services to the public in general. Already the Department of Social Insurance feeds the candidate placement system regularly with database updates regarding personal data and the employment/unemployment history of all insured persons as well as other information, such as the employer’s registration number.

The candidate placement system performs the following functions:

- registration, updating and maintaining candidates’ history;
- registration of employers and vacancies;
- renewal of candidate registration and removal of vacancies;
- matching candidates and job vacancies or vice versa through the specification of selection criteria, ranges or exact values for a candidate or a vacancy;
- monitoring interviews of candidates with employers; selection of candidates for participation in various training programmes (currently being developed);
- production of statistical data.

It should be noted that all counsellors have access to the CPS.

3.3 COVERAGE OF PUBLIC EMPLOYMENT SERVICES

At present there is no information as to the ‘market share’ of the public employment service in terms of share of vacancies notified to the local employment offices. Until recently the public employment service was monopolising the market.

On the other hand the share of the unemployed that are clients of the public employment service was estimated by the Labour Force Survey in 2000 to be 50%. However, the actual number of unemployed registered at the public employment service was 78% of the total unemployed estimated by the labour force survey.

3.4 RANGE AND QUALITY OF SERVICES

The services that the public employment service should provide to job-seekers and employers can be summarised as follows:

- assistance to job-seekers to find suitable employment and to employers to find qualified staff, through the registration and placement services;
- provision of information to job-seekers and employers with a view to facilitating occupational and geographical mobility;
- provision of information and guidance on employment and business-development programmes operated by the Department of Labour;
- provision of vocational guidance and counselling on employment and training opportunities.
The public employment service does not administer unemployment benefits, which is the responsibility of the Social Insurance Department, or any subsidies or financing related to employment programmes. However, through the prompt provision of data and information on the employment/unemployment situation, they facilitate the administration for the smooth functioning of such schemes.

The District Labour Offices process the applications of employers for the employment of foreign workers in accordance with the protocol agreed by the social partners. The offices are also involved in the investigation and handling of complaints submitted by foreign workers regarding possible violations of the terms and conditions of employment. These are additional reasons why resources are stretched and lessen the attention that public employment service should give to more substantial issues, such as vocational guidance and counselling, to training/retraining requirements and the reintegration of the long-term unemployed.

The labour officers also deal with apprenticeship scheme classes in their district in an administrative capacity. Not only do they serve in the respective tripartite committees but they also organise the inspectorate to monitor the apprentices in the workplace as well as to visit pupils in secondary schools to give them information about the employment situation. For those who drop out they try to help find suitable employers so as to enable them to join the apprenticeship system.

The PES is not involved in such services as labour inspection, social security, which is the responsibility of other sections in the Department of Labour or other departments. However, it involves itself in other functions depending on local conditions. Two district offices (Limassol and Larnaka) provide services for the allocation of port workers.

At present there are no self-service facilities based on ICT to job-seekers and employers through the public employment service system. A study is currently being carried out for the creation of a web-enabled environment in order to facilitate the use of candidate placement system by both job-seekers and employers. It is expected that by mid-2003 the candidate placement system will be accessible via the Internet. The possibility is also being examined to subsequently install workstations in youth centres, public libraries and in other places in rural and urban areas.

The working methods for the case management of unemployed job-seekers could be summarised as follows: following a personal interview unemployed job-seekers are registered through the candidate placement system after presenting their diplomas, certificates and other evidence of their qualifications. Then they are provided with an unemployment card indicating the dates on which the holder should visit the PES for the renewal of registration, information on new opportunities for employment, advice on participation in suitable training programmes and updating of their records. Upon registration, through the candidate placement system, the counsellor matches the qualifications and other personal data of the candidate with the vacancies available and, with his/her consent issues a first employer response form. The records of both candidates and vacancies are updated on the basis of the results of the interview. A similar procedure is also followed, apart from the unemployed, in the case of other groups, such as people who are seeking a better job, persons conditionally unemployed etc. Vacancies are notified by the employers to the public employment service by fax, mail, personal contact or other means, and relevant entries are made into the system.

Owing to the fact that public employment service staff are very stretched and most of them have not undergone special training, they cannot provide the full range of services that could promote employability and adaptability. For instance, there are no restart initiatives or ‘job clubs’ for the long-term unemployed.

The monitoring system to evaluate the effectiveness and quality of the public employment service includes monthly
3. CAPACITY OF PUBLIC AND PRIVATE EMPLOYMENT SERVICES TO SUPPORT THE AIMS OF NATIONAL EMPLOYMENT POLICIES

reports by district labour offices to the Director of Labour. The monthly reports, in which data on unemployment, vacancies and placements by economic activity and occupational category in the district are analysed together with comparisons of the previous month and the respective month of the previous year, are evaluated at headquarters and policy decisions are taken. At the district level, the district advisory tripartite committees are convened and discuss the labour market situation thoroughly and systematically, the better utilisation of human resources, vocational training issues, specific district problems and problems of certain groups (port workers, hotel employees, the disabled, women, students, etc).

3.5 ROLE OF PRIVATE EMPLOYMENT SERVICES

Over the last few years private employment services have expanded their activities, especially in the areas of recruitment for managerial or specialised posts requiring high qualifications. In these cases private employment services also act as personnel advisers to firms that do not have their own personnel department. The other area where private employment services are very active is in the recruitment of foreign workers.

Private employment services are not, up to the present, geared towards the placement of local skilled and unskilled workers.

Through the enactment and application of the Law Providing for the Establishment and Operation of Private Employment Offices, 1997, and the relevant regulations, every such office, existing or new, is required to apply and obtain a licence from the Ministry of Labour and Social Insurance. The licence is issued to eligible physical or legal entities under certain conditions and for a specified period of time. Up to now 79 such licences have been issued and the applications of another 35 are under consideration.

There are no official records on the activities of private employment services. It was only recently that their functioning has been regulated. From the applications for registration received it appears that there is a lot of interest in setting up such businesses in the private sector. It can be expected that, in the future, the role of private employment services will be very significant.

In the meantime work has already started in accordance with the Euroguidance initiative. The services of an expert have been secured to promote the setting up of a website whereby education and training opportunities that exist in Cyprus, private and public, will be displayed for the benefit of interested people in the EU countries, including expatriate Cypriots as well as local people.

There does not appear to be any cooperation between public and private employment services apart from the fact that the Public Employment Service has to issue a permit to an employer to take on a foreign worker, which often happens through a private employment service.

3.6 PUBLIC EMPLOYMENT SERVICE REFORMS

In view of the important role of the public employment service in the promotion of employment policies, the Ministry of Labour and Social Insurance is currently considering ways for their proper reorganisation and strengthening. The completion of the computerised system of its operation envisages, inter alia, the improvement of information flow through a web-enabled system providing information on job vacancies and training opportunities, as well as a job/CV matching facility. Current thinking includes:

- increasing the number of staff;
- introducing a systematic training programme;
- establishing extra access points in a number of neighbourhoods or villages closer to clients’ home, where individuals could seek not only registration for unemployment but also receive guidance and support in career or training counselling;
setting up Internet points in youth clubs in the towns as a self-service approach to matching vacancies/training/unemployment.

The timetable for effecting these improvements would take up to three years.

3.7 SUPPORT FOR IMPLEMENTING THE EUROPEAN EMPLOYMENT STRATEGY

The main changes effected in the PES system have to do with the computerisation of its activities. The district labour offices are now in a better position to perform a more thorough and professional job and to pay more attention to individual needs. At the same time with the necessary additional staff and the required training they will be in a better position to feed into and support the priorities set by the European Employment Strategy as outlined in the JAP. The pace of improvements or the quality of the services will depend on how quickly the upgrading programme is executed. In the present situation, the Public Employment Service has not played a proactive role in assisting the different groups outside the labour market to access it and in this way increase the employment rate, which is a declared aim of the government of Cyprus.
4. CONCLUSIONS

Cyprus is an economy with a remarkable history of economic growth during recent decades consistently able to maintain low unemployment rates and an employment rate higher than the EU average.

The overriding strategic challenge for employment policies will be to prevent the emergence and intensification of labour market constraints on overall economic growth. While the labour market in Cyprus can be relatively flexible and well functioning, there is room for improvement, taking into account existing and prospective imbalances between the demand and supply of labour from indigenous sources, both at the sectoral and occupational level. Efforts will need to focus on facilitating the employment of the unemployed, with particular emphasis on the reintegration of the long-term unemployed, increasing the flexibility of the labour market to smooth the movement of workers from declining to expanding sectors, and increasing access to employment for groups with currently low labour force participation (women, people with disabilities and older workers). Policy should also ensure that young people entering the labour market be adequately prepared and inter alia reduce the number of dropouts. The likelihood of the continued presence of a significant number of foreign workers will inevitably raise issues related to the place of such workers in overall employment policy. As elsewhere in Europe, therefore, there is a case for a strategic review of policies in relation to foreign workers.

Addressing these issues has implications for two main elements of labour market policy.

1. Policies and programmes in the area of human resources development in the context of a lifelong learning approach – initial and continuing education, training and retraining.
2. Institutions and programmes that affect the effective functioning of the labour market – including the public employment services and active employment policy measures, and policy on foreign workers.

It is evident from the Strategic Development Plan covering the period
1999–2003 that Cyprus has identified the above issues as key challenges which the vocational education and training system and the employment services must address.

Cyprus has embarked upon a major reform of its secondary technical and vocational education system and has emphasised the importance of continuing vocational training as a means of ensuring an adequately qualified labour force. Other examples of good practice in Cyprus are, for example:

- initial training programmes offered to university graduates to facilitate the transfer from university to the world of work;
- tax incentives provided to all employers so as to deduct the costs of training from taxable income;
- school-based staff development initiative started in technical schools.

Nevertheless, a number of areas may still need addressing if Cyprus wants to fully use its potential human-resource base to secure continued economic growth and to take part fully in the European Employment Strategy.

Cyprus does not have a formulated comprehensive strategy or approach to lifelong learning. Links between initial and continuing training continue to be weak and there is no system for the accreditation of non formal and informal learning.

The competence-based national qualification system is only at the pilot level. The pilot approach should be enlarged, if a future lifelong learning strategy is to ensure that the formal recognition of all competences be made possible regardless of whether acquired through the technical and vocational school system, continuing vocational training, experience-based or through the apprenticeship system.

In spite of the overall good record of the Cypriot economy, the vocational education and training system does not provide adequate means to support the inclusion of disadvantaged groups.

Two thousand students drop out of the education system every year without finishing secondary education. The main offer to these has been the apprenticeship system, which has however only attracted a small proportion of dropouts. The apprenticeship system neither leads to a recognised qualification nor are there any progression routes from the system. There are hardly any females in the apprenticeship system. A decision on the reform proposal is still outstanding.

Although there are untapped human resources among women who have a low employment rate, there are inadequate measures to promote the integration of women into the labour market. There are also limited options available to support the reintegration of the unemployed in general into the labour market. The continuing vocational training system focuses on the employed, and the number of unemployed who participate in training is limited though not fully documented. Finally, a limited number of people with disabilities are included in the labour market and there is no proactive approach to support their integration into the labour market.

The public employment service is currently inadequately resourced to enable it to make a positive contribution to the aims of the national employment policy.

As mentioned above the Strategic Development Plan addresses most of the issues raised in the JAP. A number of issues remain under investigation or decisions are yet to be taken. This includes:

- what kind of competence-based system of vocational qualifications should be introduced;
- how to reform the apprenticeship system;
- how to increase participation in employment of groups currently inactive in the labour market such as women, older workers, and disabled people;
- finalising the research study providing occupational employment forecasts up to 2010.
Together with close monitoring of reforms already being carried out, such as those of general and technical and vocational secondary education, it is important to ensure that the number of studies and reviews launched are followed up by decisive action in the years to come.
## ANNEX 1

### Employment by sector

<table>
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<tbody>
<tr>
<td>Economically active population ('000s)</td>
<td>235.3</td>
<td>246.4</td>
<td>279.7</td>
<td>270.0</td>
<td>198.2</td>
<td>220.1</td>
<td>251.6</td>
<td>276.0</td>
<td>305.5</td>
<td>313.7</td>
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<td>Unemployment (%)</td>
<td>2.5</td>
<td>2.3</td>
<td>1.2</td>
<td>1.5</td>
<td>1.6</td>
<td>2.0</td>
<td>3.7</td>
<td>1.8</td>
<td>3.4</td>
<td>3.6</td>
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<tr>
<td>Gainfully employed in agriculture ('000s)</td>
<td>94.8</td>
<td>98.5</td>
<td>93.5</td>
<td>76.2</td>
<td>34.8</td>
<td>36.9</td>
<td>35.4</td>
<td>34.8</td>
<td>27.1</td>
<td>26.9</td>
</tr>
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<td>Emigrants</td>
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<td>5,081</td>
<td>1,312</td>
<td>3,346</td>
<td>5,454</td>
<td>525</td>
<td>181</td>
<td>-</td>
<td>8,000</td>
<td>8,500</td>
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<tr>
<td>Percentage distribution of those gainfully employed</td>
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<tr>
<td>Primary sector</td>
<td>44.4</td>
<td>46.2</td>
<td>37.0</td>
<td>35.6</td>
<td>25.8</td>
<td>19.6</td>
<td>16.1</td>
<td>13.9</td>
<td>9.5</td>
<td>9.3</td>
</tr>
<tr>
<td>Industrial / secondary</td>
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<td>24.3</td>
<td>27.3</td>
<td>26.4</td>
<td>27.3</td>
<td>34.6</td>
<td>30.9</td>
<td>29.1</td>
<td>23.8</td>
<td>22.4</td>
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<tr>
<td>Tertiary</td>
<td>30.1</td>
<td>29.5</td>
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<td>38.0</td>
<td>46.9</td>
<td>45.8</td>
<td>53.0</td>
<td>57.0</td>
<td>66.7</td>
<td>68.3</td>
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</tbody>
</table>

Source: Statistical Abstract 1999, Statistical Service
Historical Data on the Economy of Cyprus, 1960–91, Department of Statistics and Research (old title)

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12 Provisional.
13 Data prior to mid-1974 refer to the whole island and from mid-1974 onwards to the government controlled areas only.
14 % of unemployed to economically active population.
15 1.5% January-July and 29.6% August to December of 1974, before and after the Turkish invasion.
16 All people who have left Cyprus with the intention of settling abroad or staying for one year or more.
17 Includes mining and quarrying, manufacturing, electricity, gas and water and construction.
ANNEX 2

An overall view of registered unemployment, 1990–99

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<tbody>
<tr>
<td><strong>Unemployment %</strong></td>
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<td></td>
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<td></td>
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<tr>
<td>Total</td>
<td>1.8</td>
<td>3.0</td>
<td>1.8</td>
<td>2.7</td>
<td>2.7</td>
<td>2.6</td>
<td>3.1</td>
<td>3.4</td>
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<tr>
<td>Male</td>
<td>1.4</td>
<td>2.2</td>
<td>1.3</td>
<td>1.8</td>
<td>2.0</td>
<td>1.9</td>
<td>2.3</td>
<td>2.7</td>
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<td>3.1</td>
</tr>
<tr>
<td>Female</td>
<td>2.5</td>
<td>4.4</td>
<td>2.6</td>
<td>4.1</td>
<td>3.8</td>
<td>3.7</td>
<td>4.3</td>
<td>4.5</td>
<td>4.2</td>
<td>4.7</td>
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<tr>
<td><strong>Duration of unemployment (% of total)</strong></td>
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<td>2 weeks</td>
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<tr>
<td>Total</td>
<td>10.6</td>
<td>12.8</td>
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<td>11.3</td>
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<tr>
<td>Female</td>
<td>49.8</td>
<td>54.8</td>
<td>53.6</td>
<td>57.4</td>
<td>51.3</td>
<td>52.7</td>
<td>51.8</td>
<td>47.1</td>
<td>45.7</td>
<td>48.9</td>
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<tr>
<td>2 weeks–3 months</td>
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<tr>
<td>Total</td>
<td>43.5</td>
<td>54.3</td>
<td>44.1</td>
<td>46.4</td>
<td>41.2</td>
<td>43.2</td>
<td>41.5</td>
<td>40.4</td>
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<td>40.4</td>
</tr>
<tr>
<td>Female</td>
<td>51.2</td>
<td>56.0</td>
<td>55.1</td>
<td>58.6</td>
<td>52.7</td>
<td>54.5</td>
<td>54.0</td>
<td>49.6</td>
<td>47.0</td>
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<tr>
<td>3–6 months</td>
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<tr>
<td>Total</td>
<td>20.6</td>
<td>16.1</td>
<td>20.5</td>
<td>21.6</td>
<td>22.8</td>
<td>22.1</td>
<td>23.0</td>
<td>22.9</td>
<td>22.4</td>
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<tr>
<td>Female</td>
<td>48.0</td>
<td>49.7</td>
<td>53.0</td>
<td>57.1</td>
<td>55.0</td>
<td>54.6</td>
<td>54.9</td>
<td>52.8</td>
<td>46.7</td>
<td>50.2</td>
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<tr>
<td>Over 6 months</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>25.3</td>
<td>16.8</td>
<td>25.0</td>
<td>20.7</td>
<td>26.1</td>
<td>25.3</td>
<td>26.6</td>
<td>27.9</td>
<td>27.8</td>
<td>28.1</td>
</tr>
<tr>
<td>Female</td>
<td>55.0</td>
<td>54.3</td>
<td>53.7</td>
<td>56.6</td>
<td>56.3</td>
<td>56.3</td>
<td>55.7</td>
<td>56.1</td>
<td>51.0</td>
<td>52.5</td>
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<tr>
<td>Over 12 months</td>
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<tr>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>54.7</td>
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## Annex 3

### Registered unemployment by occupational group, 1992–99

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</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Armed forces</td>
<td>13</td>
<td>19</td>
<td>14</td>
<td>12</td>
<td>21</td>
<td>16</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>1</td>
<td>Legislators, senior officials and managers</td>
<td>215</td>
<td>237</td>
<td>300</td>
<td>231</td>
<td>268</td>
<td>258</td>
<td>232</td>
<td>250</td>
</tr>
<tr>
<td>2</td>
<td>Professionals</td>
<td>580</td>
<td>535</td>
<td>589</td>
<td>595</td>
<td>714</td>
<td>727</td>
<td>740</td>
<td>761</td>
</tr>
<tr>
<td>3</td>
<td>Technicians and associated professionals</td>
<td>476</td>
<td>629</td>
<td>692</td>
<td>785</td>
<td>928</td>
<td>1,077</td>
<td>1,149</td>
<td>1,137</td>
</tr>
<tr>
<td>4</td>
<td>Clerks</td>
<td>879</td>
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<td>5</td>
<td>Service workers, shop and market sales workers</td>
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<td>1,025</td>
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<td>1,269</td>
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<tr>
<td>6</td>
<td>Skilled agricultural and fisheries workers</td>
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<tr>
<td>7</td>
<td>Crafts and related trader workers</td>
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<td>1,060</td>
<td>994</td>
<td>981</td>
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<td>8</td>
<td>Plant and machine operators and assemblers</td>
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<td>850</td>
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<td>757</td>
<td>652</td>
<td>754</td>
<td>781</td>
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<td>7,997</td>
<td>7,870</td>
<td>9,426</td>
<td>10,424</td>
<td>10,412</td>
<td>11,375</td>
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</table>

Source: Statistical Abstract, 1999
ANNEX 4

Registered unemployment by educational level and gender, 1980–99

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<tbody>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>11,375</td>
<td>4,344</td>
<td>9,196</td>
<td>5,069</td>
<td>8,320</td>
<td>5,187</td>
<td>7,870</td>
<td>10,424</td>
<td>11,375</td>
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**Illiterates**

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<tbody>
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<td></td>
</tr>
<tr>
<td>Total</td>
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<td>79</td>
<td>159</td>
<td>38</td>
<td>90</td>
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**Elementary education**

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<tbody>
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<tr>
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<td>2,001</td>
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<td>345</td>
<td>1,297</td>
<td>412</td>
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<td>1,276</td>
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**Secondary general education**

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<tbody>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>11,375</td>
<td>1,798</td>
<td>3,564</td>
<td>2,218</td>
<td>3,490</td>
<td>2,206</td>
<td>3,507</td>
<td>4,671</td>
<td>4,915</td>
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**Secondary technical education**

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<tbody>
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<td></td>
<td></td>
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<td>259</td>
<td>499</td>
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<td>144</td>
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**Higher education**

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</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>11,375</td>
<td>960</td>
<td>1,936</td>
<td>1,558</td>
<td>2,280</td>
<td>1,506</td>
<td>1,661</td>
<td>2,061</td>
<td>2,109</td>
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<td>975</td>
<td>861</td>
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<td>834</td>
<td>1,090</td>
<td>1,134</td>
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Source: Statistical Abstract, 1999

ANNEX 5

Registered unemployment and population by district, 1999

<table>
<thead>
<tr>
<th>District</th>
<th>Unemployment</th>
<th>Population ('000s)</th>
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<tr>
<td></td>
<td>Number</td>
<td>%</td>
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<tr>
<td>Nicosia District</td>
<td>5,312</td>
<td>46.7</td>
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<td>3,781</td>
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<td>Rural</td>
<td>1,531</td>
<td>13.5</td>
</tr>
<tr>
<td>Ammochostos</td>
<td>590</td>
<td>5.2</td>
</tr>
<tr>
<td>Urban</td>
<td>590</td>
<td>5.2</td>
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<td>Rural</td>
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<tr>
<td>Larnaka District</td>
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<td>9.1</td>
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<td>Urban</td>
<td>649</td>
<td>5.7</td>
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<td>Rural</td>
<td>2,992</td>
<td>26.3</td>
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<td>Limassol District</td>
<td>2466</td>
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<td>Urban</td>
<td>526</td>
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<td>Rural</td>
<td>796</td>
<td>7.0</td>
</tr>
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<td>Paphos District</td>
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<td>Urban</td>
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<td>Total</td>
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<td>Urban</td>
<td>7,794</td>
<td>68.5</td>
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<tr>
<td>Rural</td>
<td>3,581</td>
<td>31.5</td>
</tr>
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ANNEX 6

Expenditure on formal education (CP millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Public18</th>
<th>Private (in Cyprus and abroad)</th>
<th>GDP</th>
<th>% of total to GDP</th>
<th>% of Public expenditure19 to budget</th>
<th>% of Public expenditure19 to GDP</th>
<th>% of Private expenditure to GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>141.6</td>
<td>91.0</td>
<td>50.6</td>
<td>2,555.7</td>
<td>5.6</td>
<td>11.4</td>
<td>3.6</td>
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<tr>
<td>1992</td>
<td>190.9</td>
<td>123.0</td>
<td>67.9</td>
<td>3,102.9</td>
<td>6.1</td>
<td>12.9</td>
<td>4.0</td>
<td>2.1</td>
</tr>
<tr>
<td>1994</td>
<td>239.1</td>
<td>159.4</td>
<td>79.7</td>
<td>3,650.7</td>
<td>6.5</td>
<td>12.6</td>
<td>4.4</td>
<td>2.1</td>
</tr>
<tr>
<td>1996</td>
<td>311.7</td>
<td>193.7</td>
<td>117.0*</td>
<td>4,159.6</td>
<td>7.5</td>
<td>13.0</td>
<td>4.7</td>
<td>2.8</td>
</tr>
<tr>
<td>1998</td>
<td>403.3</td>
<td>254.1</td>
<td>149.2*</td>
<td>4,693.8</td>
<td>8.6</td>
<td>14.7</td>
<td>5.4</td>
<td>3.2</td>
</tr>
</tbody>
</table>

Source: Statistical Abstract, 1999

ANNEX 7.1

Public expenditure on public technical and vocational education, expenditure on partial or informal education and expenditure by HRDA, 1990–98 (CP 000s)

<table>
<thead>
<tr>
<th>Year</th>
<th>Public formal secondary technical and vocational education</th>
<th>Apprenticeship training</th>
<th>Total STVE (1) &amp; (2)</th>
<th>Third-level public schools16</th>
<th>Total (3) and (4)</th>
<th>Expenditure on partial or non-formal education</th>
<th>Total expenditure on public VET (formal + non formal) (5) &amp; (6)</th>
<th>Training expenditure by HRDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>6,227</td>
<td>525</td>
<td>6,752</td>
<td>2,275</td>
<td>9,027</td>
<td>1,389</td>
<td>10,416</td>
<td>2,559</td>
</tr>
<tr>
<td>1991</td>
<td>6,582</td>
<td>606</td>
<td>7,188</td>
<td>2,628</td>
<td>9,816</td>
<td>1,231</td>
<td>11,047</td>
<td>2,440</td>
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<tr>
<td>1992</td>
<td>7,424</td>
<td>528</td>
<td>7,952</td>
<td>2,468</td>
<td>10,420</td>
<td>1,126</td>
<td>11,546</td>
<td>2,541</td>
</tr>
<tr>
<td>1993</td>
<td>7,704</td>
<td>568</td>
<td>8,272</td>
<td>3,096</td>
<td>11,368</td>
<td>1,634</td>
<td>13,002</td>
<td>2,119</td>
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<tr>
<td>1994</td>
<td>9,676</td>
<td>629</td>
<td>10,305</td>
<td>3,810</td>
<td>14,115</td>
<td>1,551</td>
<td>15,666</td>
<td>2,306</td>
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<tr>
<td>1995</td>
<td>10,318</td>
<td>659</td>
<td>10,977</td>
<td>4,254</td>
<td>15,231</td>
<td>1,748</td>
<td>16,979</td>
<td>2,779</td>
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<tr>
<td>1996</td>
<td>11,506</td>
<td>676</td>
<td>12,182</td>
<td>4,680</td>
<td>16,862</td>
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<td>3,722</td>
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<td>13,349</td>
<td>616</td>
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<td>18,427</td>
<td>2,874</td>
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<td>4,133</td>
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<td>14,400</td>
<td>4,561</td>
<td>18,961</td>
<td>4,103</td>
<td>23,064</td>
<td>4,780</td>
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</table>


18 Ministry of Education and other ministries, including contributions from parents’ associations and from foreign aid. During these years private expenditure on studies in Cyprus exceeded that on studies at tertiary-education institutions abroad.

19 Hotel and Catering Institute, Higher Technical Institute, Forestry College, School of Nursing.
ANNEX 7.2

Public expenditure on public formal (secondary and tertiary level technical and vocational education (TVE) as a percentage of total public expenditure and GDP

<table>
<thead>
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<th></th>
<th>Annual government budget CP (millions)</th>
<th>Expenditure on public STVE as a percentage of annual government budget % (Column 3 of A.7.1)</th>
<th>GDP CP (millions)</th>
<th>Expenditure on public STVE as a percentage of GDP % (Column 3 of A.7.1)</th>
<th>Expenditure on public TVE as a percentage20 of GDP % (Column 5 of A.7.1)</th>
<th>Total expenditure on public VET (formal + non-formal) % (Column 7 of A.7.1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>765.6</td>
<td>0.88</td>
<td>2,555.7</td>
<td>0.26</td>
<td>0.35</td>
<td>0.41</td>
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<td>1991</td>
<td>884.3</td>
<td>0.81</td>
<td>2,674.7</td>
<td>0.27</td>
<td>0.37</td>
<td>0.41</td>
</tr>
<tr>
<td>1992</td>
<td>908.4</td>
<td>0.88</td>
<td>3,102.9</td>
<td>0.26</td>
<td>0.34</td>
<td>0.37</td>
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<td>1,030.9</td>
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<td>1994</td>
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<td>0.49</td>
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<td>0.87</td>
<td>4,693.8</td>
<td>0.31</td>
<td>0.40</td>
<td>0.49</td>
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ANNEX 8

Educational attainment, 1960–97

For people of 20 years and over (%)

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<tr>
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<td>9</td>
<td>10</td>
<td>8</td>
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<td>6</td>
<td>5</td>
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<tr>
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<td>53</td>
<td>53</td>
<td>42</td>
<td>44</td>
<td>44</td>
<td>36</td>
<td>37</td>
<td>37</td>
</tr>
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<td>41</td>
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<td>55</td>
<td>47</td>
<td>46</td>
<td>45</td>
<td>39</td>
<td>40</td>
<td>39</td>
</tr>
<tr>
<td>3. Secondary and technical education</td>
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<td>14</td>
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</tr>
</tbody>
</table>

Source: Statistical Abstract 1999

20 Including formal public technical and vocational education (TVE) and the apprenticeship training scheme.
### ANNEX 9

Demographic data, 1960–99 (‘000s)\(^{21}\)

| Year  | Total  | Male   | Female | Total  | Male   | Female | Total  | Male   | Female | Total  | Male   | Female | Total  | Male   | Female | Total  | Male   | Female | 15 – 24 | Male | Female | 25 – 39 | Male | Female | 40 – 54 | Male | Female | 55 – 64 | Male | Female |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1960  | 573.6  | 282.0  | 291.6  | 328.5  | 158.0  | 170.5  | 26.3   | 28.6   | 50.9   | 56.7   | 41.3   | 44.1   | 19.5   | 21.1   | 19.5   | 21.1   | 19.5   | 21.1   |
| 1973  | 631.8  | 312.6  | 319.2  | 389.8  | 190.8  | 199.0  | 62.3   | 60.4   | 60.1   | 62.9   | 44.1   | 48.5   | 24.3   | 27.2   | 19.2   | 21.0   | 19.2   | 21.0   |
| 1976  | 497.9  | 248.7  | 249.2  | 320.9  | 160.4  | 160.5  | 52.4   | 49.2   | 53.2   | 52.5   | 35.6   | 37.8   | 19.2   | 21.0   | 19.2   | 21.0   | 19.2   | 21.0   |
| 1982  | 522.8  | 259.9  | 262.9  | 335.7  | 166.9  | 168.8  | 49.4   | 46.5   | 59.1   | 59.1   | 34.9   | 41.6   | 19.5   | 21.6   | 19.5   | 21.6   | 19.5   | 21.6   |
| 1991  | 603.1  | 300.2  | 302.8  | 382.5  | 190.7  | 191.8  | 45.0   | 43.5   | 70.1   | 68.7   | 52.4   | 53.2   | 23.3   | 26.4   | 23.3   | 26.4   | 23.3   | 26.4   |
| 1997  | 657.9  | 328.0  | 329.9  | 425.0  | 213.3  | 211.7  | 48.3   | 46.5   | 74.4   | 72.9   | 63.5   | 63.1   | 27.1   | 29.2   | 27.1   | 29.2   | 27.1   | 29.2   |
| 1998  | 663.3  | 330.7  | 332.6  | 431.5  | 216.8  | 214.7  | 49.6   | 47.6   | 74.0   | 72.4   | 65.1   | 64.8   | 28.1   | 29.9   | 28.1   | 29.9   | 28.1   | 29.9   |
| 1999  | 666.8  | 332.4  | 334.4  | 436.6  | 219.5  | 217.1  | 50.9   | 48.5   | 73.0   | 71.9   | 66.6   | 66.0   | 29.0   | 30.7   | 29.0   | 30.7   | 29.0   | 30.7   |

Source: Statistical Abstract, 1999

\(^{21}\) From 1974 onwards figures refer to the government controlled area.

\(^{22}\) End of year.

\(^{23}\) Above 15 and below 65 years of age.

\(^{24}\) Census years. Estimates for other years.
ANNEX 10

Current courses for the apprenticeship system and numbers enrolled in Grade 1, 1999/2000

<table>
<thead>
<tr>
<th>Course</th>
<th>Trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building construction</td>
<td>48</td>
</tr>
<tr>
<td>Automobile mechanics</td>
<td>120</td>
</tr>
<tr>
<td>Automobile electricians</td>
<td></td>
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<tr>
<td>Sheetmetal – welding</td>
<td>36</td>
</tr>
<tr>
<td>Plumbing – welding</td>
<td>67</td>
</tr>
<tr>
<td>Turners and fitters</td>
<td>17</td>
</tr>
<tr>
<td>Electrical installations</td>
<td>55</td>
</tr>
<tr>
<td>Furniture and carpentry</td>
<td>51</td>
</tr>
<tr>
<td>Cutting and dressmaking</td>
<td>4</td>
</tr>
</tbody>
</table>

Note: It is expected that the new apprenticeship system proposal will be officially approved by the Council of Ministers, and, in the near future, a substantially revised list of courses will be offered in line with the new trends in the economy.

ANNEX 11

New additional courses provided for by the new technical school curriculum

1. Additions to engineering courses
   - Automobile electrical / electronic systems
   - Automation and control systems
   - Electronic communication
   - Hydraulics and electro-hydraulics
   - Pneumatics and electro-pneumatics
   - Programmable numerically controlled machine tools
   - Computer aided manufacturing (CAM)
   - Robotics

2. New areas of study that did not exist before
   - Architecture
   - Laboratory technicians
   - Agro-industries technicians
   - Tourist office and hotel studies
   - Sales personnel trades
   - Accounting and banking studies
   - Private secretaries

3. New afternoon and evening courses
   - Computer engineering (three-year duration)
   - Refrigeration and cooling engineering (three-year duration)
   - Maintenance of hotel equipment (three-year duration)
   - Central heating (two-year duration)
   - Photography (two-year duration)
   - Concrete technology (one-year duration)
   - Costing and estimating (one-year duration)
   - Technical drawing (one-year duration)
   - Pottery (one-year duration)
   - Shoe making (one-year duration)
4. Preparatory classes for externally examined subjects
- GCSE (UK) (O and A level)
- City and Guilds (UK)
- Engineering Council (UK)
- University (Cyprus and Greece) Entrance Selection Examination
- Examination subjects for government and semi-government selection/appointments.

ANNEX 12

School enrolment ratios, 1990–98

<table>
<thead>
<tr>
<th>Year</th>
<th>Gender</th>
<th>First level aged 6-11</th>
<th>Second level aged 12-17</th>
<th>First and second levels aged 6-17</th>
<th>Third level aged 20-24</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Gross</td>
<td>Net</td>
<td>Gross</td>
<td>Net</td>
</tr>
<tr>
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<td>Total</td>
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<td>101</td>
<td>83</td>
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<tr>
<td>1991</td>
<td>Total</td>
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<td>87</td>
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<td>Total</td>
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<td>96</td>
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</tbody>
</table>

Notes:
1. The gross enrolment ratio for a given level of education is derived by dividing the total number of pupils at this level regardless of age, by the population of the age-group, which according to national regulations, should be enrolled at this level.
2. The net enrolment ratio is derived by dividing only enrolments of the age-group that should be in schools at a given level, by the corresponding population of the same group.

Source: Statistical Abstract 1999