

## DOCUMENT RESUME

ED 445 222

CE 080 691

TITLE An Overview of Vocational Education and Training in Cyprus.  
INSTITUTION European Training Foundation, Turin (Italy).  
PUB DATE 1999-00-00  
NOTE 70p.; For related overviews, see CE 080 692-694.  
AVAILABLE FROM For full text:  
<http://www.etf.eu.int/etfweb.nsf/pages/downloadcyprus>.  
PUB TYPE Information Analyses (070)  
EDRS PRICE MF01/PC03 Plus Postage.  
DESCRIPTORS Access to Education; Developing Nations; Economic Development; \*Education Work Relationship; Educational Assessment; Educational Change; \*Educational Improvement; \*Educational Needs; Educational Philosophy; \*Educational Policy; Employment Qualifications; Foreign Countries; Government School Relationship; Modernization; National Surveys; Postsecondary Education; School Business Relationship; Secondary Education; Student Recruitment; Teacher Improvement; \*Technical Education; \*Vocational Education  
IDENTIFIERS \*Cyprus

## ABSTRACT

Data for studies of vocational education and training systems in Cyprus and five other countries in the region were gathered through an analysis of existing studies and visits to the main stakeholders in the countries. Some of the main conclusions reached by the study of Cyprus are the following: (1) Cyprus is a rapidly developing country that must face changes in its education and employment systems; (2) the country needs to improve the overall attractiveness of the vocational and education training system in order to secure a balanced and transparent structure of qualifications within an overall coherent vocational training system; (3) while unemployment rates are low, the labor market situation is characterized by a relatively high level of graduate unemployment; and (4) the field of continuing and further vocational education and training is well established. Main recommendations of the study include internal restructuring and modernization of both initial and continuing vocational institutions, improving the quality and status of secondary technical and vocational education, improving and modernizing teaching methods and assessment approaches, and improving national policy-making capacities for the implementation and monitoring of European programs. (Contains 29 references.) (KC)

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# An overview of vocational education and training in Cyprus

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The European Training Foundation is an agency of the European Union, which works in the field of vocational education and training in Central and Eastern Europe, the New Independent States, Mongolia and the Mediterranean partner countries and territories. The Foundation also provides technical assistance to the European Commission for the Tempus Programme.



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## List of Acronyms

CEDEFOP	European Centre for the Development of Vocational Education and Training
CCCI	Cyprus Chamber of Commerce and Industry
CEIF	Cyprus Employers and Industrialists Federation
CPC	Cyprus Productivity Centre
EU	European Union
EUDEL	Delegation of the European Commission in Nicosia
GDP	Gross Domestic Product
HHI	Higher Hotel Institute, Cyprus
HTI	Higher Technical Institute, Cyprus
IIEP	International Institute for Educational Planning, UNESCO
ILO	International Labour Organisation
HRDA	Human Resource Development Authority of Cyprus
MEDA	EU Programme of co-operation with the countries of the Mediterranean region
MIM	Mediterranean Institute of Management
MOE	Ministry of Education and Culture
MOL	Ministry of Labour and Social Insurance
MT	Management Training
PEO	Pan-Cyprian Federation of Labour
Phare	EU Assistance programme for the countries of Central and Eastern Europe
SEK	Cyprus Workers' Confederation
SME	Small and Medium Enterprise
TA	Technical Assistance
UNESCO	United Nations Organisation for Education, Science and Culture

# Introduction

This report is one of a series produced by the European Training Foundation in the second half of 1999 on the state of play of vocational education and training systems in six countries of the South Mediterranean region. The countries covered are Algeria, Jordan, Lebanon, Malta, the Republic of Cyprus and Turkey.

## *Objectives*

These reports were prepared at the request of the European Commission and seek to provide a complete overview of the national vocational education and training systems and indications of the key challenges faced by them in a wider development strategy.

It is important to note that, unlike most other studies on the subject, these reports do not aim principally to contribute to project identification. This factor has enabled a broader set of issues to be tackled and has facilitated the integration of information on specific circumstances and political issues that may hinder the development of responsive vocational education and training systems in the countries concerned and are usually not relevant or covered in project identification cycles.

## *Methodology*

Staff from the European Training Foundation worked in team to produce the reports.

Work began with an analysis of existing studies carried out for the European Commission or other international organisations. This form of desk research was used to identify the main issues faced by each country and to select key interlocutors.

The second phase of preparation involved visits to the main stakeholders in the countries themselves.

The initial conclusions drawn from these first two stages were then discussed with the national authorities.

## *An on-going process*

These are the first reports that the Foundation has prepared on these countries and, as with other partner countries, we see this as very much an on-going process, each new edition being used as a measure of the progress achieved.

Furthermore, given the dynamic nature of the economic and social transformation the countries concerned are undergoing and bearing in mind the medium term goals of the Euro-Mediterranean policy, developments in the vocational education and training systems would benefit from regular evaluation through the updating of the information and the conclusions provided in the reports.

## *Acknowledgements*

The work carried out has been possible thanks to the active collaboration of the following people and organisations:

- The European Commission and in particular its local delegations, whose role in facilitating and advising the team has been crucial;
- The many interlocutors met at different levels in the countries themselves, who have helped the team to focus on the key issues at stake;
- The members of the Foundation's Advisory Forum for the role that they played in the country visits and for the liaison function they played with the relevant national authorities.

# 1. Executive summary

## 1.1. Summary of main conclusions

Cyprus is a *small country* (with some 660,000 inhabitants in 1999 in the government controlled area) which achieved independence from Britain in 1960. Despite the disruption that was caused by the Turkish invasion and occupation of some 37% of the territory in 1974 it has achieved what some regard as *an economic miracle*, basically thanks to a *rapid and successful expansion of the service sector* following an earlier forced expansion of construction and manufacturing sectors during the late 1970s and early 1980s. The service sector now provides for about 70% of GDP, of which a substantial part (10%) is delivered by the tourist industry. With a shrinking and largely under-developed agriculture sector and a crisis in traditional – labour intensive – manufacturing, policy makers (including social partners) are increasingly concerned about the dependency on the tourism sector, especially in view of the politically unstable situation in the occupied areas. Overall labour productivity is also regarded as a weak point (on average 50% lower than the average of EU countries).

As a candidate for the European Union, there is awareness that *Cyprus may be on the threshold of a new phase of development* that will require a renewal of development patterns followed so far and a review of the existing institutional frameworks. Government policy for the coming years is focused on increasing productivity by investing in both its human resources potential and through the introduction of new technologies and modern forms of work organisation. The aim is *to develop Cyprus into a regional business centre* for financial services, telecommunications and information services as well as in the area of trade, education and medical services.

The traditionally internationally oriented Cypriot education system and the present vocational education and training arrangements have functioned well in a booming economic context. However, the above mentioned factors mean that *Cyprus must also face important changes in its education and employment systems*. This need is recognised by all relevant parties and national authority plans and strategies follow these ideas.

In the context of *preparation for accession to the European Union, the process of harmonisation of national legislation with the *acquis communautaire* for Chapter 18 (Education, Training and Youth) and with existing EU policies and practices in this domain has not encountered significant problems*. As stated in the Position Paper submitted by the Government of Cyprus, the country has the capacity to implement the *acquis* in the area of vocational education and training. During the bilateral meetings related to Chapter 2 (Free Movement of Persons) Cyprus has ensured conformity with Directives on mutual recognition of qualifications and the necessary institutional arrangements will be in place in time. Alongside this, *Cyprus will have to undertake a number of measures focusing on certain areas within the vocational*



education and training system in order to better fulfil some of the recent orientations and objectives of EU policy in vocational training. This may become crucial in order for Cyprus to achieve the combined goals of social cohesion, employability and competitiveness. One of the main issues to be tackled is the need to improve the overall attractiveness of the vocational education and training system. Educational aspirations of the population towards higher education have resulted in vocational and technical education becoming a sort of second choice and apprenticeship having an even lower degree of attractiveness (and social status). About 80% of secondary school students choose for the general education path preparing for entrance to university level education, either abroad or in Cyprus. Post-secondary or tertiary level vocational education and training is in practice not easily accessible to vocational and technical school-leavers who find themselves therefore trapped in a dead-end street reinforcing the low status of technical and vocational schools even further.

Tertiary non-university level education is sought after by graduates of secondary general education often as either a second choice after failing to directly enter higher education (for which capacities are limited in Cyprus and costly abroad), or as an indirect route to university studies. Many colleges (public and private) respond to this development by aspiring to become accredited higher education institutions and by giving up their labour market orientation. Despite the high level education offered in most private and public colleges, there is a certain lack of clarity in college-level qualifications as their labour market value is deteriorating, especially in technical fields. The need to secure a balanced and transparent structure of qualifications within an overall coherent vocational training system (covering both, initial and continuing training) is therefore one of the priority issues for reform. Recent developments in related legislation in Cyprus are pointing towards solutions to this problem. While Cyprus can boast of being one of the countries with the highest ratio of higher education graduates, a considerable number of young people enter the labour market without any qualifications at all and overall education levels of the adult population are relatively low.

While unemployment rates are low compared to EU Member States (3.6% registered unemployed in the first half of 1999), the labour market situation is characterised by a relatively high level of graduate unemployment (especially tertiary level graduates) and shortages in some semi-skilled and skilled occupations, now filled by foreign labour employed on a temporary basis. Large – but unknown - numbers of university graduates find employment below their level of qualification and take positions previously occupied by school leavers with lower levels of education. A large number of well-educated Cypriots stay abroad.

Non-formal education is largely linked to the competition for higher education with a large share of it covered by primary and secondary pupils seeking extra tuition in foreign languages and mathematics. The field of continuing and further vocational education and training is well established, profiting from a training levy of 0.5% introduced in 1974. The funds are administered by the Human Resource Development Authority of Cyprus (HRDA, former Industrial Training Authority), a tripartite institution established in the same year and that has successfully developed into a promoting, co-ordinating and funding institution for vocational training measures.

The HRDA has contributed to the development of a private training provider market, which now is increasingly in need of some form of quality regulation. Participation in HRDA's organised training courses however is still low and now stands at about 10% of the gainfully employed population. It is also being argued that the role of HRDA will have to be strengthened in terms of its contribution to strategic policy development. With HRDA having developed as a key institution in the development of a national training policy, it sees itself increasingly as becoming responsible for human resource development in a wider sense.

## 1.2. Summary of main recommendations

As opposed to most of the other accession countries, the Cypriot economy has always operated on the basis of market principles. Therefore, and as mentioned in the previous section of this chapter, there are no systemic vocational education and training reform needs and only few harmonisation issues to be solved. However, in order to be able to adopt and implement crucial policies and practices within the EU, such as the development of a high-quality, transparent, flexible and open lifelong learning system, more strategic policy making may be required. This should include internal restructuring and modernisation of both initial and continuing vocational institutions. Since their establishment in the early 1970s, many vocational institutions have developed according to their own internal logic and largely through informal patterns of co-ordination. The time may now have come to agree on a more coherent and transparent institutional structure.

Another major issue, also faced by EU Member States over recent years, is the need to secure a balanced and transparent structure of qualifications within an overall coherent vocational training system (covering both initial and continuing training).

There appears to be an important need to improve the quality and status of secondary technical/vocational education (including apprenticeship) and also to open up horizontal and vertical pathways for its students. Education policy-makers argue that this will require a big change in aspirations of Cypriot youth. However, if vocational education and training reform policies only aim at integrating general and technical/vocational education, they could run the risk of further devaluating the value of vocational education and training both in the minds of young people and their parents, and also for employers. It is important to avoid a severe potential shortage of skilled labour with large numbers entering the labour market without qualifications.

There will be a particular need to considerably improve and modernise teaching methods and assessment approaches. If not, there may be a further increase of school failure and drop out and consequently an increased burden on the continuing vocational training sector in terms of corrective qualification for new labour market entrants. This is not merely a matter of centrally updating curricula but the innovative capacity of vocational schools should be improved as well.

While many vocational institutions, especially at the post-secondary level, appear to be capable and ready for European co-operation, there seems to be a need to improve national policy-making capacities for the implementation and monitoring of European programmes. It will also be necessary to set up the institutions and procedures for the future use of EU financial instruments relevant for vocational education and training. Cyprus can profit here from its own long experience in strategic development planning.

Any actions to support the development of Cyprus' VET system should be complementary to the priorities identified in the 1996 UNESCO review of the Cyprus education system of which the main recommendations have been adopted by the Ministry of Education and Culture (see annex C). Concrete projects should obviously also take into account the available capacities in the country and acknowledge the open and international character of the Cypriot vocational education and training and employment systems.

Amongst the different areas identified above, priority could be given to:

- The development of a national system of qualification standards for initial and continuing vocational training at all levels (including assessment and certification);
- Modernisation and reform of vocational teacher training (pre-service and in-service) and vocational education and training provision;
- Improvement of the innovative capacities of the vocational education and training system, including strategic policymaking, research and development, and flexibility of vocational education and training institutions.

## 2. The changing context for vocational education and training in Cyprus

There are four main factors that have to be taken into account for a proper understanding of the present situation with regard to vocational education and training in Cyprus:

- its young and recent political history;
- its strategic location in the eastern part of the Mediterranean;
- its open economy; and
- the small size of the country's domestic market, labour force and companies.

These factors together have created and still create limitations and opportunities for what the country can achieve. The present situation of vocational education and training is obviously also strongly conditioned by the changes in the economic and political environment as well as by the developments in the education system at large.

The further development of vocational education and training in Cyprus is increasingly seen as part of an overall human resource development strategy that still has to be agreed. It is evident however, that a future-oriented human resource development strategy will have to find the right response to the challenge of preserving a high level of social welfare and cohesion in the context of an increasingly competitive economic environment and a continuing unstable political situation.

### 2.1. *Recent history*

Cyprus is a small island in the eastern part of the Mediterranean with an area of 9,251 km<sup>2</sup> and a total population of about 750,000 inhabitants. It gained independence from Britain in 1960, following the 1959 agreements made in London and Zurich leading to Britain, Greece and Turkey guaranteeing its independence. These agreements introduced a Constitution, which divided the Cypriots into Greek and Turkish communities on the basis of ethnic origin. While Greek and Turkish are the main languages spoken, English is widely used in administration and commerce.

The Cypriot population was at the time of its independence composed of a Greek majority (80%) and a Turkish minority (18%); there were also small numbers of Armenians, Maronites and Latins (2%). Tensions between the two larger communities already existed under the British colonial administration and continued afterwards, despite the fact that the new Constitution offered the Turkish minority a privileged position in public administration (30% of the posts in civil service and 40% of the police and army). The first years after independence were characterised by fierce inter-

communal incidents. The Turkish Cypriots soon withdrew from Government and Parliament and set up enclaves in Nicosia and in other parts of the island insisting on the physical and geographical separation of the two communities. Since 1964, a UN peacekeeping force has been based on the island, initially only for a period of three months. When the Greek militaries staged a coup on the island in 1974 in an attempt to overthrow President Makarios, the Government of Turkey responded with an invasion, which left 37% of the island's territory under Turkish occupation and forced some 200,000 Greek Cypriots to leave their homes and property and become refugees in their own country. Turkish Cypriots living in the south of the island moved to the occupied north.

The occupation and the following displacement of more than a quarter of the population have left traumatic memories among Cypriot citizens. Apart from a large contingent of Turkish armed forces (about 35,000), the north has also become the homeland for some 110,000 colonists from Turkish Anatolia, compared to the 89,000 Turkish Cypriots. The Turkish Cypriot leadership declared their occupied area as an independent state, which to date has only been recognised by Turkey. Contacts between the communities have been cut although the trade unions try to keep regular contacts between all unions on the island.

The Cypriot Government controls what have since become known as the Government controlled areas. All efforts to solve the inter-communal conflict undertaken both by the UN and – more recently in the context of accession discussions – by the European Union have so far failed. Nicosia with a population of about 266,000 inhabitants is now, after the fall of the Berlin wall, the only divided capital in Europe. Apart from the capital all major towns are on the coast: Limassol (188,000), Larnaca (109,000) and Paphos (57,000) in the Government controlled area and Famagusta and Kyrenia in the occupied area. Prior to the invasion the latter used to be the main tourist areas but tourism has now moved elsewhere. Tourism in the occupied area has almost completely collapsed but in the Government controlled areas it has become the main engine for economic development.

While the Government controlled area regained the 1974 economic level in 1978/9, it is believed that the Turkish occupied part has never really recovered and hence economic and social differences between the two areas are quite big, with per capita income in the north at about one third of that in the Government controlled area.

## **2.2. *Strategic location***

Its strategic location in the eastern part of the Mediterranean among three continents has meant that Cyprus has always been a target for foreign invaders. Although it gained independence from Britain in 1960, the UK still has 3,500 troops stationed at two military bases under its sovereignty in the south of the island. However, its location also has had a number of positive effects, most recently following the crisis in the Middle East in the 1970s and 1980s, and also following the collapse of the former Soviet Union during the 1990s. In the course of these events, Cyprus has become the

base for a large number of offshore companies dealing with or even originating from these regions, a development that has been at the heart of the recent boom in business and financial services.

Now the Government intends to turn its geographic location into a basic asset for the country's future economic development. Discussions about the next five-year plan focus on the concept of making Cyprus a regional centre for the provision of all kinds of services, including business, health and education. This would imply a fundamental policy shift, as traditionally trade of its agricultural and industrial products was largely oriented at Western Europe, and mostly at the UK. This change is partly a response to the worsened competitive position on its traditional markets. The shift in development policy also has to be seen against the background of the relatively high education levels of its population, the need to provide adequate employment opportunities for them and to stop the brain drain that has been characteristic until recently, given its own small internal market.

### **2.3. *Open economy***

Because of its size, location and lack of natural resources Cyprus' economy has always been very dependent on international trade. Imports of goods and services amount approximately to 52% of GDP (1997), as compared to an average of 59% in the EU.

The need to actively promote social and economic development after independence was only possible through a transformation of a predominantly agricultural economy towards a service economy. It was agreed early on that this development could not be left to market forces alone but that a more planned approach would be needed, providing specific guidelines for economic development and involving the active participation of the social partners. The indicative planning method adopted consists of goal setting and the provision of strategies and methodologies (including budgets) for their achievement. It is based on two combined principles: namely providing a continuous stimulant to economic growth and securing the flexibility required for constant adaptation to changing local and international market demands.

The transformation from a predominantly agricultural economy into a service economy has been largely successful, with GDP growing at an average rate of about 5.7% per year. While in 1980 agriculture contributed 11% to GDP, industry 34% and services 55%, in 1998, the distribution was respectively 5%, 22% and 73%. The employment distribution among the sectors was 20%, 33% and 45% in 1980. In 1998, both agricultural and industrial employment went down (to 10% and 23% respectively) while the service sector provided for 67% of total employment. Per capita GDP in Cyprus reached about USD 14,000 in 1998, which is higher than that of some EU Member States.

Most exports have always been directed at the EU and the UK in particular, but recently, agricultural and industrial exports have suffered under competition from other EU countries (from a share of 61% in 1990 to 50% in 1997). Even though Cyprus also exports substantially to the Arab countries (30%) and also managed to enter new



Central and Eastern European markets (10%), traditional industrial sectors such as textile and leather have lost their market share and several companies have had to close down. However, the growing tourism industry has so far been able to employ most of the displaced workers.

There is general concern about the fact that productivity levels in certain manufacturing sectors are only half the EU average (reflecting, according to the Planning Bureau, low levels of modern technology and management methods, as well as weaknesses in vocational education and training) while Cyprus has also ceased to be a cheap labour economy. These developments erode the competitiveness of the Cypriot economy. But there is equal concern that Cyprus cannot and should not rely excessively on the tourism sector as it has done so far particularly in view of the fact that it has gradually lost the competitive price advantage in this sector as well.

While unemployment is relatively low (3.6% in the first half of 1999), there are about 19,000 foreigners employed in the country, of whom more than a quarter are domestic assistants, 21% in the tourist industry, 8% in trade, 11% in manufacture and 8% in agriculture (1998). There is also a high, but unknown, number of illegal foreign workers employed on a temporary basis. Following increasing protests of trade unions, who see the employment chances of their members at risk, in summer 1999 the government introduced a temporary stop on foreign workers employed on a temporary basis (with the exception of domestic assistants) though most people would argue that foreign workers occupy positions for which no Cypriot workers can be found. Government and social partners have agreed on a detailed analysis of the situation. While in 1996 14,460 vacancies were registered, only 3,763 placements could be made. With a relatively low 39.4% share of female employment, the country does have untapped human resources.

## **2.4. *Small size***

The large numbers of officially registered foreign workers indicate the limited size of the domestic labour force and also illustrate some of the occurring labour market shortages especially among semi-skilled and unskilled workers. As already mentioned, there is also a growing number of illegal foreign workers and, in addition, after the collapse of the former Soviet Union a considerable immigration of Russian citizens of Greek origin. It is estimated that there are about 2,000 Russian immigrants temporarily employed only in the Paphos region.

One other aspect of the small size of the domestic labour market is the considerable brain drain that has traditionally taken place. Exact figures are not available, but it is known that a high number of students who go abroad for their university studies do not return to Cyprus, at least not immediately, among other factors because they will not find appropriate employment. The Government has recently decided on a package of measures to make it attractive for expatriates to come back to the country and start their own businesses. An increasing number of expatriates are actually returning home as a result of worsening employment opportunities abroad.

A final illustration of the small size of the economy is the size of enterprises, which is a feature that Cyprus shares with quite a number of countries of the Mediterranean region. In 1995, almost 95% of all enterprises had less than 10 employed workers but these provided only for about 41% of total employment. By far the majority of these small enterprises are very small micro firms. About 4.5% of the enterprises employed between 10 and 49 workers, providing for about 19% of total employment and only 0.4% of the companies employed more than 100 workers but these provided employment for 33%.



## 3. Analysis of the vocational education and training system

### 3.1. Structure of education and training

Education and training in Cyprus is provided in the formal (public and private) system, in the non-formal education and training system and inside companies.

#### 3.1.1 Formal education and training

Formal education and training takes place at three levels:

- The first compulsory level lasts 9 years and is common to all pupils from the ages of 6 to 15. It comprises the primary school (6 years) and the *Gymnasion* (3 years).
- The upper-secondary level, which lasts for 3 years, from the ages of 15 to 18 is divided in a general cycle (*lykeion*) and a technical and vocational cycle.

Education for the secondary general cycle is given in *lykeions* of optional subjects within 5 different branches (classical, science, economic, commercial and foreign languages). There are also 3 experimental comprehensive lycea (*eniaio lykeion*) where general and technical/vocational subjects are integrated.

The technical-vocational cycle comprises about 17 specialisations given in 10 schools that are all based in large towns. The technical stream provides a larger share of mathematics and physics, while the vocational stream has a larger share of workshop practice over theoretical subjects. The former trains for technician and middle level qualifications while the latter aims at training craftsmen.

In the year 1996/97, 10% of secondary school students attended private schools, mainly in secondary general, commercial and vocational education.

There are also special schools for handicapped children.

- The tertiary level comprises several institutions of higher education and – since 1992, the University of Cyprus.

There are 8 public tertiary institutions. Seven of them offer courses at the sub-degree level (college) and one offers a post graduate diploma course in management for university graduates. The colleges are run by different ministries, such as the Ministry of Labour and Social Insurance (Higher Technical Institute, Higher Hotel Institute, Mediterranean Institute of Management), the Ministry of Agriculture and Natural Resources (Cyprus Forestry College), the Ministry of Health (School of Nursing and the Public Health Inspectors School)

and the Ministry of Law and Public Order (Cyprus Police Academy). The Tourist Guides School functions under the Cyprus Tourism Organisation. Since the Pedagogical Academy has become integrated into the University of Cyprus, the Ministry of Education does not run any third level type of education of its own.

There are also about 27 private tertiary institutions in various fields of study offering courses of between one to four years. Some of these colleges have also been registered to offer post-graduate courses but not all of these have as yet been officially accredited.

The University of Cyprus offers programmes in four Faculties:

- \* Humanities and Social Sciences: Departments of Education, Foreign Languages and Literature, Turkish Studies, Social and Political Science;
- \* Pure and Applied Science: Departments for Mathematics and Statistics, Computer Science, Natural Science;
- \* Economics and Management: Departments of Economics, Public and Business Administration;
- \* Letters: Departments of Byzantine and Modern Greek Studies, History and Archaeology, Classics and Philosophy.

### **3.1.2 Non-formal education and training**

Public non-formal education and training is provided through:

- The *Apprenticeship Training scheme* for pupils who drop out from the formal educational system (age group 15 - 17). Apprentices are employed in industry and receive general education and vocational training on a day release basis for a period of 2 years. The system is administered by the Ministry of Labour and Social Insurance and run by the Ministry of Education, which provides the theoretical part of studies within its technical vocational schools. Wage costs for the days that apprentices spend in school are subsidised from the Human Resource Development Fund.
- The Cyprus Productivity Centre, which provides vocational training (both ab-initio accelerated programmes for unemployed school leavers and continuing vocational training for unskilled and semi-skilled workers) and management development courses.
- The Cyprus Academy of Public Administration (of the Ministry of Finance), established in 1991, providing further training for the civil service.
- The evening Gymnasium, which enables adults to complete their secondary education.
- The State Institutes of Further Education and the Adult Education Centres, offering tuition in foreign languages, commercial trades and other mainly non-vocational courses.

Private non-formal education is provided by an increasing number of commercial training providers. Some of them provide work-oriented part-time courses, many offer coaching and tuition for external examinations and only few provide middle level vocational courses (mainly in tailoring and hotel and catering). Employer's organisations, trade unions and professional associations and bodies organise courses for their members on a variety of subjects. Also government and semi-government departments organise training seminars on specialised technical matters on an ad-hoc basis.

Any type of work-related training activity (excluding formal education) organised by private or public organisations may be submitted for subsidy to the Human Resource Development Authority. The Human Resource Development Fund managed by the Authority is the main funding source for non-formal work-related training.

### ***3.1.3 In-company training***

There is a certain shortage of information and exact figures on in-company training (the ones available are only those who apply for subsidies of the HRDA) but this area has become one of the priorities for the Human Resource Development Authority. Its 1997 annual report states that a total of 1,900 in-company training programmes were implemented with a total number of 15,840 participants. This amounted to about 70% of all the training programmes implemented in that year and to 57% of the total number of participants. Whereas before the establishment of the HRDA such training was largely restricted to big banks, semi-government organisations (such as the Electricity Authority and the Telecommunications Authority), large industrial enterprises and hotels, the funding policies of the HRDA have also made it possible for SMEs to organise in-company training. How to further support micro - enterprises and training in this environment continues to be one of the main challenges for the future development of the HRDA.

## ***3.2. Education and training: trends and pathways***

Since independence in 1960, government policy has consistently paid great attention to the development of its human resources, which as the Cypriots generally acknowledge is - apart from the weather - the only major resource available to the country. A complete school system had to be built up for the secondary and higher levels culminating in the opening of the University of Cyprus in September 1992. The loss of almost 40% of its territory (including a major part of the school infrastructure) following the Turkish invasion of 1974 and the forced displacement of some 200,000 citizens (of a total population of merely 700,000) have created additional burdens for developing a comprehensive education system. What has been achieved despite this can therefore only be admired. Nevertheless, some problems and contradictions are becoming increasingly felt and concern for the need to introduce structural changes and modernisation in the vocational education and training system, and indeed in education at large, is growing.

Due to the size of the country and the limited resources available, the education system could understandably not cover all possible areas and levels of study. There continue to be insufficient opportunities for access to higher education, which has largely remained academic in character. This has made secondary education very selective and vocational and technical schools unpopular amongst other reasons because they provide very limited possibilities of access to higher education. It has also favoured the development of private colleges at post-secondary (or third) level, and has forced many students to prepare for higher studies abroad placing considerable study burdens on themselves and financial burdens on their families. Educational aspirations among the population remain high, however, and even more so after the trauma of 1974.

Against this background, the status and role of initial vocational education and training is facing significant challenges. At secondary level it is generally regarded as being of lower value and attracts only 15% of students, mainly from the less well-to-do working class families. While formally certificates are equivalent to those of the secondary general *lykeion* (in the sense that they provide equal opportunities for participating in entrance exams), in reality there are few possibilities to proceed to higher education. Some public colleges have a number of places reserved for graduates from technical and vocational schools. The existing programmes prepare for a limited number of traditional and basic occupations and have not seen major innovations since the end of the eighties.

Secondary general education and, as the 1996 UNESCO report argues, even primary education is strongly influence by preparation and competition for higher education. Teaching methods and approaches appear to be very traditional and knowledge-oriented and there is little innovative capacity at the level of schools. This is the result of the centralised educational management structure and a basically input-oriented quality control system (focused on curricula, textbooks and formal teacher qualifications). But is also related to the specific nature of teacher preparation and employment in the "education service" leading to long waiting years between graduation and appointment into the teaching profession. Educational research and development capacities at the national level are limited.

About 63% of all secondary school leavers continue studies beyond the secondary level: 36% attend higher education in Cyprus and 27% abroad; 37% enter the labour market. In 1985, the figures were respectively 18%, 25% and 57%. In post-secondary education 50% of the almost 10,000 students attend private colleges.

At post-secondary or third education level, the quality of education is generally high but there is a continuous tension between educating for middle level positions on the labour market and preparing for higher education. Access to higher education in the country is severely limited and a large number of students have to continue their studies abroad (in 1996/97 almost 10,000 students mainly in Greece, UK and USA). Entry to the University of Cyprus (in 1996 2,097 students) is based on successful completion of secondary school and passing a qualifying examination (which also gives access to Greek universities; in 1996, 4,200 students were enrolled at Greek universities). Most public and private colleges have agreements with foreign universities to have their years of study recognised. Increasingly, students who fail university entrance exams, choose such colleges as an alternative route towards a university degree.

By far the largest share of non-formal education is followed by primary and secondary school students taking additional tutoring in preparation for school or external exams. Labour market oriented continuing vocational training, including management development, is provided by a small number of well-established public and a large number of private training providers, rather generously financed from a Human Resource Development Fund, which is managed by the Human Resource Development Authority. But although the area of continuing vocational training has expanded considerably, on average only 10% of the workforce has been involved in it. There is increasing concern about the focus and quality, including the fact that the sector should be more strategically oriented than it is at present.

Apart from increasing contradictions and tensions within the education system the drive towards higher education has also led to a rather unbalanced qualification structure especially between the generations. Cyprus is now among the countries with the highest ratio of university graduates but simultaneously almost 33% of the workforce finished only primary school or less. The employment system has problems to absorb high numbers of higher education graduates and shortages of skilled labour are becoming manifest.

### ***3.3. The development of the vocational education and training system***

The evolution of the vocational education and training system since independence in 1960 and the course it has taken has been a gradual process in response to economic and social developments. Immediately after independence, emphasis was laid on satisfying the economy's urgent need for educated and skilled labour. Primary education was made compulsory and secondary technical and vocational schools were established in all towns.

In addition, with support from UNDP and ILO, a number of new institutions were created. They were placed under the administrative control of the Ministry of Labour as they were supposed to serve both communities. This also helped to stress their vocational orientation:

- The Apprenticeship Scheme was introduced in 1963, aiming to provide for the education and skill needs of young people dropping out of the formal education system.
- The Cyprus Productivity Centre (CPC) was established in 1964, to satisfy shortages of skilled labour and of supervisory and management personnel.
- The Hotel and Catering Institute (HCI) was set up in 1966 to provide skilled labour for the hotel and catering sector.
- The Higher Technical Institute (HTI) was established in 1968 to provide for qualified technician engineers for both the construction and manufacturing sectors.

A number of private colleges were also established.

The 1974 Turkish invasion and the continued occupation of the then most fertile and productive northern part of the country brought new challenges to the vocational education and training system. These were initially defined as the need for diversification from agriculture to other sectors. Emphasis was laid in the first years on the re-establishment of labour-intensive light industrial sectors (clothing and footwear) which could absorb a substantial part of the displaced labour force. Furthermore, the construction sector was heavily promoted, as this was regarded as the backbone for rebuilding the country, including providing housing for the refugees. Not long afterwards the tourism industry began to be reconstructed in the government-controlled areas. Vocational education and training capacities were developed in function of these policy priorities.

The further development of the tourism sector, followed by other parts of the service sector, and challenges posed by technological change and increased international competition subsequently led to a redefinition of human resource development policies during the 1980s. The priority was no longer to serve the rebuilding of the economy but to secure and align further economic development to new world-wide economic conditions. Technical and vocational education was expanded and diversified and public vocational institutions were made to enlarge their capacities and redefine their status.

Furthermore, the area of vocational training, including continuing vocational training, was addressed with the establishment of the Industrial Training Authority and the simultaneous introduction of a Training Fund, both financed from a 0.5% levy on the wage sum of enterprises from the private sector. While the Industrial Training Law of 1974 already established the Industrial Training Authority, it only became operational in 1979 as a result of the Turkish invasion. The Training Fund is the channel through which the Industrial Training Authority finances its training activities.

The Industrial Training Law clearly defined the aims and functions of the Industrial Training Authority as the promotion and provision of industrial training to the labour force within the framework of the general economic and social policy of the country. It defined industrial training as "such ab-initio training, up-grading and retraining of persons employed or intending to be employed in industry, as may at any time be deemed necessary for the satisfaction of the needs of industry." The term "industrial training" does not include formal school technical and vocational education.

The law also defined "employee" as any person working for another person whether under a contract or apprenticeship or under such circumstances that the employer-employee relation may be inferred, and that the term "employer" shall be interpreted accordingly and shall not include the Government. It also provided that the term "employee" includes people not employed, as if they were employed for the purpose of providing them with industrial training and seeking work and employment after the completion of their industrial training. These definitions in the law have structured the development of the vocational training sector and the role of the Human Resource Development Authority until today.



In response to new political and economic challenges, such as EU accession and the need to reformulate the economic development course of the country, both formal and informal vocational education and training (initial and continuing) are again in need of restructuring. This is illustrated by proposals from the Ministry of Education and Culture to establish closer links with the Human Resource Development Authority, especially with regard to the operation of the Apprenticeship scheme. Furthermore, the HRDA itself has initiated amendments to the 1974 law in order to enable it to take on new functions, such as in international co-operation, standard setting and human resource development in general. In 1999, a new law was passed in Parliament, allowing the HRDA to respond to these new developments.

### ***3.4 Initial vocational education and training***

#### ***3.4.1 Legislation, administration and governance***

The Education Law of 1965 made the Ministry of Education and Culture responsible for pre-primary, primary, secondary and some parts of post-secondary education. The highest authority in educational policy-making is the Council of Ministers. The Education Ministry is responsible for the enforcement of education laws and the preparation of education bills. It prescribes syllabuses, curricula and textbooks. It is also responsible for the construction and equipment of school buildings.

The administration of the public education system is highly centralised with school headmasters, deputies and teachers appointed, transferred and promoted by the Educational Service Commission, an independent five member body appointed for a six-year period by the President of the Republic. Each school director reports directly to the assigned inspector in the Department for Technical and Vocational Education at the Ministry (6 inspectors supervised by one head inspector). The Director of the Department reports to the Director General of the Ministry. Construction, maintenance and equipment of school buildings are undertaken by School Boards under the supervision of the technical services of the Ministry of Education. Every year school boards submit a budget proposal to the Ministry and present a detailed financial statement at the end of the year, which is reviewed by the State Auditors.

At post-secondary level, there are four other ministries that play a role in administration. As mentioned earlier, the Ministry of Labour and Social Insurance, the Ministry of Health, the Ministry for Agriculture and Natural Resources, and the Ministry of Justice all have their own higher education institutes. The Ministry of Education has had no post-secondary education institution since the Pedagogical Academy was integrated into the University of Cyprus.

The Planning Bureau, an independent authority, is the prime strategic policy maker. It is responsible for drawing up and monitoring five-year national development plans, which include priorities and strategic guidelines for individual ministries. It collects the proposals of different ministries, puts them in line with overall development priorities and presents these to the Council of Ministers for decision making. It is

generally agreed that this procedure has worked very well. It has been suggested, however, that although the Ministry does give its own input to the Plan, it acts largely as a central administration with traditional input oriented control functions. It does not avail of a proper professional support structure, apart from the small curriculum development units that have been created in each department and apart from the work done by the Pedagogical Institute. Schools themselves have little autonomy to adapt to local needs. The Ministry of Labour which administers most post secondary vocational institutions has been more or less in charge of vocational education and training policy since the 1960s, whereas the Ministry of Education's main responsibility has always been in general education.

The Ministry of Education is advised by an Educational Council, a widely representative body comprising representatives of the Planning Bureau, the Director General of the Ministry of Labour and Social Insurance, representatives of the Church, the Parliamentary Committee of Education, parents associations, teachers associations and seven persons a-titre-personnel.

The involvement of UN organisations in the establishment of vocational institutions during the 1960s has, from the beginning, introduced a strong social partnership dimension, at least at national level. Social partners are represented in the Advisory Body for Technical and Vocational Education of the Ministry of Education, on the Management Board of most public vocational education and training institutions and of the Apprenticeship Scheme, the Board of Directors of the HRDA and also on the Labour Advisory Board of the Ministry of Labour and Social Insurance, chaired by the Minister. They also participate in sector committees that develop curricula for particular occupations. The same group of people meets in these different councils and boards and this obviously supports a consensual approach. However, social partners argue that co-ordination between the Ministry of Education and the Ministry of Labour could be very much improved and that the council meetings, including the contribution of social partners, could be better and more systematically used for strategic policy development.

### **3.4.2 Financing**

Government expenditure on both public and private education amounted to 12.9% of the country's budget in 1996 with secondary general and technical/vocational education absorbing 36.4% and public colleges almost 8%. Official statistics do not differentiate between technical, vocational and general education. Public and private expenditure on education stood at 7% of GNP (excluding the training levy that goes to the HRDA), public expenditure alone at 4.6% of GNP. Private expenditure on education comes largely through the payment of tuition fees in private schools and colleges and the 0.5% training levy charged from the wage sum in all private enterprises.



Public schools are mainly financed from the public budget while private schools are financed from tuition fees. Only secondary level private schools receive a state subsidy. In public general secondary schools, students pay a small registration fee (C£ 4 in 1997). All costs of technical/vocational schools are covered by the state. The current expenditure of these schools is charged to the Ordinary Budget of the Ministry of Education and the capital expenditure to the Development Budget. The cost per student in vocational education and training schools amount to C£ 2,541 compared to C£ 1,514 in general secondary schools and C£ 2,398 in public colleges.

### **3.4.3 *The provision of vocational education and training***

#### **3.4.3.1 Provision of vocational education and training at secondary level**

The secondary vocational education system is by all measures very small: there are 10 technical and vocational schools (all located in the larger towns) administered by the Ministry of Education and Culture, educating a total of 4,268 students in 1999. The schools are run by 10 Directors, 93 Deputy Head Masters and 640 teachers and trainers. Some of the *lykeio* also have a strong vocationally oriented programme.

Appointments and promotions are made by the Education Service Committee, which selects candidates from a list in rank order for each specialisation on the basis of year of graduation. According to the 1996 UNESCO assessment report, the average theoretical waiting time for teachers of general subjects to become permanently appointed is 15 years; for teachers of technical subjects 73 years and there can be little doubt that this has a negative effect on the quality of education. The student/teacher ratio is relatively low in technical/vocational schools (6.7), as compared to 11.1 in public secondary general and 12.0 in private secondary schools, which may also be the result of attempts to take away tension from the long waiting list.

There is no pre-service teacher training for technical/vocational teachers. Until 1998, teachers needed only to follow a two-week pedagogical course prior to entering the education service, followed by two days per week in-service training during the first year of employment (probation period). The system of teacher training and appointment has long been criticised (most recently in the 1996 UNESCO report) but for a long time no serious changes have been introduced, amongst others because of strong resistance from the teachers unions. As from 1999, pre-service training has been put on a more systematic basis. Teachers now need to follow a seven-month training course at the Pedagogical Institute of Cyprus before they can be appointed at secondary schools. In 1999, the Ministry of Education also tabled a bill at the House of Representatives aiming at improving the teaching situation. Despite meagre employment prospects in the profession large numbers of young people still apply for university studies with the aim of becoming a teacher. Only primary school teachers find easy employment after graduation.

Programmes in technical vocational schools last three years and are of two types: technician level courses and craft level courses. Both types lead to school leaving certificates (*apolytirion*), which are in theory equivalent to secondary general certificates (of the *lykeion*). However, in practice they do not offer many chances to enter third level or higher education, as access is only possible after passing entrance exams where academic subjects, including the English language, dominate. In fact, failure and dropout rates in technical/vocational schools are relatively high, especially among boys in the first grades. It also proves difficult to shift from one vocational stream to another or from vocational to technical streams.

Programmes are subject based, knowledge-oriented and are taught in traditional ways on the basis of centrally approved curricula and textbooks. The debate about training for core skills is focused only in the context of the integrated *lykeio*. Technical and vocational schools offer a fairly restricted number of specialisations for traditional worker and technician occupations in mechanical engineering, electrical engineering, civic engineering and building, and arts and design. Vocational schools also train manual labour for the clothing and shoemaking industry, which have in recent years largely collapsed. The only agricultural and trade schools in Cyprus were located in the northern part of the country, which since the Turkish invasion, are no longer under Government control. Since then no such schools have been established.

However, the commercial/secretarial stream of the *lykeion* can be considered as largely vocationally oriented and discussions about the establishment of an agricultural school have started. The last time new programmes (graphical and fashion design, computer technicians) were introduced was in the late 1980s. Although curricula are regularly updated, no new occupational profiles have been introduced to technical and vocational schools. There is insufficient attention to teaching for self-employment, also at the third education level. However, many continuing vocational training courses address the areas of entrepreneurship and management of small enterprises.

Students who drop out from secondary school can enter the Apprenticeship Scheme (in 1996/97 the scheme accounted for 764 apprentices). This scheme was successful for many years but in recent years is facing problems, as it tends to attract the least academically able students. This is why it is currently under review with the aim of bringing it up to date. Furthermore, it only caters for some 50% of all dropouts, resulting in a considerable number of young people entering the labour market without any qualification. Some of them, however, after finding employment may be able to acquire a qualification through the so-called accelerated vocational training courses financed by the Human Resource Development Authority, which have been created largely to be able to respond quickly to priority training needs (in 1996/97: 690 students). Dropouts can also attend evening technical classes run by the Ministry of Education (in 1996/97: 802 students, of whom 362 of secondary schooling age). Or they find retraining through the courses offered by the Productivity Centre (CPC).

### **3.4.3.2 Provision of third-level education**

There are 27 private colleges (or third level education institutions), mostly established during the time that there was no university in Cyprus and most of them affiliated with British or American polytechnics and universities. Graduates can have their college years of study in Cyprus recognised when moving to the affiliated university abroad and large numbers of students choose colleges exactly for that reason. Fields of study include business administration, secretarial studies, electrical, mechanical and civil engineering, wireless communications, hotel and catering, banking, accountancy and computer programming. Private colleges cater for about 50% of all students in third level education (university students included).

There are also eight public colleges belonging to different ministries, such as the Ministry of Labour and Social Insurance (engineering, hotel and catering, management) the Ministry of Agriculture, the Ministry of Health and the Ministry of Justice and Public Order. The fact that these colleges were established under the auspices of technical ministries indicates their original destination as providers of middle level qualifications. However, increasingly, as the result of student's aspirations, competition with private colleges and aspirations of teaching staff, they have also become considered as alternative paths towards higher education.

The situation has led to a lack of clarity regarding the worth of college certificates and, indeed, of the very identity of colleges as some try to become accredited as higher education institutions. But also on the labour market (both in the private and the public sector) the value of these certificates is not always clear. There will be a need to clarify the role of colleges, also in collaboration with social partners, in order to secure a balanced production of all levels of qualification that are needed on the domestic labour market. A transparent qualification structure is, internationally, a necessary condition for mobility of students and workers. Preparation of new legislation on this matter seems to be in progress in very recent dates. The Cyprus Council on Academic Recognition and Equivalence of Tertiary Education Diplomas and Degrees and the Council of Educational Accreditation have both been recently established to address these issues.

### **3.4.4 *Links with the labour market/enterprises***

Secondary vocational education and training and third level colleges all include internships and practical work periods in their study programmes and, with assistance of the Human Resource Development Authority which also undertakes a degree of quality control, a good network of companies which provide training places has been developed. The Ministry of Education has introduced a generous scheme through which teachers and trainers can be seconded to companies to become acquainted with developments in industry. Occasionally, teachers and trainers also take part in courses organised for and by companies. Representatives of social partners, on the other hand, participate in sector committees for the updating of vocational curricula.

All in all, at the level of relations between schools and companies an elaborate system of co-operation has been established. However, it should be noted that there is a general shortage of skilled labour, also in the tourist industry, which keeps interest among employers for trainees (and future workers) high and that costs of practical training are largely covered from the Human Resource Development Fund. In this respect the situation in Cyprus does not differ substantially from that in most EU countries.

Nevertheless, employers are complaining that school leavers do not possess some of the skills that they need, such as in the area of accountancy and computer literacy. While private training providers organise PC and bookkeeping courses, the levels are very uneven and there are no agreed quality or competence standards. In 1995 the Chamber of Commerce and Industry took the initiative to develop standards in this area based on inquiries among member enterprises and following the experience of other European Chambers active in this field. It is also responsible for assessment and certification. More than 100 private training providers apply the standards and prepare trainees for examinations organised by the Chamber, which consist of theoretical and practical assessments. The certificates have become recognised by enterprises and the Chamber has applied for recognition of its standards and certificates by the Government. As membership is on a voluntary basis, the Chamber considers assessment and certification as a potential lucrative source of income and it plans to expand its activities to cover other skill areas as well.

In general employers complain that the formal education system is very slow in introducing new skills and competencies and on behalf of their members the Chamber has presented a policy note to the Ministry of Education requesting to make vocational education and training more flexible and responsive. The policy note also stresses the need to upgrade the apprenticeship scheme, which has now developed into a last opportunity type of vocational education and training for school dropouts rather than becoming an alternative path to acquire vocational qualifications.

Labour market studies undertaken by the Human Resource Development Authority indicate that the mismatches between labour supply and demand of the last years will continue, only to be softened by the fact that employment growth will slow down. For 1999 it was predicted that:

- Shortages would mainly occur in occupational categories of service and sales employees (1,960 people);
- Significant surpluses would occur in categories such as managers (560 people), university and college graduates (890 people), technical assistants (950), clerical staff (1,080 people) and technicians (1,260 people).

These forecasts confirm the main results of the analysis of the Cypriot vocational education and training system presented in this report.

### **3.4.5 Participation in initial vocational education and training and integration in the labour market**

Vocational schools are predominantly attended by boys (3,433 against 737 girls in 1996/97). It can easily be assumed that a large part of female students in the economy and secretarial *lykeion* (respectively 4,347 and 2,589) move on to office jobs. Similarly, many girls following the humanities stream of the *lykeion* (2,544) will probably go on to university to become nursery or primary school teachers. The problem is almost certainly not one of equal access but rather of a too low popularity and status. The gender distribution with respect to type of education does not differ much from patterns in EU countries.

With overall unemployment rates relatively low (3.6% in 1999), most school leavers have so far been able to find employment but, in the case of higher education graduates, not necessarily at the acquired level of education. In fact, graduates of secondary and higher education are over-represented among the unemployed. A recent study undertaken by the Human Resource Development Authority on the transition from school to work indicated that:

- The number of girls that look for work after leaving school is growing;
- The unemployment rate of school-leavers is growing;
- The proportion of tertiary education graduates in the labour market is increasing, especially due to a reduction of those graduates staying abroad.

Statistics show that 40% of the unemployed have secondary education and 19% higher education illustrating a tendency towards graduate unemployment. There is reason for growing concern about under-employment of university graduates and an inflation of qualification requirements that normally goes along with this phenomenon. Such developments always hit those at the bottom of the line hard. Similarly, to date, the continuing training sector has been able to provide those who enter the labour market without required qualifications (at all levels) with training relatively easily. However, conditions are likely to change soon with the continuing restructuring of the economy.

## **3.5. Continuing vocational training**

### **3.5.1 Legal, institutional and conceptual framework**

The continuing vocational training sector in Cyprus is considered as part of the non-formal education sector in which public and numerous private training providers catered for, on an almost 50/50 basis, some 108,000 students (1996/97). About 17,000 adults are enrolled in public Adult Education Centres where they take courses in a variety of personal development subjects. However, the vast majority of students are young people trying to improve their chances for various entrance examinations, especially in foreign languages (about 40,000 only in English), which is the area where most private providers are active. In 1996/97 almost 20,000 primary school students

followed tuition courses in private part-time institutions, and almost 30,000 students of secondary schools, compared to only about 3,000 adults. In addition, another 3,200 primary school students took tuition courses in public evening gymnasiums and State Institutes for Further Education, so did 19,000 secondary school students, as compared to only 1,300 adults. This situation clearly illustrates the severe competition for higher education.

Compared to the large numbers of young people involved in what the 1996 UNESCO report described as "an educational inferno" of part-time tuition, only some 26,000 (25%) of all those enrolled in non-formal education are in the continuing vocational training sector.

The main player in the field of continuing vocational training is the Human Resource Development Authority of Cyprus, a semi-government institution attached to the Ministry of Labour with a tri-partite Governing Board. The HRDA was established in 1974, under the Industrial Training law, and became operational in 1979. The name (formerly Industrial Training Authority) and the fields of responsibility of this organisation have been revised recently (law of October 99).

The HRDA is governed by a 13-member tripartite Board of Directors with 5 government representatives (among whom a representative of the Planning Bureau, the Ministry of Education and Culture, the Ministry of Labour and Social Insurance and the Ministry of Trade, Industry and Tourism), and employers and trade unions each represented by 4 members. The fifth government member is appointed by the Council of Ministers and chairs the Board. The Chairman may come from the public or the private sector. Despite its tripartite structure, the budget of the HRDA goes through the Ministry of Labour to Parliament and the Minister can give policy instructions to the HRDA.

The law also provided for the introduction of a training levy as a means of financing the organisation. The levy was set at 0.5% of the payroll of all private enterprises and has not changed since. By this levy the Human Resource Development Fund is financed from which the HRDA subsidises work related training activities. Until now, its main activities were falling into four categories:

- The formulation of a comprehensive training policy within the framework of national socio-economic priorities, on the basis of which appropriate training activities are promoted and co-ordinated;
- The continuous assessment of the economy's present and future human resource development needs, on the basis of which a coherent training and development policy is formulated;
- The improvement of the training infrastructure, including the introduction of national vocational qualifications;
- The enhancement of the awareness of enterprises, the labour force and the public in general, of the need for continuing training, and the provision of related information and advice.



Since recently, another major activity has been added to the work of the HRDA:

- Promotion of actions for adjusting and converting to European systems and practices in the area of human resource development.

The very recent changes in the fields of competence of the HRDA are described more in detail in Annexe C of this report.

The vast majority of continuing vocational training participants take courses sponsored by the Human Resource Development Authority (22,600, 2/3 males and 1/3 females); 1,770 were fee-paying students at the Cyprus Productivity Centre and 565 part-time students at the Cyprus Academy of Public Administration. In total, less than 10% of the gainfully employed (in 1996: 282,000 people) were involved in continuing vocational training activities. If we look at the total economically active population (308,000), the percentage is only 8.5%. This figure will probably considerably increase in the near future in view of the expected restructuring of the Cypriot economy and this may imply to a review of subsidising priorities and criteria.

### ***3.5.2 Administrative and institutional framework***

The HRDA is not a training provider itself but subsidises training applications within an overall training policy based on priorities from the national strategic plan. It undertakes training needs analysis, assists companies in developing training plans and invests in improvements of training infrastructures (including equipment). Since the early 1990s, the HRDA has also been involved in the development of national qualification standards. However, until recently little progress had been made in this important area so far, amongst others due to problems in existing legislation and uncertainties about the organisational, staff and financial implications. As mentioned above, this situation seems to be in the process of change with some very recent legislation proposals.

The Board of the HRDA not only decides the organisation's activities but also functions as an informal vocational education and training policy development platform with all the main stakeholders (including the Planning Bureau) represented. Social partners argue that the second function of the Board should be more developed and eventually also separated from the more narrow governing function. This illustrates their concern that the challenges to the Cypriot economy require more strategic policy development. The Planning Bureau would also like to see the HRDA act in a less ad-hoc and short-term manner and to become more future oriented with a stronger steering role. In general, however, the HRDA is largely praised for its role and contribution to human resource development. The redefinition of the role of the Authority in 1999 will undoubtedly have implications for roles played by other vocational institutions.

### ***3.5.3 Key features in continuing vocational training delivery***

In contrast to initial vocational education and training, the area of continuing vocational training has developed rather successfully undoubtedly thanks to a strong co-ordinating role of the Human Resource Development Authority. Well-funded by the Human Resource Development Fund, continuing vocational training has been so far responsive to labour market training needs, though with certain limitations and the need to improve its strategic orientations. . The HRDA has favoured the development of a professional private training market through its control over funding and through other supportive measures and it seems to have managed to avoid the development of excessive competition. Furthermore, semi-public institutions (public colleges, the Cyprus Productivity Centre, the Mediterranean Institute for Management, the Higher Hotel Institute), trade unions, employers' organisations and the Chamber benefit from HRDA training subsidies and equipment investments for the courses that they organise.

Trade unions complain that too little attention is being given to the retraining of the unemployed. They also argue that institutional capacities are insufficient to be able to cope with the expected increase in training needs for unemployed people in Cyprus.

According to demand, the HRDA has significantly increased its activities in company based re- and further training of the employed (almost 21,000 people) while initial training activities have remained stable (in 1996: 440 apprentices, 292 young people in accelerated secondary level training, and the practical training component of 514 third level students). . This is the result of an increasing demand for continuing vocational training but it has always had to cope with solving the shortcomings of the initial vocational education system and this role is likely to increase even more. A further expansion, including the uptake of a more future oriented and strategic role serving the expected transformation of the Cypriot economy, may therefore lead to funding and quality control problems. In addition, there is no doubt that the HRDA is capable of managing international programmes but it may not have sufficient capacities for extended international co-operation. One of the big challenges for the organisation will therefore be to combine its growing domestic role with increasing participation in international networks. The latter may well become indispensable for a satisfactory fulfilment of its initial functions at home.

It is primarily the HRDA that is responsible for promoting human resource development policies within the context of government socio-economic policy. With the Human Resource Development Fund, it certainly has a considerable source of funding at its disposal. In doing so it must increasingly strike a balance between policy making by the respective ministries, views of the social partners, proposals made by training providers and its own professional orientations. It promotes training to become part of overall human resource development in companies, has shifted attention to assisting small and micro (family) businesses, and has increasingly become concerned about quality standards in continuing vocational training.



The concern for quality is in part a reaction to its largely co-ordinating role in what is basically a training market in which training providers (on the basis of six-month programmes) and companies (with at least two weeks notice) can present funding applications. There is a strong drive inside HRDA to go for competence-based (output) standards. It should be stressed, however, that continuing training qualification standards form part of an overall national qualification system that also includes qualifications from secondary and third level initial vocational education. The system should fulfil quality control and transparency functions internationally as well and there is an increased awareness about this.

As mentioned above, the developments within and around the HRDA described so far have recently also been ratified in legislation. On Thursday 21 October 1999, the new Human Resource Development Law of 1999, covering the operation of the Authority, was voted in by Parliament. The new law provides a more appropriate legal framework to an upgraded and wider role of the organisation in the area of human resource development. Thus, the authority and responsibility in standards of vocational qualifications, vocational guidance, research and development, and international co-operation and cross-border activities are all explicitly provided for in the new law. Moreover, the name of the organisation has been reformulated into Human Resource Development Authority of Cyprus (see Annex C).

### ***3.6. Management training system and business education***

Business education and management training appear to be well developed both at college and university levels, and in the continuing vocational training sector. The Employers Federation and the Chamber both have their own management development programmes. Since the early 1990s an Institute for Public Management (Ministry of Finance) catering for civil servants has been in existence, a role previously fulfilled by the Cyprus Productivity Centre. However, full degree courses can only be attended in a limited number of study places at the university and other private colleges, and most students have to go abroad for their bachelor and master degree.

The Mediterranean Institute for Management provides a one-year course for university graduates (about 25 people annually) and a part-time programme for graduates who have found employment (35 people annually). Several Cypriot institutions (Higher Hotel Institute, Cyprus Productivity Centre and its Mediterranean Institute for Management), however, are involved in the delivery of management development programmes at home and abroad and accept foreign students to their programmes. The Hotel Institute, for example, has been heavily involved in management training for the hospitality sector in Cuba, Iraq and Lybia.

A considerable part of the Human Resource Development Fund is devoted to in-company management training and development. A lot of attention is also paid to SMEs, and more recently to micro enterprises, and with some 99% of Cypriot companies being of medium and micro size, this is not surprising. However, there appears to be a lack of initiatives in the field of training for self-employment, both in

initial and continuing training. So far, the responsibilities of the HRDA explicitly excluded this area from subventions. Initial training institutions pay little attention to topics related to enterprise creation, or for that matter to running one's own business. Management training is still highly focused on managers of larger organisations, but as mentioned before, many continuing training programmes are focussed on small business management. Enterprise creation may be a key area for future employment development and would therefore merit more attention from vocational education and training policymakers.

## 4. Summary of the main findings and conclusions

Since independence in 1960 Government policy has consistently paid great attention to the development of its human resources. A complete school system had to be built up for the secondary and higher levels culminating in the opening of the University of Cyprus in September 1992. The development of the education system, and of human resources in general, has been an integral part of each of the five-year plans in which the Government of Cyprus has laid down its policy priorities since 1960.

The loss of almost 40% of its territory (including a major part of the school infrastructure) following the Turkish invasion of 1974 and the forced displacement of a quarter of the population have created severe burdens for the development of a comprehensive and high quality education system. What has been achieved despite this - with some initial assistance from United Nations institutions - can therefore only be admired. The attention given to human resource development has certainly contributed to the rapid economic progress of the country. But some problems and contradictions in the educational fabric that has developed since the early 1960s are becoming increasingly felt and concern for the need to introduce structural changes and modernisation in the vocational education and training system, and - indeed in education at large - is growing.

The education system in Cyprus has always been international and based on strong social partnerships. Traditional links with the UK and Greece combined with limited domestic capacities because of the size of the country (in education and employment) have led to a tradition of studying abroad. A large proportion of public and private education institutions in the country actually serve that very purpose. It is estimated that some 300,000-500,000 Cypriots live abroad. The small size of the country and the traumatic experience of the division have also contributed to a strong sense of national solidarity. The positive effects of these traditions are obvious and have to be retained or perhaps even strengthened with the perspective of European integration.

However, there are also less positive effects. These include the ever increasing competition for higher education; the resulting low status of vocational education and training among students, parents and policy makers; historically developed but increasingly unclear divisions of responsibilities among various public vocational institutions; the lack of clarity in many post-secondary qualifications; the over-centralised educational management combined with traditional input control orientation; knowledge-oriented teaching and assessment approaches; the low innovative capacities of vocational education and training; the inherited teacher training and teacher employment institutions and procedures, and the short-term and to a certain extent still largely provider-led nature of the continuing training sector. A growing understanding of the challenges that EU accession will pose to social cohesion, competitiveness and employability has already started a debate on some of these issues but no overall comprehensive education reform policy has as yet been developed.

So far, the combination of public and private Anglo-Saxon styled vocational education and training institutions (with their stress on college education combined with privately funded further training, on the one hand, and basic workplace training for those who failed access to colleges, on the other) and typical Mediterranean education and employment aspirations (geared towards higher education and civil servant positions) has fared very well thanks to a booming tourism and business service sector. With generous funding from the Human Resource Development Fund most of the ad-hoc training needs of companies – even for those employees who do not possess vocational qualifications - could easily be solved. However, there is general concern that the good times are over and that Cyprus will be facing a need for structural changes in its education and employment systems, including the building up of an infrastructure for retraining the unemployed. It is unlikely that the continuing vocational training sector will be able to carry the burden alone.

Although registered unemployment is low at 3.6%, the majority of jobs in agriculture and traditional manufacturing (union estimates go as far as 85% of the jobs in clothing and shoemaking) have been lost over recent years. However, many people concerned could still be absorbed by the tourist and service sector, now employing about 67% of the employed population, with the vast majority in tourism (compared to 24% in manufacturing and 10% in agriculture. In 1970 the distribution was still: 33.5%, 24.7% and 41.8%). But unemployment among women previously working in the traditional manufacturing sectors remains high and they have little opportunity to change their profession.

With agriculture and traditional manufacturing sectors in crisis and overall productivity levels at only half of the EU average, there is growing concern that the dominant tourism sector is too volatile to build a national economy on, especially in the light of the unstable political situation on the island. With third level education gradually becoming mass education, the problem of access to it will become ever more acute, as will the question as to how to finance it. There will be a risk that graduate un- and underemployment will increase and existing shortages of skilled labour may rise even further. While these issues have already been included in national economic strategy debates, they have not yet begun to question crucial aspects of vocational education and training – or overall education - policies pursued until now. A review of the roles played by key vocational institutions, including teacher training is another issue to be tackled.

Government strategic policy making is now oriented at intensifying investments in human resources, new technologies and modern forms of work organisation and management. The perspective is to develop Cyprus into a regional centre for the provision of education, health and business services. The development aim is to make the country's economy less dependent on tourism, to make better use of its strategic regional location, create a well-educated labour force and provide promising employment opportunities for its higher education graduates, including those who presently live abroad.

In the field of vocational education, policy initiatives are aimed at preparing a flexible workforce, able to adapt to changing labour market conditions. However, this should not only be sought by integrating secondary general and vocational/technical education and by postponing professional specialisation until after secondary education. While the development of a flexible workforce is no doubt a relevant aim, merely integrating general and technical schools may not be sufficient. Moreover, there may be a risk of increased school dropout as less academically oriented students may find it even more difficult and less attractive to stay in school.

EU and OECD countries have during the last 10 years come to the conclusion that there is a need to radically improve the attractiveness and quality of initial technical and vocational education for young people as part of overall policies to enhance social cohesion, employability and competitiveness. It has been understood that new types and forms of employment in industry and services have emerged that can provide attractive employment also at non-academic levels of qualification. The policies are therefore aimed at securing a balanced and transparent structure of qualifications within an overall coherent vocational education and training system based on the principle of lifelong learning.

These countries have also faced the challenge of re-balancing vocational and academic education and have initiated sweeping reforms in opening up educational pathways, modernising curricula, teaching methods and learning environments, and have refocused their vocational education and training systems more consciously on producing competencies rather than knowledge alone. Cypriot policy makers may use these international policy debates and developments as a basis for a review of the vocational education and training system as it has evolved to date.

As opposed to most of the other candidate countries the Cypriot economy has always operated on the basis of market principles. Therefore, there are no *systemic* vocational education and training reform needs and only few harmonisation issues to be solved. However, and this would be the key conclusion from our analysis, in order to be able to adopt and implement important European Union policies and practices in the field of vocational training, such as the development of high-quality vocational education and training as part of a transparent, flexible and open lifelong learning system, more strategic policy making, informed by international experiences, may be required.

Improved and internationally informed strategic vocational education and training policy making may have to include an internal restructuring and modernisation of both initial *and* continuing training sectors in order to create the institutional conditions for establishing a lifelong learning system, including training and re-training for the unemployed. While most of the individual institutions are of excellent quality, the time may now have come to agree on a more coherent and transparent institutional structure for the whole vocational education and training system.

While many individual vocational education and training institutions undoubtedly appear to be very capable of engaging in European co-operation, there will be a need to improve national policy-making capacities (involving public authorities and social partners) in order to secure that participation in various EU programmes becomes and remains supportive to the necessary restructuring and modernisation of vocational education and training.

There may also be serious financial considerations calling for a review of the existing institutional set up as the public budget, training fund capacities and family purses may have reached their limits already. The education sector has so far been exempt from budgetary cuts introduced by the Government to reduce public spending but it is likely that budgetary considerations will have to play a larger role in policy decisions concerning the nature of future educational investments. Employers argue that the Humane Resource Development Fund has already become overloaded by claims from public vocational institutions.

This may have several implications for vocational education and training. It could imply a restructuring of public educational expenditures in favour of primary and first cycle secondary (*gymnasion*) education so as to improve the foundations for lifelong learning and to follow up on the recommendations from the UNESCO review. It may also lead to an increased reliance on family budgets, especially for the financing of third level and higher education, or to a transfer of certain expenditures for initial training (such as investments in training infrastructure, apprenticeship training or the development and maintenance of a national qualification system) to the Humane Resource Development Fund administered by the Human Resource Development Authority.

But while Government budgetary problems may become more serious, many family budgets are already strained by costs of education (and additional tutoring) and it does not seem likely that employers will easily agree with an increase of the training levy. An overall review of costs and funding sources of vocational education and training may therefore soon be necessary. Whatever the outcomes of these debates will be, it will be necessary to set up the institutions and procedures for the future use of EU financial instruments relevant for ongoing improvement of vocational education and training.

Cyprus can profit here from its own long experience with strategic development planning. The tradition of five-year Strategic Development Plans has introduced accepted procedures of programme development, implementation and monitoring both at the national level and within individual semi-governmental institutions. The subsidising policy of the Human Resource Development Authority has also accustomed training providers and companies to bureaucratic funding application procedures.

Most of the key vocational institutions are administered by experienced professionals who have often been in these (or similar) positions since the establishment of the organisations. Many, if not all, of the leading people have studied abroad, are fluent in at least one foreign language (English in most cases) and have been actively involved

in various international co-operation programmes for many years, most notably of course those initiated by the various UN organisations. This is also the case for the professional staff of vocational education and training institutions. Chambers, employers' organisations and trade unions have all been longstanding members of their respective European and international organisations. A number of institutions have now been assigned to co-ordinating roles in Cyprus' own international assistance programmes, especially in the area of management training. Some have been made responsible – under the co-ordination of the Planning Bureau – for contacts with EU institutions and implementation of EU programmes.

While institutional and personal capacities to develop, take part and monitor transnational co-operation programmes are undoubtedly available, it will be necessary to secure that participation in EU activities is not merely an end in itself but becomes useful for the restructuring and modernisation of the overall vocational education and training system.



## 5. Recommendations for restructuring the vocational education and training system

In general terms the vocational education policy of the Cypriot Government is strategically aimed at facilitating the adaptation of Cyprus to the new environment characterised by globalisation of markets and intensified competition. Policies aim in particular at:

- Improving the quantitative and qualitative imbalances between demand and supply in the labour market, through the active promotion of initial and continuing training;
- Improvement of labour productivity, particularly through the promotion of training in advanced technologies with a view of bridging the existing gap between the level of labour productivity in Cyprus and in advanced countries;
- Development of appropriate institutional mechanisms for the evaluation and certification of vocational qualifications. This is also seen as important in the context of harmonisation efforts with conditions in the EU;
- Increase the public's awareness of the importance of human resource development and vocational training, and the promotion of the concept of lifelong learning;
- Encouragement of co-operation of training institutions in Cyprus with training institutions abroad and in particular in the EU;
- Promote – in the medium term – the transformation of Cyprus into a regional training centre by addressing the training needs of other countries in the region.

Against the background of Government's policy intentions, there appears to be considerable need to improve the quality and status of secondary technical/vocational education (including apprenticeship) and also to open up horizontal and vertical pathways for its students.

Equally, there is a need to modernise and improve teaching methods and approaches – and not only by introducing new media - as current classroom practice may lead to a further increase of school failure and dropout. This, in turn could lead to increasing the burden on the continuing training sector to undertake corrective qualification for new labour market entrants. Therefore, the innovative and responsive capacity of vocational institutions should be improved as well. This would assume a reform of teacher training and employment institutions.



As is clear from the foregoing analysis there is a lack of clarity with respect to the value of diplomas, especially at the third education level. Discussions concerning the development of a national system of qualification standards have been going on since the early 1990s, mainly in the continuing vocational training sector, and have been largely inspired by the UK NVQ system. The need for such a national system remains unquestionable, and increasingly so when quality issues of the are taken into account, (there can be no external transparency without internal transparency). It becomes urgent to take more decisive initiatives.

However, it can be questioned whether the classical approach, based as it is on work-based learning assessment, would be the best option for Cyprus. A national system should include diplomas and certificates from the formal and the non-formal education system as much as possible. Many other EU countries have developed national qualification systems – or are in the process of doing so – within the combined perspective of transparency and lifelong learning. As Cyprus will not have the resources to develop its own unique system a careful review of the experience of different EU countries may therefore be useful.

The 1996 UNESCO review of the Cypriot education system identified also a number of priorities, of which the main recommendations have recently been adopted by the Ministry of Education and Culture (see annex D). Any support action should be in line with the priorities identified by the report above and should obviously take into account the available capacities in the country and acknowledge the open and international character of the Cypriot vocational education and training and employment system. Because of its history, its strategic location, openness and size, Cyprus is an ideal example of a country that can benefit from international co-operation and exchange of experience.

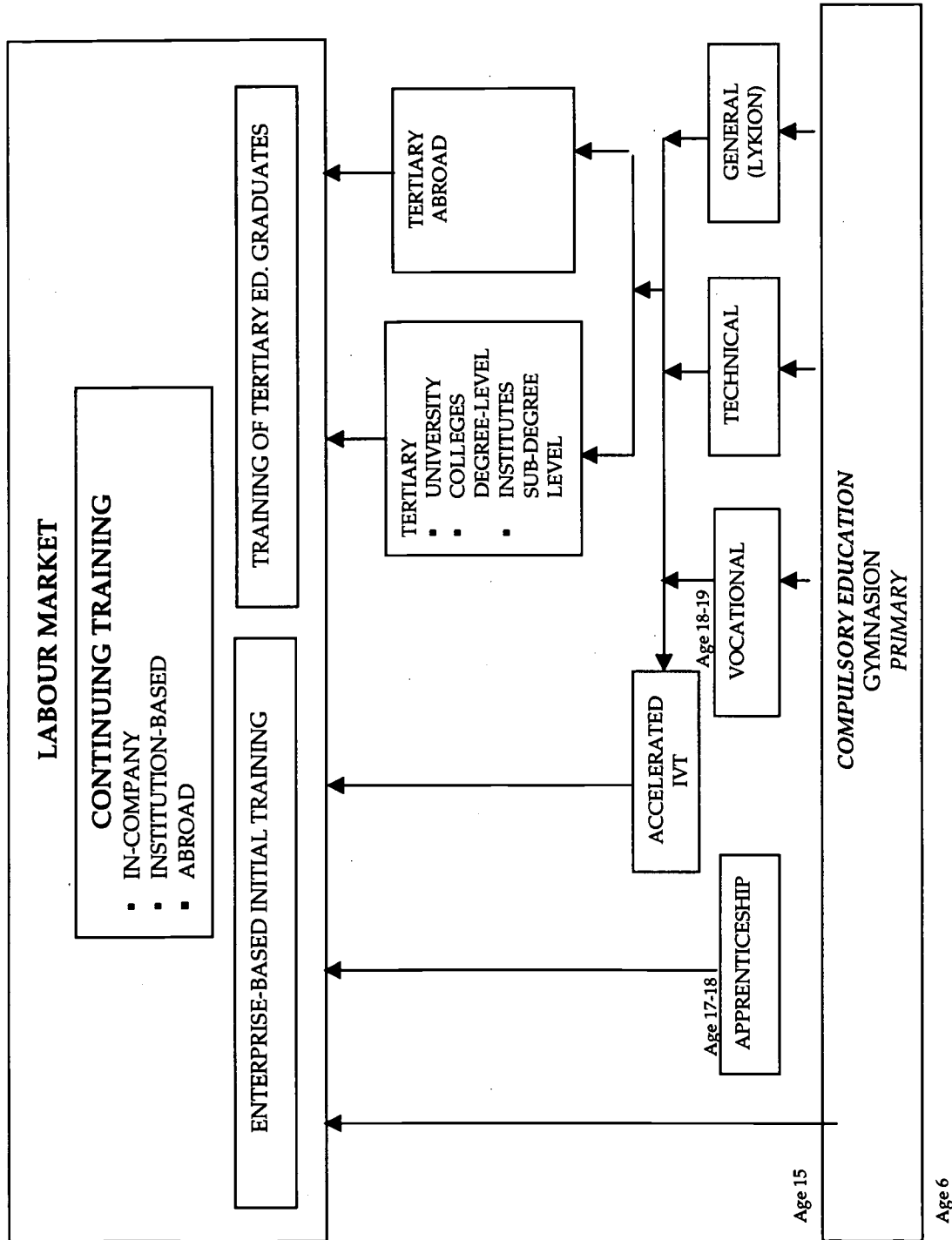
Key priorities for further development could be:

- Establishment of a national system of qualification standards for initial and continuing vocational education and training at all levels (including assessment and certification);
- Modernisation and reform of vocational teacher training (pre-service and in-service) and vocational education and training provision;
- Improvement of the innovative capacities of the vocational education and training system, including strategic policymaking, research and development, and flexibility of vocational education and training institutions.

## **Annexes**

### ***Annex A***

### ***Synoptic outline of the education and training system structure in Cyprus***



## ***Annex B***

### ***Descriptions of the Cyprus Productivity Centre, the Higher Technical Institute and the Higher Hotel Institute***

#### **THE CYPRUS PRODUCTIVITY CENTRE**

The Cyprus Productivity Centre (CPC) was established in 1963 in order to assist organisations of the private and public sector to improve their productivity through training, consultancy and research activities.

Its activities are carried out under the components:

- Management development for the private sector;
- Public sector development;
- Vocational training.

Through its international component the Mediterranean Institute of Management (MIM) offers post-graduate education to graduates from Cyprus and abroad and also organises seminars and short-duration programmes for international participation.

The Institute also administers and executes the Government Scheme for Technical Assistance to countries of Central and Eastern Europe through which specialist training is offered to trainees from Central and Eastern Europe in order to enable them to assist their enterprises to withstand the challenge of the market economy.

More specifically, the activities of the Cyprus Productivity Centre are:

##### **a) Initial education and training**

- \* Organisation of ab-initio accelerated programmes for training unemployed school-leavers and provide them with employment. The programmes are of 16-20 weeks duration and combine theoretical and practical training in CPC workshops and in-company training under supervision from CPC instructors. The programmes are offered in the following skill areas:
  - Building;
  - Woodworking;
  - Plumbing;
  - Air-conditioning;
  - Welding;
  - Sewing.
- \* Organisation of a basic six month Supervisory Modular Training Programme for unemployed school leavers to become industrial supervisors.

b) **Continuing vocational education and training**

- \* Organisation of short-duration up-grading training programmes for white-collar workers, supervisors, middle managers and managers in order to enable them to continuously add to their qualifications and be promoted to higher positions throughout their working lives.
- \* Organisation of short-duration up-grading training programmes to unskilled and semi-skilled workers in order to provide them with additional skills in their initial skill area or in new skill areas.

c) **Links with regard to schools training and employment**

- \* Organisation of a post-graduate management diploma programme which offers training and employment for unemployed university graduates, with studies in fields not related to management, in order to enable them to find work in small and medium enterprises as assistant general managers, production managers or marketing managers.

## **THE HIGHER TECHNICAL INSTITUTE**

The Higher Technical Institute (HTI) was established in 1968, initially as a 5-year joint project between UNDP, UNESCO and ILO and the Government of Cyprus. In 1973 it became the sole responsibility of the government of Cyprus and operates under the Ministry of Labour and Social Insurance.

Its main purpose is to train high level technician engineers in order to satisfy the needs of industry by providing suitable personnel to take up middle level technical posts.

By 1997 there were 3,260 HTI graduates, including overseas students, all of whom have secured appropriate employment locally or abroad.

The official language of instruction is English.

The courses offered are:

- Civil Engineering;
- Electrical Engineering;
- Mechanical Engineering;
- Marine Engineering;
- Computer Studies.

## **Vocational training courses**

The HTI in conjunction with various professional organisations organises short courses of vocational character, as well as updating courses which are attended by technician engineers, engineers, quantity surveyors, and computer scientists. These courses are run under the auspices and sponsorship of the Human Resource Development Authority.

Over the last six years the HTI has also been involved in the preparation of HTI graduates and other graduates, holders of similar diplomas, for the British Engineering Council Examinations Part II. This preparation takes the form of yearlong evening classes. Successful students gain the right to become members of the British Professional Institutions.

## **Research testing and consultancy**

The HTI has promoted various research projects, mainly of an applied nature in various fields such as solar energy, computer-assisted applications, steel fibre-reinforced concrete and solutions to engineering problems. A number of projects were supported by local industry and some by international organisations.

The Institute has been providing testing and consultancy services from the time it was set-up. These services are offered to both the public and private sector through the use of specialised testing equipment and the expertise of its staff. In recent years consultancy services were provided to international agencies such as the World Health Organisation (WHO), the Commonwealth Fund for Technical Co-operation (CFTC), UNESCO, ILO and many firms.

## **THE HIGHER HOTEL INSTITUTE (H.H.C.I.)**

The Higher Hotel Institute was established in 1966 as a central hotel training school. It evolved into the Hotel and Catering Institute as a joint Government UNDP project, during the period February 1969 – July 1974. In 1993 it was upgraded into its present status as a tertiary level training institution. During the above mentioned period, the Institute offered ab-initio, retraining and up-grading courses at basic, middle and higher level, to thousands of young people, in the following skill areas:

- Cooking;
- Waiting;
- Front Office;
- Housekeeping.

By Council of Ministers Decision No. 39.306 of 12.5.93 it was upgraded into its present status, as a Tertiary Level Training Institution named the Higher Hotel Institute.

Currently the Institute runs the following regular programmes which are of three years duration (only graduates of secondary schools are accepted) and lead to a Diploma recognised under the Tertiary Education Law, and receive recognition in European and other universities, by way of credits:

- Hotel and Catering Management;
- Culinary Arts: 3 years;
- Front Office: 1 year;
- Housekeeping: 1 year.

It should be noted that Hotel and Catering Management as well as the Culinary Arts graduates have direct access to the 4<sup>th</sup> and final year of degree programmes abroad.

HHCI also awards Certificates under the continuing education courses run in co-operation with the Human Resource Development Authority:

- Ab initio 5 month courses in cookery (mainly for young people);
- Ab initio 4 month courses in waiting (mainly for young people);
- One-week upgrading courses for hotel employees in such areas as supervisory development, food and beverage control, professional ethics, food handling.

Foreign languages are taught in HHCI programmes (English, French and German).

Since its establishment the Institute has been governed by a tripartite Board of Directors, an advisory body to the Appropriate Authority, the Ministry of Labour and Social Insurance.

The Institute has co-operation links with European university establishments and hotel schools, to which its graduates have access for further studies. HHCI will seek recognition from EFAH (European Foundation for the Accreditation of Hotel Schools) which will enable its graduates to have employment in EU Member States.



## ***Annex C***

### ***Extracts from the human resource development law of 1999***

#### **ESTABLISHMENT OF AN AUTHORITY**

The Industrial Training Authority of Cyprus will continue to exist and operate under the name "Human Resource Development Authority of Cyprus".

#### **GENERAL PURPOSE OF THE AUTHORITY**

The purpose of the Authority is the development of the human resources at all levels and in all sectors of employment within the framework and the priorities of the economic and social policy of the Republic.

#### **JURISDICTION AND RESPONSIBILITIES OF THE AUTHORITY**

To achieve its purpose the Authority, more particularly, has responsibility and authority to:

- (i) coordinate and cater for the provision of training on a national scale;
- (ii) set up, undertake, operate or supervise training institutions or centres;
- (iii) prepare and approve training programmes and take all the appropriate measures for their implementation, cater for examinations and issue certificates;
- (iv) define standards of vocational qualifications for any category or categories of persons employed, provide for the assessment and issue the relevant certificates of vocational qualifications;
- (v) provide technical or financial assistance to institutions, organisations, companies or other persons or authorities;
- (vi) provide or secure allowances and scholarships or other support to trainees;
- (vii) provide or secure subsidies to employers in relation to expenses for the training of their employees;
- (viii) provide consultancy services in areas of training and employment and generally on the fuller utilisation of the human resources;
- (ix) provide or support the provision of services which facilitate communication between persons offering and persons seeking employment;
- (x) provide or support the provision of information and guidance services in relation to occupational and employment choices;
- (xi) operate or provide for the operation of programmes for gaining work experience;

- (xii) cater for the provision of training to persons completing or interrupting their education in secondary or higher education institutions with the aim of facilitating their smooth entry into the labour market;
- (xiii) collect, analyse and disseminate information concerning the planning, utilization and development of the human resources, including statistical information, projections, indicators, research conclusions;
- (xiv) conduct research studies and surveys on issues relating to its areas of responsibility and services and publicise their results;
- (xv) provide services, in Cyprus or abroad, in relation to projects for the development of the human resources of other countries by using appropriate methods, with the consent of the Minister; For this purpose, it may become a member of or enter into agreements with institutions or authorities of other countries or international organisations and bodies which are working in similar areas as the Authority;
- (xvi) secure the services of or cooperate with any person, agency or authority in Cyprus or abroad;
- (xvii) acquire, hire or possess any kind of movable or immovable property
- (xviii) enter into contractual agreements for the ownership or hire of any property or service, including contracts or arrangements for the operation of training programmes or the provision of facilities needed for the implementation in whole or in part of any training programme by other persons, organisations or authorities;
- (xix) assign to another person, organisation or public or other authority any of its responsibilities mentioned in this article;
- (xx) do whatever is considered appropriate, helpful or necessary in order to promote and achieve the aims or any responsibility or partial objective of the Authority.

## *Annex D Action plan for implementation of the conclusions set out in the UNESCO report on the Cypriot education system*

(Revised following collaboration with the Office of Planning and the Ministry of Finance in order to correspond to the positions expressed at the Ministerial Committee meeting of 22 October 1998)

Area of action	Organising/implementing authority	Other implementation actions	Timetable development	Expenditure/financial requirements
1. Detailed review of syllabuses	Directorate General (DG) of the Ministry of Education and Culture, Primary Education Directorate, Secondary Education Directorate, Technical Education Directorate	<p>Actions to promote this measure include:</p> <ul style="list-style-type: none"> <li>• a review of the methodology and aims of the system; and</li> <li>• a review of the programme timetable, linked, directly or indirectly, to nearly all the other measures proposed in the Plan.</li> </ul> <p>The Ministry of Education and Culture will establish a detailed framework for this purpose, in line with the other actions of the plan.</p>	<p>BEGINS: already begun ENDS: Dec. 1999</p>	<p>Incorporated in the estimates for the other actions of the Plan.</p>
2. Combating the recourse taken to parallel private education	Directorate General (DG) of the Ministry of Education and Culture, Primary Education Directorate, Secondary Education Directorate, Technical Education Directorate	<p>Nearly all of the other measures proposed in this plan, which are aimed at improving the quality of the education provided, will, fundamentally, assist promotion of this measure.</p> <p>The Ministry of Education and Culture will establish a detailed framework for this purpose, in line with the other actions of the plan.</p>	<p>BEGINS: already begun ENDS: Dec. 1999</p>	<p>Incorporated in the estimates for the other actions of the Plan.</p>
3. Determination of national levels for intellectualisation and the emotional and psychokinetic development of the various primary and secondary ed. grades (the min. level which the average pupil must reach)	A special team has been formed under the Primary Education Directorate at the Ministry of Education and Culture to prepare a recommendations framework		<p>BEGINS: already begun ENDS: Feb. 1999</p>	<p>Requirement for foreign experts: C£ 18,000 Further training of personnel abroad: C£ 20,000 Expenditure on small-scale research relating to the preparation: C£ 6,000</p>

Area of action	Organising/implementing authority	Other implementation actions	Timetable development	Expenditure/financial requirements
4. The examination system	<p>Mixed committee under the participation of the Higher Ed. Directorate, Technical Ed. Directorate, University of Cyprus, Cyprus Organisation of Greek Teachers of Secondary Education, Cyprus Organisation of Greek Teachers of Technical Ed., Confederation of Secondary Ed. Parents' Associations, the Director General and directors of departments of the Ministry of Education and Culture</p>	<p>Promotion of directives issued by the Ministry of Education and Culture relating to the unification of entrance and comprehensive examinations and the establishment of a new system of admission to the HUIs.</p> <p>A series of measures/internal reforms of the Ministry of Education and Culture relating to:</p> <ul style="list-style-type: none"> <li>the creation of a common evaluation plan or a single system of national success targets for each subject taught up to the 3rd grade of the gymnasium;</li> <li>review of various aspects of the system, such as the volume of material and syllabuses;</li> <li>combating functional illiteracy.</li> </ul> <p>Bridging the gulf between primary and secondary education.</p>	<p>BEGINS: Sept. 1998 ENDS: Jan. 1999</p> <p>BEGINS: Sept. 1998 ENDS: April 1999</p>	<p>No additional expenditure envisaged.</p> <p>No additional expenditure envisaged.</p>
5. Systematic strengthening/promotion of the policy on mixed-ability classes	<p>Primary Education Directorate, Secondary Education Directorate, Technical Education Directorate, Pedagogical Institute Directorate</p> <p>Pedagogical Institute Directorate</p> <p>Primary Education Directorate, Secondary Education Directorate, Technical Education Directorate, Pedagogical Institute Directorate</p> <p>Primary Education Directorate</p>	<p>Objective for the 1998/99 academic year.</p> <p>Actions by all those involved in the education system towards the introduction/use of teaching methods and approaches across a wide range of activities, which will include developing all the measures directed towards the efficient achievement of the objective.</p> <p>Pre-service training of teachers.</p> <p>Inclusion of elements to promote this concept in the further training programme.</p> <p>Inclusion of elements to facilitate this concept in actions relating to: in-service teacher training; adaptation of syllabuses; establishment of premises and the correct material support; combating functional illiteracy.</p> <p>Study of the potential for reducing pupil numbers per class.</p>	<p>BEGINS: July 1998 ENDS: Sept. 1999</p> <p>BEGINS: Sept. 1998 ENDS: Dec. 1998</p> <p>BEGINS: Sept. 1998 FIRST RECOMMENDATION: Nov. 1998 ENDS: Feb. 1999</p> <p>BEGINS: Nov. 1998 ENDS: April 1999</p>	<p>The additional expenditure required will depend on the findings of the relevant study and will be submitted for separate approval.</p> <p>Included in the PI upgrading programme being examined by the PAPS.</p> <p>Included in the PI upgrading (being studied by the PAPS) and equipment programme, or to be covered by the existing programmes after the necessary adaptations have been made.</p> <p>Dependent on the study findings.</p>

Area of action	Organising/implementing authority	Other implementation actions	Timetable development	Expenditure/financial requirements
6. All-day school The Office of Planning supports study of the matter outside the UNESCO report framework	Primary Education Directorate	Study of the costs of various methods of implementation. In addition, study and planning of a trial implementation of the system at five schools for two years and evaluation of its effectiveness.	BEGINS: Sept. 1998 ENDS: Feb. 1999	Dependent on the initial study. To be submitted for separate approval. Preliminary estimate for implementation for 3 days/week, and without an application being made at the trial stage: C£ 212,000 per year for two years. Dependent on the study. To be submitted for separate approval. <u>Preliminary estimate for the whole implementation:</u> Cap: C£ 18,500,000 Current: C£ 16,000,000 per year.
7. Abolition of the two cycles (lower and upper) in primary schools	Primary Education Directorate, Public Administration and Personnel Service	Study of the prospects for the gradual wider introduction of the system following the trial period.	BEGINS: Sept. 1999 ENDS: Sept. 2001	Dependent on the study. To be submitted for separate approval. <u>Preliminary estimate for the whole implementation:</u> Cap: C£ 18,500,000 Current: C£ 16,000,000 per year. No additional expenditure envisaged.
8. Comprehensive lycées	Secondary Education Directorate, Technical Education Directorate Special external evaluation committee	Monitoring of the institution. Integrated evaluation of the institution during the first three years of operation.	BEGINS: Sept. 1998 ENDS: Dec. 1998 BEGINS: July 1998 ENDS: Dec. 1998	No additional expenditure envisaged. The necessary appropriations already approved by the Cabinet.
9. Single development programme for all grades	Special committee to study the prospects Public Administration and Personnel Service	Study of the findings of the comprehensive lycée evaluation report and establishment of a plan for the possible improvement of the institution and/or its possible extension (the framework and activities of this study clearly emerge from the conclusions of the earlier study). Evaluation and submission of recommendations concerning the Culture.	BEGINS: Jan. 1999 ENDS: June 1999 BEGINS: Sept. 1998 ENDS: Dec. 1998	Dependent on the findings of the evaluation committee. A preliminary estimate of C£ 10,000 may be submitted for separate approval. No envisaged increase in expenditure because savings will be made by reducing secondments.
10. Upgrading of PI staffing	Public Administration and Personnel Service	Evaluation and submission of recommendations concerning the Culture.	BEGINS: Sept. 1998 ENDS: Dec. 1998	No envisaged increase in expenditure because savings will be made by reducing secondments.
11. Strengthening of the educational psychology service	Public Administration and Personnel Service	Additional educational psychologist posts.	BEGINS: Sept. 1998 ENDS: June 1999	No envisaged increase in expenditure because savings will be made by reducing secondments. Dependent on the findings of the particular study. To be submitted separately.

Area of action	Organising/implementing authority	Other implementation actions	Timetable development	Expenditure/financial requirements
12. Selection and appointment of teaching personnel	Directorate General	Campaign to promote the bill on improving the method of compiling the list of candidates for appointment.	BEGINS: Sept. 1998 ENDS: Feb. 1999	No additional expenditure envisaged.
13. Teacher training (pre-service)	Ministry of Finance, Directorate General of the Ministry of Education and Culture	Approval of appropriations for the additional expenditure required for replacing the course for probationary secondary school teachers with the pre-service course. Compilation and parallel operation of the two courses for two years, assuming that space can be found at no extra cost.	BEGINS: Sept. 1998 ENDS: Dec. 1998	Dependent on the findings of the particular study. To be submitted separately. Preliminary estimates of the additional expenditure that will be required: parallel operation: C£ 1,000,000 per year for two years. No expenditure envisaged.
14. Further training of teachers	Pedagogical Institute Directorate  Directorate General, Public Administration and Personnel Service	Compilation of the training course.  Processing of a plan for the systematic further training of teachers who have completed 10 years of primary school teaching.	BEGINS: Sept. 1998 ENDS: Dec. 1998  BEGINS: Sept. 1998 ENDS: Jan. 2000	Dependent on the findings of the study and the extent of its implementation. Preliminary expenditure of about C£ 500,000 per year envisaged.
15. Teacher assessment	Pedagogical Institute Directorate  Special committee under the Pedagogical Institute Directorate  Pedagogical Institute Directorate, representatives of the Primary Education Directorate, Secondary Education Directorate and Technical Education Directorate	Systematic training courses from the PI for further training of newly promoted <ul style="list-style-type: none"> <li>• primary education principals; and</li> <li>• inspectors for the various levels.</li> </ul> Incentives for attendance at in-service training and seminars run by the PI in the teachers' own time. Study of the method of extending the system of seminars into schools. Submission of the new assessment regulations for approval by the competent bodies (the Cabinet and Parliament). Study into the restructuring of teacher hierarchy/ deployment aimed at limiting equalising trends and providing able teachers with opportunities to continue teaching in the classroom.	BEGINS: Sept. 1998 ENDS: Jan. 1999  BEGINS: Sept. 1998 ENDS: Jan. 1999	Dependent on the findings of the study and the extent of its implementation. Preliminary expenditure of about C£ 40,000 per year envisaged. No expenditure envisaged. To be indicated in the relevant study.



Area of action	Organising/implementing authority	Other implementation actions	Timetable development	Expenditure/financial requirements
16. Structure of the services	<p>Directorate General of the Ministry of Education and Culture</p> <p>Directorate General of the Ministry of Education and Culture, Public Administration and Personnel Service</p> <p>Interdepartmental committee under the Secondary Education Directorate, with the participation of the Ministry of Finance</p> <p>Experts, Public Administration and Personnel Service</p> <p>Public Administration and Personnel Service, Primary Education Directorate, Secondary Education Directorate, Technical Education Directorate</p> <p>Directorate General of the Ministry of Education and Culture, Public Administration and Personnel Service, Ministry of Finance information technology services</p> <p>Technical Education Directorate, Secondary Education Directorate, Primary Ed. Directorate, Office of Planning, technical services of the Ministry of Ed. and Culture</p> <p>Technical Education Directorate and members of the special committee for material and technical infrastructure matters</p>	<p>Creation of mechanisms/ inter-departmental teams at intermediate administrative level to submit recommendations on matters relating to educational policy, planning, monitoring and evaluation of the system, and coordination of the actions/measures taken by the departments.</p> <p>Creation of new posts and strengthening of administrative posts by creating:</p> <ul style="list-style-type: none"> <li>• a Director of Education post;</li> <li>• Inspectorate General for Primary Education and Inspectorate General for Technical Education posts; and</li> <li>• Administrative posts.</li> </ul> <p>Study into strengthening the role of the school principal in conjunction with the role of the school supervisors.</p> <p>Study of the structure of the Ministry of Education and Culture with the ultimate aim of decentralising its powers (described in Doc. 2, attached).</p> <p>Review of the role of the non-teaching personnel of schools and a study into the possibility of more posts for such personnel with a view to helping teachers and getting the best use out of school premises and equipment.</p> <p>Providing permanent posts in the information technology service of the Ministry of Education and Culture.</p> <p>Tackling of immediate pupil accommodation needs and maintenance/ improvement of existing buildings.</p> <p>The following actions:</p> <ul style="list-style-type: none"> <li>• development of standards and specifications;</li> <li>• creation of an interdepartmental group to deal with building infrastructure planning/coordination;</li> <li>• revision/simplification of existing institutions and procedures to achieve more efficient implementation of programmes;</li> <li>• organisation of a systematic forecasting system.</li> </ul>	<p>BEGINS: Sept. 1998 ENDS: Jan. 1999</p> <p>BEGINS: Sept. 1998 ENDS: May 1999</p> <p>BEGINS: Sept. 1998 ENDS: Feb. 1999</p> <p>BEGINS: Dec. 1998 ENDS: May 1999</p> <p>BEGINS: Nov. 1998. FIRST RECOMMENDATION: March 1999 ENDS: May 1999</p> <p>BEGINS: Oct. 1998 ENDS: Jan. 2000</p> <p>BEGINS: April 1999</p> <p>BEGINS: Sept. 1998 ENDS: Dec. 1999</p>	<p>No additional expenditure envisaged.</p> <p>Depends on the findings of the study and the extent of implementation. Expenditure of about C£ 20,000 per year envisaged for the new administrative posts.</p> <p>No additional expenditure envisaged.</p> <p>C£ 5,000</p> <p>To be estimated in the study and submitted for subsequent approval.</p> <p>No actual expenditure envisaged because of the reduction of secondments.</p> <p>In the framework of the budgets (on the basis of current expenditure).</p> <p>To be indicated in the proposals that will be made.</p>
17. Information processing				
18. Material and technical infrastructure – buildings, premises				
19. Material and technical infrastructure – reforms				



Area of action	Organising/implementing authority	Other implementation actions	Timetable development	Expenditure/financial requirements
20. Material and technical infrastructure – school equipment	Primary Education Directorate, Secondary Education Directorate, Technical Education Directorate, Pedagogical Institute Directorate	Upgrading of school equipment in order to meet the requirements created by new developments in technology. Involving: <ul style="list-style-type: none"> <li>• a systematic study;</li> <li>• establishment of priorities;</li> <li>• formulation of a training programme;</li> <li>• development of material support;</li> <li>• correlation with the programmes of the Cypriot economy in general.</li> </ul>	BEGINS: Dec. 1998 ENDS: June 1999	For the study of school needs by teams of experts: C£ 22,000
21. Educational research and evaluation	Office of Planning, Ministry of Education and Culture Ministry of Education and Culture directorial team Ministry of Education and Culture, Public Administration and Personnel Service, Office of Planning Directorate General of the Ministry of Education and Culture, Office of Planning, experts	Study to identify the skills that the citizen of the twenty-first century will require. Determination by the Ministry of Education and Culture of educational research policy. Strengthening/upgrading of the research and evaluation section of the PI to enable research to be conducted on a systematic footing. Continuous monitoring/evaluation of the system, with particular reference to quality.	BEGINS: Dec. 1998 ENDS: June 1999 BEGINS: Oct. 1998 ENDS: March 1999 BEGINS: Dec. 1998 ENDS: April 1999 BEGINS: Dec. 1998 ENDS: June 1999	Conducting of the study: C£ 10,000 No additional expenditure envisaged. To be estimated in the study and submitted for separate approval. Preliminary estimate: an additional C£ 45,000 per year. The expenditure will be included in the budgets as per the requirements.

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## Annex E

### Main economic indicators and Statistics

#### 1. Main economic indicators

	1993	1994	1995	1996	1997
<b>Basic data</b>					
	<i>in 1000</i>				
Population (end of the year)	722.8	729.8	735.9	741.0	746.1
- Government controlled area	629.8	638.3	645.3	651.8	657.9
- Estimates for the native Turkish Cypriots	93.0	91.5	90.6	89.2	88.2
	<i>in 1000 hectares</i>				
Total Area	925.1	925.1	925.1	925.1	925.1
<b>National Accounts</b>					
	<i>in millions of Cypriot Pounds</i>				
Gross Domestic Product at current prices	3,275	3,651	3,980	4,135	4,343
	<i>in millions of Euro</i>				
Gross Domestic Product at current prices	5,627	6,269	6,802	7,078	7,477
	<i>in Euro per capita</i>				
Gross Domestic Product at current prices	9,016	9,890	10,600	10,922	11,424
<b>Structure of Production</b>					
	<i>in% of Total Gross Value Added</i>				
- Agriculture	6.0	5.2	5.4	4.9	4.5
- Industry	16.0	15.6	15.1	14.8	14.3
- Construction	10.1	9.4	9.0	9.0	8.4
- Services	67.9	69.8	70.5	71.3	72.8
<b>Structure of expenditure</b>					
	<i>as% of Gross Domestic Product</i>				
- Final consumption expenditure	76.0	74.3	76.2	78.9	79.2
- household and NPISH	59.1	57.6	59.7	60.9	60.6
- general government	16.9	16.7	16.5	18.0	18.6
- Gross fixed capital formation	22.6	20.6	19.3	20.4	18.4
- Exports of goods and services	47.3	47.5	46.5	46.9	46.4
- Imports of goods and services	47.7	48.1	50.3	53.4	52.3
	<i>% change over the previous year</i>				
Gross Domestic Product	0.7	5.9	5.8	2.2	2.5
	<i>in purchasing power parities</i>				
Gross Domestic Product per capita	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Inflation rate</b>					
	<i>% change over the previous year</i>				
Consumer Price Index	4.9	4.7	2.6	3.0	3.6

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	1993	1994	1995	1996	1997
<b>Balance of payments</b>					
	<i>in millions of Cypriot Pound</i>				
-Exports of goods	387	433	510	597	606
-Imports of goods	-1,181	-1,331	-1,499	-1,667	-1,705
-Trade balance	-794	-898	-989	-1,070	-1,099
-Services, net (incl. transfers)	865	957	911	863	921
-Income, net	-20	-23	-12	-16	-2
-Current account balance	51	36	-90	-223	-180
-Capital and fin. acc. (excl. official reserves)	-14	66	-69	186	184
-Reserve assets	-72	-121	164	28	24
<b>Public Finance</b>					
	<i>in% of Gross Domestic Product</i>				
General Government Deficit	2.4	1.4	1.0	3.4	5.1
Gross foreign debt (incl. long-term and short-term debt)	37.6	32.9	29.2	27.3	30.3
<b>Financial indicators</b>					
	<i>in millions of Cypriot Pound</i>				
<b>Monetary Aggregates</b>					
- M1	548	575	614	653	704
- Quasi-money	2,451	2,798	3,146	3,503	3,911
<b>Interest rates</b>					
	<i>% per annum</i>				
- Lending rate (up to)	9.0	8.5 <sup>(1)</sup>	8.5	8.5	8.0 <sup>(2)</sup>
- Deposit rates (up to)					
- Demand deposits <sup>(3)</sup>	2.0	2.0	2.0	2.0	2.0
- Savings deposits <sup>(3)</sup>	4.0	4.0	4.0	4.0	4.0
- Time deposits	7.0	7.0	7.0	7.0	6.5 <sup>(2)</sup>
<b>ECU exchange rates</b>					
	<i>1 Euro =...National currency</i>				
- Average of period	0.5819	0.5823	0.5850	0.5841	0.5808
- End of period	0.5804	0.5835	0.5848	0.5839	0.5800
<b>Foreign Trade</b>					
	<i>in millions of Cypriot Pound</i>				
Imports	1,316	1,482	1,670	1,858	1,899
Exports	431	476	556	649	640
Balance	-885	-1,006	-1,114	-1,209	-1,259
	<i>corresponding period of the previous year = 100</i>				
Terms of trade	n.a.	n.a.	n.a.	n.a.	n.a.
	<i>as% of total</i>				
Imports with EU-15 (EU-12 for 93-94)	51.9	50.3	51.7	48.6	47.6
Exports with EU-15 (EU-12 for 93-94)	37.4	36.0	34.7	28.4	27.1

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	1993	1994	1995	1996	1997
<b>Demography</b>					
<i>per 1000 of population</i>					
Natural growth rate	9.2	8.6	7.7	7.2	6.3
Net migration rate	7.9	4.7	3.1	2.8	3.1
<i>per 1000 live-births</i>					
Infant mortality rate	8.6	8.6	8.5	8.3	8.0
<i>at birth</i>					
Life expectancy: Males	74.6 <sup>(4)</sup>		75.3 <sup>(5)</sup>		75.0 <sup>(6)</sup>
Females	79.1 <sup>(4)</sup>		79.8 <sup>(5)</sup>		80.0 <sup>(6)</sup>
<b>Labour market</b>					
<i>in % of labour force</i>					
Economic Activity rate (ILO methodology)	92.5	92.7	93.0	93.4	93.2
Unemployment rate (ILO methodology):					
Total	2.7	2.7	2.6	3.1	3.4
< 25 years	2.6	2.6	2.3	2.7	2.9
> 25 years	2.7	2.7	2.7	3.1	3.5
Average employment by NACE branches (LFS)					
<i>in% of total</i>					
- Agriculture and Forestry	11.9	11.0	10.8	10.5	10.0
- Industry	17.7	17.1	16.3	15.5	15.0
- Construction	9.4	9.1	9.1	8.9	8.7
- Services	61.0	62.8	63.8	65.1	66.3
<b>Infrastructure</b>					
<i>in km</i>					
Length of motorways	150	158	165	173	195
<b>Industry and Agriculture</b>					
<i>previous year = 100</i>					
Industrial production volume indices <sup>(7)</sup>	90.5	103.1	100.5	94.9	99.3
Gross agricultural production volume indices	103.0	91.7	116.0	99.0	86.3

Note: Data refer to the Government controlled area only, with the exception of data on total population and area which refer to the whole of Cyprus.

1. Effective as from September 1, 1994.
2. Effective as from March 18, 1997.
3. Interest rates on minimum monthly balances.
4. 1992/93
5. 1994/95
6. 1996/97
7. Data refer to Manufacturing (NACE Section D). The corresponding figures for the broad industrial sector (NACE Sections C, D and E) are: 93,5 - 103,7 - 101,5 - 96,9 - 99,8.

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## 2. Employment and education statistics

(Source: National Education and Labour Statistics of Cyprus)

**Table 1. Age distribution of population (%) 1976, 1995 and 1996**

	1976	1995	1996
0 - 14	25.4	24.9	24.6
15 - 64	64.5	64.0	64.3
65+	10.1	11.1	11.1

**Table 2. Employed population by sex and educational level 1980, 1989 and 1997  
(x 1000)**

Level of Education	1980			1989			1997		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
No	6.0	1.4	4.6	4.0	1.2	2.8	3.3	1.9	1.4
Primary	97.7	62.0	35.7	100.1	62.0	38.1	87.0	57.3	29.7
Secondary	69.6	46.5	23.1	102.6	64.1	38.5	132.9	81.5	51.4
College	19.2	12.9	6.3	18.4	8.9	9.5	27.9	12.0	15.9
University				25.5	17.2	8.3	36.1	21.8	14.3
<b>Total</b>	<b>192.5</b>	<b>122.8</b>	<b>69.7</b>	<b>250.6</b>	<b>153.4</b>	<b>97.2</b>	<b>287.2</b>	<b>174.5</b>	<b>112.7</b>

**Table 4. Annual unemployment rate, total and by sex (1991-97)**

	1991	1992	1993	1994	1995	1996	1997
Male	2,2	1,3	1,8	2,0	1,9	2,3	2,7
Female	4,4	2,6	4,1	3,8	3,7	4,3	4,5
<b>Total</b>	<b>3,0</b>	<b>1,8</b>	<b>2,7</b>	<b>2,7</b>	<b>2,6</b>	<b>3,1</b>	<b>3,4</b>

**Table 5. Annual unemployment rate under 25 years, total and by sex (1991-97)**

	1991	1992	1993	1994	1995	1996	1997
Male	1,6	0,9	1,6	1,6	1,4	1,6	1,9
Female	5,0	3,3	3,9	3,8	3,4	4,0	4,2
<b>Total</b>	<b>3,0</b>	<b>1,8</b>	<b>2,6</b>	<b>2,6</b>	<b>2,4</b>	<b>2,7</b>	<b>2,9</b>

**Table 6. Sectoral distribution of Employment (in%, 1980, 1990 and 1998)**

	1980	1990	1998
Primary sector	20.5	14	10
Secondary sector	33.7	28.8	23
Tertiary sector	45.8	57.2	67
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

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**Table 7. Distribution of enterprises and employment by size (1995)**

Size	Enterprises	Employment
< 10	94.8%	40.7%
10 - 49	4.4%	19.2%
50 - 99	0.4%	7.0%
> 100	0.4%	33.1%

**Table 8. Distribution of the Population by educational level (%) (1975, 1995, 1996)**

	1975	1995	1996
No education	13	5	5
Elementary	53	40	40
Secondary	25	38	38
Tertiary	9	17	17

**Table 9. Distribution of Employment by Educational Level (1995)**

No schooling	1%
Primary	32%
Secondary	44%
College	10%
University	13%

**Table 10. Pupils in secondary vocational education and training by sex (1987-97)**

	87/88	89/90	91/92	93/94	95/96	96/97
Boys	28.1	28.4	26.2	26.0	25.4	24.9
Girls	4.4	5.3	5.5	5.8	5.9	5.2

**Table 11. Drop-outs from secondary education by grade and sex (1995/96)**

	Grade IV		Grade V		Grade VI	
	Boys	Girls	Boys	Girls	Boys	Girls
Public Secondary General	1.1	0.7	0.4	0.4	0.2	0.3
Public Secondary Technical	1.8	3.4	1.4	1.0	0.3	0.8
Private Secondary	2.4	0.8	0.6	1.1	1.9	1.6
Total	1.4	0.9	0.7	0.5	0.4	0.4

**Table 12. Public expenditure on education in% of GDP (1996)**

	1996
Government expenditure on public and private education	4.6
Public and private expenditure on education	7

## *Annex F*

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**Annex G**  
**Programme of visits during mission**

Institution	Person
• Briefing, Delegation of the European Commission	Donato Chiarini, Head of the Delegation Constantinos Mavrantonis, Economic Adviser Nacera Boulehouat, Attache
• Cyprus Chamber of Commerce and Industry	Leonidas Paschalides, Director Department of Education and Development
• Cyprus Employers and Industrialists Federation	Michalis Pilikos, Head Industrial Relations
• Cyprus Productivity	Theodoros Ioannou, Director
• Higher Hotel Institute	Andreas Papadopoulos, Director
• Higher Technical Institute	Demtris Lazarides, Director and Heads of Departments
• Human Resource Development Authority	Panos Koutouroussis, Director General George Panayides, Director Training Directorate George Stavrides, Senior Officer George Oxinos, Director Research and Planning
• Ministry of Education and Culture – Department of General Educat.	George Poullis, Director
• Ministry of Education and Culture – Department of Technical and Vocational Education	Erotokritos Erotokritou, Director
• Ministry of Labour and Social Insurance	Soteris Soteriou, Acting Permanent Secretary Eleni Kalava, Senior Officer
• Planning Bureau	Andreas Charalambous, Officer
• Trade Union PEO	Directorate Vassos Vassiliou, Officer Department for Research and EU Affairs
• Trade Union SEK	Gregory Gregoriades, Director of Training
• Debriefing Delegation of the European Commission	Donato Chiarini Head of the Delegation Constantinos Mavrantonis, Economic Adviser Nacera Boulehouat, Attache

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