



# Education in a unified Cyprus

## Challenges and possibilities

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# Future perspectives

- Difficult departure point
- Cyprus resources
- Strategic position
- Strengthen the economy
- Possible multicultural approach

# Spring economic forecast 05/2015

European Economic Forecast Spring 2015				
Forecasts for Cyprus	2013	2014	2015	2016
GDP growth	-5,4	-2,3	<b>-0,5</b>	<b>1,4</b>
Inflation	0,4	-0,3	-0,8	0,9
Unemployment (%)	15,9	16,1	<b>16,2</b>	<b>15,2</b>
Public budget balance (% of GDP)	-4,9	-8,8	-1,1	-0,1
Gross public debt (% of GDP)	102,2	107,5	<b>106,7</b>	<b>108,4</b>
Current account balance (% of GDP)	-2,0	-4,0	-3,9	-4,2

5 May 2015  
European Commission  
European Economy 2 | 2015

# Public investment in education

- General government expenditure in education (COFOG data)

% of GDP	2004-2008	2009	2010	2011	2012	2017
Education	7,00	8,00	7,9	7,9	6,1	6,2

# CYPRUS: country report 2015



## MACROECONOMIC Situation:

- Excessive private sector indebtedness
- Weak productivity and external competitiveness
- Excessively high level of non-performing loans in the banking sector
- Urgent need to step up structural reforms



## FISCAL Situation

- Excessive deficit → deadline for correction: 2016
- Public debt above the 60% of the GDP threshold



## Progress on COUNTRY SPECIFIC RECOMMENDATIONS

- Reforms monitored through the MoU between Cyprus and Troika

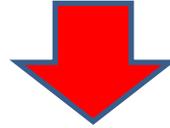
# Key indicators:

				Forecast		
Indicators	2011	2012	2013	2014	2015	2016
Unemployment rate	7.9	11.9	15.9	16.2	15.8	14.8
Youth unemployment rate	22,4	27,7	38,9	35,5		
NEET (15-24)	<b>14,6</b>	<b>16,0</b>	<b>18,7</b>			
At risk of poverty and social exclusion	24,6	27,1	27,8			

# Progress towards EU2020:

EU headline target and national target	EU target	Cyprus target	Cyprus 2013	Cyprus 2014	EU 28 2013
Employment rate (20-64 yrs)	75%	75-77%	67,2%	67,6%	68,4%
Reduce poverty and social exclusion	20 mln	19,3% or 27,000	27,8%	n. a.	24,5%
<b>Decrease ESL to</b>	<b>10%</b>	<b>10%</b>	<b>9,1%</b>	<b>7,9%</b>	<b>12%</b>
<b>Increase tertiary education attainment rate</b>	<b>40%</b>	<b>46%</b>	<b>47,8%</b>	<b>51,1%</b>	<b>36,9%</b>
R&D (% of GDP)	3%	0,50%	0,48%	n. a.	2,02%

# 5 Key sectors for investments



20/01/2015: European Commissioner for Education and Culture **Tibor Navracsics**:

***“Education is one of the top priorities for new investment. [...] We need to invest in education and training so that Europe trains better teachers, provides citizens with the right skills, and keeps education as open as possible to the greatest number of people”***

# European Social Fund

**European Commission says: Investments will help Cyprus address challenges like high unemployment, in particular among youth, skills and social exclusion**

- The Cypriot Operational Programme "*Employment, Human Resources and Social Cohesion*" for the implementation of the ESF in the period **2014-2020** outlines the priorities and objectives to invest more than **€163 million** (of which over **€140 million from the EU-budget**)
- Among others, investment will focus on the following priority regarding education:  
Improving the **vocational and technical education system** (**20% of the budget**), in particular to make it more oriented towards the skills needed in the labour market.

# Some examples of using ESF funds

Within the framework of the Operational Programme “Employment, Human Capital and Social Cohesion” many measures included in the **National Action Plan** will be co-financed

- The NAP has a total budget of **€47,2 mln** financed mostly from the **European Social Fund (€29,2)**, the **Youth Employment Initiative (YEI) (€11,6 mln)**, etc. Measures covered under the NAP for Youth Employment during the years 2015-2017 fall under some policy objectives, such as:

## Some examples:

- a) Timely **intervention for early school leavers** and easing the transition of young people from school to work (e.g. through **adjusting the secondary and post secondary vocational education curricula to align with labour market requirements** and to include work experience in enterprises).
- c) Implementation of a national youth guarantee **offering youth**, less than 25 years old, **education, training and employment opportunities** within four months of leaving school or becoming unemployed

# Possible ways to go

- Strengthen investment in education
- Plan on excellent world class public education
- Implementation plan
- Possible coop with private sector
- Open to the world
- Model for others.



**Thank you for your  
attention**

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