

THE HUMAN RESOURCE DEVELOPMENT FUND IN CYPRUS – RECENT DEVELOPMENTS AND EFFECTS OF THE ECONOMIC CRISIS

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Investing in People!

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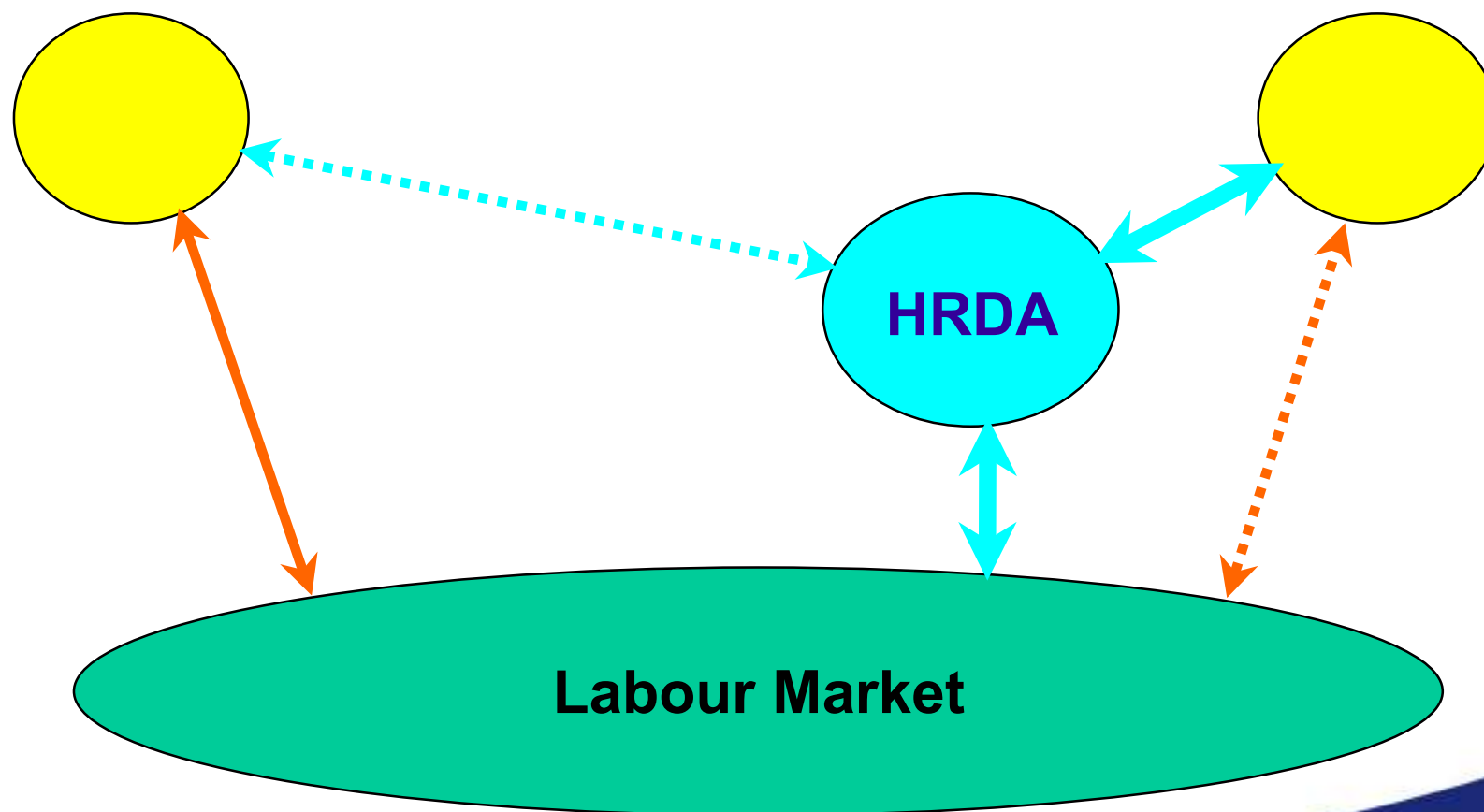
CYPRUS – SOME KEY FIGURES (2008)

Population	758.300
Employment rate (15-64)	73,6%
Employment rate (Women)	62,9%
Employment rate (55-64)	54,8%
Unemployment rate	3,7%
Unemployment rate (15-24)	9,0%
Unemployment rate (Women)	4,2%
Employment in Tertiary Sector	72,7%
Early School Leavers (18-24)	14,0%
Participation in Education and Training (25-64)	8,5%

OVERVIEW OF THE VET SYSTEM

Education System

Training System

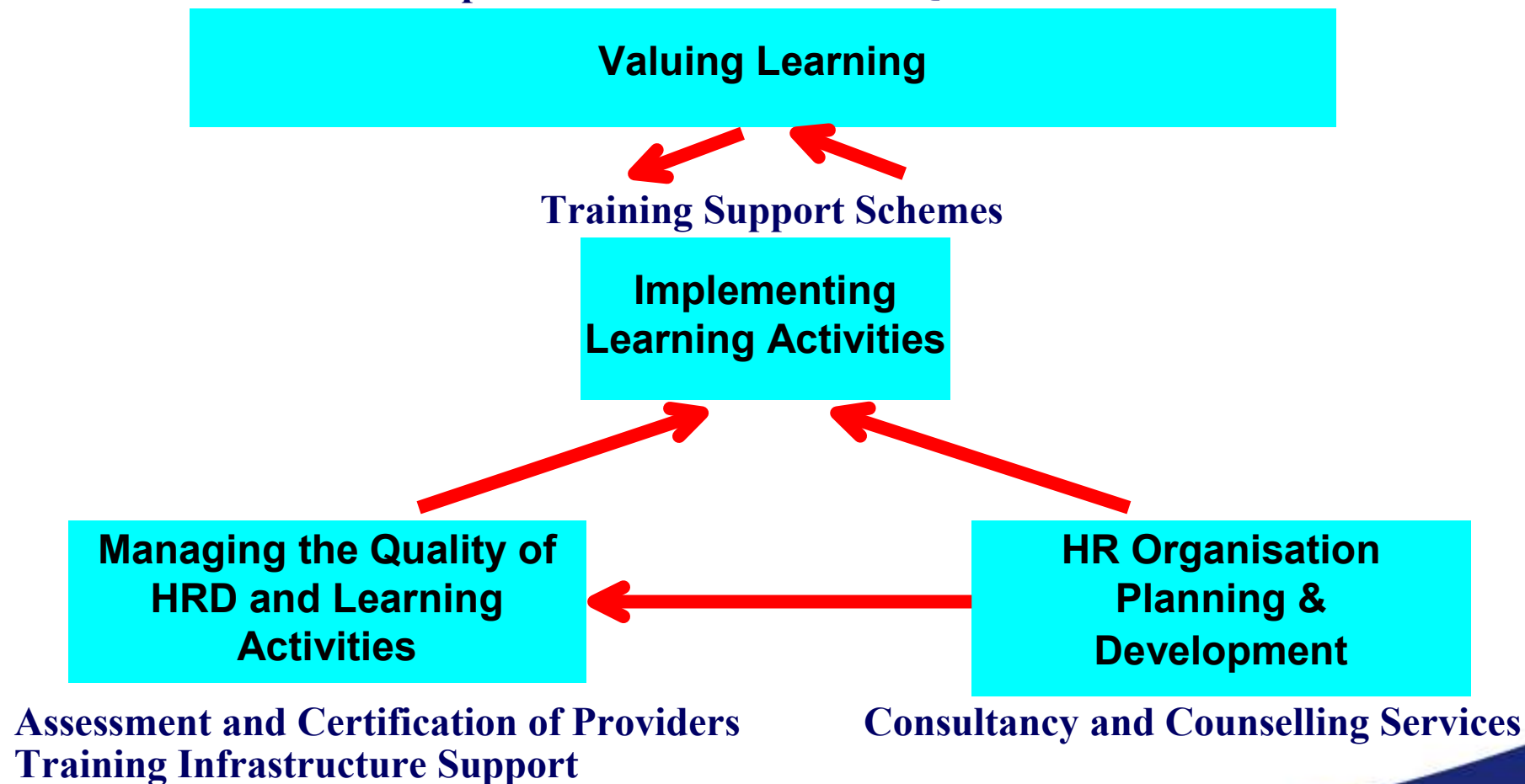


THE HUMAN RESOURCE DEVELOPMENT FUND

- **1974 INDUSTRIAL TRAINING LAW**
- **AMENDED TO 1999 HUMAN RESOURCE DEVELOPMENT LAW**
- **CONTRIBUTIONS BY ALL EMPLOYERS EXCLUDING THE GOVERNMENT AND THE SELF-EMPLOYED**
- **COLLECTED VIA SOCIAL INSURANCE MECHANISM**
- **0,5% OF THE WAGEBILL (NOT MORE THAN 1%) WITH CEILING ON WAGE LEVEL (CURRENTLY €4.004 / MONTH)**
- **GRANTS TO EMPLOYERS FOR APPROVED TRAINING**
- **ALLOWANCES TO TRAINEES**
- **FINANCIAL ASSISTANCE TO ORGANISATIONS, ENTERPRISES AND INDIVIDUALS**

HRDA's FOUR PILLAR INITIATIVE

Competence-based Vocational Qualifications



CONSULTANCY AND TRAINING SERVICES TO ENTERPRISES FOR PRODUCTIVITY IMPROVEMENT

- **OBJECTIVE:** To improve the productivity of SMEs
- **Beneficiaries:** SMEs with 5-249 persons
- The project is undertaken by counsellors
- The support package comprises diagnosis, training of the owner/manager and a productivity improvement plan
- Subsidise the full cost of services
- **FUNDING:** 85% co-financed by ESF

COUNSELLING & TRAINING SERVICES FOR MICRO ENTERPRISES

- **OBJECTIVE:** To improve the operation, efficiency and competitiveness of Micro enterprises through the development of their human resources, primarily the owner/manager.
- **Beneficiaries:** Micro enterprises with 1- 4 persons
- The project is undertaken by small business counsellors
- The support package comprises diagnosis, training of the owner/manager and the preparation of a business plan
- Subsidise the full cost of services
- **FUNDING:** 85% co-financed by ESF

TRAINING INFRASTRUCTURE SUPPORT SCHEME

- **OBJECTIVE:** To strengthen the training capabilities of enterprises and institutions in order for them to systematically meet training needs.
- Financial assistance for training equipment incl. ICTs, training spec/s and training of trainers.
- Enterprises submit a comprehensive proposal (incl. training implementation plan) to HRDA prior to implementation.
- **FUNDING:** Covers up to 45% of expenditure for enterprises and up to 30% for training institutions.

ASSESSMENT AND CERTIFICATION OF TRAINING PROVIDERS

- **OBJECTIVE:** To improve and safeguard the quality of training services that are provided with the support of the HRD Fund and to make the quality more transparent to potential users.
- **System under development**
- **Certification of Trainers, Training centres and Training facilities**
- **Linkage with Training Infrastructure Support Scheme**

HRDA TRAINING SUPPORT SCHEMES

INITIAL TRAINING:

- **In-company courses**
- **Institution-based courses**
- **Industrial training of tertiary and secondary education students**
- **Training of tertiary education graduates**
- **Apprenticeship**
- **Training of the unemployed (ESF co-financing)**
- **Training of economically inactive women (ESF co-financing)**
- **New Emergency scheme for developing the skills of the unemployed**

CONTINUING TRAINING:

- **In-company courses**
- **Institution-based courses**
- **Training abroad**
- **New Emergency scheme supporting employment and training of the unemployed**

SOME INDICATORS ON HRDA TRAINING ACTIVITIES

	1983	1990	2008
TRAINING PARTICIPANTS	3.938	14.569	54.678
TRAINING EXPENSES (€)	750.076	4.373.123	14.613.799

COMPETENCE-BASED VOCATIONAL QUALIFICATIONS

- **SETTING STANDARDS ACCEPTED BY INDUSTRY AND THE SOCIAL PARTNERS**
- **RECOGNISING KNOWLEDGE, SKILLS AND COMPETENCES**
- **VALUING ALL LEARNING INCLUDING PRIOR AND EXPERIENTIAL LEARNING**
- **TRANSPARENCY AND COMPARABILITY IN A EUROPEAN CONTEXT**
- **PROVIDING GUIDANCE FOR ADAPTING THE CONTENT OF VET PROGRAMMES**
- **ESF CO-FINANCING 85%**

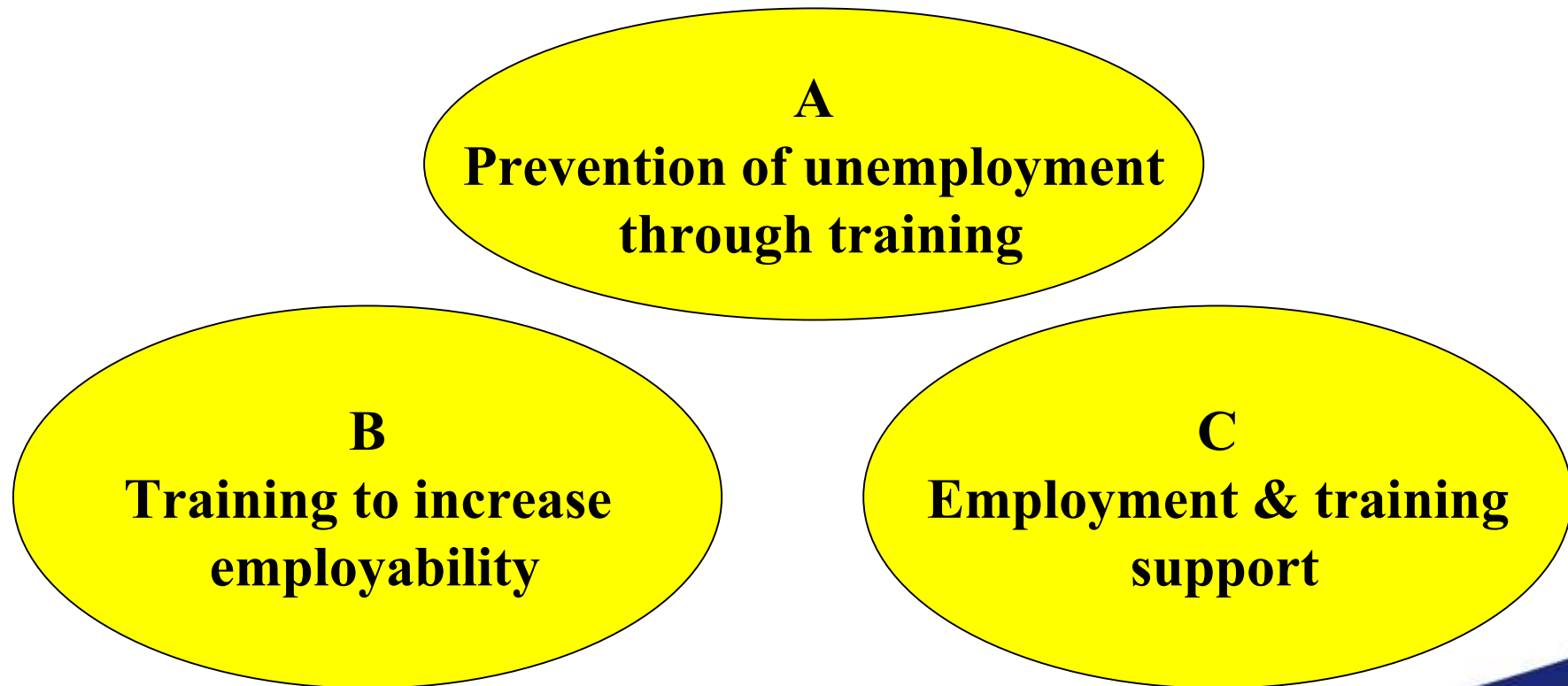
HRDA CONTRIBUTION TOWARDS MINIMISING THE EFFECTS OF THE ECONOMIC CRISIS ON THE CYPRUS LABOUR MARKET:

SPECIAL PREVENTION – ACTION PLAN

- **Introduced in February 2009**
- **In close cooperation with the Ministry of Labour and the social partners**
- **Regular review and enrichment for fast response**
- **Accompanied by strong publicity campaign**

SPECIAL PREVENTION – ACTION PLAN

3 POLICY INTERVENTIONS FOR A MORE COMPREHENSIVE APPROACH



SPECIAL PREVENTION – ACTION PLAN

A. PREVENTION OF UNEMPLOYMENT THROUGH TRAINING

- **IN-COMPANY / ON-THE-JOB TRAINING FOR EMPLOYEES FACING THE RISK OF LAY-OFFS TO PREVENT UNEMPLOYMENT AND IMPROVE SKILLS**
 - **EMPHASIS ON TOURIST AND CONSTRUCTION SECTORS**
 - **SUBSIDIES FOR THE COST OF TRAINING INCLUDING EMPLOYEE WAGES FOR TIME ON TRAINING**
 - **LINKING TRAINING TO VOCATIONAL QUALIFICATIONS**

SPECIAL PREVENTION – ACTION PLAN

B. TRAINING TO INCREASE EMPLOYABILITY

- **TRAINING FOR UPGRADING THE SKILLS OF THE UNEMPLOYED IN ORDER TO INCREASE THEIR EMPLOYABILITY**
 - **HORIZONTAL SKILLS – eg computer literacy, languages**
 - **SPECIALISED TECHNICAL SKILLS**
 - **FREE PARTICIPATION AND ALLOWANCE €8/HOUR**
- **ESF CO-FINANCED PROGRAMMES FOR TRAINING THE UNEMPLOYED AND ECONOMICALLY INACTIVE WOMEN**
 - **HORIZONTAL SKILLS AND TRAINING PLACEMENTS IN ENTERPRISES**
 - **FREE PARTICIPATION AND ALLOWANCE €8/HOUR**
- **ACCELERATED INITIAL TRAINING FOR NEWCOMERS AND THE UNEMPLOYED IN OCCUPATIONS WHICH ARE IN DEMAND**
 - **Eg PLUMBERS, REFRIGERATION TECHNICIANS, COOKS**
 - **FREE PARTICIPATION AND ALLOWANCE €200/WEEK**

SPECIAL PREVENTION – ACTION PLAN

C. EMPLOYMENT AND TRAINING SUPPORT

- **JOB PLACEMENT AND TRAINING (6 – 12 months) OF UNEMPLOYED TERTIARY EDUCATION GRADUATES**
 - **TAILOR-MADE PROGRAMMES**
 - **SUBSIDY FOR THE COST OF TRAINING INCLUDING EMPLOYEE SALARY FOR TRAINING TIME**

- **JOB PLACEMENT AND TRAINING (3 – 6 months) OF UNEMPLOYED PERSONS TO FILL VACANCIES AND TO SUBSTITUTE LABOUR FROM NON-EU COUNTRIES**
 - **TAILOR-MADE PROGRAMMES**
 - **SUBSIDY FOR THE COST OF TRAINING INCLUDING EMPLOYEE WAGE FOR TRAINING TIME**

SPECIAL PREVENTION – ACTION PLAN

JANUARY – AUGUST 2009 RESULTS

- **4.000 EMPLOYEES WHO FACED THE RISK OF LAY-OFFS WERE KEPT AND TRAINED BY EMPLOYERS**
- **650 UNEMPLOYED PERSONS WERE TRAINED IN EMPLOYABLE SKILLS**
- **5 NEW INITIAL TRAINING PROGRAMMES IN TECHNICAL OCCUPATIONS COMMENCED**
- **100 NEW UNIVERSITY GRADUATES WERE EMPLOYED AND TRAINED ON THE JOB**

CRUCIAL ROLE OF THE SOCIAL PARTNERS

- **The Social Partners are actively involved in all the initiatives.**
- **Employers' and workers' organisations are directly involved in policy and strategy formulation through their representation on HRDA's Board of Directors.**
- **Responsibility and maturity regularly leads to consensus**
- **In direct partnership, they also implement training activities that satisfy specialised needs, within the framework set by HRDA.**
- **Courses aim to develop the skills and knowledge of their members in new areas.**

+ STRENGTHS / SUCCESS FACTORS +

- **Development of a thriving HRD market due to the incentives of the HRD Fund**
- **Multiple Schemes for effectively meeting multiple target groups and needs**
- **Stronger incentives (e.g. higher aid intensity) and tailor-made Schemes for underrepresented groups**
- **The quality management role of the HRD Fund**
- **Complementary and mutually supportive Schemes providing comprehensive package support**
- **Cultivating a training conscience in enterprises and individuals**
- **The active and committed involvement of the Social Partners**
- **The supportive contribution of systematic research**

- SHORTCOMINGS -

- **Lower participation of micro and small enterprises and disadvantaged population groups**
- **Non-participation of the self-employed as trainees**
- **Bureaucratic demands that may discourage participation**
- **Some cases of deadweight effect for the larger enterprises**
- **Some risk of fraud**

FUTURE DIRECTIONS

- **SYSTEM OF VOCATIONAL QUALIFICATIONS AS PART OF A NATIONAL QUALIFICATIONS FRAMEWORK**
- **SYSTEM OF CERTIFICATION OF TRAINING PROVIDERS**
- **ESF CO-FINANCED PROGRAMMES (2007-2013) AND OTHER INITIATIVES FOR MORE AND BETTER ACCESS TO UNDERREPRESENTED GROUPS**
- **MORE TARGETED ACTIONS FOR PRODUCTIVITY IMPROVEMENT**
- **MORE SYSTEMATIC RESEARCH AND DEVELOPMENT TO FEED CONTINUOUS EFFORTS FOR IMPROVED PERFORMANCE**

CONTACT DETAILS

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Thank you for your attention!