The social protection system in Cyprus: Recent initiatives and labour market implications

Louis N. Christofides*,a and Christos Koutsampelasb

*aUniversity of Cyprus and University of Guelph
IZA and CESifo
*bUniversity of Peloponnese

Abstract
This paper reviews the structure of the Social Protection System (SPS) in Cyprus, as well as the amounts spent per annum, in total and for each of the various functions it supports. We delve further into the functions and policies that most immediately relate to the labour market, paying particular attention to the support of the unemployed, those in financial need, and those who are sick and temporarily or permanently disabled. Important recent reforms are examined in depth, especially the Guaranteed Minimum Income programme and its connection with the pre-existing system of unemployment insurance. Lacking access to publicly available micro data on the use of various facets of the SPS, we consider ideas that could improve its fairness, effectiveness and sustainability, so that it can continue to support individuals in real need.

Keywords: System of social protection, reforms, evaluation, the labour market.

* Corresponding Author. Address: Department of Economics, University of Cyprus, P. O. Box 20537, 1678 Nicosia, Cyprus. Email: louis.christofides@ucy.ac.cy Tel: 22893654.

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