

The Cypriot GMI scheme and comparisons with other European countries

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Abstract

This paper examines the Guaranteed Minimum Income (GMI) reform that took effect in Cyprus in 2014 with the aim of substituting the previous public assistance scheme with a new policy. In that period, the economy of Cyprus was experiencing a severe economic contraction with harsh social repercussions. The intended aim of the reform was to increase the effectiveness of social protection as the previous minimum income system was judged to be unequal to the task. After providing a fairly comprehensive description of the new scheme, the paper proceeds to a comparison of its basic statutory requirements and provisions with what pertains in Europe, in general. We find that the institutional commonalities are much more frequent than any particularities, meaning that Cyprus possesses a modern minimum income system. Nevertheless, there is also space for transfusing good practices and innovative approaches from countries with a long tradition in welfare policies and much more sophisticated public administrations.

Keywords: Guaranteed Minimum Income, Cyprus, Minimum Income.

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