

ASPECTS OF THE SOCIAL PROTECTION SYSTEM IN CYPRUS: A PROCESS EVALUATION[±]

Louis N. Christofides^{*} and Christos Koutsampelas

ABSTRACT

This paper reviews 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 incapacitated. 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 raise questions about aspects of the system which may be modified to help ensure its sustainability, effectiveness and fairness.

[±] We are indebted to A. Polycarpou and C. Stavrakis for their insightful comments. All remaining errors are our own.

^{*} Corresponding author. Email: louis.christofides@ucy.ac.cy