

POVERTY WATCH REPORT - Cyprus - 2023

Eleni Karaoli
Nicolas Yiannakou
Member of the Cyprus Antipoverty Network

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1. Introduction

The Poverty Watch reports prepared by the national members of the European Anti-Poverty Network¹ (hereafter EAPN) do not attempt to be comprehensive national poverty research reports. These reports are driven by EAPN's priorities, the experiences of its members and the voice of people experiencing poverty. Above all, our ambition for these reports is to be effective advocacy and communication tools, which define the main developments and developments in poverty, the impact of policies to combat it both at national and European level and identify the key issues that affect people experiencing poverty and social exclusion and propose solutions.

This year we will try not only to see the numbers; we will try to examine the welfare policies and how these are implemented in connection with the European Pillar of Social Rights plan (EPSR), as well as there will be an effort to comment on the Resilience and Recovery Plan (RRP).

The welfare state is a term to describe policies whereby the government provides essential services² as well as social protection to those in need, to guarantee individual and collective well-being. Furthermore, the welfare state must ensure quality working conditions, access to justice, equity, and funding of equality and anti-discrimination policies. This means and should include accessible, affordable, and quality essential services as well as adequate social protection for all.

This is why it is important to have a participatory process when it comes to the implementation, monitoring, and evaluation of social protection schemes. Social benefit recipients, as well as civil society organisations that support them, must be involved in the dialogue. The importance of dialogue and participation is even more crucial, since, the welfare state, more and more is using digital tools, and more essential public services are increasingly digitised and rely increasingly on automated decision-making processes and algorithms.

Furthermore, a welfare state must be intersectional to reach all communities in need and leave no one behind. To be sustainable, it is essential to ensure fiscal justice, which includes: securing fair revenue collection, evaluating the impact of fiscal gifts and alleviation to private actors, tackling tax evasion and avoidance, guaranteeing the progressivity of tax systems – on income, corporation, wealth, property and inheritance taxes, avoiding regressive VAT and consumer taxes, mitigating against the potentially regressive impact of environmental taxes, exploring new sources of taxation on financial transactions, whilst at the same time preventing austerity measures and budget cuts.

In this context a strong fiscal justice is needed, that will ensure social justice. Further, the implementation of the RRP should guarantee reforms and transformations towards the social transformation, reaching our targets on the Green Deal, invest more in the Next Generation policies, with a smart, sustainable, and inclusive model, that will leave no one behind.

1.2 Poverty Watch Report – Cyprus 2023

The Poverty Watch Report is part of a European program of the EAPN. We do not attempt to provide a comprehensive academic report/report on poverty. This Report starts from the reality experienced by the people themselves who are in poverty and the perspectives of the NGOs that support and work with them. The main objectives of the report are:

- i. Monitoring the main tendencies and the policy being developed on poverty and social exclusion at national and European level.
- ii. Raising awareness of priorities and their impact on people experiencing poverty.
- iii. The preparation of specific recommendations and proposals and their submission to the dialogue table.

¹ European Antipoverty Network, a pan-European network of national and European NGOs, with the common goal of eradicating poverty and social exclusion.

² **Essential services** are services of general interest of an economic and social nature, which are essential to the lives of the population and where the public authorities must ensure adequate standards for all. They cover a broad range of activities and vital services which lie at the heart of European social protection systems. **To EAPN, they include: energy, transport, financial services, digital communications, education, healthcare, housing, food, healthcare, water, sanitation, and social services.** Access to such services is a fundamental social right and their accessibility, affordability and adequacy should not be subject to other conditions. They should be a complement to effective social protection systems and enabling minimum income schemes.

In this Report, we examine the latest statistical and developmental tendencies related to poverty, contributing to our views on the measures needed to reduce poverty. The latest available data comes from the Statistical Service of Cyprus and is for 2022.³

³ COPYRIGHT © :2023, REPUBLIC OF CYPRUS, STATISTICAL SERVICE - INDICATORS OF RISK OF POVERTY AND SOCIAL EXCLUSION, 2008-2022, Source: Household Income and Living Conditions Survey, 2008 – 2021, Last Updated 10/08/2023.

2. SUMMARY

It is very important to note that the data for the preparation of the Poverty Watch Report have been collected and refer to the years 2021 and 2022, years in which the consequences and effects of the covid-19 pandemic were immediate and more intense. At the same time, we note that the effects and consequences of the pandemic continue to exist even though most or all the restrictive measures have been lifted.

In addition, the economic consequences of the war in Ukraine must be considered, with a greater increase in the cost of energy and therefore the cost of producing products and services. The indicators for 2022 have not yet been calculated and cannot be calculated, since this is for the year 2022, a year we are in, with rising energy costs being the main problem.

The data up to the present time led to the conclusion that **the growth rate shows an increase**, since the 1st quarter of 2022 was 5.9% and the 2nd quarter of 2022 was recorded at 6.1%, which is an indication of the recovery of the economy from the consequences of the pandemic. Annual growth in 2023 expected at a rate of 2.8% in real terms, with significant risks to the outlook.

Regarding prices, **inflation** as measured by the HICP increased to 8.1% on average in 2022, mainly driven by energy and food prices. Inflation is expected to decline to around 3.2% in 2023, notwithstanding risks.

The **downward** tendency of reducing the **poverty rate** continues, nonetheless at a rate of 1%, making it almost impossible to achieve the goal of the Reform Program 2020, namely, to reduce the rate of people at risk of poverty and social exclusion to 19.3%. In this context, the references in this document aim to highlight specific issues and groups of citizens that face problems of poverty and social exclusion.

According to data from the Statistical Service of the Republic of Cyprus, **16.7%** EE2030 or 150,000 people lived below the poverty line in 2022, with the unemployment rate at 6.8% in 2022, compared to 7.5% in 2021. Special reference needs to be made in youth unemployment and even further in youth female unemployment.

From the reports we come to the general observations below:

- a) The rate of risk of poverty and social exclusion in all, or almost all indicators, from 2008 to 2022 **records a downward course** and tendency nevertheless remains at high levels at **16.7%**.
- b) The rate of risk of poverty and social exclusion, despite the reduction observed in previous years in the total population (from 2013 to 2022), **is still higher in the female population**, in almost all the indicators examined, with the difference reaching 2.7 percentage points this year. The reduction in the rate of poverty risk and social exclusion did not help to narrow the poverty gap between men and women.
- c) It is evident that **elderly people face a considerably higher risk than the rest of society**, which got worse in 2022. The risk is almost double for elderly people and **one in every five persons over 65 are at risk of poverty (20.8%)**. The situation worsened in 2022 relative to the year before. In 2021, the percentage was lower by 1.3 percentage points (19.5%). In particular, men in this age group saw their share increase to 19.1% from 17% and women to 22.4% from 21.7%.
- d) **Women face consistently a higher risk of poverty in comparison to men which measures close to 3 percentage points for all age groups.**
- e) It is evident that the most vulnerable category to poverty, based on household type, are single parents. **In 2022, one every four single parents (25.1%) was at the risk of poverty.**
- f) Social transfers once more are important for a large percentage of the population to avoid falling into poverty and social exclusion, since **social transfers reduced the risk by almost 20 percentage points from 33.3% to 13.9% for the entire population.**
- g) **2022 is the year when the upward trend of the percentage of people at risk of poverty before any social transfers take place ceases.**
- h) Despite the positive developments in AROP before social transfers, the AROP rates for both genders remained at similar levels as the year before. **The effectiveness of the existing system of social transfers to mitigate poverty was lower than in the years before underlying the need for revision.**

There are many gaps in policy level that need to be addressed. The Cyprus Antipoverty Network is in dialogue with the Deputy Ministry of Welfare and provides proposals on policy issues. The public administration is realising many of the difficulties and introducing changes in the Universal Minimum

Income scheme and its administration. One of the main issues to be solved is implementing a mechanism that will allow the allowances and benefits to change according to the inclination rates. The challenges in maintaining a fiscal balance in accordance with EU standards will be another challenge for the State. The EU structural fund will play an important role in moving forward with the implementation of the reforms agreed in the Recovery and Resilience Plan (RRP) of Cyprus. Much more is needed in order to reach the targets for the Green Deal and green transformation.

3. The reality of poverty and social exclusion in the Republic of Cyprus 2023⁴

In Cyprus, poverty is mainly relative, meaning it refers to people who are at a disadvantage compared to the standard of living of the rest of the population. Relative poverty is generally defined by reference to 'Risk of poverty'. The European Statistical Office (Eurostat) and the Statistical Office of the Republic use the AROPE index to measure relative poverty.⁵

The European Pillar of Social Rights proposes three goals at EU level to be achieved by 2030, in the areas of **employment, skills and social protection**. Poverty and social exclusion is one of the targets. The number of people at risk of poverty or social exclusion **should be reduced by at least 15 million by 2030, of which at least 5 million should be children**.

The most recent figures available for the Republic of Cyprus, which come from the Statistical Service, are those for **2022**. It is important to recall that,

- a) in 2013 we had the severe economic crisis,
- b) in 2014 the Republic of Cyprus introduced the Minimum Income Plan,
- c) in 2018 the Republic of Cyprus introduced the General Health System
- d) in March 2020, the covid-19 virus came to Europe and Cyprus,
- e) In 2020 the Cyprus Reform Program ended and in 2021 the Economic Recovery and Resilience Plan was approved and entered into force.
- f) In February 2022, the war in Ukraine began.
- g) In 2021 creation of the Deputy Ministry of Social Welfare which is responsible for the management of Welfare Allowances as well as Social Welfare Services.
- h) In 2022 we have the Regulation on Minimum Wage, entered into force 1/01/2023.
- i) In 2023 the automatic indexation was agreed between the State and the unions (employers, employees).

3.1 Risk of Poverty or Social Exclusion Index (AROPE)⁶

Based on the results of the Survey on Income and Living Conditions (SILC) for the year 2023 with reference to financial income of 2022, **16.7% of the population or 150,000 people were at Risk of Poverty or Social Exclusion** (AROPE index, the main indicator for monitoring the European Union for 2030 on poverty and social exclusion). More specifically, 16.7% of the population lived in households with disposable income below the poverty threshold, or in households with severe material and social deprivation, or in households with a very low work intensity index.

The AROPE index continued in 2022 the downward trend that has been observed since 2015. In 2022 the index fell further by 0.5 percentage points compared to the year before. Looking at the rate for the two genders the gap observed during the previous years remained at the same level. Women face a significantly higher risk of poverty and social exclusion with the difference reaching 2.7 percentage points this year. Comparing the data for the last years this gap does not show any signs of decrease even though the overall AROPE levels decline year after year.

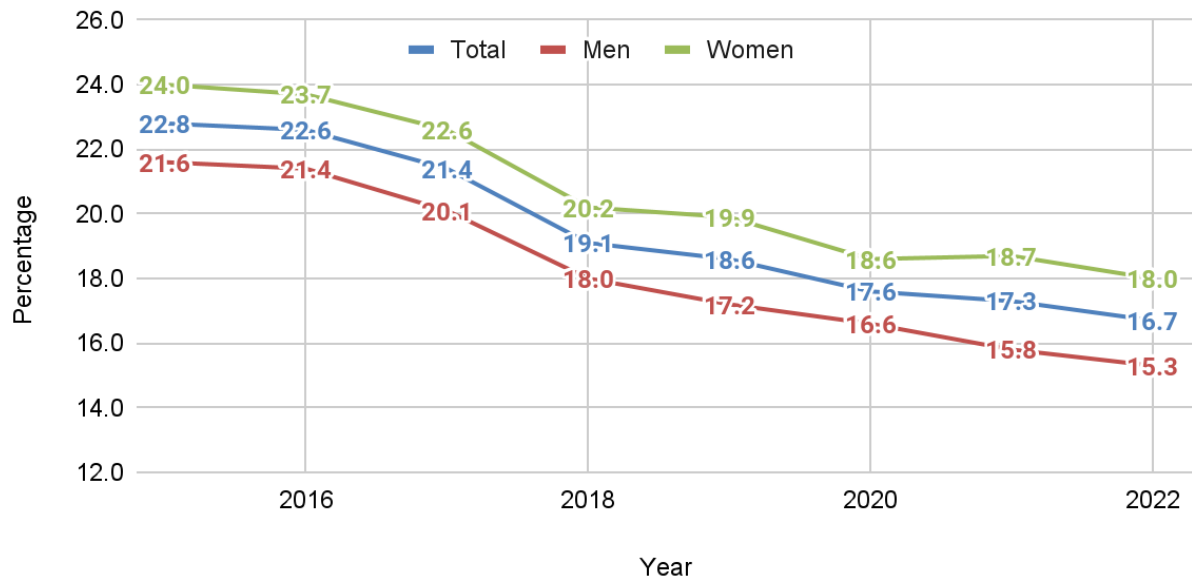
Chart 1 illustrates the progression of AROPE index from 2015 to 2021.

⁴ Source: Statistics on income and living conditions, 2008-2022. last update 10/08/2023.

⁵ The definitions used are those published and used by the Statistical Service of the Republic.

⁶ It is noted that for the data and presentation the data for the EU 2030 target will be compared.

Chart 1: Percentage of Population at Risk of Poverty or Social Exclusion (2015-2022)

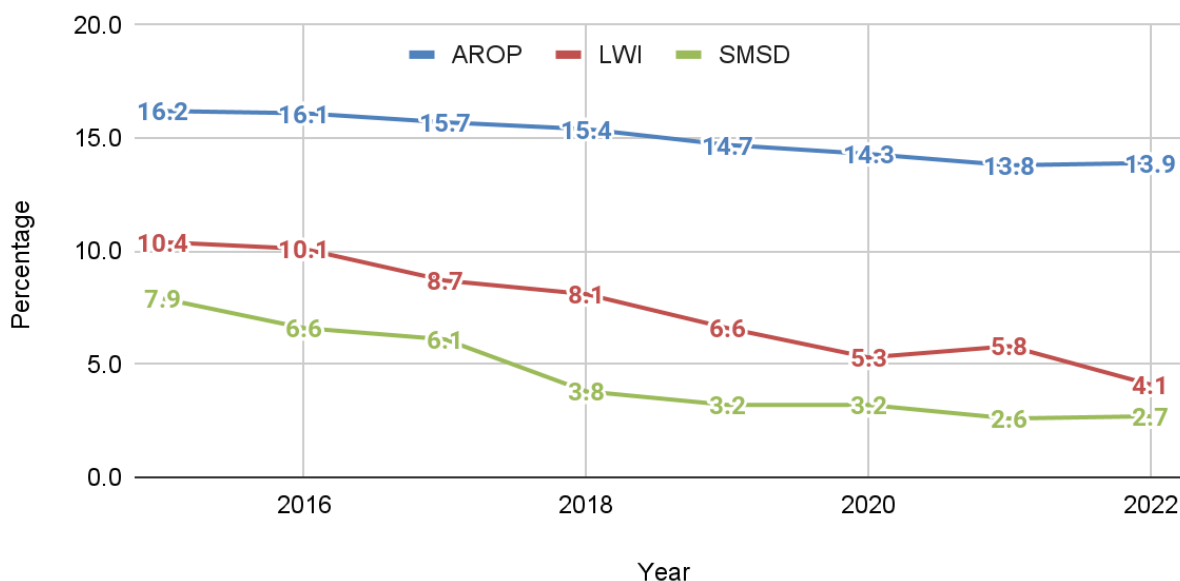


3.2 Comparison of Poverty Indicators AROP, LWI, SMSD

Risk of Poverty (AROP), Low Work Intensity (LWI), and Severe Material and Social Deprivation (SMSD) are the three indicators that compile the strategic indicator AROPE. Looking at these indicators separately we conclude that **the improvement of the AROPE index for 2022 is the result of a substantial decrease in the percentage of the population that lived in households with low work intensity** (from 5.8% in 2021 to 4.1% in 2022). The improvements in the labour market and more specifically the decrease in the unemployment rate observed during the previous two years lead to lower levels of the LWI indicator.

Conversely, the other two indicators AROP and SMSD marginally grew in comparison to the year before. The rise of the indicators even marginal particularly important as it is the first time since 2015 that they have increased. High inflation rates and the energy crisis contributed to the end of their downward trend. Chart 2 illustrates the progression of the AROP, LWI, and SMSD between 2015 and 2022.

Chart 2: Indicators for Risk of Poverty (AROP), Low Work Intensity (LWI), Severe Material and Social Deprivation (SMSD)



3.3 At-Risk-of-Poverty AROP

The percentage (%) of the population that was at Risk of Poverty, i.e. their disposable income was below the Financial Risk of Poverty Threshold, showed a **slight increase, reaching 13.9% or 125,000 people compared to 13.8% in 2021**. For 2022 the at-risk-of-poverty threshold was estimated at €10.713 for single-person households and at €22.498 for households with 2 adults and 2 dependent children. The estimates of the financial threshold were considerably higher in comparison to the year before, which for 2021 were €10.011 and €21.024. **The rise of the AROP rate noted the end of a downward trend that was observed year after year since 2015** when the index was at its peak with 16.2%.

3.4 Poverty, Gender & Age

Looking at the AROP rates with regard to gender and age for 2022 (Chart 4), we observe that the risk of poverty is highly dependent on age. Moreover, in all age groups (18-24, 25-49, 50-64, 65+) the percentage of women at risk of poverty is higher than that of men.

As mentioned above, the AROP indicator remained at similar levels as the year before with a slight increase. Overall, **women in 2022 faced a slightly higher risk of poverty 15.1%** in comparison to 15.0% in 2021. On the contrary, the **AROP rate remained the same for men 12.6%**.

Evidently, **elderly people face a considerably higher risk than the rest of society** and the situation has worsened in 2022. **People in working age groups (18-24, 25-49, 50-64) have a similar AROP rate close to 13%**. The risk is almost double for elderly people. **One in every five persons over 65 are at risk of poverty (20.8%)**. In 2021, the percentage was lower by 1.3 percentage points (19.5%). More specifically, men in this age group saw their share increase to 19.1% from 17% and women to 22.4% from 21.7%.

In all age groups, women face a higher risk of poverty in comparison to men. This gap measures around 3 percentage points for all age groups. The evolution of AROP for **women aged 50-64 is of particular interest as it is the only category that noted a substantial change in the percentages**. In 2021, 10.5% of women in that age group were at risk of poverty. Within a year this percentage grew by 1.5 percentage points to 12%, while they remained stable for all other groups of working age. This development could partly be explained by the fact that women over 50 who lost their jobs during the crisis of the COVID-19 pandemic face difficulties in finding a new position.

Chart 3: AROP per Gender & Age 2021

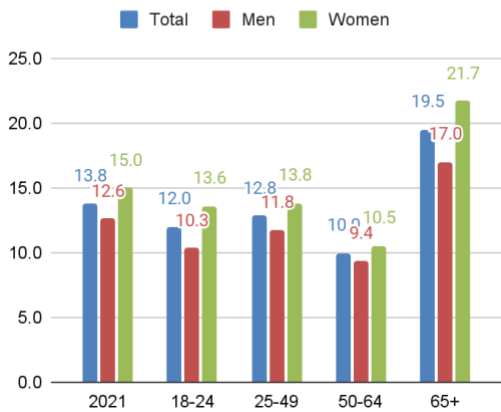
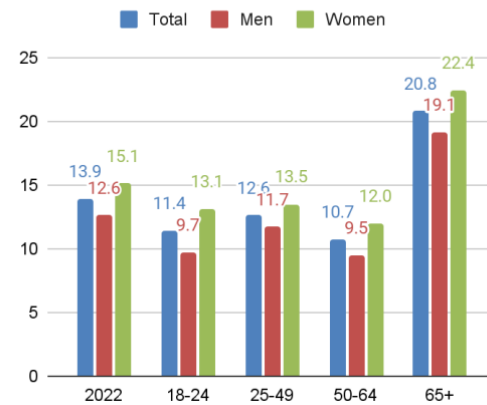


Chart 4: AROP per Gender & Age 2022



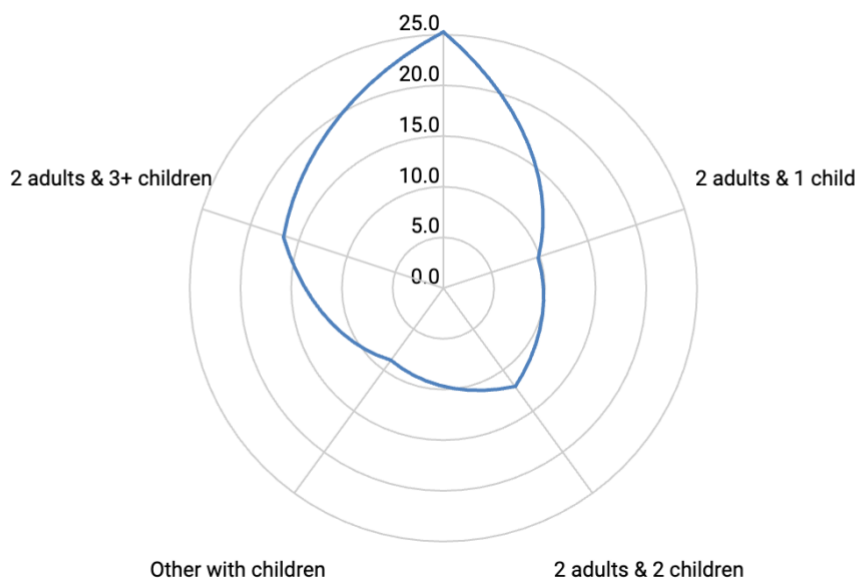
3.5 Poverty & Household Type

It is interesting to investigate how the risk of poverty evolves with respect to different types of households. First, we consider types of households with dependent children. Chart 5 visualises the AROP rates for single parents with one or more dependent children, two parents with one child, 2 parents with two children, 2 parents with 3 or more children, and other types of households with dependent children.

It is evident that the most vulnerable category to poverty is single-parent families. **In 2022, one in every four single parents (25.1%) was at risk of poverty.** This concerns mainly women as the vast majority of single parents in Cyprus are women. According to data from the Cypriot Social Welfare Service, **95% of single parents are women.** Contrary, the AROP rate drops dramatically when a household with dependent children consists of two parents. More specifically, **less than one in every ten members of households with two adults and a child is at risk of poverty (9.8%).** As the number of dependent children increases so does the risk of poverty. Households with two adults and two children have a risk of poverty of 12.0%, while the rate goes up even more for households with two adults and three or more children (16.5%).

Chart 5: AROP households with children

1 adults & 1+ children

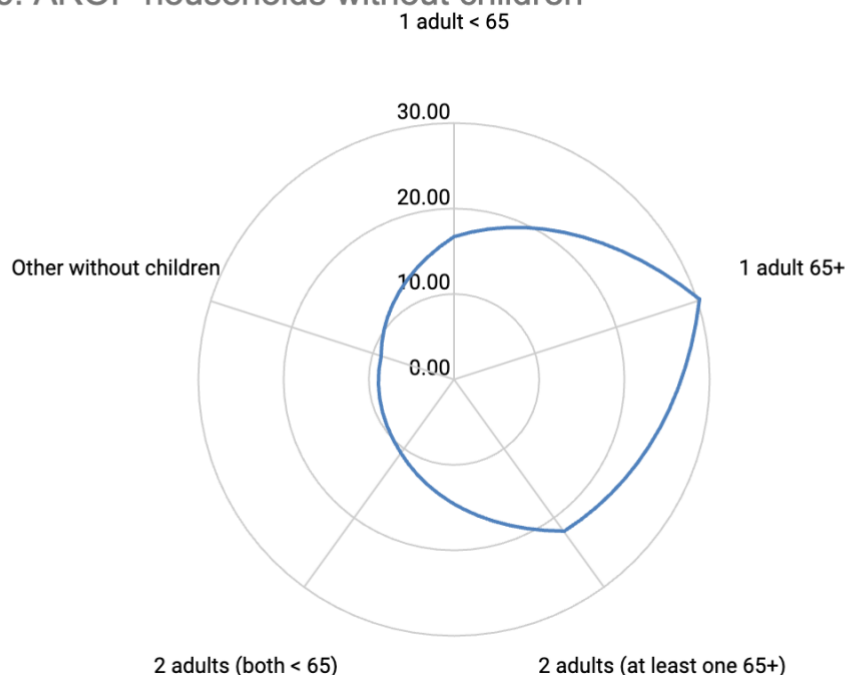


Considering types of households without any dependent children we also observe substantial differences between groups. Chart 6 compares the percentage of people at risk of poverty belonging to households that consist of 1 adult over 65, 1 adult younger than 65, 2 adults both under 65, and 2 adults at least one over 65.

The graphic shows that **about one in every three persons over 65 who live alone is at risk of poverty (30.2%)**. The situation is slightly better for people in **households with two adults, at least one of which is over 65. Close to one in every four persons in this category is at risk of poverty (22.0%)**. People living alone and without any dependent children have also a higher risk of poverty relative to the general population (16.8% Vs. 13.9%). On the other hand, members of households consisting of two adults less than 65 have a much lower risk with only one in every ten persons being at risk of poverty (10.5%)

As discussed earlier, the AROP percentages of elderly people (65+) are almost double than those of the remaining population. However, elderly people living alone are particularly vulnerable to poverty relative to the rest of society.

Chart 6: AROP households without children

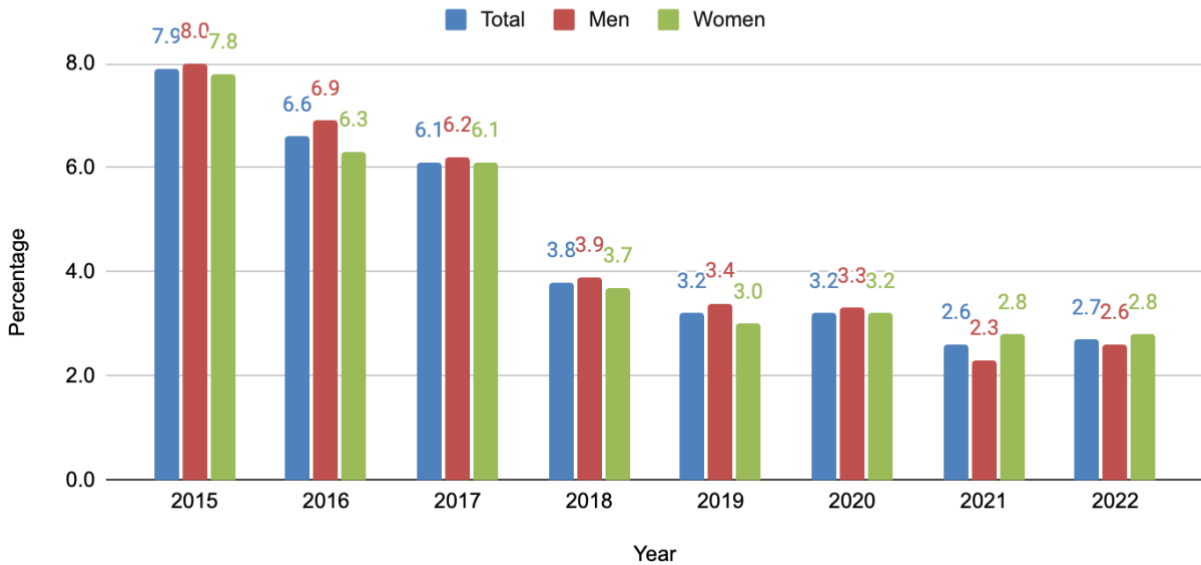


3.6 Index of Severe Material and Social Deprivation (SMSD)

The percentage of the population with Severe Material and Social Deprivation, i.e. the percentage of the population deprived due to economic difficulties of at least 7 of the 13 types of material and social deprivation, **in 2022 remained at the same level with a marginal increase at 2.7% compared to the year before**. Similar to AROP, this development notes the **end of a downward trend** that was observed year after year since 2015 when the index was at its peak with 7.9%.

Chart 5 shows the evolution of SMSD for the last eight years. In 2022, 2.8% of women and 2.6% faced a serious problem of material and social deprivation. The male population used to record higher percentages than women. However, the picture changed in 2021 when women’s rates exceeded the ones of men following the economic impact of the COVID-19 pandemic, which had a bigger impact on women.

Chart 5: Severe Material and Social Deprivation Rate (SMSD)

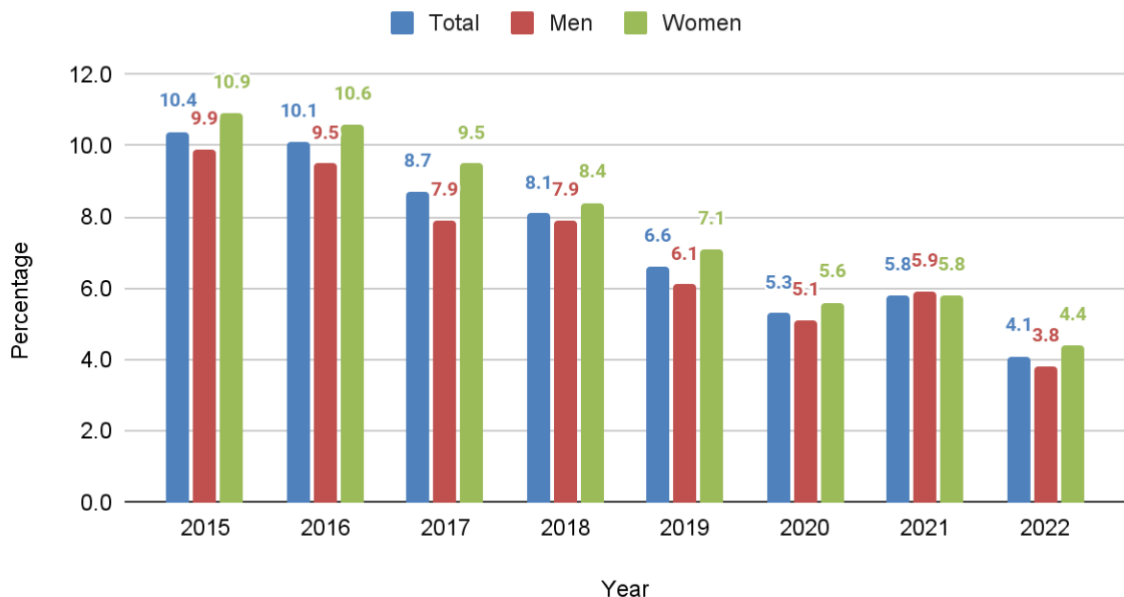


3.7 Very Low Work Intensity Index (LWI)

As discussed earlier, improved conditions in the labor market and lower unemployment rates led to a substantial decrease in the percentage of the population aged 18-64 who live in households with a very low Work Intensity Index (LWI), i.e. the adults of the household worked during the past year less than 20% of their total potential. The smaller levels of the LWI index worked as a catalyst for the reduction of the main indicator AROPE relative to the year before.

Chart 8 shows the progression of the LWI index from 2015 to 2022 for each gender and the total population. In 2022 the percentage of people living in households with low work intensity dropped by 1.7 percentage points to 4.1% from 5.8% in 2021. Nevertheless, this reduction was not equal for both genders. In 2021 the LWI index for men and women was almost the same at 5.9% and 5.8% respectively. Nevertheless, men saw their percentage drop to 3.8% in 2022, a difference of 2.1 percentage points. On the other hand, the percentage of women fell to 4.4%, a difference of 1.4 percentage points. Consequently, men benefited more than women from the improvements in labor market conditions. This conclusion is backed by the findings of the Labour Force Survey. The unemployment rate for men aged 25-64 in 2022 dropped to 5%, 1 difference of 1.4 percentage points compared to 2021 (6.4%). On the other hand, the unemployment rate for women of the same age group improved by only 0.4 percentage points, from 7.2% in 2021 to 6.8% in 2022.

Chart 8: Low Work Intensity by Gender



3.8 Social Transfers

To measure the importance of social transfers, we compare the percentage of people being at risk of poverty before and after these transfers are paid. Charts 9 and 10 compare the risk of poverty between 2019 and 2022 for men and women before and after the social transfers, respectively. Looking at the pictures several conclusions can be drawn.

Firstly, they show that pensions, and social transfers in general, reduce the risk of poverty and provide citizens with an income to live with dignity. Throughout the years social transfers have the power to reduce the percentage of people at risk of poverty by over 50%. **In 2022, social transfers reduced the risk by almost 20 percentage points from 33.3% to 13.9% for the entire population.** In other words, the number of people at risk of poverty would be more than double without social transfers.

Second, 2022 is the year when the trajectory of the AROP Index before any social transfers change from upwards to downwards. More specifically, the percentages for both men and women are lower compared to the year before. In 2022, 35.6% of women were at risk of poverty before social transfers compared to 38.4% in 2022. The percentage of men’s population also dropped from 33.1% to 30.8%. Despite the reduced risk relative to one year earlier, it is evident that once again women are exposed to a higher risk of poverty.

Finally, the data reveal a lost opportunity to reduce the number of people who experience poverty even further. Despite the positive developments in AROP before social transfers, the AROP rates after social transfers remained at similar levels as the year before for both genders. As discussed above, the percentage of men in 2022 remained the same at 12.6%, while the one of women marginally increased to 15.1%. As a result, **the effectiveness of the existing system of social transfers to mitigate poverty was lower than in the years before underlying the need for revision.**

Chart 9: Risk of Poverty before Social Transfers

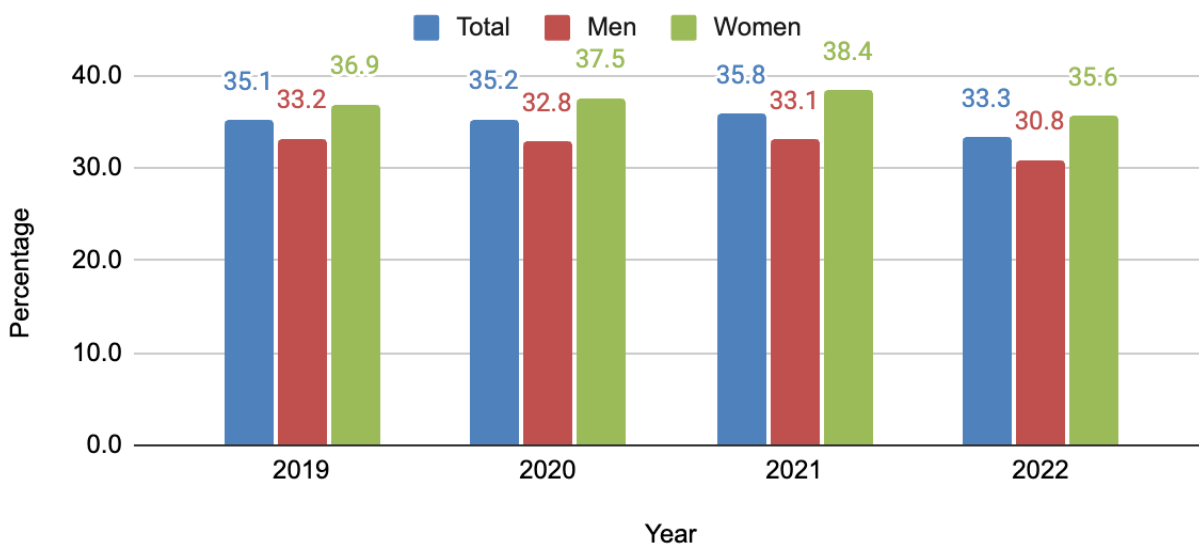
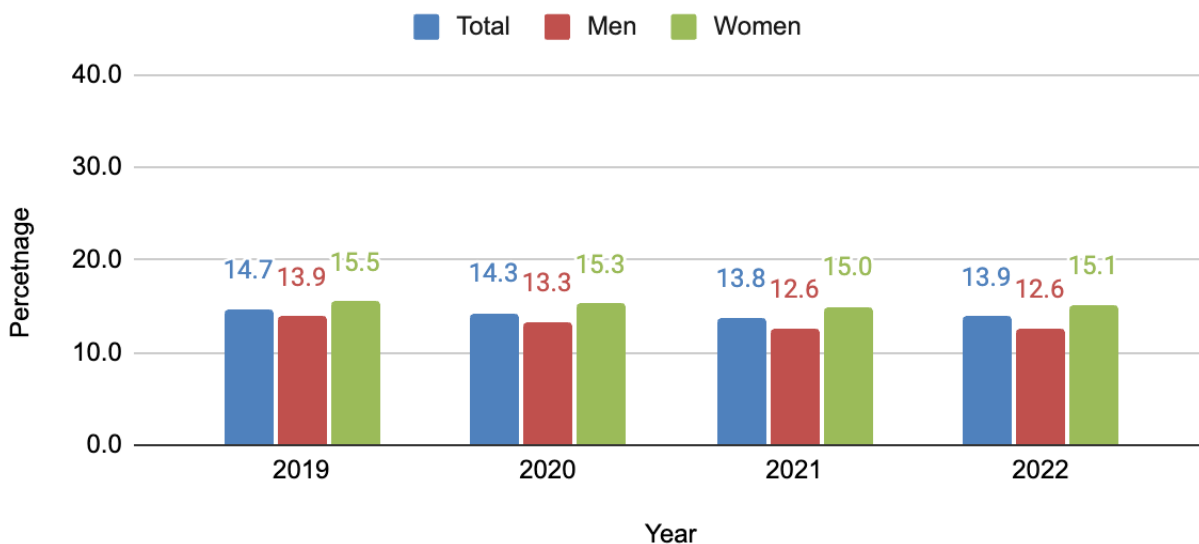


Chart 10: Risk of Poverty after Social Transfers



4. Policy gaps - Recommendations – Developments

There are various policy gaps and shortcomings on the welfare system in general as well as in other areas that affect the implementation of the welfare policies and need the attention of the State.

One of the biggest issues was the lack of minimum wage. However, this is not a problem anymore since there has been a scheme since 1st January 2023.

Some of those gaps are the following:

- There is a gender pay gap,
- Fewer women in the STEAM industry,
- No whole day schools,
- No day care state facilities for the children, the elderly, those in need,
- Lack of adequate percentage of gender representation in policy making institutions,
- Lack of a comprehensive public dialogue scheme, that will include all stakeholders, in a structural public dialogue,
- Horizontal and vertical corruption in all aspects of life, (especially in the political level),
- No sufficient public transportation system.

4.1 Recommendations and reflections on the social welfare policies and the Universal Minimum Income Scheme (UMIS).

The following recommendations are points of discussion when representatives from Cyprus Antipoverty Network meet with the Deputy Minister of Social Welfare, on the 31st August 2023.

A. Evaluation of the Universal Minimum Income Scheme, both in terms of procedures as well as the benefits and their adjustment based on inflation. When the UMIS was implemented (2014), it was said that this would be assessed in 2018, but this has not yet been done. We consider it imperative to start and complete the evaluation, during which a dialogue with the social partners and the Organized Civil Society should also take place.

B. Create a mechanism and/or model to review the monetary benefits that will also take into consideration inflation. Due to the lack of this mechanism, there is a need to examine and increase the allowance of low pensioners, disability allowances, and child allowances, considering high prices and high inflation.

C. Evaluation and improvement of the procedures for examination of requests and payment of benefits and the digitalization (UMIS, Pensions, unemployment benefit, maternity/paternity/ child benefit, disability, etc.). Unreasonably long delays are observed. When a person applies for benefits, already have enormous needs. Any delay, even for 1-2 weeks, creates serious survival problems. Many times, NGOs are stepping in and providing in-kind support, helping with food, and clothing; however, this is not sustainable and/or acceptable. Any benefits should be given as quickly as possible.

D. Another big issue is the unannounced cut-offs of benefits, which creates serious survival problems for many. People are constantly worried about whether their allowance will be cut suddenly and without warning, and whether they will have money next month to pay the electricity bill or buy food.

E. The imposed and imperative need to strengthen the funding to of existing citizen support structures (local NGOs that provides day care facilities to the local communities), but also the creation and implementation of a comprehensive program for the establishment of citizen support structures (spaces for children, for the elderly, for patients with chronic diseases, for the disabled). Reconciling family and work life balance means, among other things, having structures in place so that families can safely drop off their children after school, or having appropriate structures and places to care for family members who need short-term or long-term care.

4.2 Developments on welfare system and other policies to address inflation.

Since 2014, the first year Universal Minimum Income Scheme was established, there are few changes that are scoping in eliminating bureaucracy, delays, and shortcomings of the system.

- A.** The Welfare Benefits Administration Service oversees UMIS and is now using technology and AI to examine the applications.
- B.** The applications can be submitted online.
- C.** A telephone system is now in place and there is easier access to the information.
- D.** Funding for the families with children to be able to take them to day care facilities.

- E. Except from the primary benefits, the beneficiaries are now allowed of other benefits, such as, Care (Home, Institutional, Children's, Diapers, etc.), Municipal taxes, Emergency Social Needs (It covers the purchase of furniture, electrical appliances, etc), Mortgage Interest and or Rent Grant, Cover of 20% of the Electricity bills, Redaction on the Public transport fare, Public Hospitals.
- F. There are now eight (8) Welfare Benefit Service Points all over Cyprus, half of them in rural areas.
- G. A new benefit for parents that need childcare support was introduced in 2022 and is further elaborated in 2023.

One component that directly affects the UMIS was the lack of national minimum wage. that After a lot of discussions in the framework of social dialogue there is a decision to introduce legislation for National Minimum Wage from the 1st of January 2023 at the level of €885 euros a month for full time employment, which is increased to €940 euros after six months of work. Even though it is quite low as a salary (for the standards of Cyprus), especially if we compare it with the cost of living, it's a beginning on which we can build on for increase. We, as a network, have repeatedly stated that minimum wage should not be below the level of poverty and Cyprus is considered a quite expensive country for someone to live. PEP believes that minimum wage is a step in the right direction, but not resolving the difficulties to find a decent job especially when someone is close to retirement.

In order to address the increase of the prices due to energy cost, and inflation, as well as other problems, the Government took some measures:

- i. Reduction on VAT rate on fuels (periodically),
- ii. Tax cat on fuel,
- iii. Zero VAT rate for essential goods,
- iv. Increase the minimum pensions,
- v. Support energy bills,
- vi. Support other basic items (public transport, local authorities' utility bills,
- vii. Rent versus instalment plan to protect the Main Residence of vulnerable households through full settlement of the Credit Facility (which is secured by mortgage(s) on the Main Residence, the market value of which does not exceed €250,000),
- viii. Financial support for improvements in the main residence in order to become energy efficient.

4.3 People Experiencing Poverty (PEP) reflection on cost of living.

Cyprus Antipoverty Network, the last few years has again formed the People's Experiencing Poverty working group (PEP WG). Members of the PEP WG are people experiencing poverty and social exclusion. The main objective of the WG is to empower PEP to come forward, speak for their experiences and be able to develop proposals and suggestions on a policy level, to the Government, House of Parliament. The last two years (2022-2023) the PEP WG is meeting on a regular basis every 4-6 weeks and discussing issues arising as well as trying to incorporate ideas for solving the issues. As part of this dialogue, the focus for 2022 and 2023 is the continued increase of the cost of living, and the difficulty of people returning back to employment, especially after staying unemployed.

The discussion within the group of people experiencing poverty (PEP) focused on the difficulties that people are facing to have a dignified life, while the pandemic consequences and the vertical increase in prices, made life a continuous struggle. Even though unemployment rate is not high in the country, people who find themselves without a job, discover that it is quite hard to enter the labour market again and when there is an opportunity the wages are low and do not respond with the cost of living of the country.

On the other hand, there is always the anxiety whether they will continue receiving benefits or cut them off from benefits, not because applicants are not eligible to, but because of the practice that the Governmental services adopted, to save funds. This bad practice leads to isolation of these people who seek support from their families and NGO's.

Unavoidably, these issues have a deep impact on children of all ages, members of these families, creating further problems in learning and regarding discrimination in school by other children. These chain reactions are not always visible to the welfare Governmental departments while in many cases just because of stigmatisation and in some cases pride, people do not apply for help and whatever they are eligible to.

- There is a very serious communication problem with the Administrative Department for Welfare Policies.
- People capable of working face significant difficulties to find a job.

- The wages are very low resulting in an increase of working poor and not actually responding to the cost of living in Cyprus.
- Cost of living is considered one of the most crucial problems and is not affecting only people under benefits but employed people as well and particularly the working poor. We have a particular problem in Cyprus regarding transportation while the bus is the only public transportation available (there is no train, metro, or tram) which makes the problem of the cost of living even higher. Each family needs a car and because of the increase in fuel the problem is a very serious one.

One hidden consequence of poverty to PEP is the emotional and psychological impact. One of the most tragic consequences that people experience is the depression and despair while they are not able to escape from the dead-end that they found themselves in. On this end, there is no scheme and or program to offer support to those that need it.

Finally, one other very important aspect that should be considered, is the increase in the cost of living due to unforeseen circumstances. The fact that the increase of the cost of living is not interconnected with increase in benefits (eg minimum income, disability allowance etc), widen the gap and the needs and lead people in poverty to a very strict and limited framework to live in dignity. The Governmental authorities should evaluate the level of all benefits and allowances and correct the existing failures.

5 Developments during 2023

The Poverty Watch Report processes data and figures from the statistical service which concern and have as their last reference year 2022. However, we cannot fail to mention important events that are happening, and which are already affecting people's lives, such as the war in Ukraine which started on 02/24/2022.

In addition, a small reference will be made to the Cyprus Recovery and Resilience Plan (Cyprus RRP), which was signed between the Republic of Cyprus and the EU in 2021. The non-preparation of the Poverty Watch Report in 2021 did not allow the Cyprus Antipoverty Network to make a reference to it.

5.1 *Recovery and Resilience Plan (RRP) of Republic of Cyprus (RoC)*

In the Recovery and Resilience Plan (RRP) of Cyprus, which is essentially a continuation of the MRP, it is stated that the strategic objective is "**to strengthen the resilience of the economy and the country's perspective for economic, social, environmentally sustainable and long-term development and prosperity**".

Under chapter 5 and the thematic "**Labour market, social protection and social development and integration**", the objectives of the RoC for the unit are specified. This component consists of a reform and investment unit to address Cyprus' weaknesses in the areas of social protection, social inclusion, labour market and early childhood education and care. In addition, the element aims to mitigate the adverse effects of the pandemic on the most vulnerable groups of the population.

The **National Reform Programme (NRP)** for 2023 was submitted at a time of continued global challenges. The invasion of Russia to Ukraine and the sanctions imposed, created a highly uncertain environment. However, the Cyprus economy exhibited strong resilience, recording strong growth in 2022, with parallel reduction of unemployment. This positive outturn was largely due to even better than expected developments in the tourist sector and the continued expansion of exports in other services.

Although Cyprus is not an importer of Russian oil and does not depend on natural gas, nevertheless the substantial price increases of oil and gas in international markets, and the euro depreciation, inevitably raised the cost of electricity production and the level of inflation more generally. After the peak in 2022, **inflation** was moderate reaching 8.1% (2022). In this context, the Government adopted temporary and targeted measures to alleviate the cost of high inflation levels to businesses and consumers.

In terms of public finances, after the Covid negative impact on Cyprus' budget, the implementation of prudent fiscal policies, turned the fiscal position of the country positive in 2022, as a significant reduction of public debt was recorded.

In this context, this year's NRP reflects the Government's reform and investment priorities, **aimed** to strengthen the economy's resilience and to enhance its long-term sustainable growth potential, whilst contributing to the achievement of the Union's goals for the green and digital transition.

The NRP has been prepared based on the Guidelines issued by the European Commission in November 2022. It considers the priorities set out in the 2021, as well as the Commission Staff Working Document on the Analysis of the Recovery and Resilience Plan of Cyprus, which identifies the Commission's assessment of the main economic and social challenges and macroeconomic imbalances of Cyprus.

The NRP aims to outline Cyprus' response to these challenges, as well as the national policy priorities, by presenting the progress of the measures being taken, as well as the planned actions. It incorporates information on the implementation of the Recovery and Resilience Plan (RRP) as well as on policy actions outside the RRP to implement the Country Specific Recommendations for 2019, 2020, 2021 and 2022. It also includes information on actions financed by the European Structural and Investment Funds (ESIF), other EU funding sources, as well as through the national budget.

The measures set out in the NRP describe the holistic approach of Cyprus' efforts to boost growth and investment, achieve a competitive and diversified economy and maintain macroeconomic stability, and address the challenges identified in the context of the European Semester.

In summary, the main reform priorities presented in the NRP relate to improving the business environment, enhancing R&I to support productivity growth, promoting the diversification of the economy, safeguarding the soundness of the banking system and financial stability, addressing challenges and inefficiencies in the public sector, addressing labour market, education and skills and social challenges, strengthening the resilience and capacity of the health system and facilitating the green and the digital transition. These priorities and the policies and measures associated with them fall within the government's efforts to establish a new growth model aiming at sustainable long-term growth. They are in line with the new Long-

term Strategy for Competitiveness and Sustainable Growth prepared by the Economy and Competitiveness Council, through support by DG Reform with the endorsement of the Minister of Finance. The current NRP also provides an overview of progress in the achievement of the Sustainable Development Goals in Cyprus, with reference to the main contributing measures.

5.2 Effects and consequences of the war in Ukraine

This year 2023, is expected to be more challenging than 2022, with the ongoing war in Ukraine, the continued high inflation levels, and the rising interest rates. In this context, economic growth is expected to continue a positive path, albeit at a decelerated pace, with annual growth in 2023 expected at a rate of 2.8% in real terms, with significant risks to the outlook.

The positive GDP growth in 2022 on the expenditure side was mainly driven by higher exports and by consumption, both private and public. Private consumption increased by 3.5% in real terms, whilst government consumption recorded an increase of 7.7%. Gross fixed capital formation recorded an increase of 6.6%. Imports in real terms increased at a rate of 19.5% following the increase in private consumption, and exports, in real terms, increased significantly at a rate of 14.3% reflecting the significant increase in tourist arrivals.

5.3 Inflation

Regarding prices, inflation as measured by the HICP increased to 8.1% on average in 2022, mainly driven by energy and food prices. Inflation is expected to decline to around 3.2% in 2023, notwithstanding risks. Inflation (HICP) in September 2023 is estimated to have increased by 4.2% compared with an increase of 3.1% in August 2023. For the period January-September 2023 the HICP is estimated to have increased by 4.4% compared to the corresponding period of the previous year.

As reported, September reserved for Cypriot consumers price increases "fire" in vegetables and meat, with the biggest shock coming from the increases in fresh vegetables, excluding potatoes, which reached 45.8% on an annual basis (compared to September 2022), while last year there was a price decline of 17.8% compared to the corresponding month in 2021. The second category with the biggest acceleration in inflation was lamb and goat meat, with the rise in September reaching 29% year-on-year, compared to a rise of 4.3% in 2022 in relation to 2021.

On another related matter, we cannot but mentioned the fact that, the European Central Bank (ECB) piled on a 10th straight interest rate increase on the 14th September, 2023, pressing forward in its fight against stubbornly high inflation that has been plaguing consumers even as worries grow that higher borrowing costs could help push the economy into recession. This has affected the middle-class households and families that have seen their loan interest rate that related to the ECBs interest rates, to follow a scale increase of more than 2.5%), resulting to an increase of the monthly interest payments.

Annual inflation of 5.3% in the 20 countries that use the euro currency is still well above the ECBs target of 2%, robbing consumers of purchasing power and contributing to economic stagnation that has kept growth above zero this year. However, there is a growing awareness that higher borrowing costs are weighing on decisions by consumers and businesses to invest and spend and are becoming a burden on the economy.

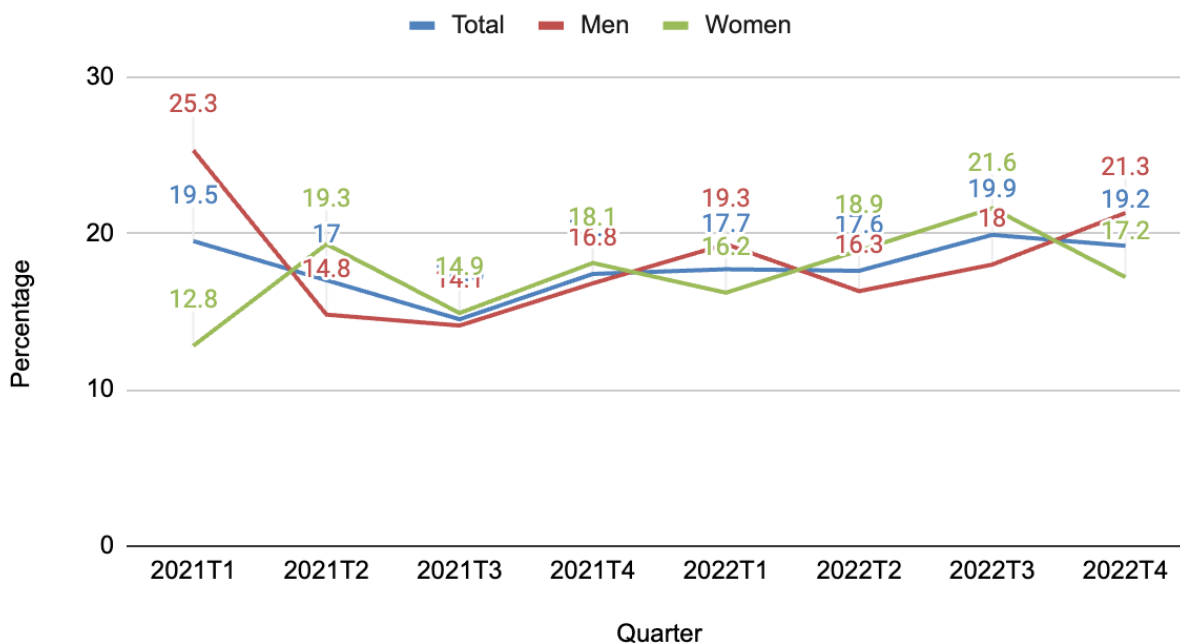
5.4 Unemployment

In the labour market, there was a significant decrease of the unemployment rate to around 6.8% in 2022, compared to 7.5% in 2021. The labour market is expected to improve further in the outer years, with the unemployment rate expected to decrease to around 6.5% in 2023.

The seasonally adjusted unemployment rate in Cyprus stood at 6.6% in August 2023, similar and or the same as in the same period in 2022 (6.8%). Unemployment rate was 6.6% in July 2023, long term unemployment stood at 2% (June 2023) versus 2.2% the previous period, and **youth unemployment was 16.3% (June 2023)**. There is an increase in **Youth unemployment**, since in May 2022 was 11.7%, whereas in June 2021 was 18.3%.

More specifically, the Youth unemployment rate (15-24 years) increased to 18,6% from 17,1% in 2021, reflecting an increase of male youth unemployment rate to 18,7% from 17,8% and an increase of female youth unemployment rate to 18,5% from 16,3%. In the fourth quarter of 2022 the unemployment rate increased to 6,9% (males 6,0%, females 7,9%) from 6,3% in the corresponding quarter of 2021 (males 5,8%, females 6,7%) whilst the youth unemployment rate increased to 19,2% from 17,4% in the corresponding quarter of 2021.

Chart 11: Youth Unemployment Rate (15-24) - 2021-2022



5.5. Growth Rate 2023

According to revised data from the Central Bank of Cyprus (CBC) the growth rate for 2023 will be 2.3%, in comparison with 2.7% in 2022 and 5.5% in 2021 (with the largest recorded in exports). The path of recovery of the Cypriot economy has been largely negatively affected, at least in the short term, by the effects of Russia's invasion of Ukraine, as stated in the report of the Central Bank of Cyprus.

According to the CBC, the negative developments are due to the significant increases in energy prices and the consequent increases in the prices of goods and raw materials, as well as threats to tourism and the export of services beyond tourism. At the same time, indirect adverse consequences are expected due to the worsening of international economic activity and increased uncertainty, developments which negatively affect the business and consumer climate.

Uncertainty regarding the economic outlook is high, with the extent of the aforementioned, impacts depending on the duration of the war and sanctions on either side. In relation to supply chain disruptions, these are estimated to be longer than expected relative to the CBC's December 2021 forecasts, with full normalisation expected by the end of 2023.

5.6 Fiscal Discipline

The slowdown in growth and the contraction of GDP in the second quarter of 2023 should ring a bell in the Finance Ministry of the Republic. Economists attribute the slowdown to the sanctions against Russia, which have hit the services sector, rising interest rates, inflation, and rising energy costs.

During the implementation period of the fiscal consolidation memorandum, from 2013 to 2016, the country's fiscal needs fluctuated around €7.3 billion. In fact, in this period fiscal consolidation measures, wage cuts and taxation were taken to stabilise the economy. Of course, deposits were cut, causing incalculable losses to thousands of depositors and shareholders. At that time, the European institutions had used Cyprus as a laboratory animal to deal with the banking crisis.

Due to the European decisions, there were many effects on the Cypriot economy, the number of unemployed and the public debt increased, the monthly incomes of the workers shrank, the real estate sector declined while the non-performing loans instead decreased as hundreds of citizens found it difficult to pay their instalments.

Despite the difficulties, the memorandum also had its "good points", as strict criteria were set for the granting of loans, mechanisms were introduced to reduce bad loans, and order was brought to public finances. In addition, reforms were promoted which, if not for the Troika's demand, would never have been implemented.

There are voices from the EU Central Bank, that together with the increase of the lending interest, they want to implement a strict code of fiscal discipline, once more. This, if implemented, will mean that the Government will have to cut from the state budget of 2024, funds which, as we said during the period of the memorandum, have "fat", that is, they have room to decrease.

Most likely, the measures will focus on the reduction of public expenditure, on the containment of the operating expenses of the State, while new positions must unfreeze sparingly. The need for a prudent fiscal policy will be done in a period when the automatic indexation increased to 66.7%, the benefits and salaries of the employees in the public sector and in the wider public sector were restored. In the past, the shrinking of wages and other benefits affected consumption as well as public revenues.

There is a fear that, due to fiscal discipline, the Government will be forced to reduce expenditures in the welfare state.

5.7 Social Payments

Social payments in 2022 are estimated to record an increase of 10.3%. Despite the increase in nominal terms, it is lower by 0.2 percentage as share of GDP compared to the year before. More specifically, social payments were 16.4% of GDP in 2021 and 16.2% in 2022. The higher expenditure is attributed to increased payments of the Health Insurance Organisation to public health providers and higher pensions expenditure after being revised according to the high inflation. For 2023 social payments are projected to increase by 7.8% which will recover to 16.4% of GDP

5.8 Preventing Austerity, Refinancing Social Rights

Is not clear what the State will do to tackle underfunding and or to refinance the welfare state and social policy needs. The State says that there will be evaluation and change in the tax system, as well as an evaluation of the UMIS and the reform of the Pension System. There is an ongoing reform of the legal system, as well as the Family Law, sectors that are affecting welfare state and social policies. Therefore, on the revenue stream coming from income we do not foresee any changes, if you consider the fact that for 2022 only 1% of the GDP was given to welfare state and social policies.

The role of EU structural funds is very important in implementing both the changes needed and keeping the timeline of changes in line with obligations. Most of the EU structural funds will be used for the much-needed transformation of the administration (public sector) as well as to key policy areas such as diversification of the economy, labour market, education and skills and social challenges, health and long-term care systems, green and digital transition.

More specifically, on the matter of green transition, the implementation of policies to be in align with targets that Cyprus needs to fulfil in the next coming years (FIT TO 55, and others) is very slow and or faces strong opposition.

We also need to admit that, if it wasn't for the EU structural funds, many of the social policies and welfare state schemes we see today, would have never been implemented, with the target/beneficiaries being, people without income or minimum income, families with children, pensioners, long term unemployed persons.

There is a concern from Cyprus Antipoverty Network, that the money will not reach the target indented, rather they will be given for preparing studies and recommendation papers, rather than to be used for the actual change to be implemented. Furthermore, there is a fast digital transformation both in the private sector as well as the public sector; however, when we apply this transformation, we always need to take into consideration those people that cannot follow the changes, due to various reasons, health, mental health, age, ect. In Cyprus, today, unless you have a child that can help you with submitting the annual tax declaration, or pay the social insurance of your care support, then you need to pay a professional to do it for you. Access to essential bank services is now online, local, and rural banks shops are closing down. As of 2023 access to UMIS is also online.

When we talk of transformation, of any kind, we need to always consider those fellow citizens that are unable to follow these and have the structures needed to support them. The phrase LEAVE NO ONE BEHIND that everybody is using needs to be fulfilled.

6 Key challenges

For the Cyprus Anti-Poverty Network, the challenges are very specific. We believe that to have any chance in our efforts to eradicate poverty and social exclusion, we must work in several directions. The need for social protection becomes even more critical in times of crisis, whether economic (austerity memorandum and troika, COVID-19 pandemic, energy crises) or other local or global disasters. In these circumstances, it is generally accepted that there is a better understanding of the impact of a welfare state and even more so of minimum income schemes, not only on poverty and social exclusion, but also on other benefits and the labour market.

We need a comprehensive social protection strategy that includes an effective, efficient and competent EU institution, together with a strategy for fair wages and decent work (combating undeclared work and work poverty), access to a package of basic services and a modern, effective education system, which takes into account the needs of people and the economy and builds on it, taking into account the rapidly changing skills required for the future, and does not live behind the need for continuous and lifelong learning training and education.

The above must always be considered, when formulating the needs of groups that are at a higher risk of poverty such as women, people over 65, young people looking for their 1st job, the unemployed, people with disabilities, the single parents, the children.

Therefore, there is a need for a structural dialogue that will not only include trade unions (of workers and employers); there are other stakeholders, such as NGOs representing people experiencing poverty and social exclusion, that are crucial to be included in the dialogue. The voice of the people that are directly affected by the various issues, policies and measures needs to be heard by the policy makers.

There is also necessity to stay focus and for the Government to show political will for the implementation of the National Reform Program; the transformations and changes will impact the lives of people in excessive scale; thus, it will need to show accountability, transparency and correct the corruption matrix as well increase the faith of people in the government structures and public authorities.

6.1 Universal Minimum Income Scheme⁷

The evaluation that the Cyprus Anti-Poverty Network conducted of the EEE in 2018 noted some worrying factors and gaps and added suggestions. Concerns such as, the quality of state social services and their infrastructure, the lack of jobs (due to the financial crisis), the fact that the EEE covers the working poor in a complementary way, affecting the labour market (in a positive and negative aspect), accessibility problems in the early years, the limited progress of the 3rd pillar of ECEC, the activation of beneficiaries, (the other 2 are adequacy and accessibility).

More specifically, regarding the question of adequacy and activation, we must note that, the specific issue shows the importance of the national minimum wage, while there are cases of families receiving benefits of more than 1,100 euros, hence the chances of being trapped in the supplementary benefits become progressively larger. Although the benefits are insufficient, there is a conflict between the financial support provided and the prospects of reintegration into the labour market which are characterised by disincentives.⁸

There is an immediate need to review the Universal Minimum Income Scheme and to make the necessary, substantial corrections and amendments. In this context, there is a need to assess the Structure of the Welfare Service Department and implement the necessary changes so that it can fulfil its role and function in a fast and efficient manner.

6.2 Labour Market

Overall, labour market conditions are improving, but challenges remain. Unemployment was very high during the financial crisis, 2012-2015, now showing signs of recovery after 2016. Reaching young people who were not working, in education or training and other vulnerable groups is still a of the key issues. Policies for labour market activation and targeted programs for vulnerable groups remain below the EU

⁷ In the Annex we copied the Recommendations from the People experiencing Poverty (PEP) national meetings and the Annual Poverty conference of 2021.

⁸ Nicos Satsias, PhD, Minimum Income in Praxis. Cyprus Reality and the European Minimum Income Network (EMIN), article in Cyprus Review, Vol. 31 No. 2 (2019): The Cyprus Review, Volume 31, Issue 2 (Fall 2019), <https://cyprusreview.org/index.php/cr/article/view/649>, σελ.73.

average, indicating another key issue, and most of them are characterised as temporary, not allowing integration into the labour market.

The discussion on the establishment of a national minimum wage (NWM) was concluded on 31 August 2022 with the Council of Ministers establishing by decree a NWM, with a starting date of 1 January 2023. The absence of a minimum wage directly affects many aspects of the welfare state and any policy to eradicate poverty and social exclusion. It remains to study and assess the interaction of the ECM in relation to both the labour market and the EEE and the welfare state.

6.3 Gender Equality

According to the above developments it is very important to highlight the immediate need to improve gender equality as a critical social aspect. Cyprus ranks as one of the least equal countries in the EU in the 2019 Gender Equality Index, with its score 11.1 points below the EU average score (56.3 out of 100 points).

Women during Covid

The measures taken during the period of the health crisis did not, at least in the first stage, consider the gender dimension. The inclusion of women in digital jobs, in studies and later in professions around science, technology, as well as careers and entrepreneurship are seen as another more specific challenge.

The pandemic crisis must be an opportunity to evaluate and strengthen more our public infrastructures in health, education, care and in general we need a continuous assessment of what are the basic services and needs of our society.

The equal participation of women in economic and social life is essential to prevent and help transition societies from fragility.

There is an urgent need for a comprehensive action plan to achieve the goal of gender equality, which will take into account and have actions both to increase the participation of women in decision-making centres and in the business / economic sector and activity, for the economic women's equality, the horizontal implementation of economic policies and actions, but also the balancing of professional and family life, (with measures to directly support and provide care to children and patients).

Strengthening the dialogue and participation in it of women and other vulnerable groups of the population, strengthening the representation of women, as well as promoting their full social and economic inclusion in these most difficult conditions, is necessary to help countries to emerge from the COVID-19 crisis and lay the foundations for a more inclusive, resilient, peaceful, and prosperous society.

The gender pay gap

The pay gap in Cyprus is 9.9%, meaning women receive 90 cents for every euro men receive, meaning women often earn less money than men, making it difficult for them to secure their autonomy, to cover their own needs and the needs of their family. The pay gap has long-term implications for pensions too, with the gap standing at 37.2% and older women on the poverty line. The gender pay gap has long-term implications for pensions too.

Women are more often employed in part-time jobs and in low-wage sectors that offer little job security, making it even more difficult for them to escape the poverty spectrum.

Half of lone parent women (48%) and 1/3 (32%) of lone parent men are at risk of poverty or social exclusion, with women most affected as they make up almost 85% of lone parent families in the EU (EIGE).

In relation to women as a general population and poverty, unpaid, invisible work, or the double shift of women, is another factor in poverty among women, who are mainly the breadwinners of families, given that it can lead to in a cycle of poverty as women cannot earn enough money for their autonomy and family maintenance.

In September 2023, the Commissionaire on Equality held a public consultation with stakeholder representatives from NGOs to prepare the new National Action Plan. There is a need for a holistic approach, so that the state budget also contains the gender dimension, for a more equal distribution. As the Commissionaire said *“we must continue working towards breaking stereotypes and explore ways to distribute responsibilities in the care economy, the unpaid work, on equal terms. At the same time, we need to promote equal participation of women and men in entrepreneurship [...] The multiple roles assigned to women and their invisible contribution for so many decades to the economy must be replaced with recognition and visibility.”*⁹

⁹ Training on Women's Entrepreneurship and Contribution to the Economy in the MENA region co-organised by Cyprus Ministry of Foreign Affairs UNIDO Cyprus in Austria

7 Conclusions

Numbers prosper. However, this is not enough for people to prosper as well. Political will is needed so that necessary and necessary reforms take place. Reforms in social policy, in the public sector, but also in the way revenues are allocated. Citizens and especially the people themselves who experience poverty and social exclusion are important as they are part of the public debate. The challenges are significant. Regional and global developments, conflicts, and conflicts as well as climate change are factors that must be taken into account and the state machine can react immediately to changes so that citizens remain protected from the effects they cause.

Cyprus faces several challenges, according to the indicators of the social scoreboard supporting the European Pillar of Social Rights. The youth unemployment rate and the number of young people not in employment, education or training remain very high. Furthermore, the gender employment gap remains wide. Real gross household disposable income per capita is still below 2008 levels and significantly below the EU average in 2018. The universal minimum income scheme has helped reduce income inequalities. Further efforts should be made to develop digital skills and encourage upskilling and reskilling as well as skills that will be needed for the green transition.

Social transfers once more are important for a large percentage of the population to avoid falling into poverty and social exclusion, since **social transfers reduced the risk by almost 20 percentage points from 33.3% to 13.9% for the entire population.**

2022 is the year when the upward trend of the percentage of people at risk of poverty before any social transfers take place ceases. We observe a decrease of 2.5 percentage points, whereas, when it comes to the situation after the social transfers, we observe an increase of 0.1 percentage point. The data reveal a lost opportunity to reduce the number of people who experience poverty further. Despite the positive developments in AROP before social transfers, the AROP rates for both genders remained at similar levels as the year before. **The effectiveness of the existing system of social transfers to mitigate poverty was lower than in the years before underlying the need for revision.**

7. Postscript

There are discussions in the Ministry of Energy for launching a scheme in order to support beneficiaries with producing green energy. There are no specific plans, as yet, only ideas that are being analysed and examined. The Cyprus Poverty Network will be following this development and if able, participate in the dialogue.

Few days before the Report was finalised, 07/10/2023, the war escalated in the neighbouring country of Israel, with unforeseen and unknown impact and implications, for Cyprus, the Middle East Region, European Union and worldwide. We also need to take into consideration the ongoing wars and conflicts, economic and climate crises in many African countries, the ongoing war in Syria, the situation in Afghanistan, as well as the armed conflicts in the Caucasus region.

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9 Acronyms

AROPE: At risk of poverty or social exclusion
AROP: At risk of poverty
CAN: Cyprus Antipoverty Network
CRP Cyprus Reform Program
CyStat – CSS: Cyprus Statistical Service
EAPN: European Antipoverty Network
EFTA: European Free Trade Association
ERRP Recovery and Resilience Plan
EPSR: European Pillar of Social Rights
EU: European Union
EU-27: European Union 27 Member States
GDP: Gross domestic product
UMIS: Universal Minimum Income Scheme
LTC: Long Term Care
NEETs Employment, Education and Training
NGOs: Non-Government Organizations
NHIS: National Health Insurance System
PAB: Public Assistance Benefit
RoC Republic of Cyprus
SDG: Sustainable Development Goals



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