

Addressing skills mismatch between education and labour market (Secondary and Higher Education)

POLICY DEVELOPMENT**PRACTICAL MEASURE/INITIATIVE** **CYPRUS**

Timeline

**ID number 44626**

Background

Skills mismatch is a major concern. In the EU, one in five adult employees have lower skills than needed by the labour market when starting their jobs, thus indicating skill gaps at recruitment. In 2023, 39% of EU workers feel that their skills are not effectively utilised at work. This mismatch between skills and jobs can have adverse effects on individuals (wage penalties, job and life satisfaction), companies (negative consequences for productivity and competitiveness, low performance, loss of profits), but also for countries (unemployment, low competitiveness and unattractiveness to investors) and the EU economy as a whole.

Objectives

- (a) to develop a comprehensive national strategy which addresses skills mismatch between education and labour market;
- (b) to constantly monitor skill needs;
- (c) to design and implement concrete measures that address the identified skills needs.

Improving the national economic competitiveness enhancing social cohesion, while eliminating the disparity observed between the labour market and secondary/tertiary education is the ultimate objective.

Description

To address skills mismatches between education and the labour market, the Ministry of Education, Sport and Youth decided to establish a project management committee comprising various stakeholders (e.g. representatives from the ministry, employer and employee organisations and SMEs, representatives from schools and universities), with a mandate to develop, implement and monitor a comprehensive strategy to address skills mismatches, based on evidence from reports, studies and policy documents. Indicative actions are listed below, in line with measure C5.1R1 - Addressing skills mismatch between education and labour market (Secondary and Higher Education) of the Cyprus Recovery and Resilience Plan (RRP).

- (a) enhancement of the career counselling and educational services (CCES) of the Ministry of Education, Sport and Youth; in conjunction with the expected results of the study on graduate tracking and specifically on the skills acquired at university and skills needed by the labour market, the CCES foresees to receive valuable information in relation to the current obstacles/limitations and future skill needs in the labour market. They will gather powerful resources and information in order to support, empower, (re)engage all beneficiaries, including and not limited to the NEETS and school learners at risk of dropping out;
- (b) reform and modernisation of secondary VET school programmes and curricula to improve, among others, digital literacy, entrepreneurship skills, emotional intelligence and soft skills;
- (c) introduction of two additional programmes of study offered by the Department of Secondary General Education and two additional programmes of study offered by the Department of Secondary Technical and Vocational Education and Training tailored to labour market needs;
- (d) provision of high-quality professional training to Secondary Education teaching staff, in close collaboration with labour market experts (relevant to the RRP initiative for professional development of educators, through collaboration with labour market experts); and
- (e) upgrading of teaching rooms and laboratories in schools, so that teaching staff and students have access to the latest technology and equipment relevant to their studies.

2021 Design

The strategy was submitted and approved by the European Commission

2022 Implementation

Implementation phase started regarding Higher Education but not for Secondary Education.

2023 Implementation

In the context of the project of the Department of Higher Education (DHE) project in the RRP (Recovery and Resilience Plan), data collection for the first cycle of National Graduate Tracking and EUROGRADUATE Surveys (for 2022) took place during February and March 2023 through an online questionnaire which was administered in two languages, Greek and English. A report that provides an overview of preliminary findings in relation to graduates' experiences from studies in Higher Education, as well as from their transition and participation in the labour market, was published in September 2023. As stated in the report, more in-depth analysis is in progress for exploring significant relationships, such as factors influencing/predicting employment, factors having an impact on the acquisition of high levels of skills, factors having an impact on vertical and horizontal mismatch, etc. Future cycles of the NGTS will address the challenges faced during this first cycle, explore ways to improve response rates but will also explore the possibility of combining data from Surveys, as well as from administrative sources.

2024 Implementation

Aiming to improve the interconnection of Higher Education in Cyprus with the labour market, the Department of Higher Education of the Ministry of Education, Sport and Youth has organised the conference entitled 'Connecting Higher Education with Labour Market: Building the Future-Ready Workforce'.

The conference took place in the context of the project of the Department of Higher Education in the Cyprus Recovery and Resilience Plan entitled 'Development of a National Graduate Tracking Mechanism and Design and Implementation of an Employers' Skills Survey'. The project is designed to respond to recommendations made in the context of several European policy reports regarding the existence of skills mismatches between the Cyprus education system and the labour market. During the

conference, the following were presented:

- two national surveys, National Graduate Tracking Survey and National Employer Skills Survey, conducted in the context of the project in the Cyprus Recovery and Resilience Plan, and
- good practices from other countries in relation to the use of results from relevant surveys for decision-making and policy making, with the aim of linking Higher Education with the labour market.

During 2024, the aforementioned projects were running and should be accomplished by the end of 2026.

2025 Implementation

Tender procedures were launched for two key initiatives: the upgrade of 20 laboratories in public higher technical education and training, and the pilot implementation of VET programmes in the lower secondary cycle (Technical Gymnasiums).

The MoESY has proceeded with the costed design of the institution of the Technical Gymnasium, to be implemented for the first time in the 2025–2026 school year on a pilot basis.

The development and improvement of Technical and Vocational Education and Training (TVET) constitutes an important priority for the Ministry and was cited as a flagship initiative for the years 2024 and 2025. The creation of an alternative option in lower secondary education, through the addition of the Technical gymnasium, was considered a very useful educational policy based on the existing data.

Linking education with the labour market emerged as one of the greatest challenges Cyprus was expected to face in the coming years. The country's performance in the area of skills development and skills matching, compared with other European countries, was at a very low level, and its improvement became an urgent necessity. According to Cedefop's European Skills Index 2024, Cyprus ranked 28th among 31 European countries in the field of skills matching. Moreover, the country ranked 31st (last) when it comes to skills development based on the index measurement criteria.

These findings were also confirmed by the 3rd Competitiveness Report for Cyprus (2023), which noted that the country had one of the highest levels of both vertical and horizontal skills mismatch. On the one hand, the labour force showed over-qualification in their occupation (vertical mismatch), which was not necessary for the performance of the job. On the other hand, many employees worked in professions unrelated to their field of study (horizontal mismatch).

Further evidence was provided by the publication in September 2023 of the preliminary results of the National Graduate Tracking Survey conducted by the Directorate of Higher Education of the Ministry. According to these results, almost half (46%) of higher education graduates who participated in the survey stated that they possessed more qualifications than were necessary for the effective performance of their duties in the workplace, while the percentage of graduates reporting that they were not employed in a profession related to their field of study ranged from 18% (holders of university degrees) to as high as 46% (holders of diplomas).

The likelihood of achieving the desired outcome—improving the attractiveness of technical and vocational education and addressing the skills mismatch—was expected to be greater with the introduction of the Technical gymnasium and the early exposure of pupils to technical professions from a younger age.

Bodies responsible

- Ministry of Education, Sport and Youth (MESY)
- Ministry of Education, Culture, Sport and Youth (MoECSY) (until 2022)

Target group

Learners

Learners in upper secondary, including apprentices
Young people not in employment, education or training (NEETs)
Low-skilled/qualified persons

Education professionals

Teachers
Trainers
Guidance practitioners

Entities providing VET

Small and medium-sized enterprises (SMEs)

Thematic categories

Governance of VET and lifelong learning

Engaging VET stakeholders and strengthening partnerships in VET

Modernising VET offer and delivery

Modernising VET standards, curricula, programmes and training courses
Acquiring key competences

Teachers, trainers and school leaders competences

Systematic approaches to and opportunities for initial and continuous professional development of school leaders, teachers and trainers

European priorities in VET

VET Recommendation

VET as an attractive choice based on modern and digitalised provision of training and skills

Osnabrück Declaration

Resilience and excellence through quality, inclusive and flexible VET

Subsystem

IVET

Further reading

[Preliminary results of the first cycle of Cyprus' National Graduate Tracking Survey](#)

[Preliminary results of the first cycle of Cyprus' National Graduate Tracking Survey - Executive Summary](#)

Presentation of the Technical Gymnasium institution

“ ... ” Cite as

Cedefop, & ReferNet. (2026). Addressing skills mismatch between education and labour market (Secondary and Higher Education): Cyprus. In Cedefop, & ReferNet. (2026). *Timeline of VET policies in Europe* (2025 update) [Online tool].

<https://www.cedefop.europa.eu/en/tools/timeline-vet-policies-europe/search/44626>