

Inclusive entrepreneurship trends and policies in Cyprus*

This profile notes recent trends in self-employment and entrepreneurship activities for women, youth and seniors in Cyprus, and reports on new entrepreneurship programmes for youth and women, including the 2015 National Policy Statement for the Entrepreneurial Ecosystem

Key trends: The self-employment rate declined over the past decade from 18.4% in 2006 to 12.1% in 2016. The self-employment rate was slightly below the European Union average in 2016 (14.0%). The decline in self-employment rates occurred across many population groups, including men, youth and seniors. The self-employment rate for seniors (17.7% in 2016) continues to be greater than that of other social target groups. The self-employment rate for youth was 4.6% in 2016, which was approximately equal to the European Union average for youth. However, the self-employment rate for women was fairly constant over the last decade at approximately 10%, falling to 8.5% only in 2016. The Total early-stage Entrepreneurial Activity (TEA) rate was higher in Cyprus than the EU average over the 2012-16 period (12.4% vs. 6.7% for the EU), especially for women (7.1% vs. 4.8% for the EU) and youth (13.4% vs. 7.8% for the EU). Moreover, new women entrepreneurs were more likely than the European Union average to expect to create at least 19 jobs over the next five years during the 2012-16 period.

Hot issue: A current issue is the degree to which mainstream entrepreneurship support programmes are tailored to the specific needs of specific social target groups. There is a low level of awareness among policy makers about the needs of specific target groups, and consequently policies and programmes are often designed and implemented with little consideration of barriers that people from disadvantaged groups face in entrepreneurship. Although the favouring of mainstream approaches may be efficient since Cyprus is a small country, further consideration is needed on how the needs of the different social target groups will be addressed by mainstream programmes and how outreach will be undertaken to reach potential clients from groups that are under-represented or disadvantaged in entrepreneurship.

Recent policy developments: The 2015 “National Policy Statement for the Entrepreneurial Ecosystem” is the main policy to support entrepreneurship in Cyprus. It outlines the Government’s vision to boost economic growth by growing an entrepreneurial spirit and strengthening the entrepreneurial ecosystem. The policy statement focuses on strengthening entrepreneurial skills and activities for all and highlights a need to enhance support for youth and female entrepreneurship. Overall objectives and targets on business creation as well as a monitoring system are set, however they are not specific for different social groups (e.g. seniors, the unemployed, people with disabilities, migrants). The statement sets a number of essential actions to be implemented between 2016 and 2020, including the integration of entrepreneurship into education, increased career guidance, more promotion of entrepreneurship (including social entrepreneurship), regulatory improvements, strengthened e-government, incentives for business innovation, and increased supply of non-bank finance.

The full Country Assessment Note can be found at: www.oecd.org/cfe/leed/inclusive-entrepreneurship.htm.

*Note by Turkey:

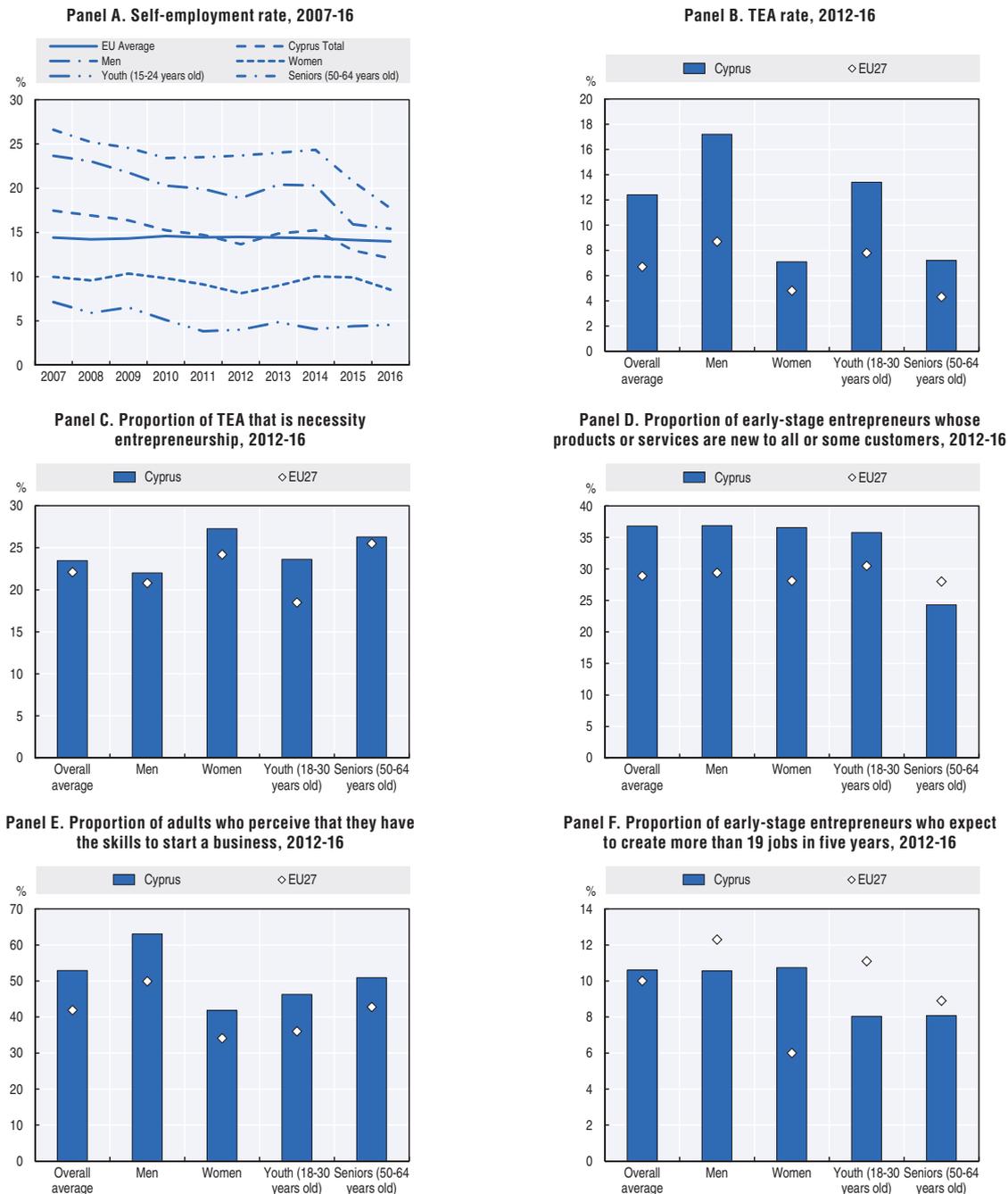
The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the “Cyprus issue”.

Note by all the European Union Member States of the OECD and the European Union:

The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Key inclusive entrepreneurship data

Figure 13.1. Entrepreneurship and self-employment data for Cyprus



Notes: 1. The self-employment rate is defined as the number of self-employed people (15-64 years old) divided by the number of people in employment. 2. The TEA rate is the proportion of adults (18-64 years old) involved in setting up a business or managing a business that is less than 42 months old. 3. Necessity entrepreneurship is defined as entrepreneurship activities that were launched because the individual did not have other options in the labour market. 4. Early-stage entrepreneurs are those who are in the process of setting up a business or manage a business that is less than 42 months old. 5. In Panels B, C, D, E and F, the population covered are those 18-64 years old.

Sources: Panel A: Eurostat (2017), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>; Panels B, C, D, E, and F: GEM (2017), Special tabulations of the Global Entrepreneurship Monitor adult population survey, 2012-16.

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Reader's guide to the country profiles

This section of the book provides a short overview of inclusive entrepreneurship trends and recent policy actions in each European Union Member State. Each Country Profile highlights recent trends for key inclusive entrepreneurship indicators, focusing on activity rates, quality and barriers to business creation for people in under-represented and disadvantaged groups, drawing on a set of charts (see below). In addition, the Country Profiles briefly describe a current policy issue relevant for inclusive entrepreneurship policy development. Finally, each Country Profile describes a recent policy action that was introduced to support the unemployed, women, youth or seniors in business creation and self-employment.

The country overviews are complemented with a common set of country-specific data that benchmark key inclusive entrepreneurship indicators against the European Union average and over time. Data are presented for men, women, youth, seniors and the overall population total. These data help to show the scale of the challenge and its recent evolution. All Country Profiles contain six figures (except for the Malta profile, which does not participate in the Global Entrepreneurship Monitor survey):

Panel A: Self-employment rate, 2007-16. This presents the proportion of those in employment who are self-employed.

Panel B: Total Early-stage Entrepreneurship Activity (TEA) rate, 2012-16. This presents the proportion of the population who is actively involved in starting a business or who is the owner-operator of a business that is less than 42 months old.

Panel C: Proportion of TEA that is necessity entrepreneurship, 2012-16. This presents the proportion of early-stage entrepreneurship that was launched due to a lack of other opportunities in the labour market.

Panel D: Proportion of early-stage entrepreneurs whose products or services are new to all or some customers, 2012-16. This presents the proportion of early-stage entrepreneurs who self-report that they offer products and/or services that are new to potential customers.

Panel E: Proportion of adults who perceive that they have the skills to start a business, 2012-16. This presents the proportion of the population who believe that they have the knowledge and skills needed to start a business.

Panel F: Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in five years, 2012-16. This presents the proportion of early-stage entrepreneurs who anticipate the creation of at least 19 additional new jobs over the next five years.



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