Inclusive Entrepreneurship Policies, Country Assessment Notes

Cyprus, 2017
Acknowledgements

This note is part of a series of notes on country-level inclusive entrepreneurship policies and programmes prepared by the Organisation for Economic Co-operation and Development (OECD) for the European Commission. These notes were prepared as part of the programme of work of the OECD Local Economic and Employment Development (LEED) Programme of the Centre for Entrepreneurship, SMEs, Regions and Cities (CFE). They provide an overview of current and planned policy actions and identify some actions that could be implemented to address gaps in the current support offering, or improve current offerings.

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Inclusive entrepreneurship policies aim to offer all people an equal opportunity to create a sustainable business, whatever their social group or personal characteristics. This is an important requirement for achieving the goal of smart, sustainable and inclusive growth set out in the Europe 2020 strategy. It is also a means to respond to new economic challenges, to create jobs and to fight social and financial exclusion. Among the key targets of inclusive entrepreneurship policies and programmes are women, youth, older people, the unemployed, migrants and people with disabilities, who all continue to face challenges in the labour market and are under-represented or disadvantaged in entrepreneurship activities. ‘The Missing Entrepreneurs’ series of publications of the Organisation for Economic Co-operation and Development (OECD) and the European Union discuss how public policies and programmes can support inclusive entrepreneurship. This includes refining regulatory and welfare institutions, facilitating access to finance, building entrepreneurship skills through training, coaching and mentoring, strengthening entrepreneurial culture and networks for target groups, and putting strategies and actions together for inclusive entrepreneurship in a co-ordinated and targeted way. Governments are increasingly recognising the challenge of inclusive entrepreneurship, but there is still much to do to spread good practice.

The proportion of the working population that is self-employed has declined in Cyprus over the last decade and this decline has been observed among many population groups, notably youth. However, the self-employment rate for women has been stable in recent years at about 10.0%. The 2015 “National Policy Statement for the Entrepreneurial Ecosystem” provides an overall strategy for entrepreneurship policy and includes a small number of tailored support offers for youth and women. Inclusive entrepreneurship support is in the early stages of development in Cyprus and policy makers should prioritise improving access to mainstream supports for groups such as women and youth over the development of a suite of tailored programmes since it is a country with a population of just over one million people.

This note is the second in a series of annual country assessments prepared by the OECD in collaboration with the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission on the state of inclusive entrepreneurship policies and programmes in each European Union Member State. Each note provides an overview and assessment of policies and programmes that support people from under-represented and disadvantaged groups in business creation and self-employment, and suggests policy actions to address gaps in the support system and to improve the quality of available support offers. The notes cover national-level policies and programmes and, where relevant, sub-national initiatives and actions by the non-governmental sector. The 2017 notes place a special focus on describing the characteristics of self-employment in each country.

The notes are part of a wider programme of work by the OECD and the European Commission that includes ‘The Missing Entrepreneurs’ publications, a series of Policy Briefs on specific target groups, policies and issues, country reviews of youth entrepreneurship and women entrepreneurship, and the production of online policy guidance. For more information please refer to: http://www.oecd.org/employment/leed/inclusive-entrepreneurship.htm.
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### KEY MESSAGES

- Inclusive entrepreneurship policies, along with mainstream entrepreneurship policies, have gained importance on the political agenda over the last three years. The 2015 "National Policy Statement for the Entrepreneurial Ecosystem" provides an overall strategy and actions for entrepreneurship development, while the "RESTART 2016-2020" programme includes a series of initiatives to enhance research and innovation.

- Self-employment declined over the last decade and the self-employment rate was below the European Union average in 2016 (12.1% vs. 14.0%). Self-employment rates have declined for all targeted groups, but the decline has been greatest among older people (26.6% in 2007 vs. 17.7% in 2016).

- Although policy makers are increasingly aware of the need for inclusive entrepreneurship policies (as well as mainstream entrepreneurship policies), several challenges remain in furthering their development. Policies and programmes are often designed and implemented with little consultation with civil society organisations. Consequently, mainstream entrepreneurship support programmes are not well-adapted to the unique barriers that different social target groups face, e.g. in accessing start-up financing or obtaining entrepreneurship skills.

- Inclusive entrepreneurship policies and programmes could be strengthened by (i) making entrepreneurship training programmes more responsive to the needs of different target groups; (ii) re-introducing microfinance schemes for entrepreneurs from under-represented and disadvantaged groups; (iii) updating the "National Policy Statement for the Entrepreneurial Ecosystem" and related action plan during annual consultations to include tailored actions for under-represented and disadvantaged groups; and (iv) using media, and education institutions to promote role models, success stories, and networking.

### 1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS

The National Policy Statement for the Enhancement of the Entrepreneurial Ecosystem in Cyprus is the main policy to support entrepreneurship in Cyprus. It was adopted on 14 December 2015 and outlines the Government’s vision to boost economic growth by growing an entrepreneurial spirit and strengthening the entrepreneurial ecosystem. Policy Actions reflected in the National Policy Statement are promoted under five Priority Axes:

- Cultivating the entrepreneurial culture
- Improving the business environment
- Enhancing the entrepreneurial innovation
- Facilitating access to finance
- Improving access to markets

The National Policy Statement focuses on strengthening entrepreneurial skills and activities for all and highlights a need to enhance support for youth and female entrepreneurship. Overall quantitative objectives and targets on business creation as well as a monitoring system are set. These
do not cover all social groups: no entrepreneurship targets are set for older people, the unemployed, people with disabilities and migrant, for example. Although not mentioned in the policy statement, support to these groups is foreseen through mainstream programmes.

Another major initiative was launched in October 2016 by the Research Promotion Foundation (RPF), which is the main research funding agency in Cyprus. The initiative RESTART 2016-2020 is an umbrella programme that was developed in conjunction to the 2015 National Policy. This programme seeks to enhance the development of the national entrepreneurial ecosystem through projects in the areas of research, technological development, and innovation.

Opening up opportunities in entrepreneurship for more people is part of the long-term objectives of Cyprus, and also part of the strategy for achieving national employment targets in the Europe 2020 strategy. Cyprus seeks to have an employment rate of 75-77% by 2020, relative to 75% in the European Union (EU). It also committed to having 27 000 fewer people at risk of poverty of social exclusion. In 2016, the employment rate was at 68.8% (vs. 71.1% for EU). In 2015, 27.4% of the population was at risk of poverty or social exclusion, which was above the EU average of 24.4%.

2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS

2.1. Labour market context

The unemployment rate in Cyprus was 13.2% in 2016, up from 4.0% in 2007 but down from a peak of 16.3% in 2014 (Figure 1). The economic crisis and more precisely the 2013 bank bail-in\(^1\) contributed significantly to this growth in unemployment. Since 2015, the unemployment rate has decreased by two percentage points, but remained well above the EU average of 8.7% in 2016. It should be noted that between 2007 and 2011, unemployment in Cyprus was below the average for the EU.

Youth unemployment is particularly high in Cyprus. The youth unemployment rate more than tripled between 2008 and 2013, when it reached nearly 40%. The youth unemployment rate has been steadily decreasing since 2013, but it remains among the highest in the EU at 29.1% in 2016.

There was little difference in the unemployment rates across other population groups such as women and older people. There gender gap in unemployment is small and the unemployment rate for older people was very close to the overall average.

\(^1\) The Cypriot ‘bail-in’ used deposits and banking controls to contribute to the rescue of the banking sector, as part of a broader bailout package agreed with Troika in 2013. Depositors in two of the country’s major banks (Laiki Bank and Bank of Cyprus) with more than EUR 100 000 in their accounts were forced to write-off their holdings (in excess of EUR 100 000).
2.2. Self-employment and entrepreneurship rates

More than one-in-ten people (12.1%) was self-employed in 2016, which was slightly below the EU average (14.0%). This proportion has declined in Cyprus over the past decade, falling from 17.5% in 2007 (Figure 2a). This decline is also observed among several population groups, including women and older people. The self-employment rate for older people was 17.7% in 2016, greater than the other target groups of inclusive entrepreneurship policies. The self-employment rate for youth was 4.6% in 2016, up from 4.1% in 2014. This rate was about double the EU average.

Another way to examine the level of entrepreneurship activities is to use the Total early-stage Entrepreneurial Activity (TEA) rate which measures the share of individuals in the working age population who are involved in setting up a business or managing a new business that is less than 42 months old. Overall, 12.4% of the working age population in in Cyprus were early-stage entrepreneurs over the 2012-16 period, which was nearly double the EU average (6.7%). Many of these activities were in sectors such as professional services, tourism and trade, which are all sectors where Cyprus maintains relevant advantages and supportive infrastructure (GEM, 2017). Men (17.2%) and youth (13.2%) were more likely to engage in business start-up activities than women (7.1%) and seniors (7.2%) over this period, all of which were above the EU average (Figure 2b).

Nearly one quarter (23.5%) of early-stage entrepreneurship activities in Cyprus over this period were initiated because the entrepreneur could not find employment. This was above the EU average for the same period (21.4%). Among the targeted social groups, women (27.3%) and seniors (25.5%) were the most likely to have started a business due to a lack of employment options. While all groups were more likely than their EU counterparts to be driven by “necessity”, the gap was larger for youth and women, while proportion of men and older people engaged in entrepreneurship due to a lack of employment opportunities was approximately the same as the EU average. The higher rate of the necessity of entrepreneurship among youth may be partly linked to the high youth unemployment rates (Figure 1).
Cypriots were much more likely to expect to create a business in the near future (20.7%) than the EU average between 2012 and 2016 (15.0%). Among the key target groups for social entrepreneurship, youth were the most likely to expect to create a business within the next three years (31.1%), which was above the EU average (21.3%). Women (15.8%) and older people (9.1%) were less likely to expect to create a business in the next three years, but both of these proportions were above the EU averages for each group. While this may reflect a strong entrepreneurship culture, there is also likely a strong influence of the current labour market conditions – Cyprus had the fourth highest unemployment rate among EU countries in 2016.

Figure 2. Self-employment and entrepreneurship rates by target group

a. Self-employment rate, 2007-16
b. TEA Rate, 2012-16
c. Proportion of TEA that is necessity entrepreneurship, 2012-16
d. Proportion who expect to start a business in the next 3 years, 2012-16

Note: The self-employment rate is defined as the proportion of those in employment who are self-employed. The TEA rate is the Total early-stage Entrepreneurial Activity rate, which is defined as the proportion of the population actively involved in pre start-up activities and those who have started a new business within the last 42 months. The proportion of TEA that is necessity entrepreneurship is the proportion of entrepreneurs involved in setting-up a new business or operating a business that is less than 42 months old, who were motivated to start their business because they had no better options for work. Data for panels b, c, and d were pooled for the period 2012-16. Responses were weighted to reflect the population in each year, but no weighting was used when pooling the time series data, i.e. all years have the same weight regardless of the sample size in each year. The EU27 average in panels b, c, and d covers all EU Member States except Malta.

Source: Panel a contains data from Eurostat (2017), Labour Force Survey; Panels b, c, and d contain data from the 2012 to 2016 Global Entrepreneurship Monitor household surveys that were tabulated for the OECD (2017).

2.3. Barriers to business creation

Fear of failure was cited by 58.1% of Cypriots as an obstacle to business creation in 2016, significantly above the EU average (47.8%). Cyprus is one of the EU countries where fear of failure is the most commonly perceived as an obstacle to entrepreneurship. This holds true for all groups surveyed, with a fear of failure being most likely cited by women (64.4%) and seniors (61.4%).
difference between the Cypriot and the EU average was particularly large for older people: seniors in Cyprus exhibited much higher fear of failure (61.4%) than their EU counterparts (43.8%) in 2016.

Another important barrier to business creation for many people is a lack of entrepreneurship skills. However, this does not appear to be a major obstacle in Cyprus. In the period 2012-16, 52.9% of Cypriot believed they had the required skills to start a business. In that respect, Cyprus is the second most optimistic country in the EU and was above the EU average over this period (41.9%). This statement holds true for all groups. Among the targeted social groups, men (63.1%) were the most confident about their entrepreneurial skills, and women the least (41.8%).

2.4. Entrepreneurship performance

Cypriot entrepreneurs appear to be quite innovative – 36.8% of Cypriot entrepreneurs reported offering new products or services during the 2012-16 period. This proportion was above the EU average (28.9%) and among the highest rates in the EU. Among the key target groups of inclusive entrepreneurship policy, the shares of men (36.9%), women (36.6%), and youth (35.8%) that offered new products and services in their business were quite similar and each was above the EU average. However, senior entrepreneurs engaged less in innovation (24.3%) than other Cypriots and the EU average for this group (28.8%) (Figure 4a).

In 2016, 56% of Cypriot entrepreneurs had customers in other countries, which was below the EU average (61.9%). Among the key under-represented and disadvantaged groups, women (60.2%) and youth (60%) were the most likely to sell to foreign customers while men (54.4%) and seniors (43.5%) tended to focus on the domestic market. With the exception of women, the share of exporters was smaller than the corresponding EU average in all groups. The gap was particularly large for senior entrepreneurs, who were almost 13 percentage points less likely to engage with customers outside their countries than their EU counterparts. Women were the only group of entrepreneurs that were more likely than the EU average to have foreign customers. Exporting is particularly important in the Cypriot context given the relatively small size of the domestic market. As such, it may be more difficult for non-exporting businesses to be sustainable.
As far as growth expectations are concerned, on average, Cypriots do not deviate considerably from the EU average: 10.6% of Cypriot entrepreneurs expected to create at least 19 new jobs in the upcoming five years over the 2012-16 period, relative to 10.0% for the whole EU. While men and women had similar expectations for job creation (10.6% and 10.7%, respectively), youth were less likely to expect to create a significant number of new jobs. Only 8.0% of youth entrepreneurs had high growth expectations, more than three percentage points lower than the EU average for youth (11.1%).

**Figure 4. Self-employment and entrepreneurship activities by target group**

a. Proportion of new entrepreneurs whose products or services are new to all or some customers and who have few or no businesses offering the same products or services, 2012-16

b. Proportion who sell to customers in another country, 2012-16

c. Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in 5 years, 2012-16

Note: Data were pooled for the period 2012-16. Responses were weighted to reflect the population in each year, but no weighting was used when pooling the time series data, i.e. all years have the same weight regardless of the sample size in each year. The EU27 average covers all EU Member States except Malta.

3. ASSESSMENT OF CURRENT AND PLANNED INCLUSIVE ENTREPRENEURSHIP POLICIES AND PROGRAMMES

3.1. Policy framework

The latest developments in the entrepreneurial policy framework in Cyprus include the 2015 “National Policy Statement for the Entrepreneurial Ecosystem”2 and the “RESTART 2016-2020” Programmes for Research, Technological Development and Innovation of the Research Promotion Foundation (RPF).

The “National Policy Statement for the Entrepreneurial Ecosystem” is a government-led strategic document that serves as a blueprint for the development of relevant policies and programmes to strengthen the country’s entrepreneurial ecosystem and entrepreneurial spirit. Explicit references are made to youth and women, aiming to enhance their entrepreneurial skills and to build an entrepreneurial culture in Cyprus. The implementation of the National Policy is taking place as planned and the impact of the associated policy actions appears promising. The first Annual Progress Report for 2016 indicates that 45% of the actions outlined in the National Policy have already been implemented and 39% have demonstrated a positive impact. Major measures implemented in 2016 include: i) the Review of Income Tax Law to give tax incentives for investing in innovative SMEs - Start-ups, ii) the launch of a “Cyprus Start-up Visa” programme, iii) the introduction of a new scheme for the provision of consultancy, mentoring and training to SMEs, and iv) the participation of the University of Cyprus to the Global Entrepreneurship Monitor (GEM).

RPF’s “RESTART 2016-2020” is a collection funding schemes introduced in the context of the 2015 National Policy programmes. They support a number of priorities, such as the priorities of Cyprus’ Smart Specialisation Strategy, global innovation trends, and the needs of research institutions and enterprises in the country. It has a budget of EUR 99 million and includes several entrepreneurship programmes focusing on innovation and competitiveness (e.g. a proof of concept programme, support to collaborative research, innovation vouchers, support to social innovation). There are also some targeted programmes for specific groups, including measure for youth to support them in research and innovation.

Recent policy initiatives such as RESTART 2016-2010 are expected to help make entrepreneurship more inclusive. However, there is still room to go further as the majority of programmes and measures that are being implemented are not very tailored or targeted at specific groups of potential entrepreneurs. In addition, there is scope to include non-governmental stakeholders in the policy development process to a greater extent since they have knowledge about the challenges faced by different groups (e.g. women, people with disabilities).

3.2. Government regulations

The business regulatory framework is generally conducive to business creation and self-employment. Cyprus ranked 45 out of 190 countries in the 2017 Doing Business World Bank report (World Bank Group, 2017). In terms of social protection, the self-employed are covered by basic social security schemes.

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2 https://issuu.com/presidency-reform-cyprus/docs/fc7917ffcc2122a/1?e=23693381/36744221
The 2017 National Reform Programme also outlines several improvements to boost business creation and to enhance Cyprus’ entrepreneurial ecosystem by streamlining existing regulations. This will build on the regulatory reforms have already been implemented in 2016 the context of the National Policy for the Entrepreneurial Ecosystem (see Section 3.1). While the simplification of business regulations would be expected to disproportionately have a positive impact on entrepreneurs from under-represented and disadvantaged groups since they typically face greater challenges related to administrative requirements, none of these actions are specifically in with their challenges in mind.

The most significant gap in regulatory incentives and supports for entrepreneurship is the lack of a welfare bridge mechanism to encourage and support the unemployed in business creation. Other areas that could be improved include better access to childcare and maternity benefits for women entrepreneurs, and to make more use of temporary relief from social security contributions as an incentive for business creation for specific groups (e.g. youth).

3.3. Financing entrepreneurship

There are currently few public policy actions that facilitate access to finance for new entrepreneurs from under-represented and disadvantaged groups. The main public support schemes are the Grant Schemes on Youth Entrepreneurship and Female Entrepreneurship, which are co-funded by the Cyprus Government and the European Regional Development Fund. By the end of 2016, 287 youth receive EUR 10 million through the Scheme of Youth Entrepreneurship and 113 women received EUR 3.75 million through the Scheme for the enhancement of Female Entrepreneurship. Both of these schemes have had a high demand.

An important support for women’s entrepreneurship was the Women’s Co-operative Bank, which was launched under the jurisdiction of the Ministry of Commerce, Industry and Tourism. It provided loans of up to EUR 100,000 as well as training and business consultancy services. However, this cooperative bank closed in 2014 and there are currently no organisations offering similar support.

There are currently no financial intermediaries under the EU’s Progress Microfinance and EaSI programmes offering microcredit or loan guarantee products to entrepreneurs from under-represented or disadvantaged groups.

Private sector financial institutions are currently not very supportive of entrepreneurship. As a consequence, entrepreneurial financing is one of the key priorities of the 2015 National Policy Statement for the Entrepreneurial Ecosystem (actions to be implemented 2017 onwards). However, the National Policy Statement does not address the lack of microcredit available for entrepreneurs, which may affect entrepreneurs from disadvantaged groups disproportionately.

3.4. Entrepreneurship skills

Policies and programmes for the development of entrepreneurial skills are currently very limited. Business start-up training programmes are not widely available and existing programmes are generic and do not address the specific barriers faced by different groups.

Nonetheless, as part of the current Youth Entrepreneurship Support Scheme and the Female Entrepreneurship Support Scheme, the Ministry of Energy, Commerce, Industry and Tourism offers business counselling and mentoring to support grant recipients in developing their business.

Youth who are not in employment, education or training (NEETs) can access entrepreneurship training through the Youth Guarantee. However, take-up has been very low due to the limited capacity
of the public employment services (EU, 2017). Overall, only 23% of NEETs are enrolled in a Youth Guarantee scheme (i.e. any type of support scheme).

There is also entrepreneurship training available to the unemployed through the “Employment of Long-term Unemployed Scheme” and the “Employment of Unemployed in Retail Micro-enterprises (1-4 employees)” scheme. While these schemes focus on acquiring skills to improve their employability, they also cover business creation and business management.

The 2015 National Policy Statement and the RESTART 2016-2020 express a commitment to building and strengthening entrepreneurial skills. In the context of the 2015 National Policy Statement, recent education reforms introduced entrepreneurship education in the mandatory school system, representing a significant step that may not only support youth in entrepreneurship, but also initiate transformation towards a more entrepreneurial society.

3.5. Entrepreneurial culture and social capital

Public policy actions that aim to build an entrepreneurial culture in Cyprus are at the early stages of their implementation as part of the 2015 National Policy Statement actions and RPF RESTART 2016-2020 programme.

The Ministry of Education and Culture of Cyprus, with the support of the Pedagogical Institute,3 initiated a series of entrepreneurial training programmes and competitions targeting secondary education teachers and students. While still at the early stages of their implementation, these programmes appear to have a high impact amongst students and educators. There has been an increased interest in running intra-school entrepreneurial competitions, participating in business idea/plan programmes and competitions, submitting bids on the themes of entrepreneurship and innovation. These actions help to strengthen the entrepreneurial culture within the education system in Cyprus, which is expected to have a role in building an entrepreneurship culture more broadly.

Entrepreneurship networks are under-developed in Cyprus. While there are some actions to help build social capital among groups of entrepreneurs and researchers in the RESTART 2016-2020 programmes, more could be done to support women, youth, and older people in building entrepreneurship networks.

4. POLICY RECOMMENDATIONS

Entrepreneurship policies and inclusive entrepreneurship policies are relatively new in Cyprus. The 2015 “National Policy Statement for the Entrepreneurial Ecosystem” is an important step in defining future policy actions in this area and the document highlights many important areas where policy actions are planned, notably the introduction of entrepreneurship education in the mandatory

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3 This is a public institute under the responsibility of the Ministry of Education and Culture of Cyprus. It is responsible for the training and the professional development of teachers at all levels and all posts. It organises and delivers training for all subjects and cross subject areas, educational technology, educational research and also school based development.
school system and measures to improve the business environment. These actions will complement existing support for youth, women and the unemployed. In addition, the recent introduction of the RESTART 2016-2020 programmes, which aims to fund a series of entrepreneurial initiatives, is a major step towards strengthening the Cypriot entrepreneurial ecosystem. Considering the actions currently in effect, the following policy actions are recommended for further strengthening inclusive entrepreneurship policies and programmes in the country:

1. **Make entrepreneurship training programmes more responsive to the needs of different target groups.** Many of the target groups of inclusive entrepreneurship policy are small (in number) and do not necessarily require fully tailored programmes. However, there are ways to make mainstream offers more responsive to the needs of different groups of entrepreneurs, such as ensuring that facilities and infrastructure are accessible (i.e. for older people, those with disabilities, those in rural areas), training trainers and those delivering support on the challenges faced by different social target groups, partnering with civil society organisations that have experience in working with different groups and undertaking targeted outreach to ensure that potential entrepreneurs in the different groups are aware of available support. It is also important to deliver support through various channels that are appropriate for the different target groups, including through online training platforms, individual support such as mentors and short-term training sessions such as boot camps.

2. **Re-introduce microfinance schemes for entrepreneurs from under-represented and disadvantaged groups.** Previous microfinance initiatives demonstrated that private financial institutions have an effective role to play in supporting access to finance for entrepreneurs from under-represented and disadvantaged groups. The government could use resources available from the European Union (e.g. the European Union Programme for Employment and Social Innovation, EaSI) to support financial institutions. It is also important to build complementary supports for those receiving microfinance (e.g. training, mentoring) to increase their chances of success. Apart from sensitive social groups such as youth, the unemployed, women, and seniors who tend to face difficulties in accessing start-up funding, smaller business owners could be targeted by such a scheme. Smaller entities traditionally face difficulties in drawing funds from the traditional banking system, and this is a factor leading to firm exit. Small business owners could benefit from a relevant microfinancing scheme which will ensure access to finance and good repayment terms.

3. **Update the “National Policy Statement for the Entrepreneurial Ecosystem” and related action plan during annual consultations to include tailored actions for under-represented and disadvantaged groups.** While tailored support is anchored in the statement for youth and women, people with disabilities, the unemployed, people in rural areas and migrants are not mentioned. The government should consider whether tailored support for these groups is feasible and how mainstream support can be adjusted to the needs of these different groups. It is important to consult civil society organisations in identifying future actions and defining objectives and targets. This includes consultations during the design of policy and in the delivery stages to ensure awareness among the target recipients and efficient delivery.

4. **Use media, and education institutions to promote role models, success stories, and networking.** In line with the European Union’s Entrepreneurship 2020 Action Plan and as envisaged in the National Policy Statement for the Entrepreneurial Ecosystem, entrepreneurs should be portrayed as positive role models to promote an entrepreneurial culture and inspire more people to become entrepreneurs in Cyprus. Entrepreneurship success stories (from different social groups) could be made more visible and entrepreneurship should be celebrated as a viable career path, especially for entrepreneurs from different groups.
Awareness and promotional campaigns should use a variety of media outlets (including non-mainstream media), schools and universities, as well as non-government organisations.

5. REFERENCES


Global Entrepreneurship Monitor (GEM) (2017), Special tabulations of the 2012-16 adult population surveys from Global Entrepreneurship Monitor.


ANNEX: METHODOLOGY

Each note was prepared by a national expert in co-operation with the OECD Secretariat. Information was collected through desk research and interviews (i.e. telephone, face-to-face, email) with key stakeholders and government representatives. The information was then verified by government partners, programme managers and other inclusive entrepreneurship stakeholder groups through email exchanges and one-day seminars in selected countries.

The notes are based on an assessment framework that was developed by the OECD Secretariat. The assessment framework provided a common analytical framework and report structure for the 28 notes that are in this series.

The framework contains 5 pillars:

1. **Policy framework**
   - Is there an entrepreneurship strategy or action plan that explicitly covers the promotion and support of entrepreneurship for people in under-represented and disadvantaged groups?
   - Is there a mechanism for co-ordinating inclusive entrepreneurship policy actions across relevant national ministries, and with regional and local governments and civil society organisations?
   - Is there a systematic monitoring and evaluation process for the policies, programmes and schemes that promote and support entrepreneurship for people in under-represented and disadvantaged groups?

2. **Government regulations**
   - To what extent are entrepreneurs from under-represented and disadvantaged groups treated equally with employees by social security schemes?
   - Do measures exist that temporarily cover the loss of state income supports (e.g. unemployment benefits, disability allowances) for entrepreneurs amongst under-represented and disadvantaged groups when they start a business?
   - Do measures exist to support under-represented and disadvantaged entrepreneurs in dealing with administrative procedures for entrepreneurship amongst under-represented and disadvantaged groups (e.g. information provision, support with administrative requirements)?
   - Are there any entrepreneurship policy initiatives or schemes to address group-specific institutional challenges related to dependents (e.g. childcare, eldercare)?

3. **Financing entrepreneurship**
   - Are there grants for business creation offered to support entrepreneurs from under-represented and disadvantaged groups?
   - Is microcredit for business creation available to support entrepreneurs from under-represented and disadvantaged groups?
   - Are there loan guarantee schemes for business creation to support entrepreneurs from under-represented and disadvantaged groups?
Are there self-financing groups for business creation to support entrepreneurs from under-represented and disadvantaged groups?

Are there public policy schemes that encourage and support business angel networks to support entrepreneurs from under-represented and disadvantaged groups?

Are there schemes that encourage and support crowdfunding and peer-to-peer lending to support entrepreneurs from under-represented and disadvantaged groups?

Is financial literacy training offered to support entrepreneurs from under-represented and disadvantaged groups?

4. **Entrepreneurship skills**

Are there entrepreneurship training initiatives for entrepreneurs from under-represented and disadvantaged groups?

Do high potential entrepreneurs from under-represented and disadvantaged groups have access to one-to-one or group coaching and mentoring?

Are there public initiatives that provide information on available support programmes or on business start-up procedures for entrepreneurs from under-represented and disadvantaged groups?

Are there business consultancy and advisory services for entrepreneurs from under-represented and disadvantaged groups?

Are there business incubators for entrepreneurs from under-represented and disadvantaged groups?

5. **Entrepreneurial culture and social capital**

Is entrepreneurship actively promoted as an employment opportunity amongst under-represented and disadvantaged groups through the education system, media, role models, etc.?

Are there public policy actions that attempt to build specific business networks for entrepreneurs amongst under-represented and disadvantaged groups?