

15 Cyprus

This country profile describes recent policy actions and current policy issues related to inclusive entrepreneurship. It also benchmarks recent trends in entrepreneurship and self-employment for women, youth, seniors and immigrants in Cyprus relative to the average for the European Union.

Recent trends in inclusive entrepreneurship activities

The share of people starting and managing new businesses (i.e. TEA rate) was higher than the European Union (EU) average in the period 2018-22 (9% vs. 7%). However, women were half as likely than men to be starting and managing new businesses (6% vs. 11%). If everyone was as active as 30-49 year old men in business creation, there would be nearly 30 000 more early-stage entrepreneurs. Virtually all of these “missing” entrepreneurs would be women. Despite higher levels of early-stage entrepreneurship, the overall self-employment rate was below the EU average over the decade (10% vs. 13% in 2022). Self-employment among seniors (50-64 years old) has decreased sharply, declining from 24% in 2012 to 13% in 2022. There was also a decline in the share of self-employed workers who employed others, notably among seniors (27% in 2012 to 20% in 2022) but also among women (17% in 2012 to 14% in 2022).

Recent policy developments

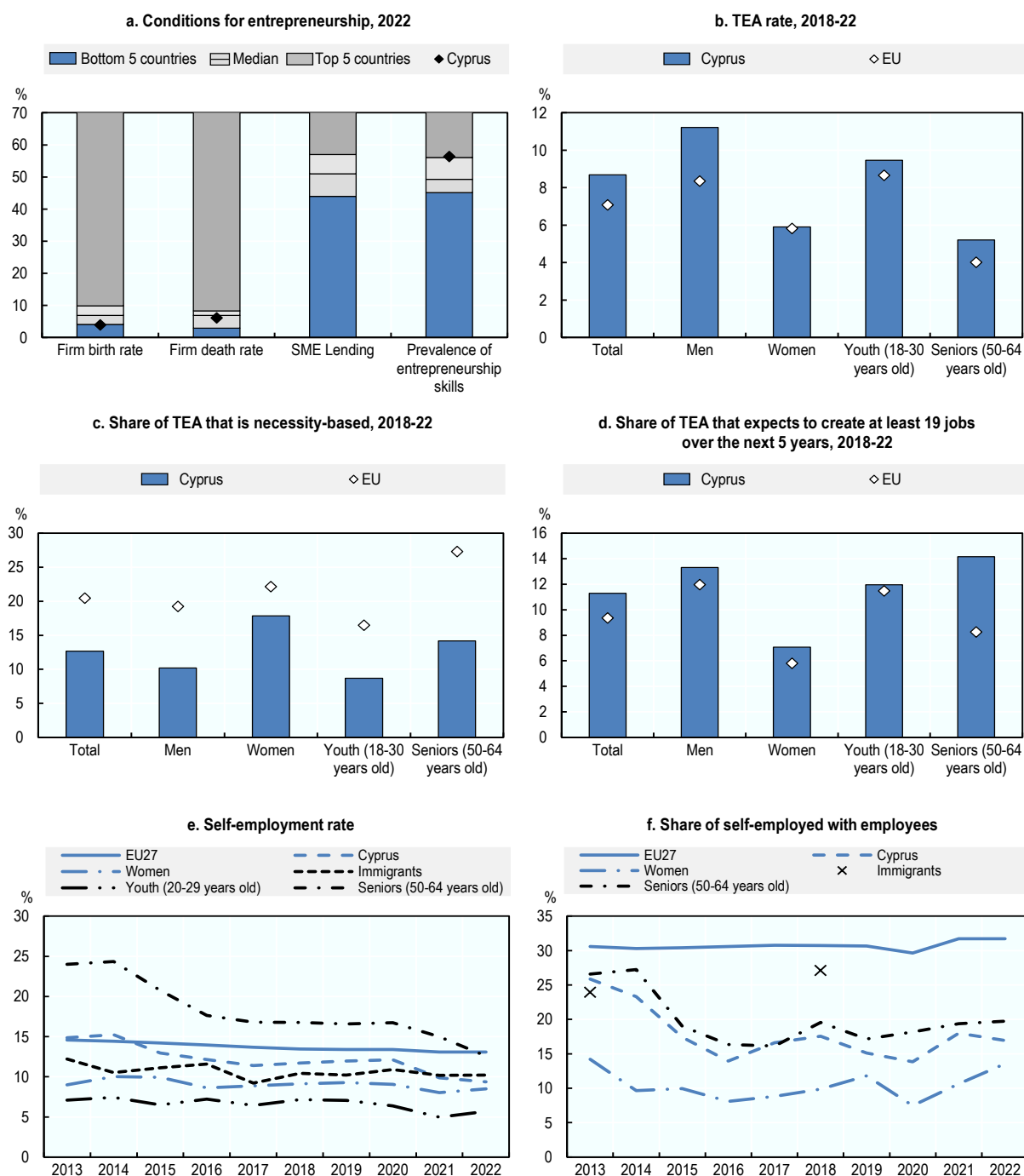
The Ministry of Energy, Commerce and Industry introduced a new entrepreneurship support plan for youth and women entrepreneurs (2022). The plan aims to develop, support and promote entrepreneurship by targeting specific population groups, such as youth and women entrepreneurs. As part of the plan, a new grant scheme was introduced: “Grant Scheme for the Strengthening of New Business Activity - Youth and Women’s Entrepreneurship”. This scheme is within the framework of the “THALEIA” programme 2021-2027 and is co-funded by the European Regional Development Fund (ERDF) and the Republic of Cyprus.

Hot policy issue

Youth entrepreneurship is also a priority, and a range of initiatives are in place to support young entrepreneurs. There are many public initiatives that provide financial and non-financial support to young people, including THALEIA and the “Youth Entrepreneurship Support” scheme provides financial and non-financial support to youth entrepreneurs, including mentoring and coaching. Other initiatives to promote entrepreneurship among young people and improve entrepreneurship skills have been introduced at the university level. For example, the University of Cyprus opened the Centre for Entrepreneurship (C4E) with the aim to promote entrepreneurship culture and to contribute to the development of an innovative ecosystem. C4E offers a range of entrepreneurship support services, notably to young people, such as incubation, acceleration and networking opportunities.

Inclusive entrepreneurship indicators

Figure 15.1. Entrepreneurship and self-employment data for Cyprus



Note: In Panel a, the data for the EU median for SME lending excludes the following countries: Austria, Bulgaria, Croatia, Cyprus, Denmark, Finland, Germany, Luxembourg, Malta and Romania. The EU median for the entrepreneurship skills indicator excludes: Belgium, the Czech Republic, Denmark, Estonia and Malta. In Panels b-d, the data for the EU average refers to a population-weighted average and excludes Belgium, the Czech Republic, Denmark, Estonia and Malta. Please see Chapter 10 for detailed notes on the figures.

Source: (Eurostat, 2023; GEM, 2023; OECD, 2023). Please see Chapter 10 for full citations.



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