

14 Cyprus

This country profile presents recent trends in entrepreneurship by women, youth and seniors, including indicators that benchmark data for Cyprus against the European Union average. It also highlights recent developments in inclusive entrepreneurship policy, including COVID-19 responses.

Conditions for inclusive entrepreneurship

The framework conditions for entrepreneurship are improving. The level of administrative burden on new start-ups ranks above the EU average and the proportion of people who report having entrepreneurship skills and entrepreneurial expectations are among the top 5 in the EU. There is limited tailored public support for under-represented and disadvantaged groups in entrepreneurship, which is expected given the size of the country.

Recent trends

Over the period 2016-20, the share of the population engaged in early-stage entrepreneurship rates were above the EU average. Women (9%), youth (18-30 years old) (9%) and seniors (50-64 years old) (6%) were slightly more likely to be involved in starting and managing new businesses than the EU average (5% for women, 7% for youth and 4% for seniors). However, many of these population groups remain under-represented in entrepreneurship. Eliminating these gaps (i.e. applying the early-stage entrepreneurship rate of men who are 30-49 years old to the whole population) would result in an additional 34 500 entrepreneurs. About 75% of these “missing” entrepreneurs are female, 40% are over 50 years old and 25% are youth (18-30 years old).

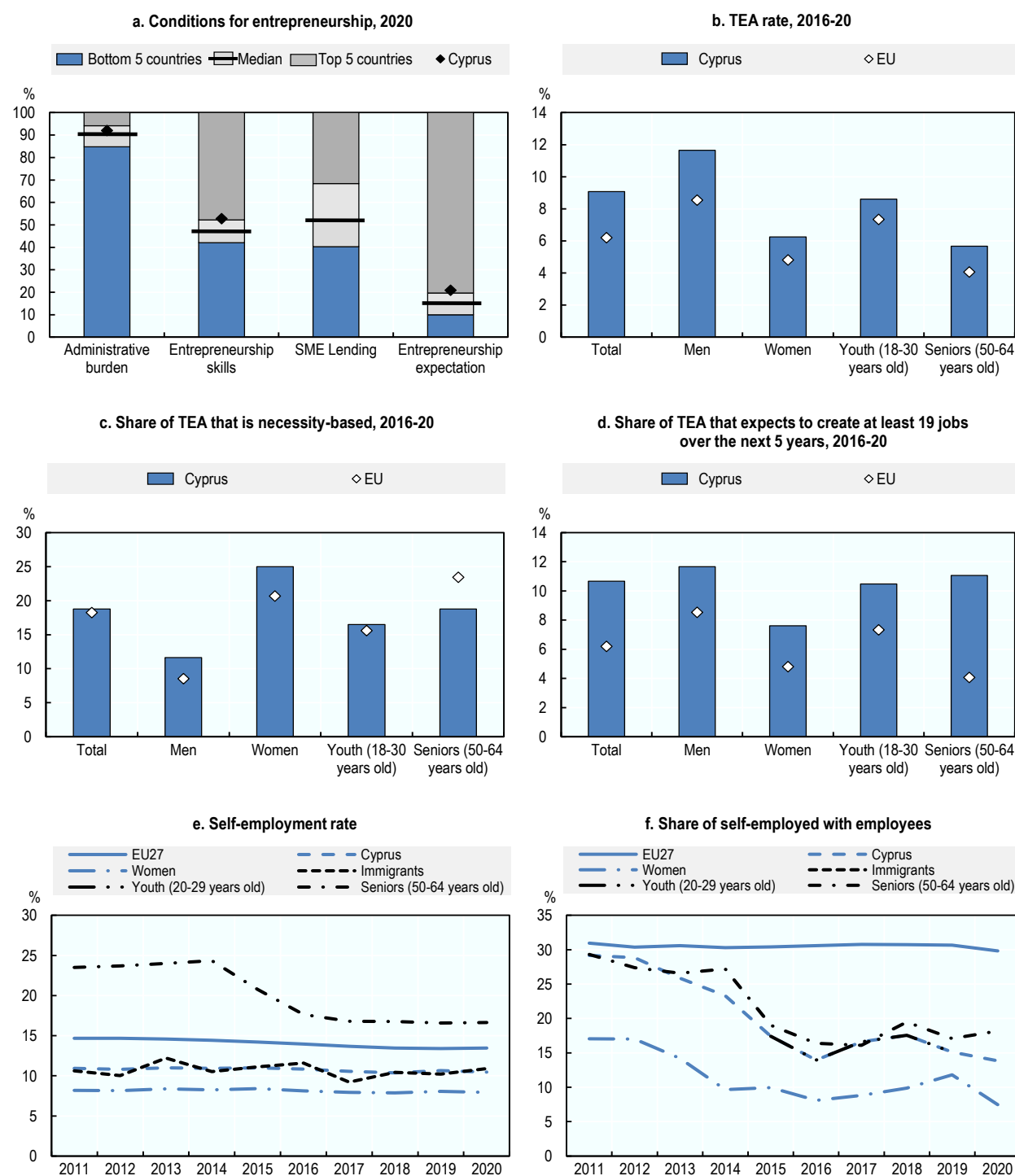
Self-employment rates have declined slightly over the past decade and remain below the EU average (11% vs. 14% in 2020). Moreover, the share of self-employed with employees decreased substantially over the past decade, most notably among women and seniors.

Hot policy issue

To combat the effects of the COVID-19 crisis, the Scheme for Self-Employed Workers was launched by the Ministry of Labour, Welfare and Social Insurance. It provided an allowance for up to 4-weeks of 60% of insured weekly earnings (typically EUR 300 to EUR 900) to those who had their work fully or partially suspended due to the pandemic. The Ministry of Labour also provided a lump sum subsidy to the self-employed and very small enterprises to help cover rents, operational expenses and debts from 13 April to 12 May 2020. The amount of support ranged from EUR 1 250 for an enterprise employing up to one person to EUR 6 000 for those employing 10-50 people. In addition, youth entrepreneurs can receive various forms of support through the “ReCOVer20” Programme, operated by the Youth Board of Cyprus. It funds local support projects focussed on youth, and other vulnerable groups.

Inclusive entrepreneurship indicators

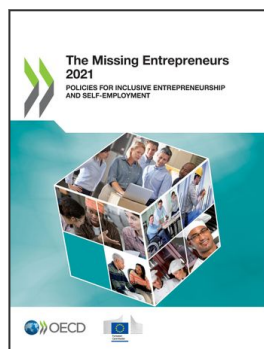
Figure 14.1. Entrepreneurship and self-employment data for Cyprus



Note: The EU average in panels b-d excludes Belgium, Czech Republic, Denmark, Lithuania, Malta and Romania. Please see Chapter 9 for notes on the figures.

Source: Panel a: (World Bank, 2020^[1]; Global Entrepreneurship Monitor (GEM), 2021^[2]; OECD, forthcoming^[3]); Panels b-d: (Global Entrepreneurship Monitor (GEM), 2021^[2]); Panels e-f: (Eurostat, 2021^[4]). Please see Chapter 9 for the full citations.

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