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I01 National Report - Cyprus

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1. Introduction

The skills mismatch means that some people did not have the right skills for the jobs available. Finding a suitable job in a relevant sector is more difficult for individuals. The lack of qualified personnel has also several impacts on businesses. It can cause a loss of productivity, lower-quality work and an inability to expand the business. These are all potentially damaging effects that arise from a mismatch of skills. It can also mean that companies, whether it's in delivering products or services, aren't able to fulfil the demands of their customers.

One of the biggest obstacles in Cyprus is bureaucracy. Non-formal education is not considered very prestigious, but society qualifies Higher Education as a must-asset for a person to thrive. Unfortunately, the Education System is not deepening in skills of the potential employer that may have gained through experience. There are several theories on why skills gap might exist. The most important that come across in any area of work are technology, education, and training.

2. Key Findings from Desk Research

In “the Missing Entrepreneurs 2019 – OECD report” it presents self-employment and entrepreneurship data for women, youth, seniors, and immigrants, while it highlights inclusive entrepreneurship policy issues and recent developments in Cyprus. It was noted that in between 2009 and 2018 there was a decrease of 5% of self-employed workers. More specific in 2018 there were 11.7% while in 2009 were up to 16.4%.

This decrease observed in people over 50 years old (16.8% in 2018 and 24.6% in 2009). There was also a gap among self-employed women (9.9% vs. 23.3%). Almost the 25.6% of early-stage entrepreneurs started their venture because they could not find employment between 2014 and 2018. This proportion was particularly high among women entrepreneurs (32.8%) and senior entrepreneurs (25.4%).

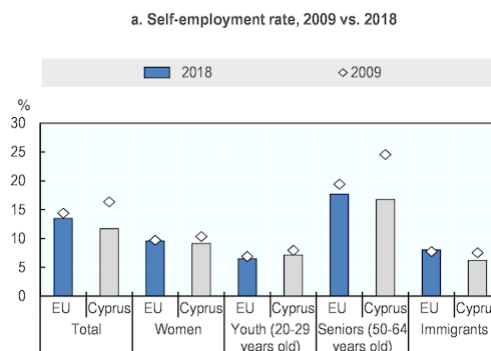
POLICIES

Main policy to support entrepreneurship in Cyprus is the “National Policy Statement for the Entrepreneurial Ecosystem” in 2015. By growing an entrepreneurial spirit and



strengthening the entrepreneurial ecosystem, this policy outlines Government's vision to boost economic growth. Also, the policy statement focuses on strengthening entrepreneurial skills and activities for all and highlights a need to enhance support for youth and female entrepreneurship. However, not for all social groups e.g. older people, migrants, people with disabilities are set targets and objectives on business creation. Although their support is foreseen through best practises and programs.

Cyprus set Europe 2020 targets for employment, which are slightly higher than the European targets (e.g. an employment rate of 75-77 % relative to 75% in the EU), and to have 27.000 fewer people at risk of poverty or social exclusion. Currently, the employment rate stands at 67.9% and 27.4% of the population are at risk of poverty or social exclusion, which is above the EU average of 24.4% for 2015. To achieve these targets, part of the suite of policy actions that used to, are inclusive entrepreneurship policies and programs. Below we can see at [Figure a.](#) where 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.



As states [Figure b.](#) 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.

GOVERNMENT REGULATIONS

Inclusive entrepreneurship trends lead to some clear conditions for entrepreneurship. In Cyprus, financing remains one of the core challenges for all entrepreneurial activities. Due to the financial crisis in the country in 2008-09 which led to a restructuring of the financial sector and according to the National Policy Statement (2015), 92% of Cypriot



entrepreneurs strongly believe that securing funding is a requirement for the proper function of their businesses.

Table. Characterization of the inclusive entrepreneurship policy context.

		Women	Immigrants	Youth	Seniors	Unemployed
1. Entrepreneurship policies for each target group are under the responsibility of the following level(s) of government (multiple levels can be checked)	National	√		√		√
	Regional					
	Local					
2. A group-specific entrepreneurship strategy has been developed (either stand-alone or embedded in another strategy)		√		√		√
3. Clear targets and objectives for entrepreneurship policy have been developed and reported for different target groups						
4. Monitoring and evaluation practices for entrepreneurship support are strong and widespread				√		

Note: A checkmark indicates the level policy responsibility for tailored entrepreneurship policy (multiple selections are possible) and characteristics of the entrepreneurship policy framework.



3. Research Results: Best Practices

Good practice 1: CyprusInno

Title of the best practice: CYPRUSINNO	
<i>Underline the type that best describes the best practice:</i>	
Program <u>Project</u> Initiative Report Case study Other: _____	
Website: https://cyprusinno.com/	Social media link(s): https://www.facebook.com/cyprusinno/ @CyprusInno
Leading organization/Author: CYPRUSLNNO	
Year/Timeframe: 2016- present	
Target group(s)/Beneficiaries: young people, social entrepreneurs, and start-ups	
Description <i>(provide a detailed description of the best practice focusing on its methodology, main activities, results, benefits, as well as its limitations/gaps/shortcomings):</i> <p>CyprusInno is a digital platform offering Cypriot entrepreneurs and problem-solvers island-wide the chance to connect with like-minded innovators, network, and even post to the site. CyprusInno empowers entrepreneurs, giving them greater access to co-founders, employees, advisors, and investors. They meet in person and online organized trainings & workshops, business mixers, and mentorship programs.</p> <p>CyprusInno is the largest database of start-ups of all kinds in Cyprus and the first and only project featuring start-ups on either side of the island. They also mapped co-working spaces, incubators & accelerators, and centers & labs. Additionally, they created a jobs board for featured start-up island wide.</p> <p>In creating a true inter-communal, bi-zonal, island-wide entrepreneurial ecosystem, CyprusInno is committed to educating the next generation of Cypriot entrepreneurs. In this spirit, they built and launched the CyprusInno Knowledge Lab, the first free digital entrepreneurial skill-building e-learning lab for all Cypriot entrepreneurs.</p> <p>With the success of connecting communities via entrepreneurship online, and after getting the community used to this idea, they saw an opportunity to translate these digital initiatives by then bringing people together at events and programs such as our inter-communal business mixers, an entrepreneurship bootcamp series, and a mentorship program, all engaging Greek and Turkish Cypriots, and other Cyprus-based community members.</p> <p>In June 2018, CyprusInno was selected as a “Good Practice” for the 2018 Symposium of the EU-CoE youth partnership focused on exploring the intersection between social inclusion of young people and digitalisation, reflecting especially on how</p>	





digitalisation affects young people's lives, and what the role of youth policy, youth work and youth research can be in this respect.

Relevance to The Missing Entrepreneurs (*explain which elements of the best practice could be useful in the framework of the project*):

The free digital entrepreneurial skill-building e-learning lab that help entrepreneurs to expand their knowledges and even learn from the begging how to start and how to receive the basic knowledges. Interested parties that can take course, watch videos and Cyprus case studies, unlock achievements, and get certificates.

Good practice 2: Cyprus Womens Coop Bank

Title of the best practice: Cyprus Womens Coop Bank

Underline the type that best describes the best practice:

Program **Project** **Initiative** **Report** **Case study** **Other:** _____

Website:

<http://www.womenscoopbank.com.cy>

Social media link(s):

<https://www.euronews.com/2012/06/25/boosting-women-entrepreneurs>
<https://ec.europa.eu/growth/smes>

Leading organization/Author: Women's Co-operative Bank – Cyprus, Ms Artemis Toumazi.

Year/Timeframe: 2001-2014

Target group(s)/Beneficiaries: Primary target client group was women who wish either to start or further expand their own business.

Description (*provide a detailed description of the best practice focusing on its methodology, main activities, results, benefits, as well as its limitations/gaps/shortcomings*):

The Cyprus Women's Cooperative Bank Ltd. (WCB), one of the first co-operative banks created by women in the world, started its activities in January 2001 in Larnaca, Cyprus, under the jurisdiction of the Ministry of Commerce, Industry and Tourism. At that time, some 350 business-minded women in Cyprus founded the WCB, a non-profit lending institution focused on supporting women's entrepreneurial activities. The bank's aim is to boost women's entrepreneurship by providing specialized programs and easy access to finance.

The bank's aim was to boost women's entrepreneurship by providing specialised programmes and easy access to finance. That said, it seeks to offer a full range of financial services to both men and women on an equal basis. In particular, the bank aimed to:

- enhance the creation and promotion of women-owned businesses, preferably in new fields, by addressing the difficulties in accessing funding;



- cooperate with the government as well as various Institutions in Cyprus and abroad in order to absorb funds and services as part of a number of projects. These sources could be used to provide more flexible loan terms;
- carry out research on women-related issues to inform policy and product/service development;
- organise seminars and workshops in order to support and promote the economic advancement of women-owned businesses (e.g. on preparing business plans).

Relevance to The Missing Entrepreneurs (*explain which elements of the best practice could be useful in the framework of the project*):

Promoting women entrepreneurship and support women's entrepreneurial activities.

Good practice 3: ACE-Lifestyle Entrepreneurship

Title of the best practice: ACE- Lifestyle Entrepreneurship

Underline the type that best describes the best practice:

Program **Project** **Initiative** **Report** **Case study** **Other:** _____

Website: <http://www.ace-erasmusplus.eu/index.html>

Social media link(s):

Leading organization/Author: Kaunas Region Educational Centre, Lithuania, www.centras.krs.lt

Year/Timeframe: 2015-2017

Target group(s)/Beneficiaries: adult educators-practitioners; learners from disadvantaged background (senior citizens, people living in remote areas, in long-term unemployment, women of social exclusion, low-skilled, etc.).

Description (*provide a detailed description of the best practice focusing on its methodology, main activities, results, benefits, as well as its limitations/gaps/shortcomings*):

According to the data of the need analysis in European and partner countries national context, the following needs are addressed within the project:

To develop the basic and specific adult educators' competencies working with disadvantaged learners with focus on innovative ways of outreach and delivery of learning activities;

To provide necessary knowledge and information to adult learners with fewer opportunities and from disadvantaged background on access to adult learning services and the possibilities for employment on the basis of their lifestyle, abilities and talents.

The objectives were:





- to strengthen the competencies of adult educators supplying them with innovative and attractive training material and ICT tools based on Lifestyle entrepreneurship (LSE) approach;
- to enhance the professional development of adult educators by introducing the innovative education methods: blended learning, reversed/flipped training, Open education recourses (OER);
- to develop OERs tailored to needs of adult educators in order to support digital integration in learning to reach the learners from disadvantaged backgrounds;
- to increase the motivation and reduce disparities in learning outcomes of adults learners with fewer opportunities and from disadvantaged backgrounds using LSE approach and ICT tools with the long perspective of getting self-employed.

Relevance to The Missing Entrepreneurs (*explain which elements of the best practice could be useful in the framework of the project*):

The project will adapt the good practices from UK on Lifestyle Entrepreneurship as a useful alternative to self-employment for adults with fewer opportunities and from disadvantaged backgrounds.

Good practice 4: Women in Business Programme

Title of the best practice: Women in Business Programme

Underline the type that best describes the best practice:

Program **Project** **Initiative** **Report** **Case study** **Other:** _____

Website:

<https://tinyurl.com/vvzdb2wr>

Social media link(s):

Leading organization/Author: European Bank for Reconstruction and Development (EBRD)

Year/Timeframe: 2018

Target group(s)/Beneficiaries: Women entrepreneurs

Description (*provide a detailed description of the best practice focusing on its methodology, main activities, results, benefits, as well as its limitations/gaps/shortcomings*):

The initiative included a mentoring scheme for 20 women entrepreneurs, as well as tailored entrepreneurship training for women. The Program was managed by the Ministry of Energy, Commerce, Industry and Tourism, with support from the European Bank for Reconstruction and Development.

Relevance to The Missing Entrepreneurs (*explain which elements of the best practice could be useful in the framework of the project*):



Under this program the EBRD presented a toolkit available to women entrepreneurs. The event was dedicated to women willing to establish or grow their business, develop their entrepreneurial skills, network and discuss entrepreneurial related challenges.

Good practice 5: MYSITE - Migrant & Youth Social Inclusion Through Entrepreneurship

Title of the best practice: Migrant & Youth Social Inclusion Through Entrepreneurship - MYSITE	
<i>Underline the type that best describes the best practice:</i>	
Program <u>Project</u> Initiative Report Case study Other: _____	
Website: http://www.pfcmalta.org/my-site-migrant-and-youth-social-inclusion-through-entrepreneurship.html	Social media link(s): https://www.facebook.com/PfCMalta/
Leading organization/Author: The People for Change Foundation (Malta)	
Year/Timeframe: April 2018 – October 2019	
Target group(s)/Beneficiaries: Third Country National and local young people interested in entrepreneurship.	
Description <i>(provide a detailed description of the best practice focusing on its methodology, main activities, results, benefits, as well as its limitations/gaps/shortcomings):</i> <p>This project addresses entrepreneurship as a tool towards integration. The target group is Third Country National (TCN) and local young people interested in entrepreneurship.</p> <p>The objectives of the project were:</p> <ul style="list-style-type: none"> • To compile research on the needs of young entrepreneurs • To promote youth entrepreneurship as a means of employment and financial independence • To promote the social inclusion of TCN youth in five different countries (Cyprus, Greece, Italy, Malta, Spain) <p>Some barriers that the specific project faced was:</p> <ol style="list-style-type: none"> 1. Financial challenges 2. State bureaucracy and legal framework 3. Lack of awareness 4. Discrimination 5. Barriers linked to the national context. 	

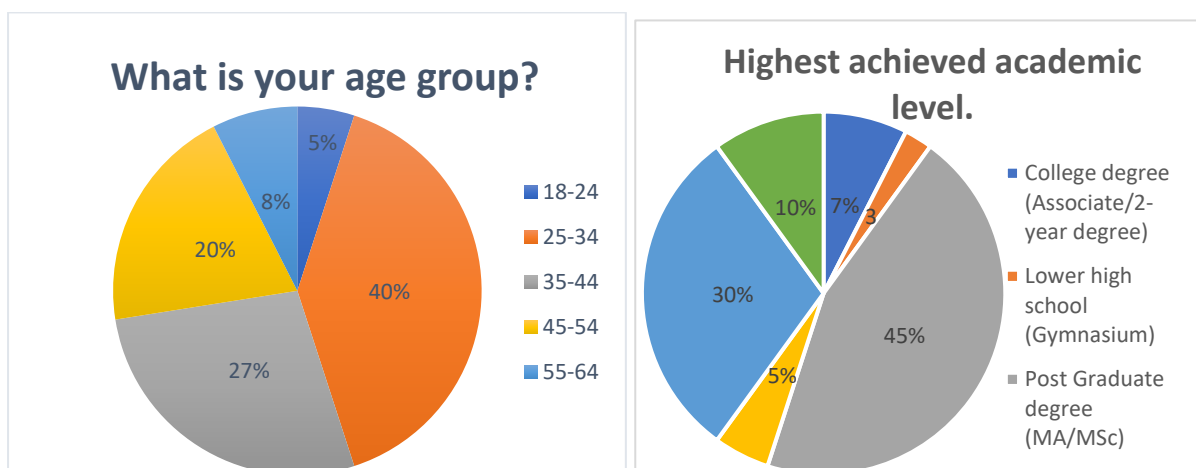


Relevance to The Missing Entrepreneurs (*explain which elements of the best practice could be useful in the framework of the project*):

The project involved research, training, mentorship and addressed to TCNs and local youth to develop management and accessing finance. All the above has been accomplished with training that covered a range of topics including the modalities and frameworks for setting up a business. Besides promoting entrepreneurship as a means of financial independence for young people it also supported the integration and social inclusion of TCNs in the participating countries.

4. Research Results: Questionnaires

A questionnaire carried out with 40 stakeholders within our target groups. This questionnaire aimed to investigate the national context in Cyprus within the realm of our proposal. 40% of the participants were under the *age* of 25-34 while only 5% was 18-24. Regarding the *gender*, 67% of respondents were female and 33% male. Most of the participants have Cypriot *nationality* but there were also people from Greece, Portugal and non-EU countries like Cameroon and Sierra Leone. As far as it concerned the *highest achieved academic level*, 80% of the participants owned a post graduate and a university degree (MA/MSc, BA/BSc, PhD) and the rest 20% had college degree or lower education.



Some of the main reasons that our target group does not own a business today are *financial* and *operational* but people that still owned a business has a duration of 2 years. When people were asked to rate their familiarity with the term *entrepreneurship*, 10 of them replied that they are extremely familiar, while 8 people rate lower than number 5,

which was the middle rate. It was noteworthy how they rate their familiarity with the term *digital entrepreneurship*. 10 respondents were not very familiar with the term, while 6 of them were extremely familiar. Nevertheless, only 12 out of 40 participants have never considered of getting into *Digital Entrepreneurship*.

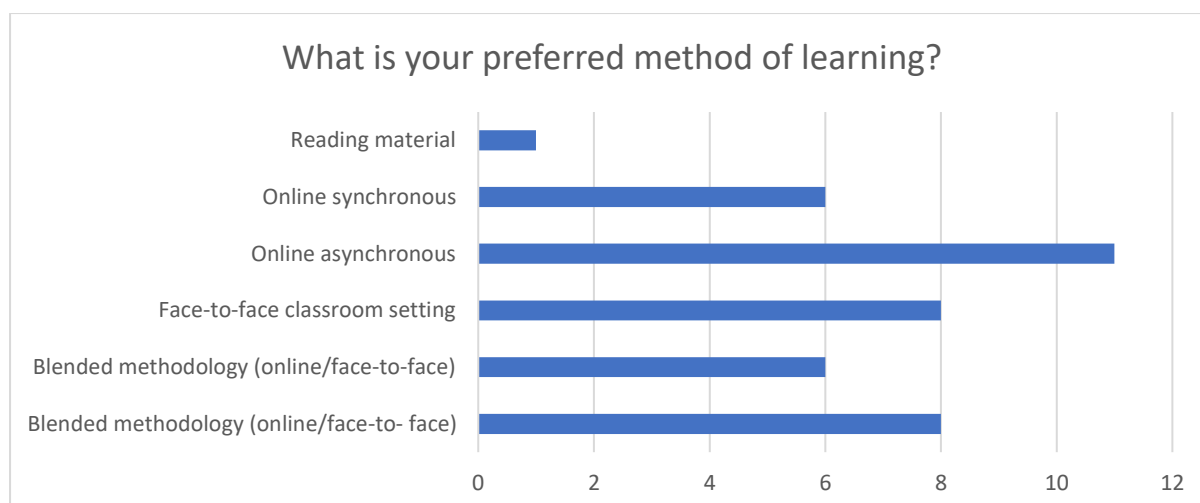
The rest of them are considering of going into digital, because it will offered to them some *business* and *financial opportunities*, while they will expand their *knowledges* into starting a *digital enterprise*. When people were asked to rate their knowledge and practical familiarity with some skills, most people noted that they are very familiar with *communication* and *project management* term. Many participants though were not very familiar on *web development*, *data analytics* and *product service development skills*.

In order though to become familiar with all the skills and terms that they were asked, they believe that it is very important to have knowledge from all the skills that were mentioned in the questionnaire. They also mentioned some other skills that they would like to have regarding digital entrepreneurship, some of them were:

- creativity
- technical training
- finding sponsor
- video creation and editing
- mobile applications development
- seminars.

All the respondents except one, own equipment that allow them to access to online learning (computer, phone, tablet, etc.). One of the lasts questions was about a method that the participants would prefer to start learning new skills and they answered as the below graphic.





5. Conclusions and Recommendations

People from our target group are willing to know new things and cover some gaps regarding digital entrepreneurship. Even though this could be time-consuming, people and especially seniors are open to participate in seminars and expand their knowledges and skills. The data analysis of the questionnaire that was provided to our target group, showed some very interesting answers regarding the question 11. "Please give some additional information regarding the status of your business reflecting your evaluation above."

"Although the company faced the covid crisis after the first year of its establishment, it only closed during the strict lockdown, adapted to the new electronic reality, had a presence and work on social media, put forward new educational work and closed several presentations with the required security measures. He now has pre-booked presentations for all of next year."

"Our business has a social orientation. Due to the situation of pandemic we had to try for online, but we did not have the desired results. Not everyone can work from home, especially business based on interaction with the world, and they are very active in bazaars and events."

Even though people are struggling to carry it through the difficult times, there is a hope for optimism to manage through.

Some recommendations could be the interesting initiatives that are taking place in different organisations or online. Due to the pandemic of COVID-19, lots of initiatives are getting into digital world and are more accessible to everyone nowadays.



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<https://tinyurl.com/vvzdb2wr>

