



National Report CYPRUS

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COOPILOT Project

Template Host Countries (HC)

Bulgaria, Cyprus, Greece, Romania and Slovenia

Country: **Cyprus**

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PART 1: COOPERATIVES ECOSYSTEM

1.1 General statistics

Number of cooperatives:

The total registered cooperative societies are 95.

- (a) Cooperative non-credit sector - 49 (Those do not include any holding or inactive cooperative societies).
- (b) Cooperative credit sector - 1 (Cooperative Cyprus Bank – CCB). Currently, the CCB is in the process to be listed in the stock exchange of Cyprus with a certain percentage of shares.
- (c) Cooperative holding societies - 25 (19 holding cooperative societies, where the existed members, prior the recapitalization of the cooperative credit sector, were transferred; plus 6 winery holding cooperatives).
- (d) Inactive cooperatives - 20.

Industries- repartition of the number of cooperatives by industry:

- (a) Credit – 1
- (b) Agro-food – 20
- (c) Consumers & Supply – 18
- (d) Others (Tourism, Real estates, Health, Welfare, Handicraft & Manufacturing) - 11

(The above repartition of the number of cooperatives by industry does not take into account the holding and the inactive cooperatives).

Employment (full time equivalents) - total and by industry:

Total: Credit – 2,749 (approximately); Non-credit - 327 (approximately)

- (a) Credit – 2.749
- (b) Agro-food – 235
- (c) Consumers & Supply – 59

(d) Others (Tourism, Real estates, Health, Welfare, Handicraft & Manufacturing) – 33

Existing federation/network:

Pancyprrian Cooperative Confederation (inactive): After the restructuring plan and the recapitalization of the Cooperative Credit Sector in 2013, which resulted in the participation of the State in its share capital by 99,25%, the Confederation became inactive.

1.2 Historical background and recent evolutions

The Cooperative Movement in Cyprus has more than 100 years of service and contribution to its members and the society in general. The first cooperative credit society was established in 1909 in Lefkoniko with purpose the beating of usury. The long stay of Cyprus under the yoke of foreign conquerors had a decisive impact on the Cypriot society. The social system imposed on the people of Cyprus prevented any forward-looking effort and curb any individual initiative. In these difficult circumstances, the Cooperative Movement was established and played an important role, in both economic development and social progress of the people of Cyprus, having in its center the human character.

In 1935, the British colonial Government set up by law the Department of Co-operative Development, whose responsibility was the support and development of cooperative societies in Cyprus. During the period, starting from the independence of the Republic of Cyprus in 1960 to the withdrawal of the Turkish Cypriot community from the governance of the State, there were two Departments of Cooperative Development. One belonged to the Greek Cypriot Community Assembly and the other to the Turkish Cypriot Community Assembly.

Through time, almost every village in Cyprus has its own cooperative, which mostly offered credit, agricultural and consumption services to its members. Some villages managed to have three different types of cooperatives; one credit cooperative, one consumer cooperative and one cooperative of gathering and supplying agricultural products (Sedigep). Of course today, due to the significant reduction of villages' population, the situation has changed. Only few cooperatives from those sectors have remained in rural areas.

Despite the serious problems created by the Turkish invasion of 1974 and then the occupation and the displacement of one third of the Cypriot population, the Cooperative Movement, as protagonist, contributed to a significant reduction of housing problem created, despite the severe blow that the same had suffered, thus relieving the State of many problems and contributing, at the same time, to strengthen social cohesion, which is the required background for all development activities.

With the passing of the Cooperative Societies Law in 1985, the Department of Cooperative Development, as part of the Department of Ministry of Trade and Industry, had under its competency the development of co-operative societies, and their supervision, assisting in

this way the establishment of a strong cooperative movement. In July 2003, with the independence and establishment of the Authority for Development and Supervision of Cooperative Societies, as the competent supervisory Authority for cooperative societies, the development and supervision of cooperative societies continued in an upgraded level to be fully harmonized with the European acquis and to have an enhanced administrative and supervisory capacity on the basis of Cooperative legislation and international recognized Cooperative Principles.

In 2004, Cyprus became a member of EU. Within the context of harmonization with the European acquis, the cooperative credit societies were reduced from 359 to 96 in 2012, after a series of merges among them, in order to increase their efficiency, their economy of scales and their capital adequacy.

However, the economic crisis of 2008 had a very severe impact on the banking system and the economy of Cyprus. As a result of that and within the context of the Memorandum of Understanding (MoU), which was signed in March 2013 between the Republic of Cyprus and Troika (European Commission, European Central Bank and International Monetary Fund), a number of important measures were taken place in the banking system, including the cooperative credit sector. It is noted that the cooperative credit sector had about 30% share of loans and 21% of deposits in the banking system of Cyprus.

Among those measures were the restructuring and the recapitalization of the cooperative credit sector with €1.5 bln by the State. The 96 cooperative credit institutions (CCIs) were merged among them, reducing their number to 18. Taking into account the previously called Cooperative Central Bank (CCB), the number of cooperative credit institutions numbered to 19. In addition, the CCIs and the CCB should relinquish any of their business activities, other than banking, as well as any share capital they owned in non-credit cooperatives. Since 1.7.2017, the 18 CCIs have been merged with CCB, which on 24.7.2017 has been renamed to Cooperative Cyprus Bank (CCB). Soon, it is expected that the CCB will be listed in the stock exchange of Cyprus with a certain percentage of shares. Due to the recapitalization, currently, the State participates with 99,22% in share capital of CCB. The rest 0,78% is owned by other 19 Cooperative Holding Societies, where the members that existed prior the recapitalization, have been transferred.

Further than that and after the amendment of the Cooperative Law in 2013, the competencies of licensing, supervision and regulation of the cooperative credit sector have been transferred to the Central Bank of Cyprus. The Authority for the Cooperative Societies, as it is called today, remained the competent Authority for the promotion and the dissemination of the cooperative principles, as well as for the smooth operation of the cooperative sector in Cyprus. In addition, it is the competent Authority for the supervision of non-credit cooperative societies, the monitoring of the compliance of all registered cooperative societies with the provisions of the cooperative legislation, the appointment of arbitrators for disputes between members and cooperatives, as well as for the registration and liquidation of cooperatives.

1.3 Legal context

- The Cooperative Societies Laws of 1985-2016.
- The Cooperative Societies Rules of 1987-2012.

It is noted that the cooperative Laws and Rules govern all registered cooperative societies in Cyprus.

Main articles of the Cooperative Societies Laws of 1985-2016 in brief:

Art. 6 - Cooperative societies which can register: Cooperative societies have purpose to serve the interests of their members in accordance with the cooperative principles. Members of cooperative societies are persons who are joined together in order to establish a cooperative, which provides services for the coverage of their needs. As a rule, users of the provided services are the cooperative's members.

Art. 8 - Qualified members: Members of a cooperative society may be natural persons or registered co-operative societies. The qualifications of the members shall be as laid down in article 8 of the cooperative societies' Law and expanded further in the by-laws of cooperative societies (article 81 of the cooperative societies' Rules), according to their objectives. A person who meets the qualifications for membership may be registered as a member of a cooperative (open entry).

Art. 10 - Registration of a cooperative society: A cooperative society may be registered in an area, where another cooperative does not already exist or operate and which does not have the same purpose of business activities. A feasibility study must be also submitted to the Commissioner in order an application for a cooperative's registration to be examined.

Art. 15 - Voting: No member of a cooperative society can have more than one vote (regardless of any share capital he may own).

Art. 40 - Capital investments: A cooperative society may deposit its funds at the Cooperative Cyprus Bank. In order to make deposits in any other credit institution or to invest or to use its funds for any purchase, renovation and expansion of real estate, as well as to use them for the acquisition of movable property necessary for performing the purposes for which it has been established or to sell real or movable property, the cooperative society needs the approval of the Commissioner of the Authority for Cooperative Societies.

Art. 41 - Distribution of profits: At least half of the annual net profits of a cooperative society shall be transferred to capital reserves. The distribution of the remaining profits shall be made after a decision is taken by the General Assembly of members.

Art. 49 - Liquidation: In case a cooperative society enters the procedure for liquation, any remaining capital balance will not be distributed among its members, but it will be

available for any purpose or purposes, which are specified in the by-laws of the registered cooperative, whose registration has been cancelled. In case, such purpose is not specified, the capital balance shall be deposited by the Commissioner in a bank or in a registered cooperative society until other cooperative is registered within the same region of operations of the liquidated cooperative.

Main articles of the Cooperative Societies Rules of 1987-2012 in brief:

Art. 23 - Limit of ownership: No member, other than a registered cooperative, may hold more than one fifth of the share capital of a registered cooperative.

Art. 24 - Distribution of profits: No amount of capital reserves should be distributed among its members as dividend or sub-dividend or otherwise, without the approval of the Commissioner.

Art. 38 - Committee Members: They are elected by the members every three years; only members have the right to submit their candidacy and be elected. Members of the Committee do not receive a salary or other remuneration (other than compensation for their transportation and their participation in meetings).

Art. 81 - By-laws: They are the statutes of a cooperative society (content)

Art. 82 - Amendment of by-laws: It is decided by a majority of $\frac{3}{4}$ of the members, who are present in a general assembly, and approved by the Commissioner (art. 12 of the Cooperative Societies Law and article 82(2) of the Cooperative Societies Rules).

It is noted that recently a study of the Cooperative Sector in Cyprus has been conducted and completed by experts of the Italian association for cooperatives, Legacoop. The purpose of the study was to indicate the necessary reforms, including recommendations for the amendment of the cooperative Legislation, towards a new cooperative business model, based on best practices applied in other Member-States with well-developed cooperative movements. The said study was conducted within the context of technical assistance provided to the Authority for Cooperative Societies by the Structural Reforms Support Service of the European Commission.

(English versions of both Cooperative Law and Rules can be found at the webpage of the Authority for Cooperative Societies (www.cssda.gov.cy). It is noted that those versions are consolidated as well as unofficial.)

1.4 Public policy

By Law, the Commissioner of the Authority for Cooperative Societies has the responsibility to promote and disseminate the cooperative principles, as well as to secure the smooth operation of the cooperative sector in Cyprus (Art. 3(5) (b)).

1.5 Mechanisms

The Income Tax Law exempts the transactions of a cooperative society with its members from any income tax.

1.6 Public awareness

The public awareness of coops existence comes mostly from the older generations that lived the expansion of the cooperative movement in Cyprus, particularly in rural and agricultural areas. On the other hand, the newer generations relate the coops existence mostly to the cooperative credit sector.

1.7 Public knowledge

Given that cooperative societies in Cyprus were initially established by farmers in order to get rid of usury, the public knowledge on cooperative characteristics is mainly centered on the human character of cooperatives and the service to their members.

1.8 Media

Before the recapitalization and the restructuring plan of the Cooperative Credit Sector in 2013, the general attitude of media towards cooperatives was quite positive. It is worth mentioning that the trust of people towards credit cooperatives used to be higher compared to most other credit institutions. However, after 2013, the general attitude of media towards credit institutions, including the cooperative credit sector has changed.

1.9 Role models

Some examples of role models cooperatives are the following:

- Cooperative Organization for Production and Supply of Vine Products (SODAP) (1946) - a primary level cooperative (members are only natural persons). It gathers its members' production of grapes and produces wine, which then is distributed to the local and foreign market.
- Pancyprian Cooperative Society of Hairdressers Ltd (1966) - a primary level cooperative. It provides its members with hairdressing products of high quality at fair prices.
- Cooperative Society of Rose Producers of Agros Ltd (1961) - a primary level cooperative. It gathers the rose production of its members and produces a rose extract, mainly used in traditional food and beverage sector in Cyprus; while recently, the cooperative is using that in the production of alternate food, beverages and bio-cosmetics.



- Cooperative Society of Banana Producers of Paphos Ltd (2000) - a primary level cooperative. It gathers the production of its members (banana producers) and supplies the market.
- Pancyprian Cooperative Health Fund Ltd (1961) - a primary level cooperative. It provides health services to employees of cooperatives that are members.
- Pancyprian Cooperative Fund for the Welfare of Cooperative Employees Ltd (2004) - a primary level cooperative. It provides the cooperative employees, who are members, with welfare services, such as accommodation at tourism units.
- Cooperative Society for the Supply of Agricultural Products of Pareklisias Ltd (1967) - a primary level cooperative. It gathers the agricultural production of its members and sells it to the market.
- Cooperative Consumer Store of Agia Marina Chrysochous Ltd (1959) - a primary level cooperative. It provides its members with a variety of consumer products.
- Cooperative Society of "Producers Group of Koumandaria" Ltd (2012) - a secondary level cooperative. It gathers the grape production of its members (primary cooperatives and natural persons) and produces a traditional Cypriot, amber-colored sweet dessert wine, called Koumandaria, for the market. (The Guinness Book of World Records categorizes Koumandaria as the oldest named wine in the world).
- Cooperative Supply Union of Famagusta – Larnaca (SPEAL) Ltd (1955) - a secondary level cooperative. It provides its members with bulk gas.
- Cooperative Society for the Supply of Carobs of Paphos Ltd (1946) - a secondary level cooperative. It gathers the carob production of its members and sells it to the market.

In addition, the following cooperatives are very well-established. However and within the context of the divestment plan, which was based on the restructuring plan and the recapitalization of the cooperative credit sector, those cooperatives are in the process of buying back any share capital owned by the Cooperative Cyprus Bank.

- Cooperative Society of Maritime Services of Limassol (CO-MARINE) Ltd - (1965)
This is a cooperative that operates in travel, shipping and hotel business.
- Cooperative Organization for the Production of Feed (SOPAZ) Ltd - (1961)
The cooperative operates in the production of compound feed and supplies the domestic and foreign market.
- New Cooperative Society of Industrial Processing of Agricultural Production (SEVEGEP) Ltd - (1990)
This is a cooperative in the business of processing, juiced and condensation of all types of citrus for supplying the domestic and foreign market.



- Cooperative Society SYNERGAS Ltd – (1965)

The cooperative imports, stores and supplies with bottled and bulk gas the domestic market.

1.10 **National publications**

- Annual Report - Authority for Cooperative Societies, 2012 (ISSN 1986-4477)
- Cooperatives in social development, 2012 (ISBN 978-9963-9486-5-9)

1.11 **National web**

Web page of the Authority for Cooperative Societies – www.cssda.gov.cy

PART 2: COOPERATIVE/ENTREPRENEURSHIP EDUCATION

Part 2.1: Cooperative Education

Name	Business Idea Competition (www.cedar.org.cy/category/initiatives/business-idea-competition/)
Providers	Center of Entrepreneurial Development, Alliance and Research (CEDAR) Ltd. B.I.C. is organized by CEDAR since 2013
Target	Adult Aspiring Entrepreneurs all over Cyprus
Content	
Learning practices	Active learning
Indicate if those programs include specific action supporting entrepreneurship	Business Idea Competition highly promotes social enterprises that in their majority act as cooperatives. More precisely, the last two years a special prize is awarded for the best social enterprise idea.
Indicate if those programs include specific action towards young people	The program, except of the award ceremony for the best ideas, is consisted of workshops throughout Cyprus that educates the wider audience on the entrepreneurial thinking process.

Name	PANORAMA OF SOCIAL ENTERPRISE
Providers	Center of Entrepreneurial Development, Alliance and Research (CEDAR) Ltd
Target	Not specified
Content	The aim of this policy oriented forum is to expound the emerging models of social enterprise and review policy support mechanisms needed to help unleash the growth potential of social entrepreneurship.
Learning practices	
Indicate if those programs include specific action supporting entrepreneurship	
Indicate if those programs include specific action towards young people	

(The source is provided by CEDAR Ltd)

2.1.2 Needs of cooperative actors to develop entrepreneurship

- Incentives provided by the Legislation
- Flexibility and effectiveness provided by the Cooperative Law
- Removal of red tapes from the cooperative Legislation
- Support from the State
- Access to finance (e.g. investor angels/private investors)
- Training
- Need for a Cooperative Association/Federation
- Involvement of the private sector
- Awareness of cooperatives for European and other competitive programmes (e.g. Erasmus Plus, COSME, Mediterranean Sea Basin Programme, etc.)

2.1.3 Needs of cooperative actors to reach young people

- Awareness of young people for the cooperative business model
- Introduction of the cooperative model in the educational system
- Promotion of the cooperative business model, through coop start-ups completions, by academic institutions.
- Promotion of cooperative business model through media
- Collaboration of cooperatives and youth organizations in various activities
- Support of youth from cooperatives
- Collaboration between organizations of volunteering and cooperatives of various activities
- Training employment programmes by cooperatives
- Coordination of the Authority for Cooperative Societies with the Ministry of Education and Culture, as well as with the Ministry of Labor, Welfare and Social Insurance in respect to cooperative training and employment schemes.

Part 2.2 : Entrepreneurship Education

Name	Strategic planning for Smaller Firms: innovation based survival and/or growth of owner-managed SMEs www.cedar.org.cy/hrda-approved-training-strategic-planning-for-smaller-firms/
Providers	Center of Entrepreneurial Development, Alliance and Research (CEDAR) Ltd
Target	
Content	In this fiercely competitive arena micro and small-medium sized enterprises cannot remain comfortable in their niches; their sustainable business success is under attack. The owner-managers of SMEs must embark on the journey to transform their firms into entrepreneurial growth stars. This practical training will offer the strategic planning toolkit in order to help entrepreneurially inspired owner-managers and directors to

	craft a restructuring plan that can enable them to cope with the prolonged recession and be ready to seize the opportunities of the next economic cycle. It is all about mapping on the three growth horizons: boosting the competitiveness of their core business activities, exploring new business models and innovation practices, and pursuing new venture ideas by building strategic alliances in the market.
Learning practices	
Indicate if those programs include specific action supporting cooperatives	
Indicate if those programs include specific action towards young people	

Name	IDEODROMIO (www.cedar.org.cy/ideodromio17)
Providers	Center of Entrepreneurial Development, Alliance and Research (CEDAR) Ltd. Cyprus Pedagogical Institute
Target	Children between the ages of 12 to 18. All cities of Cyprus
Content	
Learning practices	Project-based learning Learning outside the classroom
Indicate if those programs include specific action related to cooperatives	Given the young age of the participants in the contest, it is the cooperative and the collaborative spirit that it is highlighted rather than the business model of the companies etc.
Indicate if those programs include specific action towards young people	Yes

Name	ARTISAN (http://www.euartisan.eu/)
Providers	Center of Entrepreneurial Development, Alliance and Research (CEDAR) Ltd
Target	
Content	ARTISAN focuses on family businesses operating in areas that promote cultural heritage and tradition, such as the artisan and agro-tourism sectors. Particularly it targets the development of entrepreneurial skills amongst family members that work in these enterprises.

Learning practices	
Indicate if those programs include specific action related to <u>cooperatives</u>	
Indicate if those programs include specific action towards young people	

Name	MBA (Specific module: New Enterprise Venture Development) www.uclancyprus.ac.cy/en/courses/schools-business-management/postgraduate-courses/masters-business-administration-mba/
Providers	UCLan Cyprus
Target	Postgraduate students
Content	The module aims to develop the students' ability to integrate and synthesise the information, knowledge and skills acquired in the other modules in the programme and apply these to a current practical problem faced by an early stage local business. The module will enhance their problem-solving and team working skills and demonstrate their understanding of the particular challenges facing new ventures
Learning practices	Active learning
Indicate if those programs include specific action related to <u>cooperatives</u>	
Indicate if those programs include specific action towards young people	

Name	<i>"Small Family Business Seminars"</i> http://www.cedar.org.cy/small-family-business-seminars/
Providers	Center of Entrepreneurial Development, Alliance and Research (CEDAR) Ltd
Target	
Content	CEDAR-The Centre for Entrepreneurship in cooperation with Famagusta – Larnaka Co-operative Savings Society Ltd co-stage a series of seminars [in Greek] focusing on the challenges facing small family businesses. The seminars took place during March

	and April 2015 and covered topics including: the future of SMEs, SME funding in the midst of crisis, the future of family businesses, and SME innovation.
Learning practices	
Indicate if those programs include specific action related to <u>cooperatives</u>	
Indicate if those programs include specific action towards young people	

Name	BA (Hons) in Business Administration programme (Specific Modules : Start a Business, Creativity & Innovation in Organisations) www.uclancyprus.ac.cy/en/courses/schools-business-management/undergraduate-courses/bahons-business-administration/
Providers	UCLan Cyprus
Target	Undergraduate students
Content	This module aims to provide students with opportunities: To develop understanding of creative thinking compared with analytical thinking. To enhance skills and capability in utilising creativity techniques in problem - solving and ideas building. To understand the relationship between creativity, innovation and change.
Learning practices	Active learning
Indicate if those programs include specific action related to <u>cooperatives</u>	
Indicate if those programs include specific action towards young people	

(The source is provided by CEDAR Ltd.)



2.2.2 Needs of entrepreneurship educative actors to cover cooperative entrepreneurship

- Cultivation and development of cooperative culture
- Awareness and training for the cooperative business model
- Persuasiveness for the perspectives of the cooperative business model.
- Interest of students towards the cooperative business model
- Business schools' policy towards cooperative business model
- Integration of cooperative business model in school curricula
- Public support in developing cooperative schemes
- Acceptance of the cooperative business model by society
- Concrete and measurable results of cooperatives' social contribution
- Interrelation between cooperatives and social enterprises
- Public policy towards cooperatives
- Initiative by coop start-ups to cover social needs

2.2.3 Needs of entrepreneurship educative actors to reach young people

- Cultivation of Entrepreneurial culture: one on the best return investments regarding entrepreneurship among young people in the cultivation of entrepreneurial culture. This includes the following:
 - Education on entrepreneurship, meaning the theoretical knowledge of entrepreneurship: what is an enterprise, how it works, how you can set up your business, taxation, marketing issues etc.
 - Development of entrepreneurial skills and attitudes like creativity, initiative, teamwork, understanding of risk and a sense of responsibility
 - Practical knowledge of entrepreneurship: young people should have the opportunity to participate in an entrepreneurial activity (e.g. operating a model enterprise, practical learning models and experience of real-world entrepreneurs).

The above are setting up the entrepreneurial mind-set that will help young people to set entrepreneurship as their career choice and at the same time will give them the skills to transform ideas into action.

(The source is provided by the Ministry of Energy, Commerce, Industry and Tourism).

- Support of relative academic programmes
- Link between relative studies and the job market
- Monitoring and guidance of students by academic institutions

(The source is provided by the Open University of Cyprus)

Part 2.3: Learning Coop Entrepreneurship Education Practices

2.3.1 Existing practices potentially inspiring for other countries

Currently, there are not any existing learning entrepreneurship education practices for cooperatives in Cyprus.

2.3.2 Existing practices which should be expanded

The Authority for Cooperative Societies undertook the initiative to establish and develop such practices through the Authority's participation in various consortiums and submission of relative project proposals to various European and other competitive programmes.

In addition, "Learning Coop Entrepreneurship Education Practices" could be established through the collaboration among academic institutions, other organizations and business liaison offices, as well as through the European Office in Cyprus. (The source is provided by the Open University of Cyprus).

PART 3: OPPORTUNITIES

3.1. Youth

- Family oriented
- Educated (high school/college-university)
- Mainly self-centered. However, in the last few years, various youth movements were formed to promote the social interest and the assistance to vulnerable groups.
- Need for further skills development in taking initiatives and responsibilities

3.2. Youth unemployment

The unemployment rate as of December 2016 was 14.3%. The registered unemployed persons at the district Labor Offices as of June 30, 2017 were 30,577. The relative statistics can be found at the following link of the Ministry of Finance.

[http://www.mof.gov.cy/mof/cystat/statistics.nsf/all/CB3029E3DF5C2D50C225803D0054F7C0/\\$file/Registered_Unemployed-Jun17-EN-050717.pdf?OpenElement](http://www.mof.gov.cy/mof/cystat/statistics.nsf/all/CB3029E3DF5C2D50C225803D0054F7C0/$file/Registered_Unemployed-Jun17-EN-050717.pdf?OpenElement)

- According to Labor Force Survey, youth unemployment (ages of 15-24) in the first quarter of 2017 was 26.7%.
- According to EUROSTAT, youth unemployment (ages of 15-24) in March 2017 was 24.8%.

(The source is provided by the Department of Labor).

3.3. **Youth intentions** towards entrepreneurship

Even though the State is undertaking several initiatives to promote entrepreneurship culture and integrate entrepreneurship education in school curricula, as well as to encourage students' participation in entrepreneurship programmes, initiatives and competitions, the feedback that is received from youth appears not to be the expected one. However, some excellent entrepreneurship projects, particularly in technology and telecommunications, are presented by groups of young people.

The above need and commitment of the State towards the promotion of entrepreneurship culture is underlined in the Cyprus National Reform Programme. Both relative links are provided below:

- (a) "EUROPE 2020 – CYPRUS NATIONAL REFORM PROGRAMME 2017"
(entrepreneurship : pages 17-21)

<https://ec.europa.eu/info/sites/info/files/2017-european-semester-national-reform-programme-cyprus-en.pdf>

- (b) Cyprus' Action Plan "A NEW GROWTH MODEL FOR CYPRUS" (entrepreneurship: pages 22-23, education: pages 15-16)

[http://www.crcs.gov.cy/crcs/crcs.nsf/All/FE9B14F25265813BC2257DF7004596B7/\\$file/GROWTH%20ACTION%20PLAN%20\(REVISED%2010%202%202015\).pdf](http://www.crcs.gov.cy/crcs/crcs.nsf/All/FE9B14F25265813BC2257DF7004596B7/$file/GROWTH%20ACTION%20PLAN%20(REVISED%2010%202%202015).pdf)

It also appears that the students present interest in the schemes that the Ministry of Energy, Commerce, Industry and Tourism provides in the entrepreneurship for women as well as for innovative entrepreneurship. (The source is provided by the Open University of Cyprus).

3.4. **Uncovered social needs**

- Vulnerable and disadvantaged groups
- Children with special needs
- Needs for handicapped people
- Caring of children at the age of kindergarten
- Needs of elderly people (e.g. in-house nursing)
- Healthcare and pharmaceutical services (recently a national health scheme has been passed into law)
- Reintegration into society of prior convicted and imprisoned persons
- Integration of unemployed people as well as people in public welfare programmes (e.g. guarantee minimum income - GMI) into the work force
- Legal immigrants and refugees
- Environmental protection (e.g. recycling – it is lightly covered by few enterprises and non-profit organizations)
- Training of people for switching to different careers.

3.5. Youth sensibility

The youth sensitivity in most of those uncovered social needs requires further development. However, during the last years, the youth sensitivity in environmental protection (e.g. recycling) and the caring of vulnerable groups have been increased.

3.6. Industries or social needs with high potential for **cooperative** entrepreneurship

- Tourism (e.g. agro-tourism)
- Fishery
- Apiculture
- Bio agriculture
- Healthy nutrition/ herbs
- Processing, marketing and sales of traditional handicraft and agricultural /stockbreeding products (small and modern production units) /Workers-owned cooperatives
- Health, pharmaceutical and social services (e.g. in-house nursing for elderly people) - Social cooperatives/ Workers cooperatives
- Children caring centers (e.g. kindergarten schools)
- Recycling (e.g. cloths, house appliances, furniture, etc)
- Community services (e.g. transport, energy supply, cultural, environmental, food supply, pharmaceutical products, etc.) – Community cooperatives

3.7. Do you think those are suitable for youth entrepreneurship?

Yes, the above could be suitable for youth entrepreneurship. Given the high unemployment rate in Cyprus, youth face difficulty in finding a job, particularly in the area of their studies. However, they can utilize in a professional way what they had learned and experienced by setting-up an enterprise. Their new ideas, their knowledge and learning experience, their motivation, their innovative spirit, as well as their analytical and technological skills would be definitely a valuable asset in any entrepreneurial initiative they pursue. The above industries or social needs provide a wide area of fields, where young people could set-up an enterprise, based on their preferences and the area of their knowledge and/or experience, joining at the same time their forces and utilizing the opportunities offered by European and State programmes.

3.8. Industries or social needs with high potential for **youth** entrepreneurship

Industries with high potential for youth entrepreneurship in Cyprus would be any innovative business idea especially high added value sector of the economy as indicated in the smart specialization strategy for Cyprus i.e. energy, tourism, health, agriculture, shipping and environment. These are the sectors recognized by SMART as the sectors where Cyprus have competitive advantage and thus are expected to have high growth potential.

In addition, the Ministry of Energy, Commerce, Industry and Tourism (MECIT), has promoted several funds opening calls for proposals in order to enhance entrepreneurship, including among others:

- Measures supporting business development through the Scheme for the enhancement of Youth Entrepreneurship and the Scheme for the enhancement of Female Entrepreneurship.

- Scheme for the Enhancement of Youth Entrepreneurship:

The aim of the programme is to develop, support and encourage the entrepreneurship of young people between the ages of 20 - 40, who wish to engage in the sectors of manufacturing and/or in specific activities in commerce, services and tourism. This programme concerns men and women who had not any previous business activity in any sector, for a period of 12 months before the date of submission of their proposal.

- Scheme for the Enhancement of Women's Entrepreneurship:

The aim of the programme is to develop, support and encourage the entrepreneurship of women between the ages of 18 – 55, who wish to engage in the sectors of manufacturing and in specific activities in commerce, services and tourism. This programme concerns women who also had not any previous business activity in any sector, for a period of 12 months before the date of the submission of their proposal.

The basic aim of the above two programme, besides the strengthening of the entrepreneurial activities of young people and women, is the creation of new modern viable enterprises, the development of innovative projects, new technologies and new products, as well as the support of services that enhance quality and the development of tourism.

- Measures enhancing the competitiveness of SMEs (three schemes dedicated to Manufacturing, Agriculture, and Wine industry).

- Scheme for Grants to Strengthen the competitiveness of SME's in the Manufacturing Sector.

Aim: The scheme aims to the support, development and promotion of the SME's in the Manufacturing Sector and the development of specified Services which support and aid the manufacturing sector via monetary and financial aid for the expansion and modernization of existing and/or the establishment of new viable SME'S.

Beneficiaries: New or existing SMEs of the manufacturing sector (including handicraft units) established or about to be established in government controlled areas. Beneficiaries do not include units dealing or about to work on the manufacturing of agricultural, animal husbandry or fishery products included in



Annex 1 of the EU treaty. Units established in British Bases Sovereign area are also excluded.

Eligible costs

- (a) New machinery and/or
- (b) Know-how
- (c) Buildings only

- Grant scheme for the modernization of units for the manufacturing and trading of agricultural and forestry products (Act 1.6 of the Program for the Development of Agriculture)

The scheme aims to provide incentives for investments targeting the following:

- (a) The development of new products with high value added
- (b) The improvement of the quality of sanitary conditions and conformity with necessary Standards.
- (c) The utilization of agricultural and forestry raw material and the improvement of the income of the agricultural sector.
- (d) The promotion of traditional and biological products.
- (e) The protection of the environment.

Beneficiaries: Legal or physical persons or SMEs (as described by the recommendation of the EC Commission dated 6.5.2003/361/E).

Eligible costs:

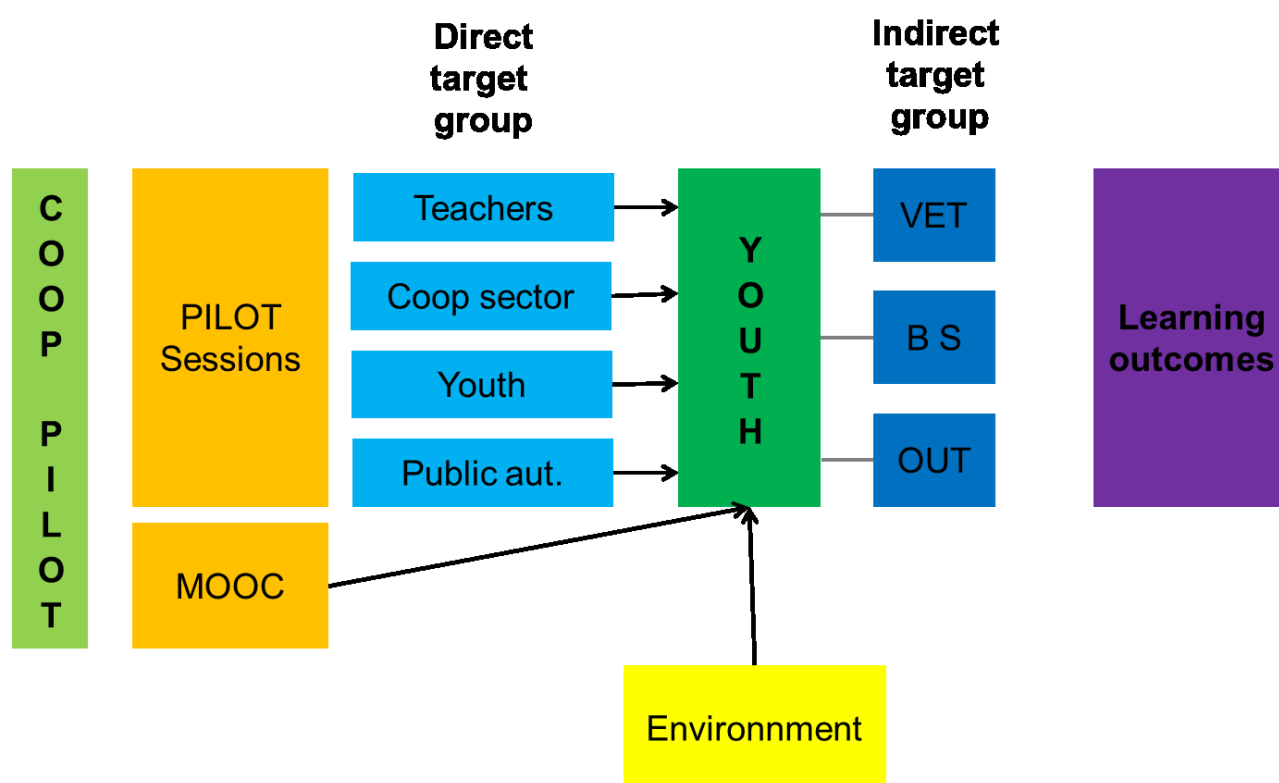
- (a) New buildings and/or extensions only for the category “beneficiaries B”
- (b) New machinery or/and equipment
- (c) Transfer of know-how (applies to every investment for the transfer of technology through patent rights, right of use, technical know-how and knowledge, not protected)

(The source is provided by the Ministry of Energy, Commerce, Industry and Tourism)

3.9. Do you think those are suitable for coop entrepreneurship?

All industries and /or social needs that are listed above and have high potential for youth entrepreneurship in Cyprus could also be suitable for coop entrepreneurship. All those business activities and social needs /services can take place in various types of cooperatives such as consumer cooperatives, manufacturing cooperatives, service cooperatives, agricultural/stockbreeding cooperatives, workers-owned cooperatives, social cooperatives and community cooperatives. The young entrepreneurs can join expertise, financial and human resources in order to increase operational effectiveness, production capacity and economy of scales as well as to reduce operational and financial risk. In addition, the various types of cooperatives offer the availability to young entrepreneurs to participate in those, having various roles (e.g. workers-owned cooperatives).

PART 4: NEEDS



4. Needs in terms of expected learning outcomes

4.1.2 VET students

Learning outcomes	Entrepreneurship	Cooperative
ATTITUDE Examples: self-confidence, sense of initiative, problem solving mind, cooperation ability, listening capacity, empathy...	5	6
SKILLS Examples: creativity, planning, financial literacy, managing resources, managing uncertainty, and risk, teamwork, co-construction, communication, decision making...	5	6
KNOWLEDGE Examples: assessment of opportunities, role of entrepreneurs in society, entrepreneurial career options, legal framework of coop, coop ecosystem, funding sources for coop...	5	6

¹ The aim of this question is to grasp the whole reality of your country. Questions 4.2 and 4.3 in turn are related to the pilot session as such.

4.1.2 Universities scholars and business management students

Learning outcomes	Entrepreneurship	Cooperative
ATTITUDE Self-confidence, sense of initiative, problem solving mind, cooperation ability, listening capacity, empathy...	4	6
SKILLS Creativity, planning, financial literacy, managing resources, managing uncertainty, and risk, teamwork, co-construction, communication, decision making...	4	5
KNOWLEDGE Assessment of opportunities, role of entrepreneurs in society, entrepreneurial career options, legal framework of coop, coop ecosystem, funding sources for coop...	6	6

4.1.3 Young people out of education

Learning outcomes	Entrepreneurship	Cooperative
ATTITUDE Examples: self-confidence, sense of initiative, problem solving mind, cooperation ability, listening capacity, empathy...	5	6
SKILLS Examples: creativity, planning, financial literacy, managing resources, managing uncertainty, and risk, teamwork, co-construction, communication, decision making...	5	6
KNOWLEDGE Examples: assessment of opportunities, role of entrepreneurs in society, entrepreneurial career options, legal framework of coop, coop ecosystem, funding sources for coop...	6	6

4.2 **Target audience** that will attend the pilot session:

- Teachers: 40%
- Coop sector: 20%
- Youth: 30%
- Public authorities: 10%

4.3 **Expected learning outcomes**

	VET student	Universities scholars and business management students	Young people out of education
Entrepreneurship ATTITUDES	5	4	6
Entrepreneurship SKILLS	4	3	6
Entrepreneurship KNOWLEDGE	5	4	6
Cooperative ATTITUDES	6	6	6
Cooperative SKILLS	6	6	6
Cooperative KNOWLEDGE	6	6	6



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National school of political studies and public administration - Romania (<http://www.snspe.ro>)

Federazione trentina della cooperazione - Italy (<http://www.cooperazionetrentina.it>)

Fundacion Escuela Andaluza de Economia Social - Spain (<http://escueladeeconomiasocial.es>)

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Social Economy Institute - Greece (<http://www.social-economy.com>)

Scuola Nazionale Servizi Foundation - Italy (<http://www.scuolanazionale.servizi.it>)

Association des agences de la démocratie locale, ALDA - France (<http://www.ald-europe.eu>)

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