



# LABOUR MARKET AND ENTREPRENEURSHIP OVERCOMING GENDER STEREOTYPES

A TRANSNATIONAL ACTION PLAN  
PROMOTED BY BUSINESS WOMEN AND  
GENDER EQUALITY ORGANISATIONS

## COUNTRY REPORT FOR CYPRUS



This project is co-financed by the European Commission, Directorate General for Employment,  
Social Affairs and Equal Opportunities.





## Labour Market and Entrepreneurship Overcoming Gender Stereotypes

A Transnational action plan promoted  
by Business Women and Gender Equality Organisations

This project has been carried out by AFAEMME  
Association of Organisations of Mediterranean  
Businesswomen (Barcelona, Spain) in association with:

KARAT Coalition (Central and Eastern Europe)  
WAD - Women's Alliance for Development (Bulgaria)  
SEGE - Greek Association of Women Entrepreneurs  
(Greece)

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# Context

A key priority for the European Commission is to create equality for men and women throughout Europe. AFAEMME, Association of Organizations of Mediterranean Business Women (Barcelona) was awarded by the European Commission, in partnership with important organizations in Central and Eastern Europe - KARAT Coalition, WAD - Women's Alliance for Development (Bulgaria) and SEGE, Greek association of Women Entrepreneurs (Greece) to implement a unique project "*Labour Market And Entrepreneurship Overcoming Gender Stereotypes*".

The main objectives of this project are:

- to improve the understanding of the issues underlying gender equality and equal opportunities in the fields of employment and entrepreneurship in this area of Europe
- to strengthen gender equality and businesswomen organizations and their active partnership in influencing decision makers on social and economic policy
- and to improve the general economic status of women.

The project includes the elaboration of 12 national reports from Cyprus, Malta, Poland, Latvia, Estonia, Lithuania, Czech Republic, Slovakia, Slovenia, Hungary, Bulgaria and Romania. Which report the obstacles experienced by women in business and assess the impact of EU Employment Strategy on the situation of women in the new ten EU Members states and two candidate countries with case studies of a typical businesswoman in those countries relating to gender stereotypes in the labour market and entrepreneurship, with a final global report containing concrete policy recommendations addressed to European Commission and national governments. The publication is launched at a large scale European conference in Brussels in February 2006.

**This report contains the national study from Cyprus**





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## Executive summary

The Cypriot legislation was adapted almost entirely during the accession period to the EU and now conforms, to a great extent, to European legislation. Two of the most important legislative measures on gender equality are those on equal treatment of both sex in employment and vocational training, and on equal pay for men and women. Thanks to the harmonization with European legislation in the area of gender equality, Cypriots have become more aware of the need for equality between men and women.

The employment situation in Cyprus is quite good compared to the other new member countries. Employment increased by 3.7% in 2003, compared with 1.9% in 2002. This increase was due to mostly to women's employment (the female employment rate rose by 5.0%). The percentage of economically active women is constantly increasing, specifically in the tertiary or services sector. At the same time, it is important to note that the percentage of women unemployed is double that of men. However, as far as working conditions are concerned, women are concentrated in part-time and temporary employment.

With respect to self-employment, men clearly take the lead. In 2002, out of 72,600 self-employed workers, 50,600 were men (69.7%) and 22,000 were women (30.3%).

Despite a quite significant number of women in the Cypriot labour market, the general employment situation of women is still worse than that of men. Women's employment rate is still far behind that of men, women's unemployment rate is almost double, and much more women are engaged in part-time and temporary employment. Women also only make up a third of total self-employed persons. Women in Cyprus are concentrated in the service activities and in unskilled work. It can be said that the Cypriot society still has to make improvements in relation to gender equality in the workplace.

Analysing the situation of women and education, we could note that generally speaking women's and men's participation in different educational levels are the same. Further, at the tertiary level women are the overwhelming majority (76% in 2002). In Cyprus, in line with most other EU MS, there are slightly more women than men in secondary education, although not evenly distributed among the different specialities, types of school, etc.

Even though, the pay gap is still a reality. In 2001, men were paid on average 34.9% more than women, while women, on average, received lower pay than men in all main occupational categories. However, according to the information available,

the wage gap is due to the differences in qualifications between both gender, length of service, professional duties, the field of work and possible discrimination in certain occupations. The lack of minimum wages applied in central bargaining may also be related to this gap.

The social protection system, in the words of the Ministry in charge, continues to have rules on benefits which can be described as discriminatory. Any future changes, reforms or improvements should be geared in the right direction as far as sensitivity to gender concerns is involved. It seems that in Cyprus this is likely to happen given the constitutional guarantees on gender equality and the EU Legislation that has been adopted.

Women entrepreneurs continue to have moral and financial support both from their parents and husband while starting up a business, a limited company, usually in the retail or service sector. More often than not, a woman becomes an entrepreneur before she turns 30 and after she has worked at the most for one employer (47%). Similarly to other working women, they heavily depend on other family members to care for their very young children. There is a trend of highly educated women moving into the business world, in addition to the more established trend of family members of established business families in Cyprus.

# Legal framework

## Constitution

Article 28 of the Constitution of the Republic of Cyprus safeguards the rights of all persons to equality before the law, the administration of justice and of equal protection and treatment. Any direct discrimination against any person on the ground, inter alia, of their sex, is prohibited:

1. All persons are equal before the law, the administration and justice and are entitled to equal protection thereof and treatment thereby.
2. Every person shall enjoy all the rights and liberties provided for in this Constitution without any direct or indirect discrimination against any person on the ground of his community, race, religion, language, sex, political or other convictions, national or social descent, birth, colour, wealth, social class, or on any ground whatsoever, unless there is express provision to the contrary in this Constitution.
3. No citizen shall be entitled to use or enjoy any privilege of any title of nobility or of social distinction within the territorial limits of the Republic".<sup>1</sup>

The part of that legislation which speaks about equality of treatment for men and women, is partly in conformity with the Acquis Communautaire. Cyprus has ratified by Law 39/62 the European Convention for the Protection of Human Rights and Fundamental Freedoms. Cyprus has also ratified various international conventions which guarantee equal rights between men and women.

The most important legislative measures relating to gender equality have occurred quite recently:

- > Law 205(1) of 2002 on the equal treatment of men and women in employment and vocational training; and
- > Law 177 of 2002 on equal pay for men and women for similar work or work of equal value.

These statutes were adopted within the framework of harmonisation of Cyprus law with the EU's 'acquis communautaire' prior to the accession in May 2004. Specifically, they relate to harmonisation with the following EU Directives:

- > Directive 76/207/EC on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working condition; and

- > Directive 97/80/EC on the burden of proof in cases of discrimination based on sex.<sup>2</sup>

Harmonization with the European legislation in the area of equality in employment, and in general gender equality, has without a doubt contributed to the awareness of the need to include the principle of equality in all policies, and has also led to new legislation. Specifically the following ones according to the Department of Labour of the Ministry of Labour and Social Insurance:

- > Discrimination in social insurance legislation has been abolished almost completely.
- > Maternity protection legislation has been improved.
- > The health and safety of pregnant women and nursing mothers at the work place are better protected.
- > A pioneering, for Cyprus, scheme for parental leave and for leave for reasons of force majeure has been introduced.
- > Equal treatment in employment pensions has been secured.
- > Equality in pay, not only for the same or similar work, but also for work of equal value has been secured.<sup>3</sup>

Law for the Equal Treatment of Men and Women in Employment and Occupational Training No. 205(I)/2002. This law is one of the most important developments in securing gender equality. In particular this law introduces three important issues:

- > the safeguarding of the ability to adopt positive measures (aimed at the complete and substantive equality of the sexes),
- > protection from sexual harassment and
- > the formation of a Commission on Equality in Employment

1 - <http://www.mclibrary.edu.mn/intlaws/constitutions/cyprus.htm>

2 - <http://kypros.org/Constitution/overview.htm>

3 - [http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/dmlequality\\_en/dmlequality\\_en?OpenDocument](http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/dmlequality_en/dmlequality_en?OpenDocument)



and in Occupational Training, which breaks new legislative ground <sup>4</sup>.

"This Law aims at the application of the principle of equal treatment for men and women in respect of employment, access to vocational guidance, vocational education and training and the conditions of their provision, including professional development and the conditions and preconditions of dismissal" <sup>5</sup>.

### **Right to Equal Treatment <sup>6</sup>:**

1. Men and women shall enjoy equal treatment, prohibiting any direct or indirect discrimination on the grounds of sex (Section 7,8,9,10) or due to pregnancy, childbirth, breastfeeding, maternity or illness due to pregnancy or childbirth (Section 11) as regards:

> Access to vocational guidance/training or apprenticeship and the terms and conditions of the provisions of services for this purpose.

> Access to employment or work position, temporary, full or part-time employment and at all levels of an occupational hierarchy,

- The terms and conditions of employment, including qualifications and other terms, conditions and placement, permanency, accession, transfer, removal, detachment or promotion criteria.

> The terms and conditions of dismissal from any job or post.

> Access to an independent occupation, the terms and conditions and termination of practice, and access to education or training required for access to an independent occupation and its practice.

2. Any existing provision, regulation of a collective agreement or an individual contract of employment etc, during the entry into force of this Law and which is contrary to the provisions of this Law as regards the part where direct or indirect discrimination against one of the sexes is concerned, shall be abolished. Where discrimination constitutes the granting of a right or any other advantage in persons of one sex, only this right or advantage shall be extended to persons of the other sex.

Harmonization with the European legislation concerning gender equality has led to the awareness that legislation needs supportive or positive action measures, along with policy measures within the framework of a binding strategy for equality, to be effective in practice.

Promoting equality and equal employment opportunities, as well as the social inclusion of vulnerable population groups, constitute basic and immediate priorities of the European Employment Strategy. With the aim of increasing the participation and improving the position of women in the labour market, measures are being advanced in the field of Employment and Human Resource Development, within the agreed Priorities of Employment Policy, as well as within the National Development Plan 2004-2006.

These measures include:

a) Improvement in the employment guidance services offered, by upgrading and modernizing Public Employment Services,

b) increasing the numbers of women in training and retraining programmes,

c) expansion and improvement of facilities for working parents,

d) promotion of flexible forms of employment within the framework of work organization

e) promotion of special programmes aimed at the improved participation of women in the labour market, especially in cooperation with local authorities and other interest groups <sup>7</sup>.

The pursuit of gender equality places emphasis first on increasing the number of women in the labour force. This takes the form of three main aims:

1. Removing obstacles which keep women away from the labour market;

2. Encouraging women to participate more actively in training and/or retraining programmes; and

4 - <http://www.mlsi.gov.cy/>. "The Equal Treatment of Men and Women in Employment and vocational training Law. No. 205(I)/2002" (Web site of the Ministry of Labour and Social Insurance).

5 - <http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/>

6 - <http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/>

7 - [http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/dmlequality\\_en/dmlequality\\_en?OpenDocument](http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/dmlequality_en/dmlequality_en?OpenDocument)

3. Promoting measures which permit the conciliation of employment with family life by encouraging family friendly labour standards and employment practices.

### **Measures for the Improvement of the position of Women in the Economy**<sup>8</sup>

First, the measures taken and currently promoted by the Government of Cyprus for the improvement of women in the economy within the implementation of the Beijing Platform for Action are reviewed (Cyprus National Report on the Implementation of the Beijing Platform for Action, 2000).

#### *Measures Taken by the Government*

The following list comprises a series of measures that have been or are being implemented by the government of Cyprus in order to enhance or strengthen women's position in Cypriot society:

- > The quantitative and qualitative improvement of the vocational guidance and the vocational training system and the encouragement of women to enter, after suitable training, new fields of occupations.
- > The improvement and expansion of the facilities for the care of children, so as to serve the needs of working parents.
- > The promotion of equal pay for men and women for work of equal value, both by legislation and collective agreements.
- > The legislative improvement of the maternity protection (sixteen weeks maternity leave, prohibition of dismissal during a protected period, nursing breaks, maintenance of seniority rights). In addition, under the Termination of Employment legislation, pregnancy and maternity do not constitute valid reasons for termination of employment.

As regards the safety and health of pregnant women, new mothers and women who are breast feeding, special regulations have been drafted.

- > The granting of special credits to women for the period devoted to child rearing under the Social Insurance legislation
- > The promotion of part-time employment through, among others, the ratification in 1997 for the relevant ILO Convention.
- > The provision of special allowances for working people who look after dependent elderly parents at home for securing carers.

> The care and rehabilitation of persons with disabilities without any discrimination.

#### *Measures Currently Promoted*

The Following measures are the most current being promoted by the government of the Republic of Cyprus:

- > The encouragement of more women to participate in suitable upgrading training courses.
- > The expansion and improvement of child care facilities so as to serve the needs of working parents. Further to the public day-care centres, the Department of Social Welfare Services encourages the operation of a range of non-governmental day-care services for children, the elderly and the disabled with the aim to:
  - a) Support women who tend to be the main informal carers in the family
  - b) Offer quality services to people who can benefit from day care programs
- > The promotion of the principle of equal opportunities and equal treatment in employment, particularly on the grounds of sex, inter alia, the more effective application of the legislation on equal pay for work of equal value and the improvement of the maternity protection. The maternity protection law has been amended and now provides for a minimum period of sixteen weeks of maternity leave and covers also foster mothers.
- > The encouragement of the use of the practice of part-time work, through mainly the ratification in 1997 of the relevant ILO Convention, which provides for the improvement of the protection afforded to part-time workers.

This ratification is expected to contribute towards the wider use of the practice of part-time work, particularly as regards certain groups of the population such as women and the elderly people who have difficulty working on a full-time basis.

### **Governmental Policies to Enhance Equality of Opportunities in Education**

In order to promote equality of opportunities, the Cyprus' Government pursued the following policies (Cyprus National Report on the Implementation of the Beijing Platform for Action, 2000):

- > A set of strategies has been proposed so as to make a pro-woman action in educational matters effective at all levels of

<sup>8</sup> - Cyprus National Report on the role of women in the Economic Development: Dimension Equal Opportunities Between Men and Women Within the Euro-Mediterranean Partnership, prepared by Lina Nearchou-Ellinas, Cyprus, 2001

education. The main goal of these set of strategies focuses on processes and structures that enable girls and women in education to enjoy in full their human rights for equal educational opportunities and take their rightful place in educational positions at all levels of the educational hierarchy in the 21st century.

> On the whole, it has been the formal policy of the Ministry of Education and Culture that both female and male educators with the same qualifications, equal educational training, and similar educational goals do not separate into two different career paths, but that are given equal access to power positions in the educational hierarchy. Such openings have been changing the climate of the educational community system widely.

> Moreover, the conditions under which women are enabled to access the necessary resources, money, information, and training have shifted from the traditional male dominated edu-

cational model of administration to one that women could be perceived by both genders as able to succeed in the attainment of equality, especially in decision-making position. Such possibilities are serious indicators of the advancement of women educators.

> This is a period of career awakening for female educators and of a persistent demand for their rights in the sphere of education. Thus the Ministry of Education and Culture has undertaken the creation of a women's career ladder policies, which recognize and strengthen women's role as educational administrators, inspectors, and teacher trainers. Educational and training seminars are made available on a non-discriminating basis, for both genders.

Through this there is a continuous updating of knowledge and skills required for delivering educational and pedagogically appropriate information about current educational issues and challenges.

## Institutional framework

### Trade Unions

PEO is the oldest and largest Trade Union of Cyprus established more than 60 years ago. There are nine affiliated large organisations, according to the information on their web page <sup>9</sup>. Although they have a section devoted to women on their web page, at the moment there is no available information on specific activities or policies that this important trade union has on gender issues in the workplace. Another important institution is the Turkish Cypriot Trade Union Federation which was founded in 1954. This federation was a member of the International Confederation of Free Trade unions (ICFTU) and the European Trade Union Confederation. In both communities, trade unions freely and regularly take stands on public policy issues affecting workers and maintain their independence from the authorities. There were no specific issues on women nor gender found on their web-page. SEK, Cyprus Workers' Confederation (Synomospondia Ergaton Kyprou)<sup>10</sup> is another organisation which includes many organisations. SEK members are the Free Labour Associations representing workers in various sectors of

economic activity. The associations are organised on a district basis and unite on an all-Cyprus basis in Federations representing specific sectors of employment. There are 68 Associations, which are members of SEK. The Federation, which are members of SEK, represent and professionally represent workers in part of the production policy mechanism within firms on vocational issues. TURK-SEN, Turkish Workers' Trade Union Federation (Kıbrıs Türk İsci Sendikaları Federasyonu). Others Trade Unions of Cyprus: PASYDY, ETYK, POED, OELMEK, DEOK, POAS, OLTEK, DEV-IS, KTAMS, KTOS, KOOP-SEN, BES, KTOEÖS, BASIN-SEN, which represent the whole spectrum of the workers of Cyprus.

<sup>9</sup> - [http://www.peo.org.cy/english/index.php?prod\\_id=27&subject=standalone](http://www.peo.org.cy/english/index.php?prod_id=27&subject=standalone).

<sup>10</sup> - <http://www.sek.org.cy/index.php?lang=2&l1=0>

According to the European Industrial Relations Observatory (EIRO) "bargaining does not appear to deal with equality matters"<sup>11</sup>, furthermore, a report by this same observatory of equal opportunities in industrial relations<sup>12</sup> states that the lack of a minimum wage for unskilled workers and the fact that parties to collective agreements are not bound by the principle of a minimum wage at national level could explain the wage gap as there are large numbers of women who are in fact employed in unskilled and low-paid jobs. This same article advocates for more studies needed on occupational segregation to increase the knowledge on the disparities of the wage gap and also of working conditions as well as establishing links between collective bargaining and equal opportunities.

### **Women in Public Life and the National Machinery for Women's Rights**<sup>13</sup>

The NMWR has an immense role to play in women-related issues. It is the major institutional structure promoting the integration of equality into all sectors of Government policies and programs. It has the following tasks:

- > Acts as a channel of communication between the governmental sector and the civil society (NGOs, Academic Institutions etc.)
- > Promotes inter-ministerial collaboration, especially through the Gender Focal Points,
- > Facilitates the integration of gender issues into government policies,
- > Contributes towards the strengthening of collaboration with the Parliamentary Committees on Women's issues,
- > Works closely with the Planning Bureau in the preparation of the National Plans, and
- > Develops close links with all International Organizations working in this field.

(Cyprus National Report on the Implementation of the Beijing Platform of Action, 2000). The NMWR consists of four bodies: the Secretariat, the Council, the National Commission, and the Interministerial Committee in which a large number of women's

organizations, trade unions, and government departments are represented. It advises the Council of Ministers on policies, programs, and laws promoting women's rights. It monitors, coordinates, and evaluates the implementation and effectiveness of these programs and laws. It carries out information, education and training programs on relevant issues and supports and subsidizes women's organizations. In general, it contributes to the mobilization and sensitization of the Government Sector on equality issues and serves as a cooperation channel between the Government and NGOs working in this field.

### **Employer's and Professional Associations**

The Cyprus Employers and Industrialists Federation (OEB) was founded in 1960. Today, its members are active in all sectors of the economy and employ more than 60% of the private sector's workforce, a percentage which is one of the highest in the world. OEB is a pan-Cyprian independent organization comprising of 53 of the main professional/ sectoral associations as well as hundreds of companies from the Manufacturing, Services, Commercial, Construction and Agricultural Sectors. In total OEB has more than 4,500 Member Enterprises.

As part of its general objective to promote growth, OEB encourages Women Entrepreneurs by taking the following actions:

- > OEB's priorities include the abolition of any form of discrimination between men and women, in employment, pay etc. Therefore, OEB promotes gender equality through an array of activities.
- > OEB participates actively in the policy-making bodies dealing with gender issues, such as the National Mechanism for Women Rights, the Sub-Committee of Industrial Relations and the Committee of Gender Equality in Employment.
- > Furthermore, OEB contributes to the promotion of the correct implementation of existing legislation on equality, as well as to the strengthening of the position of women in employment, through seminars such as, "Creating Effective Female Leaders", and, "The Role of the Female Leader in the modern business environment."

11 - "2003 annual review for Cyprus", <http://www.eiro.eurofound.eu.int/2004/01/feature/cy0401102f.html>.

12 - "Equal opportunities and industrial relations", Article by Cyprus correspondents of EIRO Eva Soumeli and Nikos Trimikliniotis (INEK/IPEO) <http://www.eiro.eurofound.eu.int/200http://www.eiro.eurofound.eu.int/2004/01/feature/cy0401103f.html>4/01/feature/cy0401103f.html.

13 - Cyprus National Report on the role of women in the Economic Development: Dimension Equal Opportunities Between Men and Women Within the Euro-Mediterranean Partnership, prepared by Lina Nearchou-Ellinas, Cyprus, 2001.

Amid OEB's activities for the promotion of gender equality, is also the completion of a survey that took place in 2003 - 2004 entitled, "The position of women in the modern Cypriot enterprise". The survey aimed to identify the role of women in the domestic economic activities, the female participation percentage in the different levels of employment, the reasons limiting the increase of female participation and what measures can be adopted to improve the existing status.

The findings of the survey showed, among others, that female participation in positions of higher management was very limited. For this reason, in May 2005, OEB decided to carry out a relevant survey which is to cover the Semi - Governmental sector as well as the Banking sector. The aim of the second survey is to identify the specific reasons that prevent women from participating in higher management.

OEB has also issued a "Code of Practice for the Prevention of Sexual Harassment in Employment and Vocational Training", which was disseminated to all its members, urging them to implement it as soon as possible.

#### **National Action Plan for Employment 2004**

In July 2003 the European Council adopted the new European Employment Strategy, promoting the three overarching and interrelated objectives of full employment, quality and productivity at work, and social cohesion, as well as ten specific

employment guidelines/priorities for action. According to a recent Communication from the Commission, regarding the implementation of the European Employment Strategy in 2004, the Employment Guidelines will also apply to the new Member States as adopted in 2003.

All aspects of the guidelines have to be taken into account by the employment policies of Member States in a comprehensive and integrated manner and have to be reported upon in annual National Action Plans for Employment. Cyprus, as a new Member State, was submitted the first National Action Plan for Employment to the European Commission in October 2004<sup>14</sup>. In the following sections the situation of women employers and women entrepreneurs is analysed.

The NAP employment lacks a true gender focus in its overall aims and the policies and measures which are reflected in that it do not go far enough in reducing the existing inequalities in the labour market between women and men, according to the expert report on the gender mainstreaming in the NAP<sup>15</sup>.

The other plan related to the open method of coordination on social policy, the NAP inclusion, also has important gaps in information and formulation of policy that addresses gender inequalities among the poorest and socially excluded groups in Cyprus, also according to the national expert report<sup>16</sup>.

## Issues for women employees

In 2003, the economically active population amounted to 341.203 persons (males 55% and female 45%). The number of employed persons was 327.094, whereas the employment rate of persons aged 15-64 was 69,2%. In 2002 the rate was 68,5%. The respective percentage for males was 78,8% (same as in 2002) and for female it was 60,2% (59% in 2002). (Labour Force Survey, 2003)<sup>17</sup>. According to the Labour Force Survey, employment increased by 3.7% in 2003,

compared with 1.9% in 2002, bringing the number of people in employment to 327,094. It was recorded that 58% of this increase was due to women's employment (the female employment rate rose by 5.0%). The tertiary sector expanded by 4%, accounting for 72% of the workforce and almost 85% of women in employment. The share of the primary and secondary sectors suffered another minor setback, accounting for 5.3% and 22.7% of total employment<sup>18</sup>.

14 - [http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/dmlequality\\_en/dmlequality\\_en?OpenDocument](http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/dmlequality_en/dmlequality_en?OpenDocument) "Labour Market Situation: Labour Force Survey of 2003 by the Statistical Service" (Web site of the Ministry of Labour and Social Insurance).

15 - Cyprus, National Action Plan on Social Inclusion: An Evaluation from a Gender Perspective, Alexia Panayiotou, Cyprus Expert

16 - Implementation and Update Report On the National Action Plan for Social Inclusion 2004-2006, from a Gender Perspective, Alexia Panayiotou, Cyprus Expert

17 - [http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/dmlequality\\_en/dmlequality\\_en?OpenDocument](http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/dmlequality_en/dmlequality_en?OpenDocument)

18 - <http://europa.eu.int/eures/main.jsp?catId=2751&acro=lmi&lang=en&countryId=CY&regionId=CY-NAT>

In the following tables the main employment indicators of the past four years are shown separately for women and men. The first thing to note is that despite the improvement of the situation of women, there is still a considerable gap in all of the indicators between women and men, but that these gaps are closing, particularly among the younger age group. However, the gaps in the prime age groups (25 to 54), although very

large, also seem to be closing as women's activity and employment have registered considerable gains. Differences in the employment rates of men and women are evident. For example, the number of women employed in 2002 was lower than that of men by about 20 percentage points (60.4% compared to 78.8%). However, in 1992 the difference stood at some 31 percentage points<sup>19</sup>.

#### KEY EMPLOYMENT INDICATORS, MEN, 2000-2003, CYPRUS

	2000	2001	2002	2003
Total population (000)	324	327	330	333
Employment rate (% population aged 15-64)	78.7	79.3	78.9	78.8
Employment rate (% population aged 15-24)	39.6	39.8	38.0	38.7
Employment rate (% population aged 25-54)	92.6	93.4	93.0	92.2
Employment rate (% population aged 55-64)	67.3	66.9	67.3	68.9
Activity rate (% population aged 15-64)	81.4	81.5	81.3	82.2
Activity rate (% population aged 15-64)	42.4	42.5	41.3	42.6
Activity rate (% population aged 15-54)	95.3	95.3	95.2	95.2
Activity rate (% population aged 55-64)	69.6	69.5	69.7	73.2
Total unemployment (000)	6	5	6	8
Unemployment rate (% labour force 15+)	3.2	2.9	3.0	4.0
Youth Unemployment rate (% labour force 15-24)	7.1	7.6	9.3	10.5

Source: Eurostat

KEY EMPLOYMENT INDICATORS, WOMEN, 2000-2002, CYPRUS				
	2000	2001	2002	2003
Total population (000)	344	347	351	356
Employment rate (% population aged 15-64)	53.5	57.2	59.1	60.4
Employment rate (% population aged 15-24)	34.7	37.1	36	36.6
Employment rate (% population aged 25-54)	64.6	69	72	73.6
Employment rate (% population aged 55-64)	32.1	32.2	32.2	32.7
Activity rate (% population aged 15-64)	57.7	60.6	61.8	63.3
Activity rate (% population aged 15-64)	39.9	41.2	39.2	40.2
Activity rate (% population aged 15-54)	69	72.3	74.9	76.9
Activity rate (% population aged 55-64)	33.7	34.7	33.8	33.2
Total unemployment (000)	11	9	7	8
Unemployment rate (% labour force 15+)	7.8	6.4	4.9	5.1
Youth Unemployment rate (% labour force 15-24)	15.3	12.8	10	10.6

Source: Eurostat

The increase in employment resulted in a satisfactory increase in the employment rate, especially among women, rising to 69.2% in the 15-64 age group in 2003 (60.4% for women aged 15-64 and 78.8% for men aged 15-64). These figures are very close to the targets set by the European Council in Lisbon for 2010 (70% employment rate for men aged 15-64 and 60% for women aged 15-64). The percentage of economically active women is constantly increasing. It was 33.4% in 1980, 38.7% in 1992, 39% in 1997 and 63.3% in 2003 (Labour Statistics). At the same time, their participation in the

primary and secondary sector has decreased while that in the tertiary sector has increased. This is basically because of the distribution of enterprises in the three sectors. The primary sector employs 9% of the country's labour force; the secondary sector 20% and the tertiary sector 70% (Eurostat, 2002). It is important here to note also that the numbers of employed women pursuing higher education is not only increasing (26% in 1995, 27% in 1997) but is also higher than that of men (21% in 1995, 19% in 1997). Furthermore, 46% of employed women and 47% of employed men have completed second-

dary education compared to 42% for both sexes in 1995 <sup>20</sup>. Another notable development for women over the last few years has been a shift from low-skilled jobs to those with high educational requirements. Improved levels in education have also led to more women entering the work force: out of every 100 women between the ages of 15 and 64 with a lyceum or equivalent level education, nearly 58 are employed, while for tertiary education graduates the figure rises to about 85 <sup>21</sup>.

### Unemployment

With an unemployment rate of about 4,1% in 2003, Cyprus actually enjoys conditions of a nearly 'full employment'. Comparing with the other EU Member States, the situation of Cyprus is really good. However, the proportion of women affected by unemployment is worse (5.1% in 2003) than that of men (4% in 2003). More importantly, the highest rates are among women aged 15-24 (10.6%) and 40-49 (5.6%). However, for men, the rate for the 15-24 age group is also high (10.5%) <sup>22</sup>. What is more, the numbers of the female higher education graduates to total unemployment was 10.8% in 1993, 10.6% in 1995, and 10.5% in 1997 and 1998 (Labor Statistics 1998/99). Some 47% of unemployed women were aged 30-50, and 27% were under 29.

"Despite this, recent data point to a narrowing in the difference between the employment rates of men and women. It is expected that in future it will be reduced further, as younger generations of women are better educated and participate more in employment.

At the same time measures are taken to increase the numbers of women and to improve their position in the labour market" <sup>23</sup>.

Despite the relatively improved situation in Cyprus today concerning employment of women, there are still some efforts to make. This is particularly true in the case of rural women and women aged 35-44 who may be returning after a period outside the labour market due to family formation.

## Conditions of work/quality of employment

### Women's involvement in full-time/part-time contracts employment

According to the National Statistical Service's Labour Force Survey, in 2002 there was a fall in overall part-time employment compared with 2001. The rate of part-time workers fell from 8,4% of total employment in 2001 to 7,2% of total employment in 2002. Up to 11,3% of total women's employment was part-time jobs in 2002. This same year, women in part-time employment worked on average 22 hours the average of 21 hours for men was recorded <sup>24</sup>. The overall rate of temporary employment also fell between 2001 and 2002. The major part of workers in temporary employment are women, who made up 14,900 (67.4%) of the total in 2002. However, the situation is different with respect to self-employment: men are in a larger majority than in total employment. In 2002, out of 72,600 self-employed workers, 50,600 were men (69.7%) and 22,000 were women (30.3%) <sup>25</sup>. The same year the total employment figures show that 55.3% were men and 44.6% were women. As we can see, despite the quite important number of women in the Cypriot labour market, the general situation of women is still disadvantageous than that of men. Women's overall employment rate is still far behind that of men, women's unemployment rate is only slightly higher than that of men, but women are much more women than men are employed on part-time and temporary basis. Hence it could be said that the Cypriot society still has to make improvements related to gender equality in the area of employment. An analysis has been conducted in Cyprus focusing on the extent of gender-based occupational segregation or of how the situation in this area compared with the present EU Member States. However, according to the data available from the National Statistical Service (Labour Statistics 2001), in both 2001 and over the five-years period 1995-2000, a distinct concentration of women can be seen in certain occupations and fields, mainly in the services sectors and in unskilled work <sup>26</sup>.

20 - Cyprus National Report on the role of women in the Economic Development: Dimension Equal Opportunities Between Men and Women Within the Euro-Mediterranean Partnership, prepared by Lina Nearchou-Ellinas, Cyprus, 2001

21 - [http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/dmlequality\\_en/dmlequality\\_en?OpenDocument](http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/dmlequality_en/dmlequality_en?OpenDocument)

22 - <http://europa.eu.int/leures/main.jsp?catId=2751&acro=Imi&lang=en&countryId=CY&regionId=CY-NAT>

23 - [http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/dmlequality\\_en/dmlequality\\_en?OpenDocument](http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/dmlequality_en/dmlequality_en?OpenDocument)

24 - <http://www.eiro.eurofound.eu.int/2004/01/feature/cy0401103f.html>

25 - <http://www.eiro.eurofound.eu.int/2004/01/feature/cy0401103f.html> in "Equal Opportunities and Industrial Relations (qualitative data on women's employment)" (EIRO, European Industrial Relation Observatory on-line)

26 - <http://www.eiro.eurofound.eu.int/2004/01/feature/cy0401103f.html>



## Access to training

The Cyprus National Report on the role of women in the Economic Development: Dimension Equal Opportunities Between Men and Women Within the Euro-Mediterranean Partnership, prepared by Lina Nearchou-Ellinas, Cyprus, 2001, has been used as the main source in preparing this section and updated from other sources. We have also used data from the statistical service of the Republic of Cyprus (CYSTAT) on education<sup>27</sup> which we will also use to update the aforementioned report.

Literacy is, undoubtedly, a key to the improvement of the living standards. There is a positive correlation between education and employment. As in other countries, it is the key driver for increasing women's participation in employment and for their permanence in the labour market.

The role of education in Cyprus gains even more significance when one takes into consideration the fact that the island is not only small in territory but also poor in resources. The importance of education has been well perceived by Cypriots, who realized that providing their children a chance for 'a better future' - a common expression in Cyprus - is to educate them.

In 1992, the illiteracy rate for persons aged 15 and over was 6% (2% males and 10% females) (Census, 1992). The Census of 2001, however, shows that this is now only 3.2% (1% men and 5% women). At the other end, Cyprus enjoys a high proportion of university graduates. In 1992, 27.7% of Cypriots aged 30-34 held tertiary education qualifications (Census), whereas the average in the European Union five years later for the same ages was only 22% (European Commission, 1999/2000). At present, according to data from CYSTAT, the proportion of persons with university degree education increased from 8% in 1992 to 12% in 2001.

### Pre-Primary Education

In kindergartens, 48.3% of all children enrolled were girls in 1998. In 2002 enrolment in kindergartens for girls was 56.2% and for boys slightly lower at 55.4%. In an effort to abolish stereotypes on gender roles, all children are encouraged to non-traditional role-play. For instance, girls play the role of truck drivers while boys pretend to sew and cook. However, the kindergarten professions, like in many countries, is stereotypically viewed as 'feminine'. This is reflected in the proportion of male and female kindergartners. In 1998, there were only 18 male compared to 1095 female kindergarten teachers

(Statistics of Education, 1998). In other words, 96.4% were women. Out of the 142 principal positions, women held 138 or 97.2%. According to more recent data by CYSTAT, out of the 1.055 teachers in kindergartens and 711 in day nursery schools (a total of 1.766 teachers), only 21 were men. It is interesting to note that most of these were concentrated in the private kindergarten schools (17 of them).

### Primary Education

Primary education in Cyprus is compulsory. About half of the primary school children, 48.4% in 1998 were girls (Statistics of Education 1998/99). The "lack of competitive spirit" women are expected to exhibit is also attributed to education as boys are brought up to aim for personal satisfaction whereas girls are brought up to earn recognition through what they offer to others (Sidiropoulou, 1994). This way of bringing up children in Cyprus has significant influence on self-fulfilling prophecies. This is indeed one of the strongest stereotypes that continue to permeate Cypriot society.

More recent developments show an attempt on behalf of the Ministry of Culture and Education to enhance non-discriminatory gender education. It introduced the subject of 'Domestic Science' -scientific and technological knowledge and achievements to both boys and girls. In regard to the subject 'Design and Technology', data show that both girls and boys attend the subject with equal success.

In 1998, female teachers in primary education represented 71.8% of all teachers. However, only 34.8% (21% in 1992) held principal's positions and 52% assistant principal positions (Statistics of Education, 1998/99). In the 2001-2002 school cycle, the proportion of primary school leavers who proceeded to secondary school was practically the same for girls and boys at around 98%.

### Secondary Education

Secondary education in Cyprus is compulsory only for the first three years. About half (53%) of the students enrolled in secondary education institutions in 1998 were female (Statistics of Education 1998/99). There is a clear gender differential among students who enrol in technical secondary schools who are in their majority male students. In the 2002-2003 school cycle, 83.6% of all girls enrolled were in Unified Lyceum while only 63.5% of boys chose this option. A very high percentage of all boys (22.4%, but lower than 26.2% in 1992) chooses the technical vocational "stream" compared to only

27 - [http://www.mof.gov.cy/mof/cystat/statistics.nsf/All/01217E811D38F3F2C2256D4200315B8C/\\$file/EDUCATION%200203.pdf?OpenElement](http://www.mof.gov.cy/mof/cystat/statistics.nsf/All/01217E811D38F3F2C2256D4200315B8C/$file/EDUCATION%200203.pdf?OpenElement)

4.8% of the girls. Indeed, by type of school, the public secondary general school system in this same period had a 52% female population, while public secondary technical schools 83% were boys. In the private secondary system, there was a higher proportion of boys at 51.1%.

In secondary education in Cyprus, the failure and drop-out rate (as a percentage of enrolments) is much higher for boys (4% failure and 1.9% drop-outs) than for Girls (1.4% failure and 0.7% drop-outs).

Finally, given the high mix of different ethnic backgrounds, it is important to say a little bit about the differences found by sex among the different groups. Although the actual numbers are rather small, the proportions and patterns are important to highlight. In the first place, only in the case of Greek Cypriots do we see that girls make up a higher proportion of the secondary school population. These proportions for the other groups are as follows: Turkish Cypriots 37.0%, Armenians 49.6%, Maronites 50.3% , Latins 50.9%. These groups are also concentrated in the secondary general school and there are only very few in the technical schools.

At the decision making level, women's participation is even lower than in primary schools. In 1998, 57.5% of all secondary teachers were women. Only 28.9% (9.7% in 1992) held headmaster positions and 45.6% assistant principal positions. By 2003, this situation has been strengthened, as 60% of the headmaster posts were held by women and 83% of all teachers were women in public schools. In private schools there is higher concentration in headmaster posts at 65.6% and slightly lower concentration of teachers at 82.8%.

The representation of women in decision-making positions is fair only in the primary education. This is not difficult as there are hardly any men in this profession. As the level of education increases, the female percentage in principal positions decreases. Further, women are more likely to hold assistant principal positions. Nonetheless, there is, undoubtedly, a constant increase in the numbers of women involved in decision making in education. There are also important differences by type of school, where women are concentrated in Gymnasium and Lyceum and men are the overwhelming majority in the Evening Gymnasium technical, the Vocational/Technical, the combination schools of Gymnasium and Lyceum. Also, part time positions are mostly held by women (57%). As compared to primary schools, women indeed have lower probabilities of making it to the top positions in secondary schools, and men seem to have better chances as well when they are younger. Of the 11 head masters and assistant posts held by persons younger than 44 in the public school system, 9 are held by men. In this case, 44.5% of all head masters and assistants are

women, although they continue to dominate the teaching posts at this level of education (59.4%). In the private school there are larger numbers of younger (less than 44 years) headmasters and assistants (a total of 21) of which only 9 are held by women, but in proportion this is more evenly distributed between women and men than in the case of the public schools. There is also a higher concentration of women teachers at 62%.

### **Tertiary Education**

The percentage of women studying at the level abroad increased from 38.3% two decades ago to 50.5% in 1998 (Statistics of Education, 1998/99). By 2003 this figure has risen to almost 54%. Even at the University of Cyprus, the percentage of female students was as high as 82% (Statistics of Education 1996/97). By 2003 this figure has dropped to 76.7%. This is attributed to the fact that men have to go through a compulsory military service of 26 months duration after secondary education, but also to the very good high school performance of female students.

Although the student body consists mainly of women, females are underrepresented in academic levels and decision-making bodies. For instance, only 27.2% of the University of Cyprus staff is women whereas the ratio of full professors was 5:17 in 1998 (1:15 in 1996) (Statistics of Education 1998/99). Figures from the 2001-2002 cycle show that of total teaching personnel in tertiary education was 288 and that only 82 of these teachers were women (or 28%). Non-teaching personnel, however are made up mostly of women (54%). There are only 2 professors, of 36 total, who are women, 8 who are associate professors out of a total of 57. 18 assistant professors out of a total of 55, etc. The only post where there is some balance is among visiting professors where exactly half where women (of a total of 22 posts).

In regard to 'Issues of Equality and Gender', the Political Science, the Education and Foreign Languages, and Literature department offer such courses or modules. The university has conducted research on the 'History of Women's Education in Cyprus', 'Three Generations, Two Genders, One World' etc. Institutions of Higher Education, like government institutes offering degrees or diplomas at graduate or postgraduate levels, and private colleges of tertiary education offer some courses on Human Rights with modules on 'Women's Issues' at random.

### **Pay Gap**

Originally, women were viewed as 'cheap labour force' and were, therefore, paid less than men. Not so long ago, Cyprus

occupied a position among the countries with the worst female salaries (Women Managers in Cyprus, 1997). In its effort to close the gap in the wages of male and female workers, the government passed in 1989 the Equal Pay Law. There seem to be loopholes, however. It is rather difficult to determine if the work produced is identical, thus its enforcement becomes sometimes impossible. Basically, the problem -although decreasing- still remains in the private sector. In 1992, men's wages were 50.7% higher than those of women. The difference decreased to 36.2% in 1998 and was expected to decrease even further (Labour Statistics 1998/99).

What has actually played a decisive role in the decrease of wage differences was education. The more educated and qualified women are, the less likely it is that they fall victims of wage differences<sup>28</sup>. It is therefore not surprising that such a high proportion of women are found in higher education.

In 2001, men were paid on average 34.9% more than women, while women received lower pay on average than man in all main occupational categories. Until now, there was no study which was conducted in Cyprus with the aim to determinate factors that create the gender wage gap. However, according to the existing limited information we were able to gather, the wage gap is due to the differences in qualifications between both gender, length of service, professional duties, the field of work and possible discrimination in certain occupations<sup>29</sup>.

## Impact of tax and benefit system on women employees

### > Social Security

Every worker has to participate in social security. The different contributions are:

- In the Public Sector: for employees: 3.2% by employee on total earnings up to CP 1,911 / month (for 2004) and CP 2,015 / month (for 2005), 9.4% by employer.

- In the Private Sector: for employees: 6.3% by employee on total earnings up to CP 1,191 / month (for 2004) and CP 2,015 / month (for 2005), 6.3% by employer, 4% by Government<sup>30</sup>.

### > The Health System

The Cypriot Republic does not have yet a general health system. The state health services provide medical care free of charge or at reduced fee rates to certain categories of people, like for those who have a yearly income of up to £9 000<sup>31</sup>.

### > Old-age insurance

"The old-age pension is payable to all insured persons, regardless of whether they have been employed persons or self-employed persons or voluntary contributors"<sup>32</sup>.

What are the requirements<sup>33</sup>:

1. To have reached the age of 65 (age of pension)
2. A minimum of 3 years must have passed between the date when the person became insured and the pensionable age.

However, an insured person is entitled to take the old-age pension on reaching the age of 63 if:

- He/she has satisfied the contribution requirements and has been insured for a period of time at least equal to 70% of the duration of the full insurance period or;
- would be entitled to an invalidity pension if he had not reached the age of 63.

An insured person may request that the beginning of payment of the pension begin when he will reach 68. In that case, the pension is increased by 0,5% for each month.

A female beneficiary is not paid the increase in the pension for a dependent spouse; she is paid only the increase for dependent children and other dependants (up to a maximum of two dependants).

The amount of the increase in the pension for children and other dependants equals 1/6 of the basic pension amount for each dependant.

The weekly amount of the supplementary pension equals 1/52 of 1.5% of the total insurable earnings of the beneficiary paid or credited in the higher insurable earnings division.

28 - Cyprus National Report on the role of women in the Economic Development: Dimension Equal Opportunities Between Men and Women Within the Euro-Mediterranean Partnership, prepared by Lina Nearchou-Ellinas, Cyprus, 2001

29 - <http://www.eiro.eurofound.eu.int/2004/01/feature/cy0401103f.html>

30 - <http://www.eapm.org/countryprofiles/cyprus.phphttp://europa.eu.int/eures/main.jsp?>

31 - <http://europa.eu.int/eures/main.jsp?catId=4440&acro=living&lang=en&parentId=4350&countryId=CY>

32 - <http://europa.eu.int/eures/main.jsp?catId=4440&acro=living&lang=en&parentId=4350&countryId=CY>

33 - <http://europa.eu.int/eures/main.jsp?catId=4440&acro=living&lang=en&parentId=4350&countryId=CY>

## Reconciliation of work and family life

### **Maternity leave**

Maternity rights are secured through the "Maternity Protection Law" 1997 (last amendment 2002 (64(I)/2002). Maternity allowance is payable to insured employed and self-employed women and women who are voluntary contributors working abroad for Cypriot employers and expecting a child. Maternity leave is provided for 16 weeks of which 9 weeks must be taken at the beginning of the second week before the expected date of confinement and 6 weeks of compulsory leave to be taken after confinement (see Section 3(2)). An employed women, who adopts or takes in to her charge a child less than 12 years of age for the purpose of adoption, is allowed maternity leave for 14 weeks (See Section 3(3))<sup>34</sup>. A mother who does not receive her full remuneration from her employer is paid a maternity allowance through the social insurance system. The collective agreements and employment contracts in force at a number of enterprises provide for supplementation of the maternity allowance by the enterprise.

### **Maternity Rights**

> During maternity leave the employed woman is allowed a grant (Art 3(4)).

> The employed woman is protected against termination or notice of termination of employment during the period in which the employed person notifies the employer, and for the 3 months after maternity leaves. This does not apply in cases where the employed woman is found guilty of a misdemeanour, or the business at which she is employed, closes down or the contract period has expired (Section 4).

> Women who gave birth and are breast-feeding or have increased responsibilities for the care/raising of the child, can, for a six-month period, commencing on the date of birth or maternity leave, interrupt their employment for one hour or go to work one hour later or leave work one hour earlier. The one-hour excuse period is considered working time (Section 5(1)).

### **Maternity requirements**<sup>35</sup>

> the insured woman must be on maternity leave and not receiving all her salary or wage from her employer;

> to receive her maternity leave, the woman must have been insured for at least 26 weeks,

> insurable earnings totalling not less than 20 times the weekly basic insurable earnings amount must have been paid or credited in the previous contributions year.

The amount of the maternity allowance is determined on the basis of the weekly average of the insured woman's paid and credited insurable earnings in the previous contributions year. There are two part in the Maternity allowance: a basic allowance and a supplementary one.

The weekly amount of the basic allowance is equal to 75% of the weekly average of the beneficiary's basic insurable earnings. On the other hand, the weekly amount of the basic allowance is equal to 75% of the average weekly insurable earnings of the beneficiary in excess of the basic insurable earnings. When the insured women receives part of her remuneration from her employer during the period when she is entitled to the maternity allowance, the allowance is reduced so that the total amount do not exceed her normal remuneration. To be able to receive the maternity allowance, the woman must submit an application form which is obtainable from any social insurance office. This document must be completed appropriately by the woman and her doctor and employer. This application must be submit within 21 days of the date of beginning of the maternity leave<sup>36</sup>.

### **Parental leave**<sup>37</sup>

Parental Leave and Leave for Reasons of Force Majeure Law of 2002 (N.69(I)/2002): Every employed parent (father and mother) who has worked for one employer for at least six months is entitled to parental leave for 13 weeks subsequent to a birth or adoption in order to attend to the care and raising of the child. This leave is unpaid, but during it the employee is credited with insurable earnings. This right is personal and not transferable.

They can take this leave between the end of the maternity leave and the child's sixth birthday. They can take a minimum of one week and a maximum of four weeks of the leave in one year. In general the leave schemes which have been described have great similarities with other EU countries which give women "choice" but offer no support to reconcile work and family life, with the almost mathematical formula outcome of lower fertility at the same time that high levels of inactivity are recorded.

34 - [http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/All/C3384B03F20D08E6C2256E7E0051E5C7/\\$file/Maternity..doc?OpenElement](http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/All/C3384B03F20D08E6C2256E7E0051E5C7/$file/Maternity..doc?OpenElement)

35 - <http://europa.eu.int/eures/main.jsp?catId=4404&acro=living&lang=en&parentId=4350&countryId=CY>

36 - <http://europa.eu.int/eures/main.jsp?catId=4404&acro=living&lang=en&parentId=4350&countryId=CY>

37 - <http://europa.eu.int/eures/main.jsp?catId=4404&acro=living&lang=en&parentId=4350&countryId=CY>

## Stereotype of working women

There are a number of stereotypes that can explain the difficulties of women in Cyprus in achieving better positions in the labour market given their statistically favourable position with relatively high activity rates (higher than Greece and Spain; and higher than EU 15 and EU25). In most cases these stereotypes have to do with unpaid care work which fall entirely on women's shoulders with no support from men or from the Administration and also with the expected behaviour by society:

- > Women are mothers or motherly
- > Work hard at home and may therefore not perform at work
- > If unmarried after 30, there is something wrong with them
- > A woman's dream is to get married and have a family and home
- > Career women who do not want a family are sexually repressed
- > There is something wrong with a woman who does not want a family
- > Women are natural homemakers
- > Women are not as good in math and the sciences as men
- > Girls study harder and are better students
- > Girls are more verbal than boys
- > Girls are easier to handle because boys cause trouble and take risks
- > Women are natural caregivers so better nurses, teachers, etc.
- > Women are not meant for positions in the diplomatic corps or jobs that require time away from family or long hours
- > Women will not want to assume managerial posts or positions of greater responsibility because they need to devote time to their children

## Issues for women entrepreneurs

In 1995, about 58.000 enterprises were registered in the Registry of Establishments out of which about 7.000 were women-owned. In other words, in 1995, women owned 12% of the enterprises in Cyprus <sup>38</sup>. As we have mentioned above, more recent data on self-employment shows that only about a third are women.

In a small-scaled research on Women Entrepreneurs in Cyprus (Nearchou, 1999) the average Cypriot woman entrepreneur tends to have been brought up in very comfortable financial conditions where at least one of her parents was self-employed (94%). The same financial conditions put her through her studies in tertiary level education institutions where, undistur-

bed by financial burdens, she manages to complete her studies with grades above the average. Women entrepreneurs continue to have moral and financial support both from their parents and husband while starting up a business, a limited company, usually in the retail or service sector. More often than not, this happens before she turns 30 and after she has worked the most for one employer (47%). The problem of child rearing is usually taken care of with a domestic servant's, the parents', and sometimes the husband's assistance. Help with the household and child rearing is a necessity, as she spends 50-60 hours at work per week. Nonetheless, she still experiences feelings of guilt when she cannot satisfactorily fulfil all her roles. Despite the extra burden caused by the multi-

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<sup>38</sup> - Cyprus National Report on the role of women in the Economic Development: Dimension Equal Opportunities Between Men and Women Within the Euromediterranean Partnership, prepared by Lina Nearchou-Ellinas, Cyprus, 2001

plidity of roles, she is confident (about herself and her product or service), which is partly what helps her overcome possible problems. She realized the need to capitalize on her strengths, such as better understanding of the human nature, good communication and interpersonal skills etc. However, she feels the need to improve networking among women in order to be able to pursue common goals more decisively. Evidently, it is basically the privileged women who manage to launch a venture in Cyprus. However, as the case study we present in this report shows, women who have obtained higher education are also moving into the business world, but not without serious difficulties and facing resistance within their own families. These women would need specific targeted policies given that they do not come from established "business" families that can offer advice and support.

### **Women's Cooperative Bank**

The Women's Cooperative Bank 'Initiative' Ltd. was established in 2000 and started functioning in January 2001. It seeks to solve the problem of access to financial resources. The Women's coop bank was founded by more than three hundred and fifty women, with the aim to improve women's living standard. One of the first priorities was to attract capital from a number of sources so as to offer women access to financial resources on flexible terms.

This bank has various objectives <sup>39</sup> :

- > To enhance the creation and promotion of women-owned businesses.
- > To cooperate with the government as well as other institutions in Cyprus and abroad in order to absorb funds and services in the framework of a number of projects. These sources could be utilized for the provision of more flexible loan terms.
- > To carry out research on women-related issues. The bank's first project is on entrepreneurial activities undertaken by women in Cyprus. The bank is also considering a second project focusing on start-ups created by women.
- > To create a business incubator for companies launched by women.

- > To organize seminars and workshops in order to support and promote the economic advancement of women-owned businesses.

The seven board members represent all towns and are experts in banking, business, and research. The bank has received subsidy from the National Machinery for Women's Rights for a large-scaled research on Women-Owned Enterprises in Cyprus with the objective to:

- > spot enterprises created by women (proportion to those created by men)
- > analyse the demographic and socio-economic features of women entrepreneurs.
- > determine the areas of activity, the life cycle, and life expectancy of women-owned businesses.
- > identify women entrepreneurs' problems and needs.

The ultimate purpose is to use the findings of the research in order to have a spherical understanding of women-owned companies and to use this information to attract and distribute capital - in coordination with the government and other institutions - according to the recorded needs. The board of the bank is convinced that the strengthening of women's position in the marketplace enhances their position in public and private life.

### **Problems in the creation and promotion of businesses**

#### **1. Lack of Access to Financial Resources <sup>40</sup>**

The major impediment for women to engage themselves in entrepreneurial activities is by far the necessary access to financial resources. Women business-owners come from rather privileged families and benefited from their family's financial supporting in acquiring starting capital for their enterprise. It is rather impossible for less privileged women, who have no financial support from their family or limited bank guarantees, to have access to financial resources in order to launch a venture. Access to capital is further needed for the promotion of a business.

<sup>39</sup> - Cyprus National Report on the role of women in the Economic Development: Dimension Equal Opportunities Between Men and Women Within the Euro-Mediterranean Partnership, prepared by Lina Nearchou-Ellinas, Cyprus, 2001

<sup>40</sup> - Cyprus National Report on the role of women in the Economic Development: Dimension Equal Opportunities Between Men and Women Within the Euro-Mediterranean Partnership, prepared by Lina Nearchou-Ellinas, Cyprus, 2001 (Workshop 2: Creation and promotion of businesses: problems).

## 2. Cultural Perceptions

The species of women entrepreneurs is relatively new. Although it is expected from women to be part of the labor force, female entrepreneurship is still viewed with some reservation. Obviously, in the case of a good business plan and solid bank guarantees, there is hardly any reservation. Similar to men, when there is no business plan or a bad one, this is a clear rejection. The discrimination is in the grey area where a woman's business plan is good but there is not sufficient bank guarantee. It is more likely in these cases for men to actually obtain a loan rather than for women.

## 3. Lack of Experience

In most cases, women proceed in launching a venture right after their studies or after having for a short time for one employer. In other words, she creates her business in her twenties, a lot younger compared to practices in other countries. Clearly, not having been exposed to the environment of the sector they are interested in starting an enterprise can have several drawbacks. They lack experience, business skills, network, and maybe even the know-how. Such an example would

be the case of women farmers. They do all the planning, investing, and producing, but lack the marketing skills to promote their products.

## 4. Fear of Failure Because of Risk-Taking Factors

Apparently, women are more risk-averse than men are. They usually exhibit the necessary self-confidence to launch a small business, but they -most of the time- find themselves isolated in small businesses. Women who own medium-size companies have mainly inherited the family business, more often than not in case of absence of a male successor. The reason behind averting risk is that women are more conservative and more concerned with the family's well being. For example, they might decide against high risks, as they fear this might jeopardize their children's future financially.

## 5. Multiplicity of Roles and Lack of Mainstreaming

The multiplicity of roles and the lack of gender mainstreaming in the policies directed to entrepreneurs and enterprises were recorded again as impediments in women's entrepreneurial activities.

# Case studies

## Case study 1: A Working Woman in Cyprus

Maria is a 37-year-old working mother of two. Her children are 3 and 2 years old and she has been married for seven years. She is currently working in the private sector in Cyprus as an administrative assistant. Upon graduating from high school, Maria attended a private secretarial college in the UK for two years and received a diploma in office administration. At the time that Maria finished high school (1985), the University of Cyprus which is the only state-run institution of tertiary education, had not been founded and so her options were very limited in regard to receiving a higher education. Since her parents wanted her to "find a good job" and not be stuck in dead end jobs like they were, they took out a loan and sent her off to the UK for studies that would hopefully guarantee her a job either in the government or in the banking sector, the two most coveted sectors in Cyprus. These sectors offer job security, decent salaries and very good benefits, but most importantly, a very convenient work schedule for balancing work and family life—from 7:30-2:30 and only one afternoon a week (3:00-6:00) which is not in effect during the summer months. Maria returned from her studies

and found a job in a local advertising agency where she was paid near half of what she would be able to earn in a similar position in the government sector. Since she lived with her parents at the time, she was not overly concerned about the salary but her 8-6 schedule including one Saturday morning a month was something she disliked. She started applying for government posts, taking the required exams every time a position opened. She also looked into the banking sector and the semi-governmental agencies which had similar conditions to the government positions. When Maria got married and began thinking about starting a family, she expanded her search. Sadly, nothing came through but she was happy that she had received a promotion at her job and a salary increase. Still, had it not been for her husband's civil service position, they would have a very hard time financially. With the help of her parents, Maria and her husband built on top of her parents' house, as is often the case for daughters. When her first daughter was born, this proved to be an even wiser decision than she had initially thought, because her mother—having taken an early retirement—offered to stay at home and

take care of her child. Maria returned to work after four months of maternity leave but found her work environment even more hostile for women than she had experienced before. Her employer was very reluctant to give her the one hour of "breastfeeding time" she was legally allowed and when Maria told her manager that it was her right, he noted that this is why he does not like hiring women. In the meantime, Maria found it more and more difficult to deal with her company's policies on sick days (if one was absent for less than three days, i.e. for a minor illness, these days were unpaid), the small vacation time that was also frowned upon, the lack of support for new mothers, and the increasing demands for staying overtime or working extra without pay. When Maria found out about her second pregnancy, she was almost disappointed because she knew how difficult it would be to have two small children and no institutional support. Since most day-care centres do not take children younger than two and most are only open until 3 pm, Maria's father also took early retirement to help out with raising her children. Maria is still with the same employer, still taking exams to change jobs, and notes that without the help of her parents she would be completely unable to remain sane!

## Case Study 2: A Woman Entrepreneur in Cyprus

Eleni is a 45-year-old child psychologist who, after holding many positions unrelated to her field of study, decided to start her own company. Disenchanted with work in the private sector and the many hours and low pay, Eleni decided to start a children's after-school club, something that she had always wanted to do since she had her own three children and experienced first-hand what it means to be a working mother with a long workday and no options for babysitting in the afternoons. Eleni's mother had passed away when she was young and her mother-in-law lived in another city; thus, when her children were young, Eleni would pick them up from day care at 3 and would then drop them off at home where she had a live-in domestic worker from Sri Lanka. Her husband also worked long hours and neither one of them would be home before 6:30. Eleni felt guilty and stuck. In addition, she

hated her job at a local radio station as it had nothing to do with her studies and her passion-working with children.

Urged by her husband who had received a promotion, Eleni decided to go for her dream: to start an after-school program for children 0-9 that would enable her to utilize her skills and knowledge but also fill a big void in society and the market. There were no other clubs like this and she found the idea both exciting and innovative; she was therefore unable to understand why the banks saw her venture as risky and refused to give her a loan. The fact that she was a woman was evidently negative and many credit officers told her so-she had no background in running a business, she was still young and could get pregnant again, and, "what would happen to her children if the business went bankrupt and she owed all this money"? Through the help of a family friend, she finally secured an appointment with a credit officer who saw her more favorably.

She also used the excuse that "as a woman she knew about children" and that what she was proposing would also enable her to spend time with her own children as well. She secured the start-up capital and in a few months her business began to do really well. She is now considered the pioneer in the field and several other clubs have opened as well.

Now Eleni had to face new challenges: she still had to balance her own family time and time spent at work and since she was now making more money than her husband she also had to deal with "people talking" about her new independence. In fact, her father-in-law commented on how "women have gone too far these days" and that "when a woman has money this is the beginning of trouble in a marriage."

Her husband remained supportive but she still had to deal with her own guilt about being away from him and her children for so many hours, especially since her children were growing and no longer found it exciting to spend time with the younger children at the club. She worried about them reaching adolescence and that her absence may perhaps contribute to some risky behavior. Eleni also knew that without her live-in help she would never be able to manage the home which remains very much a woman's responsibility in Cyprus. Luckily, she can afford this help and the woman living with them "is very nice." Eleni loves her job and feels that she is making a contribution to society as well. She has not resolved her own personal issues, is definitely overworked and tired, has no time for herself (although she says she steals time to get her hair done every week) but believes that it is worth it, especially when a mother tells her "had it not been for you, I really don't know what I would do with my kids in the afternoon".



