COPE PROJECT: GAP ANALYSIS IN CYPRUS (CARDET)

Context

The co-operative model in Cyprus has an extensive history that can account for more than 100 years. Co-operatives started being created in the early 1900s when Cyprus was under the British Empire, and co-operatives have been created and existed since then. The first co-operative company was created in 1909 with the name "Χωρική Τράπεζα Λευκονοίκου", and the co-operative movement started.[1] The Legislation for co-operative companies in Cyprus was adopted in 1914.

As mentioned by the interviewees, the co-operative sector in Cyprus was flourishing, with Cyprus being a leading example for other countries. Co-operatives had a significant presence in the financial sector, as most towns had a co-operative credit institution. However, the fall of the co-operative credit institutions in 2013 has signalled the downsizing of the co-operative sector.

More than 300 co-operatives existed in Cyprus, which is a significantly large number for a country with approximately one million people. Today, 92 co-operative companies are registered, with a significant number of them being inactive or a holding company. Today, the greatest number of registered companies is found in Limassol with 34 registered companies, followed by Nicosia with 31, Paphos with 9, and Larnaca with 8[2]. Accurate numbers are uploaded on the website of the Co-operative Societies Supervision and Development Authority.

Even though there is extensive knowledge and experience in Cyprus regarding co-operatives, there is no formal education on co-operatives. However, some actions are being taken to integrate education on co-operative business model in education. Education and training on the co-operative business model is frequently found under education/training opportunities for social entrepreneurship. Events that occur include the COOPathons by the British Council, student competitions by JA Cyprus, and training and coaching by the Youthshare project.

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[1] Lefkoniko Municipality (2020). Χωρική Τράπεζα Λευκονοίκου 1909. Available at: https://dimoslefkonikou.org/choriki-trapeza-leykonoikoy-1909/

[2] CSSDA (2021). List of Cooperative Companies. Available at: http://www.cssda.gov.cy/cssda/cssda02.nsf/All/9F1F6CD52489CA5CC2257F73003F8A88?OpenDocument

Production Process

Given the lack of formal education on the co-operative business model, it was challenging to find educators that are focused on training on the co-operative business model specifically. Therefore, we have interviewed people who are offering training on social entrepreneurship and have knowledge about the co-operative business model, such as adult educators, coaches, and informal training educators. We also interviewed individuals who were engaged with hackathons during which the co-op model was taught, and an individual with extensive knowledge from the Co-operative Societies Supervision and Development Authority.

The interviews could not be conducted face-to-face due to COVID-19, and most of them took place via the ZOOM platform and a few of them via telephone. The interviews were recorded, except in instances where individuals preferred not to be recorded, and thus, the researcher was taking extensive notes during the interview.

Qualitative Analysis – Interviews

1. **For how long have you been an instructor promoting entrepreneurship education? How did you accumulate the knowledge you currently have?**

All interviewees have at least two years of experience in the field of social entrepreneurship. Those who engage in training more broadly have up to 7 years of experience. Two individuals who have expert knowledge on the co-operative model have at least 8 and at least 17 years of experience.

None of the interviewees has mentioned having formal education on the co-operative business model. They have gathered their knowledge from their own experience, and through different training programs, they have taken part, such as Erasmus+ and train the trainer.

2. **How do you and your organisation work in the promotion of the cooperative entrepreneurship with adults? (i.e., working individually or with groups)**

Groups

- Two interviewees, apart from their experience as trainers, have mentioned their experience with the COOPathon. Individuals join the COOPathon, which is a hackathon focused on social entrepreneurship and the creation of co-operatives. The hackathon is a two-day intensive training, and each group has a mentor that helps them throughout the process and monitors the team's progress.

- Another interviewee creates team building sessions and skills development sessions through the use of board games. He/she has provided training to co-operatives through the use of board games.
- Another interviewee is engaged in a project on social entrepreneurship and tries to revive the co-operative model in Cyprus. Through this project, the interviewee offered career support and training to individuals who want to create something of their own.
- One interviewee works with groups, and the experience he/she has with co-operatives through projects.

One-to-one

- One interviewee works directly with individuals when people approach him/her due to the fact that the individual is a researcher. His/her organisation does not offer advice on co-operatives.
- Two interviewees mentioned that they help individuals and promote entrepreneurship. They mentioned that they try to bring people together to discuss and find ways to cooperate.
- One interviewee said that he worked with both groups and individuals, but not due to his organisation, but based on his own initiative.
- One interviewee has mentioned that he and his organisation support co-operatives = regarding the application of the legislation.

3. **How do you reach your target group?**

The target group is reached through events such as the COOPathon, which is run by the British Council, and JA Cyprus. One interviewee also mentioned that they reach their target group through strategic collaborations with organisations that are already engaging with the target group.

Many interviewees mentioned that they are approached by the target group because of their experience or from the promotion of their work on social media.

4. **Which groups or sectors have reached out to you as an instructor? Where is the strongest demand for the cooperative model?**

An interviewee has mentioned that she sees strong interest in areas that have to do with food waste and recycling and sees demand in production, transportation and cultural spaces. Others have seen prospects and interest in agritourism and agriproducts. Two interviewees mentioned that the strongest demand he/she identified was in Commerce. One of the interviewees mentioned that the established co-ops are more in agriculture and manufacturing. Another interviewee mentioned that he/she sees demand in youth, culture and the circular economy.

As it can be understood from the interviews, there is no significantly stronger demand in one area over another, and it remains to be seen in what areas new co-operatives will engage with.

Interviewees also noted that many times the co-operative business model falls under social entrepreneurship. Many of the events that take place are focused on social entrepreneurship, and the co-operative business model is a part of it. However, many trainers interviewed are placing more focus and have more experience and knowledge on social entrepreneurship rather than the co-operative business model. It was mentioned that might be due to the fact that the legislation for social entrepreneurship has recently passed.

5. Did you organise mentoring activities for groups in pre-start-up phase?

Mentoring activities take place during the COOPathon, the two-day and a half hackathon that takes place every year. People at a pre-start-up phase take part in the competition, and some of them might take their ideas further and implement them after the competition. This competition is focused on social entrepreneurship and offers information and mentoring to the participants; however, the educators, trainers, and judges do not advise them regarding what type of business they will create. It is up to the participant to create a social enterprise, a co-operative, an NGO or an organisation of a different legal form.

Mentoring also takes place from the interviewees as part of their work as educators/trainers.

6. How do you plan and implement training courses on cooperative entrepreneurship? Are you following training modules?

One interviewee engaged with the COOPathon has shared that they use a handbook that is relevant to social entrepreneurship. Another interviewee mentioned that the training they offer, the formal aspect of it, has been developed by academics.

It was also noted that in the past, the Pancyprian Cooperative Confederation was active, which was has offered education/training to co-operative members, but after the fall of the credit co-operatives in Cyprus, it became inactive, but it is still registered.

7. What are the training topics?

The vast majority of interviewees have mentioned that they use the business model canvas during their training, and they focus on the areas that are on the canvas, e.g. what is the social problem, how to promote the product/service, etc. Other topics

covered include market analysis, assessing the impacts of the business, profit management, how the product competes with others in the market, what the goals will be in the next 5 or 10 years. It was also noted that they present the co-operative principles and other areas such as sustainability and that they try to inspire people to engage in sustainable sectors.

8. **In your training courses how did you present the financial aspects and the business planning?**

Most interviewees did not cover or did not place much focus on financial aspects. Some of them covered financial aspects as part of the business model canvas. They also noted that social enterprises and co-operatives are different, there is a social purpose beyond the profit. Social enterprises have to give part of their profit for a social purpose and co-operatives do not have as a main goal the maximisation of profit, but profit is a way for co-operatives to be sustainable.

9. **In your training courses how do you present the cooperative principles and the cooperative governance model?**

This is not adequately addressed in training. Those who cover these topics usually do a presentation, while one informant mentioned using a flipchart and a slideshow to make it more interactive.

10. **How do you present, in your training courses, the topics of sustainability and innovation?**

Sustainability and innovation are brought as topics when the Sustainable Development Goals are discussed, while others see them in a more holistic way.

In the example of the COOPathon, different SDGs were covered, and sustainability is not linked only to environmental sustainability. The topics of sustainability and innovation are part of the needs analysis sessions.

In other projects, they are presented through videos and success stories. One interviewee mentioned that these topics are always indirectly involved and that an individual needs to be innovative to attract attention to the product or service and that regardless of what they do they still need to offer something sustainable and environmentally friendly. Innovation is also seen when co-ops are created in innovative sectors.

11. **How did you introduce the topics of entrepreneurial marketing and scaling in business?**

These topics are not adequately covered. A few of them noted time-constraint as a reason for this, while another interviewee mentioned that he/she does not think that anyone works in the space of marketing for co-operatives.

A few interviewees mentioned that they cover these topics as part of the business model canvas, while another interviewee mentioned that he/she does PowerPoint presentations and then gives individual projects to participants who work on their ideas.

12. **Which training methods do you use to improve learning development? (Case study, Games-based training, lecture, Role-Play, simulation,...) which methods do you think are more suitable?**

It was frequently mentioned that it is important for training to be practical and experiential. The methods used include: experiential workshops where a social business is created in a short time, role-playing, individual projects, case studies and using examples, study visits, lectures, simulations, and games. One interviewee noted that case studies might not be the best case because if individuals from abroad are invited, they would say that the situation in Cyprus is quite different.

13. **According to your experience, as instructor, what is missing or what should be more developed in a training on cooperative entrepreneurship?**

First, it was mentioned that it is important for education on cooperative entrepreneurship to exist in the first place. It was noted that social enterprises and co-operatives have specific features and that people need to know about them and a momentum to be created so that people know these sectors exist and that they can do great things and build a community around these.

It would be helpful to introduce topics that showcase the benefits of cooperation and include training methods that promote cooperation among individuals and makes participants work in groups.

The cooperative principles and values also need to be better understood. Individuals need to know exactly why a co-operative is created and interest them, and this is where the principles and values of co-operatives come in. Governance is also an aspect that co-operative members themselves need to give more attention to. Participation in the general assembly and presence at that meeting is needed; if members are not present then, it is not possible to talk about cooperative governance.

The wider public need to understand what social entrepreneurship is, and what the cooperative business model is. Hence, more awareness and promotion of these types

of entrepreneurship and making people understand how these types are different compared to other types of entrepreneurship.

Finally, people need to learn how to get out of the box and even in the classroom. Individuals need to learn how to be innovative in general and get out of the box, beyond just thinking of the product they will deliver.

14. **According to your experience, what makes a training successful? Present a good practice from your experience.**

- For the training to be experience-based and to bring people in touch with individuals from that space.
- Have a training that has chapters such as: what is social entrepreneurship, how do the co-operative business model and social entrepreneurship, the idea and principles of co-ops to attract people to the co-op model, and core business models to attract the youth and start-ups.
- The trainer to love what he/she is doing and have positive energy, otherwise he/she will not communicate well to others what they want to communicate.
- The training to take place in an inspiring environment, e.g. in nature, and get into the right mindset and not think of other things to do. At the same time, emotion to be the medium for education and training.
- A training is successful if the individuals who leave the training continue working on the topic, or if the participants consider the training memorable. If participants create something after a training/competition, regardless if their ideas were chosen by the jury or not.
- Education/training to give the opportunity to individuals to participate in a practical way, and for education on the co-op model to start from a pre-primary level with games and collaboration.

15. **What are the biggest challenges in your work, and how do you try to overcome these challenges?**

The pandemic of COVID-19 is a serious challenge for educators/trainers since they cannot make face-to-face events. The fatigue of people with online events is evident. Even though people who are interested in the topic still participate, difficulties are still evident.

It is even more challenging for educators/trainers of non-formal training who use non-formal methods during their training. Educators/trainers have mentioned that it is hard to do training online and transmit the emotion. The opportunity to learn online was available before the pandemic, so individuals always had the chance, but those who want to deliver non-formal training and use non-formal methods

The small sector in Cyprus is also a barrier that makes people be realistic with their expectations. It is challenging to go beyond "the usual suspects" and attract new people in the area. The COOPathon has been ran in English and it was able to attract NEET individuals, students who study in Cyprus who are from other countries, asylum seekers, and refugees among others. However, it is challenging depending on the language of the training. There are interested groups who do not speak English, and groups who do not speak Greek, and perhaps a solution would be to have interpretation if the budget allows it or to do the training in two languages.

Finding participants is a challenge, even if it does not fall under the responsibility of the trainer but under the responsibility of the body who organises the event. Trainers are still concerned with having enough participants so the training is successful, otherwise it might only be mentoring for a small group of people.

Moreover, there is not enough awareness of the benefits of co-operatives and the process of the creation is not the simplest. There is no formal education on the co-operative business model. At the same time, young people who are interested in social entrepreneurship more broadly are facing challenges of survival and funding.

Finally, the fall of the co-operative sector after the fall of the credit co-operative institutions in Cyprus is a significant challenge. This has been a significant event in the history of both the co-operative sector and the economy of Cyprus. A way it could be overcome is to persuade the society that co-operatives will be completely independent and politics do not get into them.

Conclusion

As it was noted during the interviews, there is no formal education and/or training on the co-operative business model. The basic principles and values of the co-operative business model are not well understood and there is a lack of public awareness both about the principles and values, and the benefits of creating a co-operative.

The co-operative business model in Cyprus is usually linked to the social entrepreneurship model, whereas perhaps the creation of a social enterprise might be a more attractive choice as the new legislation of social entrepreneurship has passed.

The co-operative sector has downsized after the fall of the co-operative credit institutions, and it is unclear whether more interest will be created for co-operatives if a momentum around social entrepreneurship is created in Cyprus.