



Innovative Pathways for Entrepreneurship in Rural Areas Leonardo da Vinci Partnership  
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The Leader support programme, established already in 1991, is one of the most successful initiatives of the European Commission. At present the Leader measure in Estonia is implemented within the framework of the Estonian Rural Development Plan 2007-2013. There are 26 Local Action Groups (LAGs) in Estonia, covering 99% of the entire Estonian rural area. As of June 2011, the ARIB has approved more than 3,200 projects worth 31.8 million euros in total. The aims of the RDP Leader measure are to promote local initiatives, to contribute to the enhanced competitiveness of agriculture and forestry, to improve the quality of life in rural areas, to diversify economical activities and to empower the local level through Leader Local Action Groups.

The strategies of each of the Leader LAGs are different, yet the most of them see entrepreneurship development, incl handicrafts related entrepreneurship and training development as an important issue.

Some interesting project examples we would like to share are:

## PROJECT 1

**Project title:** Organizing entrepreneurial trainings for local young people on student and micro companies

**Beneficiary:** MTÜ Sõmeru Start, the LAG The Partners area

**Location:** Sõmeru, Lääne-Viru county

**Project period:** August 2009 – July 2010

**Support amount from the RDP Leader measure:** 3 073 EUR

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## Unique One-Year Butterflies

Organizing entrepreneurial trainings for young people on student and micro companies – MTÜ Sõmeru Start

When people hear the name “student company” they think it is just a small sized business where children play

the role of “money-makers”. Nothing could be further from the truth! Micro and student companies are practical forms of economics studies for young people who are interested in the sphere. The rules have limited the activity period to one academic year: from September to May.

Compared with “real” companies student companies have a big challenge: their business idea has to be unique.

This means that a new student or micro company can not produce anything that has already been produced

throughout the history of student companies. Think about it – what if we would have such a requirement for our companies!? The upside is that everyone working in a student company can be a director or manager. This, in turn, means that everyone has to be responsible for a business area and no one can just be an unskilled worker. So the responsibility level is the same as in “real” companies. Students must collect their own share capital, prepare a business plan, hold negotiations with suppliers and other business partners, establish product development, and start producing, marketing and selling. There are no free lunches, they even have to pay rent and buy the necessary tools and equipment. Even organising and holding meetings and discussions is one part of the business activities.

The more active participants have even prepared projects for applying for support.

The Sõmeru municipality of Lääne-Viru county has to involve the youth actively because 928 out of the 3717

inhabitants are young people. As only a few schools of the county provide economics education, youth centres of the municipality wanted to fill this hole by creating student companies. The idea itself is very innovative because student companies normally operate at schools. It then turned out that in order to have activity licence they need to have licensed instructors but there were none in Lääne-Viru county.

So the initial step was to train 25 instructors with the help of the Leader measure. After that, many workshops

were held for manufacturing various products in order to get innovative ideas for starting a company. This step

resulted in a surprising added value: when the children went home and showed the things they had made in the

workshops, their parents also took an interest in participating. That is how different generations started to meet with the youth and practice their craft skills and interesting new techniques.

This initiative gave birth to two micro companies and one student company that manufactured nice products and got lot of praise for that. Näpi's youth company “PUH” received the honourable award for the best micro company in Estonia.

The challenge of every company, sales, was also overcome successfully. T-shirts with hobbit-like logos designed

by young people were extremely popular in the Kristiine shopping centre's fair in Tallinn.

Smart and good-looking bags/travelling pillows became so popular that the Estonian folklore festival Viru Folk ordered 100 pieces of these inventions. In order to not get blisters from such a large order, the young entrepreneurs had to hire subcontractors.

Attractive environmentally friendly shopping-bags called MinuKott (MyBag) were also a smashing hit.



**Main project activities:** Training for instructors of micro and student companies; information days for young people about micro and student companies; workshops for young people who are interested in establishing micro or student companies; participating in business days of micro and student companies and fairs

## PROJECT 2

**Project title:** Organizing workshops about making and playing the zither and felting

**Beneficiary:** MTÜ Hellad Velled, the LAG Pärnu Bay Partnership area

**Location:** Audru, Pärnu county

**Project period:** Year 2009 – 2011

**Support amount from the RDP Leader measure:** 5 058 EUR

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## Vanemuise Workshop

Organizing workshops on making and playing the zither and felting – MTÜ Hellad Velled

What would you think about such a task? You have a block of fir-tree, a chisel and six days to make a tuneable

zither with 7 strings in D-major, like the ones our forefathers have made for centuries. No gluing is allowed. And of course – you'll have to make a bag for your zither too, for example from felting wool. A big consolation is that you can use the advice and help of Mart, a zither-maker from Leisi, Saaremaa.

This was the task that 12 families from the Audru municipality in Pärnu county were given in the framework of the Leader measure supported project "Creating links between generations". It was really an undertaking between generations because the participants were mothers-fathers, grandparents and children – from infants to nearly grown-ups. The work was physically quite challenging so every helping hand was needed.

If you have enough money, you can buy a musical instrument but a folk music instrument that is made by your family is definitely more precious. Although the structure of every zither was the same, every zither was still unique because the authors could paint and design their zither's top and bottom by themselves. So the zither from the Nisu farm (Wheat farm) was decorated with wheat ears while the one from the Kirsi farm (Cherry farm) was painted like cherries.

The camp was really successful – all the 12 instruments sounded really nice and the melodies were confli ating. It may not turn out so well every time. But who will play these instruments? Naturally the makers will. The camp's programme included learning to play the zither – every day for 1.5 hours. The participants of the workshops were divided by their age and previous experience. It did not matter if somebody had even held the zither before. Everybody learned to play eventually. The divisions were made for the sake of the instructors – so that the teaching process would be easier.

The camp ended with a joint concert but the participants couldn't hold their zithers in their bags for long even

after the project ended: they have played at municipality days, school events and even for foreign guests. The

elementary school in Audru municipality uses the zither frequently and nursery school teachers play beautiful

lullabies for children on zithers they made themselves.

The materials and instructors were fi nanced by the Leader measure. The Project Manager said that they have applied for support from other sources, too. The advantage of Leader is that all the money comes from one source so applicants don't have to anxiously wait for replies from different sources. What will happen if one source says "yes" and another one says "no"?

The example of the fi rst camp caught on. A Neighbour sees what you have made and wants to do the same. That's how the participant limit of the next camp has full and the next 12 zithers will be made soon thanks to the Leader measure support.



**Main project activities:** Organizing workshop of zither making; making 12 zithers; making bags for these zithers in a felting workshop; organizing a concert as a result of zither-playing workshops for local community

## PROJECT 3

**Project title:** Entrepreneurship start-up grant

**Beneficiary:** FIE Kalle Kase

**Location:** Tallinn

**Project period:** 2011-2012

**Support amount from the Töötukassa (Unemployment Office):** 4473 EUR

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Even though for years Kalle had been engaged in restauration Works and had enough clients, then with the economic backfall in 2009 most of the loyal customers disappeared and there were also no new clients. The only solution was to register as unemployed, to get a small sum of support money to cover the most important daily expenses and to take advantage of the training courses offered by the unemployment Office.

Kalle passed a training course in Creativity Incubator, and the most important aspects of the learning skills were:

- marketing
- advertisement
- accountancy
- communicating with other people in the phase of setting up their own business

The training course culminated with writing and defending a business plan. The business plan was then submitted to the unemployment Office (Töötukassa) to apply for an enterprise start-up grant. The grant application was successful and Kalle started his business as a Sole Proprietor. The grant money was used mainly to buy tools, so that it would be possible to do more complicated restauration works and be competitive in the field. As the state of economy gradually improved, new customers emerged and also some loyal customers started to use the provided restauration services again.

In year 2012 Kalle established a Limited Liability Company and ended activity as a sole proprietor.

In year 2012 he also passed an additional Mentoring Club, organised for those who has passed the entrepreneurship training course at the Creativity Incubator.

In year 2012 the company also was granted an Innovation Share – a special initiative by Enterprise Estonia to promote co-operation between universities and companies, which enabled to renew the website [Antiigiveeb.ee](http://Antiigiveeb.ee) and to create a web-shop.

In parallel with all this, using company's own resources a restauration trainings' workshop house is being continuously built.

## PROJECT 4

**Project title:**

Entrepreneurship start-up grant

**Beneficiary:** OÜ Heakoda

**Location:** Tallinn

**Project period:** 2011-2012

**Support amount from the Töötukassa**

**(Unemployment Office):**  
4473 EUR

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A restaurator, who had been working as a freelancer for

years, lost his clients due to economic backfall and the only solution he could foresee was registering as unemployed. This provided some support money to cover everyday living costs and provided an opportunity to receive free training.

The enterprise set-up training course included topics such as:

- analysis and individual business plan writing
- product and marketing
- financial planning
- basics of accountancy;
- basics of taxation;
- law, contracts
- work safety;
- possibilities of applying for grants; different support structures.

The training course culminated with writing and defending a business plan. The business plan was then submitted to the unemployment Office (Töötukassa) to apply for an enterprise start-up grant. The grant application was successful and Janno started his business as a Limited Liability Company Heakoda.

The grant money was used mainly to buy tools, so that it would be possible to do more complicated restoration works and be competitive in the field. As the state of economy gradually improved, new customers emerged and also some loyal customers started to use the provided restoration services again.