

Current practices across the EU27

This is one of a series of informative case studies about projects and initiatives that address or are driven by young people living in rural areas and that are mainly but not exclusively supported by the EAFRD. The aim is to contribute to the understanding of what has worked well and less well in the delivery of initiatives that support young farmers and rural youth, to show how young people can be involved in policy design and implementation, to raise awareness about the possibilities offered by EU Rural Development Programmes, and finally, to draw lessons for future policy reviews.



Organising entrepreneurial training for local young people through student and mini companies

Youth organisations and associations together with LAGs, local schools and interested parents, support the creation of student businesses in the Estonian municipality of Sõmeru in Lääne- Viru County

1. Background

Young people are an important resource for the municipality of Sõmeru in Lääne-Viru County in Estonia. Out of 3 717 inhabitants, 928 are young people, which is almost 25% of the population. Youth education and training is consequently seen as a priority, as well as the need to increase employment opportunities in the area, so as to discourage migration. The NGO Sõmeru Start initiated the project - financed by the RDP measure 322 'Village

renewal and development' - with the aim of stimulating youth activeness and entrepreneurial spirit. Very few schools in the county were providing training in economics and the NGO tried to fill this gap. The project supported education, life-long training and encouraged the implementation of innovative projects while promoting the creation of new businesses and job opportunities for youngsters.

2. Project activities

The first step in implementing the project was to train 25 instructors who would run the training for young people. Thereafter, a number of information days, workshops and trainings about how to create mini and student companies were organised. These events enabled students to acquire technical skills and knowledge about running a company as well as an opportunity to discuss their innovative

business ideas and to pilot some of them. The events were very successful in terms of participation and ideas generation. An additional and unexpected result arose when the young people discussed the project at home. As a result, many parents got involved with the activities. These events also became a meeting place for different generations, increasing the integration within the village.

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Mini and student companies are practical forms of study for young people who want to develop their entrepreneurial skills. Establishing a student or a mini company requires typical steps involved in setting up real companies. Therefore, 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. They have to pay rent and buy necessary tools and equipment. Organising and holding meetings and discussions are also part of the business activities. Moreover, 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. Basically, the responsibility level is the same as in real companies.

Thanks to the project many students received training in economics and improved their

managerial skills. Furthermore three successful companies were created:

- ✓ **Student company 'Funky'** composed by seven students who decided to design t-shirts;
- ✓ **Mini company PUH**, which produces travel pillow;
- ✓ **Mini company MYBAG**, producing environmentally-friendly shopping bags.

The main survival challenges these companies faced concerned market demand and the uncertainty of sales. The three companies managed to overcome the difficulties by making their products more attractive and environmentally-friendly. The t-shirts became very popular in some shops in Tallin, while the travelling pillows were so popular that the company had to hire subcontractors to satisfy the demand. The Mini Company PUH was awarded as the best mini-company in Estonia at the training-exhibition of Estonian Student Companies.

3. Conclusions/lessons learnt

Youth in rural areas are a good source of creative ideas. Young people are eager to realise their ideas with the appropriate knowledge, skills, support and professional guidance. Since there is a lack of practical economic education, young people who wish to start their own business after graduating have only limited entrepreneurial skills and it is difficult for them to become competitive in the market. The key challenge for each of the companies created involved uncertainty as to the market demand. It is therefore important to assess accurately the real demand so that for the student mini companies can function independently, be sustainable and for the work

to be rewarding. RDPs can play a key role in supporting entrepreneurial skills training for young people in rural areas. RDPs can also ensure provision of practical support, such as advisory or professional guidance for young people who would like to start their own rural business. The definition of eligibility criteria under specific RDP measures should be designed in a way that creative and innovative ideas have a better chance of being supported. Local NGOs and civic associations possess very good knowledge of the local context and therefore could be involved in the RDP consultation, at least at the regional level.

Information included in this series of informative case studies is primarily sourced from the case studies carried out within the ENRD Initiative on 'Youth and young farmers in rural areas'. The content does not necessarily reflect the official position of the EU institutions, national or regional authorities.