Micro-credit Networking for Women Entrepreneurs in Estonia, Latvia and Lithuania

Co-operation project within the network "Baltic-Nordic
women in the rural areas" 1999-2004

Birgitta Wiberg, Project Manager

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Nordic co-operation

Nordic co-operation, one of the oldest and most wide-ranging regional partnerships in the world, involves Denmark, Finland, Iceland, Norway, Sweden, the Faroe Islands, Greenland and Åland. Co-operation reinforces the sense of Nordic community while respecting national differences and similarities, makes it possible to uphold Nordic interests in the world at large and promotes positive relations between neighbouring peoples.

Co-operation was formalised in 1952 when *the Nordic Council* was set up as a forum for parliamentarians and governments. The Helsinki Treaty of 1962 has formed the framework for Nordic partnership ever since. The *Nordic Council of Ministers* was set up in 1971 as the formal forum for co-operation between the governments of the Nordic countries and the political leadership of the autonomous areas, i.e. the Faroe Islands, Greenland and Åland.

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1. Introduction

1.1 Summary of results

The project has proved that it is possible to implement and adjust and experiences of other countries if you take into account differences in experience, culture and mentality. A four years' project period was necessary to develop the micro-credit movement and to transfer the Nordic experiences on women entrepreneurship to women in the countryside in Estonia, Latvia and Lithuania.

Would these enterprises have started without the project? The project manager in Latvia, Baiba Rivza says: "It would certainly not have been possible without the project money from the Nordic Council of Ministers. The Nordic experiences of women entrepreneurship in the countryside, transferring knowledge about how to develop women's ideas into gainful business is important for us, so is also the Nordic know-how in building up democratic networks among those women who have taken part in the project."

The project managers in Estonia, Latvia and Lithuania have not only valued the financial contribution as such but to a high extent also the experiences from Nordic projects and exchange of ideas in co-operation with their partners in Finland, Iceland, Norway and Sweden. A strong Baltic-Nordic team has over these years been built up maintaining good contacts all the time and developing an understanding for one another's differences in experiences, mentality and culture.

In the very first start of the project emphasis was on the loan itself as the women were in urgent need of capital for investments. Lack of capital was said to be one of the main obstacles for start-up. The project managers soon brought into focus business training and the building up of good networks. Training became the first step towards becoming an entrepreneur. Network credit means that women have to be part of a network of at least three members. They have to find their partners and to build up their networks. The networks were then trained in business development and how to make a business plan. The business plan is a precondition to get network credit.

The Estonian project manager, Anneli Luisk, emphasises the following points of success of the project:

- women's capacity to take initiatives have been improved
- more networking between women has taken place in the country as a whole
- new products and services have been designed

- joint sales catalogues, joint participation in trade fairs, and joint sales promotion

Advisory services have become a most important tool. So has also meetings of the micro credit networks for the purpose of exchanging business ideas and inspiring one another. Study tours to other countries have taken place with the aim to learn from other countries. Project managers in the participating countries have met regularly for kick-off meetings and long-term planning of the project. Long-term sustainability has been built up as most of the project managers have been active from the start throughout the whole project period.

Micro credit networking has thus proven to contain more than money lending to a network of women. It can be summarised as follows:

- 3-5 women sign a co-operation contract among themselves
- they discuss and develop their ideas and put their plans into action
- they take credit for starting and decide who of the members is ready to take a loan
- the network comes together once a month to discuss the results of each member's work and repayment of the credit, taking into account the synergy effect
- the work of the network gives a feeling of safety

A profitable project concept has developed along two parallel lines:

- the first one is spreading of the idea of micro credit in mass media, seminars, and getting together those who have expressed an interest
- the second is training of women in the countryside involved in the project and forming their networks

The Nordic co-operation has meant spreading of democracy, i.e. to let the project managers and micro-credit networks develop at their own pace, not pushing the Nordic project managers' ideas; they are simply discussion and co-operation partners. As all projects have their ups and downs, it has been valuable to have a good Nordic team. In that way a strong Nordic-Baltic team has been built up.

1.2 Scope of the present report

This report covers Estonia, Latvia and Lithuania. Lithuania was strongly involved in the first two years. Unfortunately a change in project management led to a slow down of the activities and a stop in contacts between the project manager and the rest of the international team. New contacts in Lithuania have however lead to the fact that Lithuania will be

a strong part in the coming project (see the Chapter on “FEM project” Interreg III B).

The present report covers the period from the first discussions in 1994 which led to the micro-credit project in 1999 and up to the finalisation of the project period up to the end of year 2004. Further, a few lines about the continuation and expansion of the micro-credit ideas into a larger Interreg III B project with start in August 2004. The Interreg project covers the previous participating countries except for Iceland. Newcomers are Poland, Kaliningrad and Belarus.

1.3 The overall aims

The main aims as expressed in one of the project applications to the Nordic Council of Ministers (for year 2002 – the last application year) were as follows:

- To support business ideas coming from women in the countryside and assisting them to realise these ideas
- To strengthen existing networks with training and advisory services in marketing, sales, budget & results and book-keeping
- To spread the idea of micro-credit networking on the countryside in Estonia, Latvia and Lithuania
- To find long-term solutions for micro-credit
- To build a network among co-operative and business advisers
- To exchange experiences between the Nordic and Baltic project managers.

1.4 Project description in brief

The micro-credit project started with the building up of one pilot network in each of Estonia, Latvia and Lithuania. These "micro-credit networks" were formed after a Norwegian model studied in the north of Norway in 1996 by the "Baltic Nordic network for women in rural areas".

The project has been going on for four years. The business ideas must always come from the women themselves. It is a long process to build up an activity that will lead to sustainable incomes for women in the countryside.

Estonian project manager Anneli Luisk:

“The women have been given an opportunity to belong to a working network of people in the same field. As a co-operation network they constitute an independent unit, the operating principles of which are the same as that of an ordinary company: there is a common goal and the personal interest of each member. The

rules for participating in a micro-credit network are simple: First the loan applicants must pass business-related basic training and defend their business plans set up. The loan applicants are chosen and they are divided into three to five member co-operation networks for an average of three years. The loan amount is transferred to the bank account of each co-operation network. As an independent unit the network decides how to divide, repay and invest the free money.”

The members usually pay a monthly fee to the savings account of the network. The members decide jointly how to use the money accumulated on the savings account. The network selects a leader among themselves, a leader who collects the monthly fees and repays the loan with interest. The project leader calls the members to joint meetings.

The process takes time: forming a network, developing an idea and finally taking a loan. New networks have been built up at the same time as existing networks have been followed up and strengthened with training and advisory services. As the project managers have kept in touch with the "old" networks, these have become important coaches for the newcomers.

Advisory services have been granted to the networks, not only to spreading of the network idea, however all kinds of training and support. Co-operation with banks, municipal advisory service centres and other business centres contribute to sustainability of the micro credit network ideas after the project period.

1.5 Target group for micro-credit networking

Target group for the project was individual women or groups of women involved in rural development, working at different levels in a capacity to initiate or influence the initiation of new ideas for developing the countryside. These activities should however always bear in mind the basic aim of the project, i.e. improving life conditions in the rural areas.

A wide range of women has since the start shown interest in the micro-credit movement (e.g in Latvia expressed as follows):

- women both from towns and countryside regions;
- from young women up to women close to pension age and even pensioners;
- women with higher school education; specialists with a degree and women with good primary education;
- women from village apartments; countryside women whose farm production does not have enough sales and they have to look for additional income;
- women having jobs which do not satisfy their needs; and

- long-term unemployed women looking for jobs or having stopped to do so, but a friend persuaded them to come and listen to the ideas offered by micro-credit networking.

1.6 Gender equality

The project is directed towards women in the countryside, as they have special needs and do not always have the possibility to commute to larger town for jobs. They might be mothers with children or having children that need to be taken care of. They are therefore not in a position to take full-time jobs. Job opportunities are also rare in the rural areas.

One of the main ideas is to raise the self-confidence of women in that women encourage one another in the networks. Men have been welcome to attend training seminars, however they are not invited to take part in the micro credit networks, as these measures are solely reserved for women.

2. The start: “Baltic Nordic network for women in rural areas”

2.1 Long term Nordic team-work

Both Sweden and Finland have had very strong teams of women active at national level in the process of developing the countryside based on gender equality. In Sweden it was “the Women Power Network” (Kvinnokraft) 1992-1995 and in Finland “Rural Women’s Working group” (Kvinnogruppen - Naisteermäyhmä). On the initiative of Kvinnokraft the Swedish Government introduced regional "Resource Centres for Women" in all counties of Sweden and nationally. The National Resource Centre for Women was located to NUTEK (Business Development Agency).

Some of the members of the Swedish Women Power Network, from left Ulla Norberg, Farmers' Union, Ulla Herlitz, School of Economics and Commercial Law Göteborg University, Anita Sjöstrand, Kvinnokraft administration och Ulla Gustafsson, County Administration Värmland

In 1993 the Ministry of Agriculture in Sweden asked Kvinnokraft's representative at the National Board of Agriculture, Birgitta Wiberg, to arrange a study tour for women in the Baltic countries. The reason was that very few women active in rural development in the Baltic countries visited Sweden. There was already a Nordic team of women active in the "FAO Committee on Women in rural development". Besides this strong Nordic team, a SIDA-financed project for rural development in the south of Estonia, Võru, contributed in the development process. The first micro-credit loan was given by the project manager of the Võru resource centre, Kristina Lindelöf, before the start of the micro-credit project itself.

It was not until May 1994 that the idea to arrange a study tour for women in the Baltic countries became a reality. A seminar and study tour was arranged in Sweden in May 1994 in combination with Women Can-fair in Östersund. The 35 participants came from Estonia, Latvia, Lithuania, Iceland, Norway, Finland and Sweden and they were all active in farm organisations, advisory service institutions, regional and central authorities or ministries and educational institutes. Besides the Women Can-fair, the women visited women entrepreneurs in the Counties of Dalarna, Värmland and Uppsala. Focus was made on training, networking, democracy and agriculture as a base for life in the rural areas. The outcome of this event, financed by the Ministry of Agriculture in Sweden, was the forming of a network (in Ultuna, Uppsala, on the 10th day of the study tour). The network was called *"Baltic Nordic network for women in rural areas"*.

The network, mostly part of it, although without any financial means for its work, took all chances to meet to discuss women's issues in the countryside. The network met next time at Frøja, Norway in May 1996

On the study tour through the Counties of Dalarna, Värmland and Uppsala, a buffet was arranged in the open by women of the Farmers Union. Janika Ilves, Estonia and Gun-Britt Eriksson, who arranged the buffet

on the initiative of the Norwegian team of the Baltic-Nordic network. The occasion for this meeting was a seminar and study tour about micro credit networking in Norway. Besides Norway, the 31 participants came from Estonia, Latvia, Lithuania, Finland, Iceland and Sweden. Having learnt about micro credit, the Baltic participants got interested in micro credit networking. It was decided to include micro credit networking in the overall project plan. The event at Frøja was financed by the Nordic Council of Ministers. ("Grameen Bank-/micro-credit ideas – report from a seminar" TemaNord 1996:617 Nordic Council of Ministers.)

Some of the participants taking part in the event at Frøja: Birgitta Wiberg, Sweden, Anne Nicolaysen and Aud Kvalvik, Norway, Kristina Lindberg, Sweden, Ingunn Sørnes, Norway and Janika Ilves, Estonia in front.

The network met in whole in Võru, Estonia in June in 1996 for discussions on the overall project plan with the aim to strengthen the co-operation and to make use of experiences gained in the participating countries. In Võru a resource centre for women had been established on the initiative of the Swedish University of Agricultural Sciences, and financed by Swedish International Development Cooperation (SIDA).

At the conference Women and Men in Dialogue, Valmiera, in August 1997 some of the participants of the network had a meeting with Marianne Laxén of the Nordic Council of Ministers, who gave the project ideas her strong support.

Later in that year the "Baltic Nordic network for women in rural areas" was ready to present the first project plan. The network should contribute to the sharing of experiences on work in rural areas, and should enable a multi-discipline approach to be used in rural areas. It was also stressed that two of the Network's functions are to help make women more visible and to provide a platform from which new ideas could be marketed and put into practice. The issues below were included:

Participants at a seminar in Võru arranged by Võru Women's Resource Centre in 1994

- Research and analysis on women in the rural areas including means to improve statistics (labour market, training, infrastructure, etc)
- Finding new ways of co-operation and collaboration in order to find new employment in the rural areas, by e.g. developing small-scale activities, i.e. in the food sector, farm and rural tourism, handicraft, etc
- Entrepreneurship as a means to raise the level of income of rural women
- Building upon culture and tradition as a means to strengthen the rural areas
- Strengthening the self-confidence and social life of women in order to be able to take part in local development
- Improving women's health taking into account nutritious food and encouraging ecological thinking, recycling and environmental resource management
- Micro-credit networking as a means for women to develop entrepreneurship

The project plan was sent to SIDA, who did not show any interest to discuss it. Shortly thereafter, Marianne Laxén at the Nordic Council of Ministers contacted Birgitta Wiberg. This contact resulted in a project application to the Nordic Council of Ministers combining the three sectors:

Marianne Laxén (in front), who early supported the project, surrounded by the project leaders Baiba Rivza, Latvia, Leena Heiskala, Finland and Birgitta Wiberg, Sweden. The picture was taken at Interreg FEM meeting in Malmö 2005, where Marianne Laxén held a lecture on gender equality in the Nordic countries

equality, finance and agriculture. The project "Micro credit networking for rural women" was approved by the Nordic Council of Ministers in late 1998. The project followed the main aim of the original project idea, i.e. improvement of the conditions for women in the rural areas. The project can be seen as a transfer of knowledge from the Nordic countries to the Baltic countries in that the ideas presented at the micro-credit networking seminar in Norway in 1996 were now realised in the Baltic countries.

Information about the results have been spread at international conferences, for instance at the 2nd Baltic Sea Women's Conference in March, 2000 in Helsinki "Gender Equality and the Future" where a workshop on en-

trepreneurship was held by Maiga Kruzmetra, Latvia, and Anneli Luisk, Estonia. This conference was arranged by the Coalition of Finnish Women's Associations for Joint Action and Network of Finnish Women Members of Parliament.

3. The role of the Nordic partners

The role of the Nordic project partners has been to participate in yearly kick-off meetings in one of the Baltic countries. Besides discussions about the activity plan for the year to come, these kick-off meetings have visited micro-credit networks and held meetings with project managers running similar projects.

In the first two years the financial management was held by the University of Agriculture in Jelgava, but was later taken over by Co-operative Development Agency Jönköping County in Sweden, which held the overall project responsibility. The reason for the change was the restriction by the Jelgava University to pay out means for project activities taking place outside Latvia. This was a troublesome situation not least for the project managers in Latvia, but since the funds were placed in the University and the project managers had to stick to the rules of a state institution, the shift was necessary in order to continue the project according to the plan.

In May 2001 more comprehensive follow up was made from Nordic side by Birgitta Wiberg, Sweden, Leena Heiskala, Finland and Elin Antonsdottir, Iceland by travelling through Estonia, Latvia and Lithuania visiting micro-credit networks and the Baltic project leaders. The

The Nordic project leaders Birgitta Wiberg, Sweden, Elin Antonsdottir, Iceland, and Leena Heiskala, Finland, at the tour in Lithuania

original aim of the trip was to produce a brochure in English to spread the idea to more countries, with national versions in Estonian, Latvian and Lithuanian language. These efforts were not fulfilled since the necessary back-up with English-speaking journalists failed. The follow-up trip was in spite of these difficulties not in vain since the Nordic delegation got a much better picture of country differences and the struggles of the networks and the Baltic project leaders. These insights have been valuable for future actions.

A welcoming symbol in Lithuania, a loaf of bread was presented to the Nordic guests at their arrival in Lithuania.

Originally, a newsletter was foreseen with Estonia responsible for editing and publishing a newsletter four times a year. The project manager negotiated with Estonia, who had taken the initiative to produce the newsletter. An agreement was reached but it turned out that the allocated means were not sufficient and on top of that the Estonian responsible had a car accident. It was instead decided to make a homepage and each of the seven countries involved should contribute with articles, contact persons and so on. Võru resource centre was elected responsible for updating. One of the kick-off meetings in Võru contained instructions how each

country could operate their country pages. However this has not worked out as intended. The home page did never become a tool for sharing information. Experience from similar projects show that you need to have another approach for making a homepage.

3.1 The Nordic influence internationally

The strong ideas in the Nordic countries based on democracy, all areas shall live and that women shall have incomes of their own are highly valued in the Baltic countries. Our experiences for rural women are also similar. There is a strong need to find additional incomes. As in Nordic countries women have lost their jobs in the public sectors, especially in the countryside when banks, post offices, shops have been closed down as a result of the depopulation of the countryside. Many women in the Baltic countries have lost their jobs in the transformation process. Not least the Nordic way of looking at gender equality is highly valued. This could be experienced at a conference held in Tallinn on Women and Democracy in 2003.

These ideas of networking, co-operation, and democracy are in line with our Nordic ideas of co-operation. As the project has proceeded, the project managers in the Baltic countries have more and more emphasised teambuilding among women instead of individual entrepreneurship.

These Nordic ideas shall be spread to other countries. (See the Chapter on “FEM project” Interreg III B)

3.2 The need for Nordic co-ordination

The Nordic countries Finland, Iceland, Norway and Sweden have since long worked with special measures for women in the rural areas - i.e. that women can stay in the countryside and have incomes of their own, many times in combination with traditional agriculture. Many projects have covered several of the Nordic countries, i.e. in the tourist field on the initiative of the Nordic Council of Ministers. Ideas from one Nordic country to another can easily be taken up and spread. The Norwegian model of giving stipends to women developing ideas in the countryside

Baltic women on the study tour in Sweden meet and discuss rural entrepreneurship with farm women in the County of Uppsala

was taken up by Sweden in the early 1990's, and was first spread to the counties in the north of Sweden but later spread to all counties in Sweden. The co-operation within the FAO Committee on Women in Rural Development need also to be mentioned here as it shows that there is a need of strong Nordic co-operation, the joint ideas have a stronger impact internationally.

The first trembling steps towards Baltic Nordic co-operation took place in 1994 on the study tour in Sweden when women active at all levels of rural development got together.

It was not taken for granted that a co-operation would start, but the insight that small countries like those around the Baltic Sea

have many things in common, was clear on this study tour. The collected Nordic experiences showed the way that small countries benefit from co-operating.

4. Realisation of the Micro-credit project

The rural areas in the Baltic countries are in a process of change. It is no longer possible to increase income from traditional farming. At the same time job opportunities in the public sector, where women in the countryside have had part-time jobs, are cut down.

Therefore new ideas for income generation in the rural areas have to be tested. One alternative is to develop new activities, for instance in combination to a family farm. Other possible ways might be activities, where a network of women co-operates in joint premises or they have joint business ideas etc. In the process of transformation women were often those who have been in the forefront, with great interest and knowledge to develop new ideas. They see their chances and are eager to find new activities for their own support and, for the support of the family.

The project started with identifying women in the Baltic countries, women in need of financing and whose activities, often of small-scale nature, did not fit into the ordinary banking system. Micro-credit networks should be formed taking into account experiences made in the Nordic countries, especially Norway.

In Latvia a short informative booklet was prepared for mastering and dissemination of the idea of micro-credit networks, using the knowledge obtained when visiting Frøja, Norway. It was sent to all regions and followed up by telephone calls. The first seminar took place in February 1999 inviting interested persons in Latvia and colleagues from Sweden and Finland. The main aim of these seminars was to introduce the micro-credit idea to women in the countryside. Others followed shortly after the first one. These seminars explained the necessity of forming a network of women, as a start. Women, who were ready to express mutual trust, collaboration, and the main thing - common responsibility for repayment of the loan taken. After the first start, possible economical activities were discussed and evaluated, and a business plan was worked out. It was necessary to introduce the loan contract form and the conditions that regulate the work of the network as well as the relationship between the network and the creditor.

In the period of 1999 – 2000 (a year and a half) five such seminars took place in Latvia with more than 200 participants from all over the country. It is important to note that some women took part in the seminars repeatedly, obviously to get a better understanding of the idea. Each seminar, newcomers joined, coming from new regions. Mass media and the participants of the previous seminars helped to spread the idea. Wide

descriptions of these meetings were published in women's magazine "Aija" and local and regional newspapers. That furthered the increase of the interest in the micro-credit movement. New participants joined. This idea of disseminating work continued after the first micro-credit networks were formed. In the process of the project improvements were made in the methodological approach about network formation, loan terms and work experience of the first networks.

Throughout the whole project period a lot of information about micro-credit has taken place in almost all the rural districts of the Estonia, Latvia and Lithuania. Mass media has been interested to spread the ideas. Pamphlets have been spread to women farmer's organisations, business consulting centres, municipalities and village organisations. Seminars have been held and information has been spread at all kinds of occasions. A study trip has been arranged to Finland to study how micro credit networks were working there.

4.1 Pilot network in Estonia, Latvia and Lithuania

To start with, a group of women in each country formed a pilot network, which together with the country project manager worked out the loan criteria and conditions, which suited best for the network and the country. It was originally a three-year project starting in 1999 with yearly budget allocations from the Nordic Council of Ministers but continued after this three year period, with the last budget allocation in 2002. However, activities have been going on in Estonia and Latvia up to the end of 2004, and continuing in an Interreg III B project. (See special chapter on Interreg FEM project later in the report.)

Much effort has been made to establish rules about who could join, how many, and how much in loan sum, how high interest rate and so on. As Finland and Norway already had micro-credit networks, these have been studied very carefully. Together with the country project managers the conditions governing the networks were elaborated. These conditions differed and it was the aim of the project to work out rules that suited each of the pilot groups. The main principles were however similar:

- three women, at the least, shall form a network
- they shall have a business idea separately or jointly
- they shall have made a business plan
- they shall express the intention to support and advise one another
- they shall go through training
- they shall stick to the rules set up (by the pilot network)
- they shall make an agreement

The first micro credit group in Islice, Bauska region, Latvia

In Latvia the first micro-credit network was formed officially in March 1999, shortly after the first seminar. Five women from Bauska region, Islice civil parish united. After a month, in April 1999, the next network started their work in Aizkraukle region, Koknese civil parish. By the end of the first year five networks were active. As at December 2004, 22 networks are active, located all over Latvia. It witnesses the dissemination of the movement.

As the Estonian project manager, Anneli Luisk, also was the project manager for Võru Rural Peoples Resource Centre it was natural that the

first network started in Võru. The first network consisted of three women active in farm tourism, one farm situated in Vastseliina and two in Haanja. This network has worked on formulating the rules for Estonia.

An investigation of women's interest for micro credit was made in Estonia. Women from the counties of Võru, Viljandi, Valga, Lääne, Rapla and Tartu wanted to start micro-credit networks. In these counties the formation of networks was in different stages at the end of year 2004. In the three first counties formal groups have been created, having taken a loan. In the other counties the groups were working more informally, i.e. in the preparatory phase.

In the beginning of the project focus was on the money itself that a network can get as a loan. It soon be-

Margit Utsal, at her Tourism Farm Vaskna and member of the first micro credit group in Estonia

came clear that other things were more important for success, such as making a business plan, training and advice, and not least networking and sharing ideas in the networks, what is called teambuilding.

4.2 Regions for the project

The project manager in each country selected the regions to be part of the project. Since a SIDA financed project in south-east of Estonia (Võru Resource Centre for Women) was already working, a co-operation started with this project. The region of Võru was hit by high unemployment after the transformation. This project worked with training for rural women in different fields of business economics.

Besides this region, the countries bordering Võru were soon included in the project, i.e. Viljandi and Valga. Co-operation has taken place with the Business Advisory Centre in Valga.

In Latvia all four Latvian regions participated in the project, Vidzeme, Zemgale, Latgale, Kurzeme, but the activities were especially directed at Zemgale region, which is the region most affected by high unemployment among women.

In Lithuania the regions of Kaunas, Plungė and Kelmė took part in the project.

4.3 Number of women and networks in the project

When the project managers have counted how many women have taken part in the project, they have not only included those who actually have started a network, but all those who have taken part in any activity arranged in the project. Around slightly more than 1 300 women in the three countries taken altogether have taken part in activities like training, study tour, seminars and networks.

Estonia

Totally 627 women has over the project period taken part in the project, distributed as follows over the project years:

1999 – 107 women
 2000 – 102 women
 2001 – 275 women
 2002 – 60 women
 2003 – 83 women

Four micro-credit networks, which all have taken a loan, have been formed in the following counties:

Võru County (2)
Viljandi County (1)
Valga County (1)

Many more networks have been formed also in the counties of Rapla, Tartu and Matsalu, but only the abovementioned four have taken a loan.

Latvia

Nearly 500 women participated in seminars during the time of project. 78 of them became members of micro-credit networks. Up to the end of December 2004, 22 micro-credit networks have been formed as follows:

1999

Islice micro-credit network
Kokneses micro-credit network

2000

Karku micro-credit network
Skujenes micro-credit network

2001

Vecumnieku micro-credit network

2003

Demenes micro-credit network
Sakstagala micro-credit network
Codes micro-credit network

2004

Auces micro-credit network
Vaidavas micro-credit network
Selu micro-credit network
Matisu micro-credit network
Vergales micro-credit network
Liksnas microcredit network
Preilu micro-credit network
Barbeles micro-credit network
Skaistkalnes micro-credit network
Valles micro-credit network
Iecavas micro-credit network
Auces 2 micro-credit networks

This picture shows that the micro-credit movement has accelerated and most of the networks have been formed as late as in 2004. This shows the sustainability of the project.

Lithuania

Around 200 women has up to year 2000 taken part in the project:

Five networks in the following communities:

Lazdijai district, Seirijai community, manager Česlava Šmulkštienė;

Ukmergė district, Šinkūnų community, manager Emilija Zvicevičienė;

Kelmė district, Mockaičių community, manager Irena Sabaliauskienė;

Šiauliai district, Gilaičių community, manager Violeta Laurutienė;

Radviliškis district, Daugėlaičių community, manager Virginija Jasiūnienė.

4.4 Number of enterprises and directions/branches of these enterprises

Not only new enterprises have been built up as a consequence of the project, as can be seen from the list below totally new services and new products have enriched the countryside. The local knowledge of the women have contributed to sustainability as they know what services and products are needed in countryside people's daily life.

They have worked with long-term strategy thinking, not taking any risks, which have contributed to a high survival capacity of these enterprises.

Krista Kink, adviser Valga Business and Information Center, surrounded by the micro credit group in Valga

Estonia

The number of companies that have been built up as a consequence of the project is 16, out of which four had began activities in 1991-1998. Most of them are single owner companies, whereas there is one co-operative with 15 members.

The co-operative ESI is a result of the co-operation with the Aitüma project directed at local craftswomen. Through the co-operative training in basic entrepreneurship, product design and various crafts have been arranged. A study tour to Sweden (Tranås-Ydre-Vimmerby), arranged by

Co-operative Development Agency Jönköping county gathered 28 participants who found very valuable experiences to bring home. In the year of 2003 the co-operative opened a store called “CraftHouse” in Võru. www.handicraft.ee/isetegija.html. The co-operative has today ten members.

The companies in Estonia present a wide variety of branches/activities:

- sheep breeding
- tourism
- handicraft production and sales
- project manager, writing and training
- theatre on the own farm
- ecological agriculture
- herb growing
- gardening
- book-keeping

Latvia

In total there are eight networks who have started activities as a direct result of the project and formed their companies, as single owner companies or jointly as co-operatives. These networks have all had a loan from the project. However, when the first ones have paid back, the loan amount have been paid out to the newcomers. These companies are distributed over the country as follows:

- Islice micro-credit network
- Vecumnieku micro-credit network
- Karku micro-credit network
- Codes micro-credit network
- Liksnas micro-credit network
- Demenes micro-credit network
- Auces micro-credit network
- Vergales micro-credit network

These eight networks represent together 22 activities, which means that one network may consist of several different activities. These activities are:

- hairdresser
- beauty salon
- dressmaker's
- lawyer service
- bookkeeping

- rural tourism
- environment education
- event managing
- cafes
- computer services
- house care services
- decorative gardening
- floriculture
- body-builder room
- mushrooms and fruits growing
- sheep-breeding
- rabbit-breeding
- apiculture
- hog-breeding
- confectionary
- wattle-works
- veterinary

Marge Tadolder in her handicraft shop in Otepää, Valga County

4.5 Institutions/organisations active in advisory services and information

The project managers have collaborated with the advisory service institutes or organisations. Some of the advisers have been traditional farmers' advisers in crop and husbandry production, but during the project they have developed to be interested in business-related women's issues, to develop ideas towards economic activities. For instance in Latvia,

many of these activities have close connection to farm activities, such as yoghurt production, horticulture for instance strawberries, herbs etc. Below is a list of these organisations/institutes that have constituted a very important supplement to the national project managers.

Estonia

- Home Place Võru County
- Võru County Business Centre
- Valga County Business and Information Centre
- Viljandi County Business Centres

Latvia

- Latvia University of Agriculture, Jelgava, Faculties of Economics and Social Sciences
- Advisory Services in Agriculture (municipal)
- Latvia Rural Women Association (with branches in most of the municipalities)

Lithuania (as reported in 2000)

- Women Farmers' Association
- Credit Union of the Women Farmers' Association
- Lithuanian University of Agriculture

Biruta Rozenbauma, Dobeles Regional Advisory Bureau discussing with Birgitta Wiberg, Sweden and Leena Heiskala, Finland at one of the kick-off meetings

4.6 Training activities – seminars – study tours

Training, seminar, conferences and study tours are closely integrated in one another in the project, all with the aim to spread ideas, support the established networks and to stimulate the start of new networks. In the start of the project there was much talk about the loan that would fill the large investment needs after the transformation. As the project has progressed, the importance of training has been stressed both from Nordic side and from the side of the country project managers. Not only the project managers have performed training, but also advisers at the business centres in the municipalities as well as students, especially from the Faculty of Economics at the University of Agriculture, Latvia.

The study tours have fulfilled the aim to stimulate the creative side of the participants, i.e. by visiting other regions or countries in order to see how other women have transformed their ideas into commercial activities. Learning from one another, exchanging business ideas, co-operate on a joint idea have become a large part of the project.

The project managers have arranged fairs or made it possible for the participants to take part in fairs. The handicrafters have produced joint catalogues and have joint sales premises, i.e. in the towns of Võru, Viljandi and Valga. The business centre advisers in Võru, Valga and Viljandi the business centre advisers have helped the women to strive at handicraft of high quality. The participants have through the training improved the quality of their handicraft through special handicraft training. Training for these networks has also been made in subjects like budget, book-keeping and marketing. Below is a list of some of the training which the participants have had access to:

Estonia

1999

10 days business training (25)

Additional business training for micro-credit network members (6)

2000

Training for women managers (15)

Book-keeping training (16)

Project training in Puiga High School for locale village activists (15)

International project management training in Jäneda (6)

2001

2-days self development training in 3 counties, (37)

10-days business training in 3 counties (53)

2-days co-operation training in 3 counties (36)

20 hours design training in 3 counties (41)

9 days personal training for micro-credit network members (24)

2002

2-days training for business counsellors (22)

Training according to personal needs of micro credit network members such as Christmas food, product design, design consultations, open breathing, design of ornamentation, tourism

2003

Training according to personal needs of micro credit network members such as Christmas food, product design, English communication and network psychology

2-days training for micro-credit network members and business support persons (22)

Latvia

Training in the following field has been arranged by the Latvian partnership:

- entrepreneurship
- accounting
- finances
- communication
- network work
- psychology

Seminars presenting the micro-credit networking idea have been held as follows:

Estonia

1999

Presentation of the micro-credit idea and the formation of the first micro-credit network

2000

National seminar on village movement (Hellamaa)

Helsinki conference "Women around the Baltic Sea

Baltic Nordic network on micro-credit held at conference at Vaskna tourist farm (Võru)

Seminar on Women's Informal Sector (Mülheim, Germany)

2001

3 days micro-credit seminar for rural women

2002

2 days seminar for micro-credit network members

2003

1 day seminar on micro-credit (Tallinn)

Seminar for micro-credit network members and advisory service personnel in Muhu Island

Latvia

- experience exchange, possibilities from the project
- raising of self-appraisal
- bookkeeping
- market analyses
- legislation
- team work

Lithuania (report for 2000)

Meetings and seminars were held in different districts in co-operation with Lithuanian Farm Women's Association:

- 21-22 01 2000, Plungė district, Plateliai country-side district, seminar on small-business development, 25 participants from rural areas and 3 women from Germany;
- 05 07 2000, Kaunas, seminar on Credit institutions: Loans from local Credit union, 49 participants from 15 districts. Information about seminar were published in newspaper "Ūkininko patarėjas" (Farmer's adviser), disseminated all over the Republic;
- 02 08 2000, Kelmė district, seminar for local women "How to start business", 17 participants;
- 03-06 08 2000 rural women (50 farmers, entrepreneurs, teachers, and social workers) tour around the Lithuania by bus "What kind of businesses are developed by rural women?"
- 19-22 08 2000, Kaliningrad (Russia), Institute for Business and Agro-tourism Training, International Conference on Rural development, 51 participant, including 9 from Lithuania;
- 18-09 2000, Kaunas, meeting with women delegation from Norway and representatives of Farm Women's Association, discussion on future co-operation, 17 participants from Lithuania and 13 from Norway;
- 28 09 2000, Kaunas, Lithuanian University of Agriculture, exhibition "Agro Panorama – 2000", meetings with women entrepreneurs from rural areas, participant from all 44 districts (from 2 to 5 from each). On September 29-30, meetings and seminars on business development

are planned too. Information on all actions is disseminated by TV, radio and newspapers;

- 21 10 2000, Kaunas district, Linksmakalnis local territory. There will be held women's conference "The nation depends on woman". This conference is dedicated to 3rd Lithuanian Women's Conference
- 9-12 03 2000, Helsinki, Finland, The 2nd Baltic Sea Women's Conference, 45 participants from Lithuania, including 2 working on micro-credit project.

Estonian handicrafters visiting here Åsen village in Aneby municipality, Sweden, on a study tour; a co-operation with Aitūma CBC Phare project

Study tours in the own country or abroad:

A co-operative formed in Estonia made *study tours* to Germany and Sweden (in co-operation with the Aitūma project financed by Phare CBC) to study women entrepreneurs in handicraft. Latvian micro-credit network members visited Estonia to exchange experience.

All three Baltic countries sent participants to Finland to study micro-credit networks and discuss how Finland worked with micro-credit.

4.7 Estonian and Latvian participants' reply to a questionnaire on the micro credit project

On December 17, 2004 a follow-up conference was held in Võru, Estonia. Project manager *Anneli Luisk*: "The seminar was like a bridge between two projects: "Micro-credit networking for women entrepreneurs" and "FEM – Female Entrepreneurial Meetings in the Baltic Sea Region". Among the participants 21 women belonged to micro-credit networks including business advisers. Anneli Luisk gave an overview about the

project “Baltic Nordic rural women’s network – micro-credit”. Anu Laas from Tartu University spoke about her study “Rural women and business life”. In addition to the follow-up seminar a questionnaire was sent out to 52 members of micro-credit networks. 26 persons sent in their replies.

On December 11, 2004 the Latvian focal network met for discussion about the micro-credit movement, at Jelgava, Faculty of Economics. The following members took part:

- Māra Bite, Ilga Veipa, Biruta Belte and Rita Žera of Islice micro-credit network;
- Līga Šutoviča, Laima Lūsīte and Inta Skrastiņa of Karki network;
- Marija Zeltiņa, Gaida Avotiņa and Mārīte Gražule of Koknese network;
- Eleonora Maisaka, Maija Vēvere and Ilze Daņilova of Vecumnieki network
- Raimonda Ribikauska of Code network;
- Aldona Auziņa of Auce network.

Representatives of the first networks formed were especially invited to express their views on what the micro-credit movement had meant for them, both in their personal lives and for the development of their regions. The questionnaire was presented at this meeting in Jelgava. 15 women out of 78 members of micro-credit networks took part in the discussions and they also gave their answers.

Why did you participate in an activity arranged by the project Baltic-Nordic rural women’s network?

One of the most important reasons to participate in the project seems to have been the possibility to be part of a network and to develop their own ideas in the network or in co-operation with the others. In the network they got new acquaintances that they can communicate and collaborate with. By supporting one another in the network their self-confidence have improved, which also seems to be an important issue for taking part in the project. They also participated with the aim to get access to training.

Another reason for participation was to be able to learn from others by going to visit entrepreneurs in neighbouring countries or in any other region in their own country. So it was for the Estonian participants who also took part in the handicraft development project Aitüma, a project which offered many possibilities to visit other countries, among them Sweden and Germany, as the project was a co-operation also with Germany. In Sweden they had Co-operative Development Agency Jönköping County as a co-partner. The project was financed by CBC Phare.

Below some figures how many replies to the question about reason for being part of the project (the figures concern Estonia):

- Training (17)
- Study tour (16)
- Being part of a network (1)
- Other reasons:
 - To get out of my home (1)
 - To get information about the activities of rural women (1)
 - To open a shop, create a work place and belong to a company (1)
 - To converse with people acting in the same business field (1)
 - To develop my ideas (1)
 - To get new contact and to find a market for my own products (1)

From the start of the project most of the women took part to get a loan to a newly started activity. But this attitude changed and the first reason to take part was no longer to get a loan but instead to be part of a network, get access to business training and advisory services from professional project managers.

Below some comments to this from Latvia:

One woman from the Vecumnieke network says that she now has someone to ask for advice and that the network enriches her step by step.

One woman from the Koknese network says that the project is important to countryside women as they then have an opportunity to learn new things.

One woman from Islice network says that micro-credit has been a good support to her. It has given her the opportunity to acquire a second profession and to become economically independent from her husband. She has got more clients and new acquaintances too.

Which activities have you taking part in?

On the question which activities they took part in, all of those present in the Jelgava meeting seem to have been very active in training and they have taken part in seminars on micro-credit arranged by the University in Jelgava and many other places in Latvia.

The study tours in Latvia have mostly be of a character that one newly formed network has visited another network to learn from them. The Karki network went to Islice to witness the real success of that network. The newly developed Auce network visited Vecumnieki network to get acquainted with their work and especially with their credit payment order.

One study tour has concerned abroad travel: Representatives of Koknese and Islice network went to Finland to get acquainted with micro-credit work at North Carelia.

Below is the result of the questionnaire on which activities the participants in Estonia took part in:

- Training (20)
- Study tour (13)
- Being part of a network (1)
- To get a loan to my company (1)
- Other activity:
- As co-ordinator, setting up one micro-credit network and organised opening of handicraft shop (1)
- Started work of the handicraft co-operative (10).

On the question if which activities the participants took part in the following report was given about the micro-credit networks in Latvia:

Three participants of Islice network have taken credits and all of them have started their business successfully. In 2003 the credit was taken over by the next network at Bauska region- Code network.

Karki network has one credit that is split between two participants. The rural region is a suburb of the state and therefore the development of entrepreneurship face great difficulties because of poverty in the region.

Koknese network has also received a credit. First attempt to start entrepreneurship with oyster mushrooms was not successful because of lack of knowledge. Now the business is turned to vegetable growing and is supposed to hope for success.

The credit at Vecumnieki network is used to arrange a dressmaker's. The work had success. The credit was repaid and taken by another network member for rural tourism development in her country property. This entrepreneurship is also successful and soon it will be possible to transfer the credit to other network because third member of the network is not taking the credit for now.

Code network received the credit from Islice network at a ceremony with attendance of citizens of the pagasts and participants of terminal micro-credit seminar. Local government of the pagasts also allocated funds for the network. The entrepreneurship is started and realised successfully. All the five network members have prepared their business plans.

It was very important for Auce network to get to know all about credit taking, its revenue order and usage rights. Their aspirations were evaluated as positive by the local government and the network was also allocated funds from them.

Other reasons, what?

All the participants stress their temptation to leave their daily life from time to time and meet interesting women that are united in the micro-credit networks. The important thing in this society is their common interest, willingness to share their experience and optimistic view of life.

Has the project improved your life situation?

One woman in Estonia worked earlier in a sewing factory.

“For weeks I had to sew one and the same detail. Then it was closed down. I heard the possibility to join the Women's small loan project, and discussed with my husband whether I should join or not. We decided that it was worth trying. The project has brought a lot new and interesting things into my life. Now we make linen towels and runners with lace. I can put something of myself into every work and this in itself is important to me. The network work provides support mainly in the undertakings I do not feel very secure in. The co-operation gives me moral support, which in turn gives me confidence.”

Many of the stories are similar, the project stimulates taking up their own ideas, the network co-operation means support and strength. Below the replies from Estonia to the questionnaire on this point:

- I have gained knowledge about entrepreneurship (17)
- I have formed a company (individual, co-operative or other) (11)
- I have taken a loan (15)
- I am part of a network (19)
- Other?

I am one of the members of the Handicraft Co-operative ESI (10)

To study to converse with other people (1)

To get new friends and ideas (1)

What has the project meant for you?

This question was raised in the enquiry. For the women in Estonia the most positive effects were getting new relations and to be together with other women entrepreneurs and to share experiences and activities with them. One woman saw the project for her as a way out of poverty. All women except one saw only the positive, one saw the negative side “a lot of paperwork”.

A forest technician, who took part in the training arranged in Aitüma project in Estonia, said that the training opened a new leaf in her book:

“Before that I felt confident only when communicating with men in the forest, but outside the forest every contact was a serious strain for me. Sometimes I did not even have the courage to look at people, my heart was beating and my palms were sweating. I left my work in the forest because of my health. I had to stay at home for a while. Once when riding a bus someone knocked on my shoulder. This was Anneli Luisk, who started to tell me about micro-credit.”

Many of the stories tell about how the project, especially the training, has raised their self-confidence, they rely more on themselves, they became

satisfied with the decisions they make and get the courage to start up businesses.

To be part of a micro-credit network has offered new possibilities for women in the countryside. They can develop ideas towards entrepreneurship stepwise, discussing ideas with one another and co-operate on a joint idea. As one woman in Estonia said:

“Women's small loan gave me a possibility to make a start, from here on I have to decide myself which path to choose. A lot of support comes from my family. Besides that I have nice network members on whom I may also count. Until now we have met when it is necessary to discuss the things to be done for the future. The repayment of the loan has not been too difficult for anyone. I think that Women's small loan system can be effective only when the network members know one another through and through. And trust one another.”

The project has meant a lot of different things to the women. For most of them it seems to have been a turning point in their lives, they have become more independent in that they earn their own money and the network has given them strength to think over their lives and take a new direction, often out of housewife. Below is the complete list from the Estonians who answered the questionnaire:

- Interesting and useful possibility to develop and expand a business of my own (5)
- New relations and gladness with other women entrepreneurs (7)
- Sharing of information, gladness and worries with other entrepreneurs (6)
- Collaboration with spirited people (5)
- New experiences, self-confidence, familiarised with activities of other entrepreneurs (4)
- A sustainable working place (2)
- New acquaintances; knowledge (1)
- Inspiration to study (1)
- A way out of poverty (1)
- Experiences from real life situations and possibility to make a new start (1)
- Courage to make projects and to get start capital for my own enterprise (1)
- Possibility to participate in different projects, outcomes are good (1)
- Test of myself how to apply for a loan and to make a business plan (1)
- Arising new standpoints; inside development (1)
- Lots of paperwork (1)

This comment from one of the members of Islice micro-credit network can be relevant for many the participants in the project:

“The working itself has given to me the sense of safety. Previously I only observed the success of both my sisters. I did not dare and was afraid to take credit. Now I have become more self-conscious. I have also acquired more knowledge and some years’ experience in seminars and common activities of all the micro-credit networks of Latvia.”

Many of the women have become more economically independent from their husbands as they have started to earn money of their own. They also contribute to a large extent to the wellbeing of the whole family. By earning their own money they are not only economically independent, they have become more self-conscious.

Below some voices from women in the networks:

“It has given me support in solving individual problems! That is the main thing!”
(Koknese network)

“Experience, knowledge, courage.” (Islice network)

“I have become more optimistic. I can be independent from my husband - make my own business. I have changed.” (Islice network)

“I have turned from a housewife into a working and money earning woman. I feel myself equal with others. It has appeared that I can do, organise, arrange, not only my own life but also help with advice to the others. (Code network)

“Working in the network has laid additional duties on me, made me become more responsible for work of all the network, to search for right approach to people.”
(Karku Network)

“It has given me independence from my husband. I do myself, make mistakes myself, and lose myself. There is no dependence on somebody. I do as I have imagined. My husband is also satisfied that I have job and a kind of stability.” (Karku network)

“I like that working in the network I can trust. With involvement in the micro-credit movement, I have changed: become more active, braver- I know what to answer if somebody tries to insult me.” (Vecumnieki network)

“Reading in the press about micro-credit networks activities, I started to think over my life and then I understood that I could search for confederates in my town and work. And so it all turned out.” (Auce network)

Women co-operating in cheese production in Ukmerge, Lithuania

What has the project meant for the project managers?

The project managers have acquired international project experience as follows: maintaining and distribution of the idea and co-partners in Finland, Iceland, Norway, Sweden and colleagues in the Baltic states as well as financial payments. The main thing, however, is the acquired understanding and work experience within an international team. One of the Baltic project leaders says:

“We have met in an open atmosphere, shared the ups and downs of the project, and we have created sustainable relations within our own country, within the three Baltic states and with our Nordic co-partners.”

What has the project meant for your region?

As the project is part of rural development and most of the women live in the countryside or small villages this question was important to raise. A few women found that the project improved the image of the region and that it created new work places to their regions, which often had high unemployment. To preserve the handicraft tradition of the region was another important aspect.

The snowball effect was stressed by one woman from the Vecumnieki network:

“In the place where a network forms and has success, other networks also appear by the principle of ‘snowball’.”

Through a lot of publicity in the project the regions of Võrumaa, Viljandi and Valga have been put on the map. Though the strong handicraft touch

the regional peculiarity have stimulated women to work with traditional design objects. Especially in Võrumaa the handicraft side of the project has been very strong since Aitüma project was especially designed towards handicraft, and resulting in the start-up of a handicraft co-operative with ten members. Below are the replies to the questionnaire:

- An improved image of my region
- New active entrepreneurs with handicraft as lifestyle
- Handicraft women with courage to value their own regional peculiarity
- Possibility to market products together under joint trade mark, which brings out regional peculiarity
- To be good examples for other regions
- People with similar interests are acting together
- Creation of new work places in the regional and development of small scale entrepreneurship
- Awareness of rural women

The answers to this question was not as many as the question about the meaning of the project for the women themselves. Their importance for the regions might be easier to see for others, i.e. politicians, community managers and school teachers. The community managers have supported some of the networks by giving premises without rent for the first start up period. As there are practically no jobs available for women in many regions each woman who can start-up her own business is of great value to the region. A living countryside is dependent on activities in daytime.

Would you like to give any recommendation to the project managers of your country?

The women had many ideas how the project managers could stimulate the initiative of further networks to be formed. They were recommended to organise further training, conferences, meetings, talk circles and study tours, all issues which in fact constituted a large proportion of their work in the project. Study tours seem to be very popular, not least study tour to other countries to look how women in other countries are active in gaining income of their own. It did not only lead to the picking up of ideas from abroad women, it also created strong networks while travelling together. The project managers were also recommended to stimulate exchange experiences between entrepreneurs from different regions. Below is a list of the answers in Estonia:

- To stimulate the formation of networks from one region (municipality)
- To look for the right people, those who really need help

- To continue to write new projects for new-starters
- To organise training, conferences, meetings, talk circles, study tours (in Estonia and abroad) for women entrepreneurs
- Exchange of entrepreneurs between regions
- Not only theoretical business training, but also practical training in e.g. handicraft know how
- More study tours like those arranged by our project manager
- Strength to continue work

4.8 Co-operation partners in the Baltic and Nordic countries

From the start in 1998-1999 up to the finalisation in the year 2004 the following partners are those who have been most active in the realisation of the project:

Estonia

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In addition to the key-persons and organisations above the following organisations have contributed in one way or another:

- The Lithuanian University of Agriculture
- Farm Women's Association, Lithuania
- The Credit Union of the Farmers' Association, Lithuania
- Ministry of Agriculture, Estonia
- Leader II Sommenbygd and Leader II Astrid Lindgrens hembygd, Sweden
- Ministry of the Interior, Finland
- The Ministry of Agriculture, Latvia
- Women's Resource Network, Finland
- The Women Power, Sweden
- Department of Business Organisation
- Farmers' Advisory Services
- Local Governments and Women's Organisation
- Banks, e.g. in Latvia: Hipoteka bank
- Phare CBC Small Scale project (European Union structural funds)

4.9 A wide range of co-operation partners

The partners in the list above have contributed to the success in that they have allocated funds for micro credit loans, contributed with human resources, as lecturers, helping to arrange meetings, spreading information but also free premises such as classrooms, help in transports for field trips, free coffee and meals. However, they are also important for spreading information about the project with its result. It has not been possible to calculate the value of all these partners, but they are all important partners, not only in the Micro-credit project many of them will also contribute in one way or other in the Interreg FEM project.

Estonia

Projects financed from e.g. Phare och CBS (European Union structural funds) for rural development have become co-operation partners. These projects have been of bilateral character. Estonia applied in the same year money from the European Union funds through an institution in the Netherlands in order to establish networks within handicraft businesses with the micro credit project as a base. Co-operative Development Agency arranged within the project a study tour and exchange of experiences with women farmers in Småland.

Latvia

In 2000 Latvia started co-operation with the micro credit movement in Germany. Latvia has had discussions with Hipoteka bank, which is inter-

ested to open up new credit possibilities for women in the rural areas with the same conditions that have been developed within the micro credit project. Also the World Bank with affiliate in Latvia has contributed.

Nordic countries

One of the advantages with Baltic Nordic co-operation is that the project managers in the respective countries have got an overview of ongoing project in the sister countries. All these actors are very important for the sustainability of activities for women in the rural areas. As for the Scandinavian countries the resource persons have been active in writing project plans, writing joint reports and taking part in follow up meetings in the Baltic countries and at the study tour in Finland and Sweden.

5. Interreg IIIB project – FEM Female Entrepreneurial Meetings in the Baltic Sea Region

The project managers looked for a long time to find a programme covering the three Baltic countries and the Nordic countries together. In the last few years the Interreg programme became more and more a reality to look for a continuation. Interreg IIIB, cross-border co-operation, with financing from the EU Structural Funds was the only program open for transnational co-operation in both Nordic and Baltic countries.

At a seminar in Riga in February 2003, presenting results from the Micro-credit networking, it was decided to apply for funds from Interreg IIIB. Contacts were taken with the Interreg office in Karlskrona and the project idea was presented to them. The office recommended us to involve more countries, in that the new countries could benefit from the experiences of the micro-credit project. The decision was taken to include Poland, Kaliningrad and Belarus and to let these new countries take advantage of the results made in the Micro-credit project.

Not only micro credit and other financial solutions will be of importance in the coming project, but to look into the structures that influence women's entrepreneurship in a wider sense. What are the conditions that women face when they want to start up a business of their own? How is

The first Interreg discussions took place in Gdansk in 2003: From left, Silva Anspal, Estonia, Annica Saanio, Norway, Anneli Luisk, Estonia, Dina Morozova, Belarus, Leena Heiskala, Finland, Baiba Rivza, Latvia, Laura Perheentupa, Finland, Christine Banuscher, Mecklenburg-Vorpommern, Lisbeth Holmquist-Arbrandt, Sweden. Sitting from left, Birgitta Wiberg, Sweden and Magdalena Wapiska, Poland

the attitude towards women new starters in the society as a whole: the nearest family, relatives, local and regional services and central legislation. Are there any obstacles that prevent women from starting businesses?

These questions and many more will find an answer in the Interreg III B project started in August 2004. The countries involved are the former countries in the micro credit project, except for Iceland. New countries are Poland, Kaliningrad and Belarus. However since the two last-mentioned countries are not members of the European Union their activities in the Interreg project have to be financed by Tacis or other sources. Such sources have not yet been found. Norway has contributed to Interreg III B by reserving money for projects.

5.1 Problems to be addressed in the FEM project

In the transition countries in Eastern Europe women are still to a high extent hit by unemployment after 1990. One possible way out of unemployment will be to start a company. But the setting up of businesses by women is still marked by structural disadvantages. There is lack of advisory services for women, lack of access to financing and credits, and lack of meeting places and networks. These disadvantages include qualification for vocational independence, private funds, securities and the acceptance at all for women setting up their own businesses. Experiences from the countries in West-BSR (Finland, Norway and Sweden) have shown that the structures must be improved and/or built up to support women's entrepreneurship. The lack of knowledge of the rules for market economy gives weaknesses in the business environment for the new-started companies in East-BSR. Through co-operation between West-BSR and East-BSR and through co-operation between entrepreneurs in the different countries, the business environment will be strengthened. Access to ICT technology will help to make the business environment more efficient.

5.2 Central objectives

The central objectives are to improve the structures of advisory services and training directed to women who want to start as entrepreneurs in the Baltic Sea Region (BSR). The improvement shall take into consideration existing institutions and include the regional and local level. These institutions shall also promote networking among women and provide information and advisory services on the build-up of co-operatives. These institutions shall also promote the start-up of micro-credit and other financial networks of women, based on earlier projects and experiences. Further shall mentor programs be built up based on network mentoring as

Some of the participants in the Interreg FEM kick off meeting in Kainuu, from left Marta Chetkowska and Marta Hozer, Poland, Elin Sabbasen, Norway, Sirje Vällman, Estonia, Birgitta Wiberg, Sweden, Agne Margeviciute, Lithuania, and Baiba Rivza, Lettland

practised in Finland. The project shall also involve banks and other financial institutions to find out the best loan conditions for women new-starters and established entrepreneurs. Transnational networks of advisers and resource centre managers shall be built up for the exchange of experience and knowledge. A web-site will be the main tool for this information exchange. Training will be provided for the advisers. The building-up of resource centres will take into consideration those business advisory services already existing in the Baltic Sea Region. The centres will be a tool for the internationalisation of women's businesses in the region.

5.3 Expected outcome

The results will be improved infrastructure and consensus partnership towards promoting the role of women on the labour market and in starting entrepreneurship. Enhanced understanding how the authorities and organisations can support the role of women in regional and local development. Advisers in entrepreneurship will have gained knowledge in women's entrepreneurship and gender equality issues. A network of advisers using the method of continuous learning via internet has been built up. Services as advisory services are improved. Training programs for advisers and training programs for women in entrepreneurship have been elaborated. Best practices have been selected. Women entrepreneurs are

more prepared to make long-term strategic decisions. Improvement of loan conditions for women, changed attitudes towards women's need of small loans and micro-credits, and women entrepreneurs better suited to take loans and/or join a micro-credit network. Networks between women entrepreneurs in the Baltic Sea Region and nationally have been formed. Trade and commerce between women entrepreneurs in the countries in the Baltic Sea Region is increasing and new models of practical internationalisation have been set up.

5.4 Partners in the Interreg project

Each of the around 40 partners have signed a co-operation agreement with the Lead Part (the Ministry of Interior in Finland), who is holding the overall management as well as the financial management. The partners represent local, regional and central institutes, organisations and authorities built on the partnership according to European model, i.e. public authorities, private enterprises and organisations belonging to the social economy. The following partners are listed in the project application:

Belarus

- Grodno Regional Public Association of Young Intellectuals "VIT"
- Centre for Informational Support of Public Initiatives "The Third Sector"
- Modem Association

Estonia

- Association ETNA in Estonia
- Movement Kodukant, Movement of Estonian Villages and Small Towns Kodukant
- Estonian Union of Women in Business
- Association Kodukant Võrumaa, Region of Võrumaa
- Estonian Regional and Local Development Agency (ERKAS)

Finland

- Ministry of the Interior = Lead Part
- Kainuu Regional Council
- Päijät-Häme Regional Council
- North Karelia Regional Council
- South-Ostrobothnia Regional Council
- Nordea Bank Finland PLC Rural Women's Advisory Organisation
- The Association of Rural Women Entrepreneurs

Kaliningrad

- Women's Centre of Information and Employment "Kalinka"
- Administration of Kaliningrad
- Society Kaliningrad-Sweden
- Kaliningrad Business Ladies' Club

Latvia

- Ministry of Agriculture
- University of Agriculture, Faculty of Economics
- Association of Rural Women

Lithuania

- Women's Employment and Information Centre, Kaunas
- Women Farmers' Association
- Women in Business, Klaipeda Region

Norway

- Innovation Norway

Poland

- Municipality of Debnio
- Municipality of Leba
- Municipality of Lebork
- Labour Office, Lebork
- Commune Department Marianowo
- International Association of Personnel in Employment Security
- Institute of Economic Analyses Diagnoses and Forecasts

Sweden

- The Swedish Business Development Agency (NUTEK)
- Region Skåne, Department of Economic Development and Innovation
- County Administration of Östergötland/ÖstGöta Resource Centre for Women
- The Association of Women in the Nordic Region
- Co-operative Development Agency Jönköping County
- Co-operative Development Agency Västra Götaland Region
- National Federation of Resource Centres for Women
- Baltic-Russian-Swedish Resouce Centre, Östergötland County
- "Together" Multi-ethnic Women's Association, Malmö

Two of the representatives of Kaliningrad partners, Lyudmila Petrakova and Tatiana Nosovets (centre) visiting Sweden in order to strengthen the partnership between Sweden and Kaliningrad. Here they visit the Regional Resource Centre Sörmland, Irina Örnberg (left) and Sonja Torsensson (right)

Sammanfattning

Projektet har visat att det är möjligt att ta till sig och anpassa erfarenheter från andra länder om man tar hänsyn till olikheter i erfarenheter, kultur och mentalitet. Fyra års projektverksamhet var nödvändig för att utveckla mikrokreditrörelsen och överföra de nordiska erfarenheterna av kvinnors företagande till kvinnor på landsbygden i Estland, Lettland och Litauen.

Skulle dessa företag ha startat utan projektet? Projektledaren i Lettland, Baiba Rivza, säger: "Det skulle med all säkerhet inte ha varit möjligt utan projektmedel från Nordiska Ministerrådet. De nordiska erfarenheterna av kvinnors företagande på landsbygden, överföring av kunskap om hur man utvecklar kvinnors idéer till inkomstbringande företag är viktiga för oss, och inte minst det nordiska kunnande i att bygga upp demokratiska nätverk bland de kvinnor som har deltagit i projektet".

Projektledarna i Estland, Lettland och Litauen har inte bara satt värde på det finansiella bidraget som sådant utan i hög grad också erfarenheterna från nordiska projekt och utbyte av idéer i samarbete med sina partners i Finland, Island, Norge och Sverige. Ett starkt baltiskt-nordiskt team har genom åren byggts upp som har hållit fast vid ett gott samarbete hela tiden och utvecklat förståelse för varandras skillnader i erfarenhet, mentalitet och kultur.

Under den första projektstarten var tyngdpunkten på själva lånet eftersom kvinnorna var i starkt behov av kapital för sina investeringar. Brist på kapital var ett av det främsta hindren för att starta företag. Projektledarna flyttade snart tyngdpunkten till företagsutbildning och att skapa starka nätverk. Utbildning blev första steget mot att bli företagare. Nätverkskredit innebär att kvinnorna måste vara del i ett nätverk med minst tre medlemmar. De måste hitta sina partners och bilda sitt nätverk. Nätverken fick utbildning i affärsutveckling och hur man gör en affärsplan. Affärsplanen är en förutsättning för att få nätverkskredit.

Den estniska projektledaren, Anneli Luisk, betonar följande framgångsfaktorer i projektet:

- Kvinnors förmåga att ta initiativ har förbättrats
- Mer nätverkande mellan kvinnor har ägt rum i landet som helhet
- Nya produkter och tjänster har utvecklats
- Gemensamma försäljningskataloger, gemensamt deltagande i mässor och gemensam marknadsföring

Rådgivning har blivit ett mycket viktigt instrument men också träffar i mikrokreditnätverken med syfte att utbyta affärsidéer och att inspirera varandra. Studieresor till andra länder har ägt rum i syfte att lära av dem.

Projektledarna i de deltagande länderna har träffats regelbundet till kick-off möten och långsiktig projektplanering. En långsiktig uthållighet har byggts upp eftersom de flesta projektledarna har varit aktiva från starten och genom hela projektperioden.

Mikrokreditnätverk har således visat sig innehålla mer än lån av pengar till ett nätverk av kvinnor. Det kan sammanfattas på följande sätt:

- 3-5 kvinnor undertecknar ett samarbetskontrakt mellan sig
- de diskuterar och utvecklar sina idéer och sätter sina planer i verket
- de tar kredit för att starta och beslutar vilken av medlemmarna som är klara att ta lån
- nätverket kommer samman en gång i månaden för att diskutera resultatet av varje medlems arbetsinsats och återbetalning av krediten, med hänsyn tagen till synergieffekten

Ett lönande projektkoncept har utvecklats längs två parallella linjer:

- den första är att sprida mikrokreditidén till massmedia, seminarier och grupper som har visat intresse
- den andra är utbildning av kvinnor på landsbygden som är involverade i projektet och bildar nätverk

Det nordiska samarbetet har betytt spridande av demokrati, d v s att låta projektledarna och mikrokreditnätverken utvecklas i egen takt, inte att trycka på de nordiska projektledarnas idéer; de har fungerat som diskussions- och samarbetspartners. Som alla projekt som har med- och motgångar har det varit värdefullt att ha ett bra nordiskt team. På så sätt har ett starkt nordiskt-baltiskt team byggts upp.

Rapportens omfattning

Rapporten omfattar Estland, Lettland och Litauen. Litauen var starkt involverad de två första åren. Olyckligtvis ledde ett byte på projektledarposten till en nedgång i aktiviteterna och ett totalstopp i kontakterna mellan projektledning och resten av det internationella teamet. Nya kontakter i Litauen har emellertid lett till det faktum att Litauen kommer att bli en stark part i det kommande projektet (se avsnittet om ”FEM-projektet” Interreg III B).

Denna rapport täcker perioden från de första diskussionerna 1994, som ledde till mikrokreditprojektet 1999 och fram till slutet av projektperioden år 2004. Vidare några rader om fortsättningen och utvidgningen av mikrokreditidéerna till ett större Interreg III B projekt med start i augusti 2004. Interreg-projektet omfattar de tidigare deltagarländerna utom Island. Nya är Polen, Kaliningrad och Vitryssland.

Övergripande syfte

Huvudsyftet som nämns i en av projektansökningarna till Nordiska Ministerrådet (för år 2002, sista ansökningsåret) var följande:

- Att stödja företagsidéer från kvinnor på landsbygden och att stödja dem att förverkliga dessa idéer
- Att stärka befintliga nätverk med utbildning och rådgivning i marknadsföring, försäljning, budget & resultat och bokföring
- Att sprida idén om mikrokreditnätverk på landsbygden i Estland, Lettland och Litauen
- Att hitta långsiktiga lösningar för mikrokredit
- Att bilda nätverk mellan kooperativa och övriga företagsrådgivare
- Att utbyta erfarenheter mellan de nordiska och baltiska projektledarna

Projektbeskrivning

Mikrokreditprojektet startade med uppbyggnad av ett pilotnätverk i vardera Estland, Lettland och Litauen. Dessa "mikrokreditnätverk" utformades efter en norsk modell som studerats i norra Norge 1996 av "Baltiskt-nordiskt nätverk för kvinnor på landsbygden".

Projektet har pågått i fyra år. Affärsidén måste alltid komma från kvinnorna själva. Det är en lång process att bygga upp en verksamhet som kommer att leda till långsiktiga inkomster för kvinnor på landsbygden.

Medlemmarna betalar vanligen en månadsavgift till nätverkets spar-konto. Medlemmarna bestämmer tillsammans hur man ska använda de pengar som samlats in på sparkontot. Nätverket utser en ledare bland dem, en ledare som samlar in de månatliga avgifterna och betalar tillbaka lånet med ränta. Projektledaren kallar medlemmarna till gemensamma möten.

Denna process tar tid: bilda ett nätverk, utveckla en idé och att slutligen ta lån. Nya nätverk har byggts upp samtidigt som befintliga nätverk har följts upp och stärkts med utbildning och rådgivning. Då projektledarna har hållt kontakt med de "gamla" nätverken, har dessa blivit viktiga mentorer för nykomlingarna.

Rådgivning har getts till nätverket, inte bara att sprida nätverksidén, utan all möjlig form av utbildning och stöd. Samarbete med banker, kommunala rådgivarcentra och andra företagscentra har bidragit till att mikrokreditidéerna har blivit uthålliga efter projektperioden.

Målgrupp

Målgrupp för projektet var enskilda kvinnor eller grupper av kvinnor som var involverade i landsbygdsutveckling och arbetade på olika nivåer i rollen att initiera eller påverka nya idéer för att utveckla landsbygden. Aktiviteterna måste dock alltid hålla i minnet ursprungsprojektets syfte, d v s att förbättra levnadsvillkoren på landsbygden.

En bred skara kvinnor har sedan starten visat intresse i mikrokreditrörelsen (t.ex. i Lettland uttryckt som följer):

- kvinnor både från stad och landsbygdsregioner
- allt från unga kvinnor till kvinnor nära pensionsålder och t o m pensionärer
- kvinnor med högskoleutbildning; specialister med examen, och kvinnor med bra grundutbildning
- kvinnor boende i lägenheter i byar; landsbygdskvinnor, vars lantbruksproduktion inte säljer tillräckligt och de måste hitta tilläggsinkomster
- långtidsarbetslösa kvinnor som söker arbete eller har slutat göra det, men blev påverkade att lyssna till de möjligheter som erbjöds genom mikrokredit

Jämställdhet

Projektet har riktats till kvinnor på landsbygden, då de har särskilda behov och inte alltid möjlighet att pendla till större städer för ett arbete. Det kan vara mödrar med barn eller de som har barn som måste tas om hand. De har därför inte alltid möjlighet att heltidsjobba. Arbetsmöjligheterna är också få på landsbygden.

Ett av huvudsyftena var att höja kvinnornas självförtroende, på så sätt att kvinnorna uppmuntrar varandra i nätverket. Män har varit välkomna att bevista utbildningsseminarier, men de har inte blivit inbjudna att delta i mikrokreditprojektet eftersom dessa åtgärder enbart är reserverade för kvinnor.

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