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# **OREN**

## **MULTI-STAKEHOLDER PLATFORM FOR RURAL ENTREPRENEURS**

Erasmus+ Programme

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### **National Report – [GREECE]**

### **PR1 Survey of the most promising rural business models and stakeholders' map**



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## Table of Contents

1. Introduction	4
1.1 Rationale of the OREN Project	4
1.2 Purpose of the Study	5
2. Desk Research in Greece	6
2.1 Introduction on the status of rural business development in Greece	6
2.2 Desk research on the state-of-the-art business models in rural economies	12
2.2 Typology of rural business models and distribution in different types of areas	16
2.4 Identification of driving and limiting factors based on literature	19
References	20
3. Case Study analysis	22
4. Analysis of existing relevant programs	32
5. Analysis of Questionnaires Results	39
6. Concluding Remarks & Recommendations	46



# 1. Introduction

## 1.1 Rationale of the OREN Project

While the role of rurality in the prosperity of the European Union (EU) is widely acknowledged, rural areas tend to lose their positions and opportunities in an increasingly urbanizing world. Despite the diversity of rural areas in terms of their socio-economic performances, natural characteristics, and cultural heritage, the majority of them demonstrates intrinsic fragility in social, economic and environmental aspects, and, consequently, different rural areas face common challenges, experience depreciation of their values and underutilization of the opportunities they are able to provide. In the 2016 High Level OECD Seminar “Delivering productivity and competitiveness for rural areas”, four “areas of opportunity” emerged: *forestry, local foods, tourism and renewable energy*. **Forestry** is considered to be an integral part of rural development. Beyond providing wood products, healthy, sustainably managed forests are valuable tools for mitigating and combating climate change. They are also locations for important recreational activities, such as appreciation of nature, hiking and mountain biking, and, together with other rural sectors, can produce a variety of local foods. In many EU countries, the **local food** system is used as part of a regional **tourism** strategy where specific foods are the focus for visitors who follow a “trail” that leads them from producer to producer. These local foods provide an opportunity to market a region’s food products to a global audience, as well as connecting local farmers to the communities in which they reside. To some, **renewable energy** is rural energy, because virtually all renewable energy technologies are space-intensive and thus rely upon a rural location. Wind, biodiesel, and photovoltaic technologies now represent the fastest growing energy industries, whereby windfarms require clear sites, biofuels rely on agricultural feed stocks, and solar generation, though somewhat more flexible, is increasingly implemented on open rural land. On the other hand, over the last few years experts on rural development policy have consistently identified out-migration and ageing as key trends affecting investment decisions in rural areas, along with “changes in the rural economic structure” and the “decentralization” process. Thus, rural areas share also common structural vulnerabilities: distance, lack of critical mass and low population density. Furthermore, the recession, the COVID pandemic in combination with the consequences from the ongoing climate change, and war crisis in Ukraine that contributed to the energy crisis have put an extra burden to rural entrepreneurs, who are facing increasing complexity and deep uncertainty in their business, exacerbating existing vulnerabilities. These vulnerabilities were further compounded since the spring of 2022, with Russia’s invasion of Ukraine leading to a worsening of the energy crises that had been brewing in Europe. Maximizing the opportunities depends on a constellation of factors coming together. If one or two of the elements cannot be achieved, there could be continued stagnation or decline instead of transformation. In other words, no matter how much progress is made towards tapping rural opportunities, if rural vulnerabilities are not addressed, they could render any form of progress shallow. These discussions underscore the importance of exploiting future opportunities in a manner that addresses rural



vulnerabilities under a systemic perspective and current state of the art calls for new strategies and models of rural development to be found and applied so to turn lagging rural areas into resilient rural communities.

The main objective of the OREN project is to involve agricultural entrepreneurs in an interactive learning programme, specifically designed and addressed to the rural development issues in the COVID era, while also considering the fall-out from Russia's invasion of Ukraine. The partnership will develop an interactive, multi-stakeholder platform that will contain sustainable rural business models, and simulation models, accompanied by a small set of managerial courses targeted to agricultural entrepreneurs. The purpose is to train the participants in some of the most needed managerial and business skills, as well as giving them a number of pointers in order to acquire more advanced ones, based on the most essential needs identified by the research. By acquiring such skills, the entrepreneurs will be able to analyze the root causes of successful business scenarios to improve their expertise and skills in understanding and modelling potential good practices.

## 1.2 Purpose of the Study

The aim of this study is to develop a sound and updated insight of agricultural business models across Europe and their driving and limiting factors among the project partners and stakeholders. Through a deep analysis, based on both theoretical and practical approaches and concepts from several academic and operative actors, the work performed under this first project result intends to deliver explorative and comparative findings by systematizing this knowledge, identifying the skill gaps and rural entrepreneurs' needs in terms of courses and trainings. The skill gaps concern mostly the IT skills (especially for tourism) and needs focus around having access to a potential knowledge database, where aggregated would be best practices and insights from other rural areas – both national and international, and also some more common needs like access to slow capital. The study will also harmonize main findings within a systematic framework that will guide the research, analysis and piloting that is planned for the other project activities. We will try to enrich our conclusions by: examining different case studies, analyzing relevant support and training programs for rural entrepreneurs, and by retrieving feedbacks to surveys aimed at specific target groups, so to ultimately construct a balanced, comprehensive and up-to-date overview.

In particular, the purpose of this document is to highlight the findings and results of research that has been conducted in Greece.



## 2.Desk Research in Greece

### 2.1 Introduction on the status of rural business development in Greece

Rural areas have been defined in descriptive terms including the level of population density or the rate of production loss or gain (European Commission, 2007). One of the major activities in rural areas that contributes to the economic, social and environmental development of rurality is agriculture.

Agriculture is one of the most important sectors in the economy and it can have effects (negative or positive) in environmental conservation and economic development (Pang et al., 2016). Furthermore, agriculture plays an important role in social support since it provides nutrition to an increased global population.

However, current nutrition choices and consequently current production practices are considered unsustainable and one of the main drivers of climate change (Poore & Nemecek, 2018; Pradhan et al., 2020). Moreover, an increased urbanization and globalization of supply chains means that food demands are met only after transportation over long distances (Kissinger, 2012; Weber & Matthews, 2008). As a result, urban and rural developments are interrelated. The more people are going into cities, less people populate urban areas. (Schiefer, 2018).

Moreover, loss of environmental quality and degradation of rural landscapes are considered as major challenges in European agriculture forcing farm households to adjust their business activities by participating in environmental conservation schemes. (Damianos & Giannakopoulos, 2002). These changes have forced adjustments to rural entrepreneurship, which can be seen as the entrepreneurial action that occurs in rural areas (Zampetakis & Kanelakis, 2010).

Agriculture and rurality in general play an important role in Greece. Historically, agriculture in Greece has been dominated by the important role of the state. It was only during the 1990s when the first set of coherent agri-environmental measures was applied in Greece under the Regulation 2078/92. (Damianos & Giannakopoulos, 2002).

Moreover, the establishment of the Common Agricultural Policy (CAP) reform 2014-2020 by the European union, when redistribution of direct payments among EU members, improved the environmental performance of agriculture (Mantziaris & Rozakis, 2016). As for production, a paper by Zangelidis (2019) revealed that there is considerable heterogeneity in production across Greece.

Table 1 below, reveals the main agricultural businesses that are legally established in the prefectures of Greece along with their value output and the numbers of employed persons in the sector.

Table 1 Agricultural Businesses in the prefectures of Greece<sup>1</sup>

Prefecture	Type of activity	Number of businesses (all types)	Value output (thousands euro)	Employment (persons)
<b>East Macedonia and Thrace</b>	Crop and animal production, hunting and related activities	47.743	753.500,8	43.311
	Forestry and logging	0	0	0
	Fisheries and aquaculture	0	0	0
	Production of tobacco products	0	0	0
<b>Central Macedonia</b>	Crop and animal production, hunting and related activities	90.955	1.703.030	83.644
	Forestry and logging	339	20.260,44	3.015
	Fisheries and aquaculture	1.102	49.283,52	2.578
	Production of tobacco products	9	40.130,39	181
<b>Western Macedonia</b>	Crop and animal production, hunting and related activities	18763	268.763,8	16.461

<sup>1</sup> <https://www.statistics.gr/en/statistics/agr> (Accessed 05 June 2022)



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	Forestry and logging	172	7973.483	1166
	Fisheries and aquaculture	23	155.5584	32
	Production of tobacco products	0	0	0
<b>Ipiros</b>	Crop and animal production, hunting and related activities	19537	463089.3	18257
	Forestry and logging	130	3708.242	800
	Fisheries and aquaculture	293	42594.18	556
	Production of tobacco products	0	0	0
<b>Thessaly</b>	Crop and animal production, hunting and related activities	58.735	995974	49.905
	Forestry and logging	199	7999.532	1.246
	Fisheries and aquaculture	304	6017.204	504
	Production of tobacco products	0	0	0
<b>Stereia Ellada</b>	Crop and animal production, hunting and related activities	36.434	629360.6	29.620
	Forestry and logging	111	4408.605	670





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	Fisheries and aquaculture	853	120849.7	2.268
	Production of tobacco products	0	0	0
<b>Ionian Islands</b>	Crop and animal production, hunting and related activities	9643	34427.12	5.926
	Forestry and logging	10	193.5479	16
	Fisheries and aquaculture	507	45382.77	900
	Production of tobacco products	0	0	0
<b>Western Greece</b>	Crop and animal production, hunting and related activities	51.334	630785.4	42.293
	Forestry and logging	28	405.2089	82
	Fisheries and aquaculture	475	85161.93	1370
	Production of tobacco products	0	0	0
<b>Peloponisos</b>	Crop and animal production, hunting and related activities	67.701	629520.8	53.816
	Forestry and logging	33	2175.985	114
	Fisheries and aquaculture	628	19823.48	744



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	Production of tobacco products	0	0	0
<b>Attiki</b>	Crop and animal production, hunting and related activities	22668	327082	16232
	Forestry and logging	66	2917.009	192
	Fisheries and aquaculture	776	379293.2	4665
	Production of tobacco products	0	0	0
<b>North Aegean</b>	Crop and animal production, hunting and related activities	16528	80412.52	10183
	Forestry and logging	162	3098.729	220
	Fisheries and aquaculture	773	31562.01	942
	Production of tobacco products	0	0	0
<b>South Aegean</b>	Crop and animal production, hunting and related activities	6784	66097.67	5258
	Forestry and logging	0	0	0
	Fisheries and aquaculture	0	0	0



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	Production of tobacco products	0	0	0
<b>Crete</b>	Crop and animal production, hunting and related activities	80777	513776	51595
	Forestry and logging	6	525.8697	19
	Fisheries and aquaculture	373	6706.686	521
	Production of tobacco products	0	0	0

As it can be observed, Central Macedonia and Thessaly lead the Prefectures in the number of business that are established and deal with agriculture, which is not unexpected since these two regions have the largest amount of arable land. Furthermore, tobacco production has significantly fallen during the last decades, due to the realization of the risks that smoking bears, the national antismoking campaigns and the introduction of legislation that prohibits smoking indoors in Greece. Finally, it should be observed that there is a discrepancy between the number of established businesses and the number of employed persons, which is attributed to the fact that agriculture has become less labor intensive during the last years due to the efficient and advanced machinery that are being used (Zangelidis, 2019).

## 2.2 Desk research on the state-of-the-art business models in rural economies

### The case of Cooperatives

Cooperatives in Greece are not a new phenomenon. In the previous decades, they took the form of collaboration with informal mutual assistance and cooperation under certain rules at specific needs (Koutroumanidis, Iliadis, & Arabatzis, 2004)

According to the International Cooperative Alliance (ICA), a cooperative can be considered essentially an autonomous association of persons formed voluntarily to address their common economic, social and cultural need through a co-owned and democratically run company.

Unlike private companies, the distribution of surpluses by cooperatives is done after setting prices for both products traded and supplies sold, based essentially on maximizing members' benefits. (Kalogiannidis, 2020)

In the literature, researchers have identified many challenges that modern rural cooperatives face. Among them are the following:

- Lack of appropriate incentives that would motivate the members of the cooperative to invest further
- Inexistent or limited connection between Research and Innovation and the operations of cooperatives. Equally important is the fact that Greek cooperatives lack general knowledge and skill to overcome organizational problems
- Lack of cooperative education
- Lack of coherent state policy
- Lack of cooperative culture (Koutroumanidis, Iliadis, & Arabatzis, 2004)

In Greece, there are several cooperatives that cover different regions and productions. Figure 1 below illustrates the distribution of registered agricultural cooperation in the Greek prefectures.

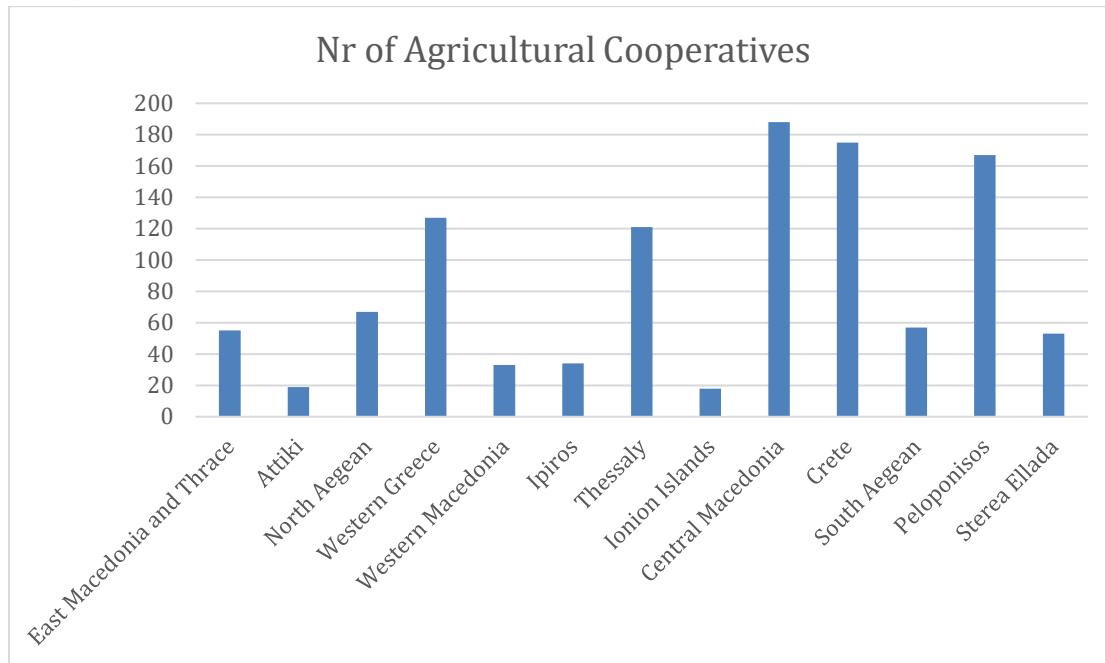


Figure 1 Number of cooperatives per prefecture for 2021<sup>2</sup> ( Ministry of Agricultural Development and Food)

As it can be observed, the largest number of cooperatives is observed in Central Macedonia, which is also the region with the largest number of agricultural businesses. However, the region of Thessaly, despite the large number of agribusinesses comes in the fifth place on the number of cooperatives, one place behind Western Greece, despite the fact that the region has a large surface of arable land.

Two of the better known cooperatives in Greece are ThesGi and Amyntaion Wine which are presented in the next sections on the analysis of relevant case studies.

One particular category of rural cooperatives are forest cooperatives. The main difference between a forest cooperative and any other form of entrepreneurship is that a cooperative aims at improving its services in order to increase the income of its members, while the latter aims at profit maximization for its owner. Forest cooperatives: their purpose is to care for, exploit, regenerate and protect a specific forest land taking into consideration the current law (Cace, Arpinte, Cace, & Cojocar, 2011)

Among the services and products that a forest cooperative offers are the following:

- Forest product marketing
- Management to improve forest productivity
- Enhancement of social relationships (Cobia, 1990)

In Greece there are several forest cooperatives and Figure 2 below provides an overview of their distribution in various regions of Greece.

<sup>2</sup> <http://www.minagric.gr/index.php/el/for-farmer-2/sillogikes-agrotikes-organoseis> (Accessed 01/06/2022)

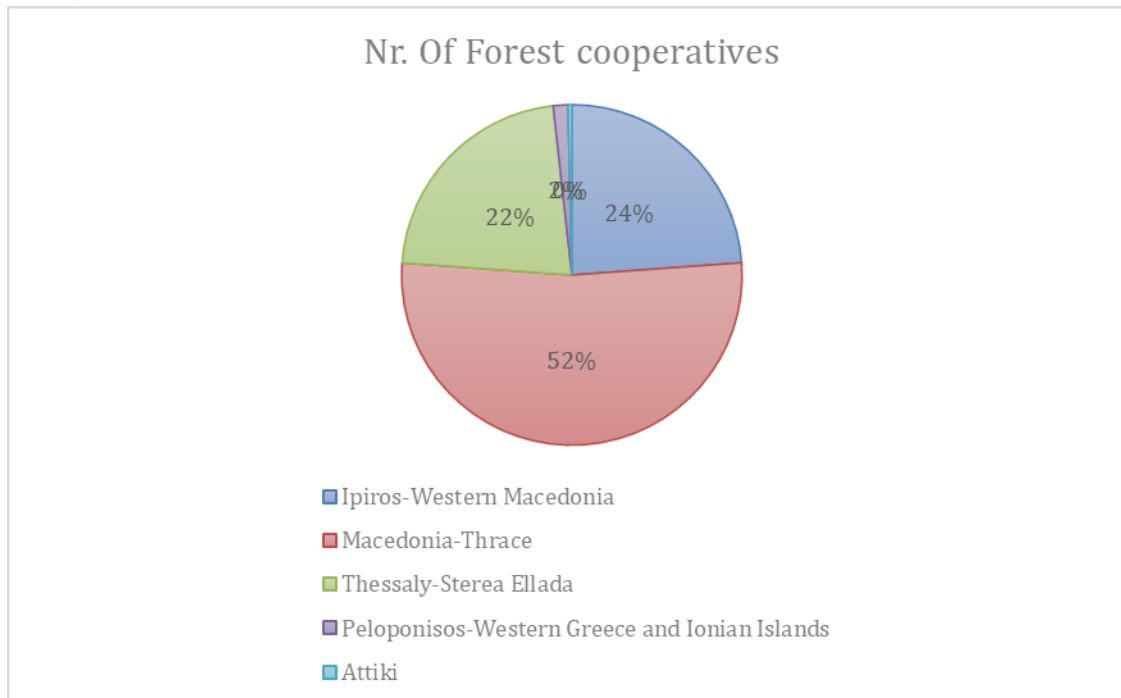


Figure 2 Forest cooperatives in various regions of Greece (<https://ypen.gov.gr/perivallon/dasi/diacheirisdason/mitroo-dasikon-synetairistikon-organoseon-kai-dasergaton-mi-da-s-o/> )

The number of forest cooperatives is significantly lower than those of agricultural cooperatives and as it can be observed the majority of them is established in the regions of Macedonia-Thrace.

Forest cooperatives have gained the interest of researchers in the literature and several problems have been identified:

- Do not operate as a well-functioning organization
- Inadequate management
- Limited access to funding resources and skilled labor
- Lack of legislative approach
- Not enough attention to research and value creation (Trigkas, Anastopoulos, Papadopoulos, & Lazaridou, 2020)
- Unable to act efficiently to address forestry and environmental problems (Coulibaly-Lingani, Savadogo, Tigabu, & Oden, 2011); (Hull & Ashton, 2008)

### Rurality and Technology

Apart from cooperatives, an important group of rural businesses that are gaining ground during the last years in Greece are those that combine traditional rural activities with the latest developments in technology. This is not an unexpected development, and it is part of a trend where specialization plays an even greater role in rurality, as entrepreneurs are attempting to mitigate the challenges that are becoming more complex (Mishra, El-Osta, & Sandretto, 2004).



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However, the rural sector has some specific features that pose as barriers in the further penetration of Information and Communication Technologies. Among them are the following:

- Resistance to change (Hooker, Heilig, & Ernst, 2001)
- Lack of familiarity with ICT
- Location and organizational structure
- Desire of customers to see, taste, touch the products before buying them
- Demographic characteristics
- Transactions in agriculture is a way of life
- Unequal growth of information technology locally
- Native languages (Andreopoulou, Tsekouropoulos, Koutroumanidis, Vlachopoulou, & Manos, 2008)

An organization that is attempting to exploit the advantages of technology is the the Smart-Akis<sup>3</sup> project. It is an effort to mainstream farming technologies among the farmer community. Its platform can provide significant solutions and propose specific technologies of varying TRLs to any problems that farmers and biofarmers have to deal with. (Mavridis & Gertsis, 2021)

Partalidou et al. (2018) performed a SWOT analysis for that aspect of rural entrepreneurship and among the barriers and benefits that they recognized are the following:

Barriers: Lack of knowledge/support from experts, high cost, lack of specific network, resistance to change

Benefits: High profitability, decrease of costs, low environmental impact.

## Rural Tourism

Finally, one important aspect of rural business models that is gaining tractions in the last years in Greece is the combination of rurality with tourism. Rural tourism enterprises in Greece are separated into the following categories:

- Enterprises situated in villages with the main competitive advantage being the exceptional natural beauty
- Rural tourism enterprises in islands and coasts
- Traditional settlements with exceptional architecture
- Ecological enterprises in regions close to protected areas
- Rural tourism enterprises in partnership with associations. (Fotiadis, Vassiliadis, & Piper, 2014)

An indicative example of such an organization is Masticulture<sup>4</sup>. It is a locally owned and operated, small scale travel bureau in the mastic village of Mesta on Chios with a specialization in eco-tourism on the island.

Their business model relies on putting together eco-tourism packages that combine hospitality and other activities. What distinguishes Masticulture is the promotion of an alternative model based on diversified tourism services that focus on local traditions, thus exploiting glocalization techniques.

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<sup>3</sup> <https://www.smart-akis.com/>

<sup>4</sup> <https://www.facebook.com/masticulture/>

## 2.2 Typology of rural business models and distribution in different types of areas

The case of the region of Thessaly, as one of the largest regions with cultivable land has been selected to provide a more specific insight regarding the typology of rural business models. According to a survey conducted by the Prefecture of Thessaly, the following business models were identified with regards to rural entrepreneurship (Region of Thessaly, 2018):

1. Producer organization/cooperatives: Jointly owned enterprise engaging in the production /distribution of goods or the supplying of services operated by its members to meet common economic, financial and societal needs, strengthening their position in the supply chain
2. Horizontal supply chain collaborations: Two or more independent companies across the supply chain work jointly to plan and execute operations with greater success
3. R&D cooperations: Collaboration with technology partners to enable specialization/product innovation
4. Internal R&D: Internal R&D department for the development of own portfolio, technologies and products
5. Trading relationships: durable and stable relationships with large companies and market leaders
6. Product diversification: restructuring or diversification of products to enter new markets
7. Market development: development of new market segments for current products
8. Market penetration: increasing the market share of an existing program
9. Public-private partnerships: to strengthen capacity and development
10. Joint ventures: Formation of a new company where parent companies have ownership and contribute in a complementary way
11. Value chain development: collaboration and cooperation with other companies in the value chain

Furthermore, Andreopoulou et al. (2008) attempted to map the agri-businesses that operate in Greece and their role in the rural chain and table 2 below is adapted from their work.

*Table 2. Agribusinesses and their role in Greece adapted from (Andreopoulou, Tsekouropoulos, Koutroumanidis, Vlachopoulou, & Manos, 2008)*

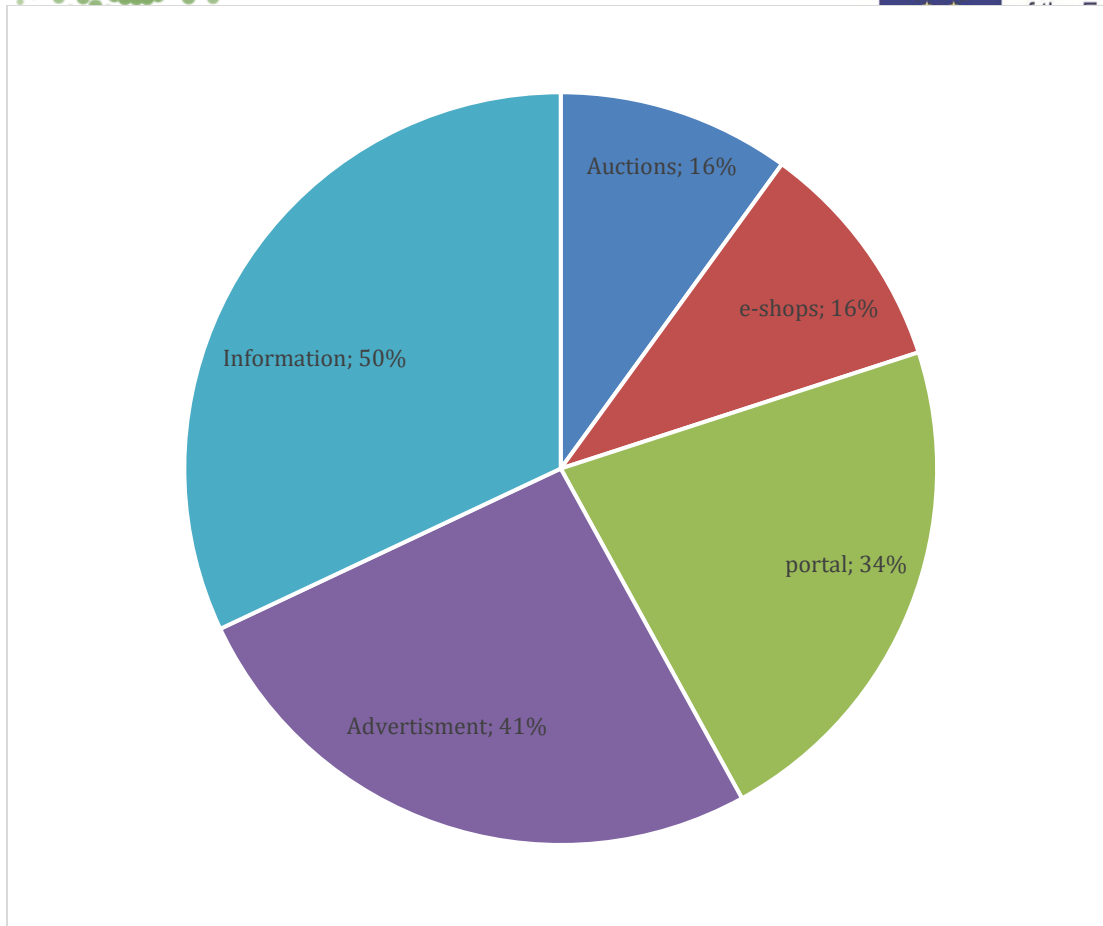
e-agribusiness	Auctions	e-shops	portal	Advertisment	Information
AgFind.com			✓		
AgNic			✓		✓
Agribuys.com		✓			✓
Agriculture.com					✓





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Agrinet.gr			✓	✓	✓
Agrisurf.com			✓		
Agroline.com					✓
Attiki-pittas.gr				✓	
Biolea.gr				✓	
Bioshop.gr		✓		✓	
Dimitra2000.gr			✓		✓
Eas-rodopis.gr				✓	
Ena.gr			✓		✓
E-timber.net			✓		
Farms.co	✓				✓
farmAuctionGuide	✓	✓			
fruitonline.gr	✓				✓
fruitsearch.com			✓		✓
fruten.gr				✓	
grainfarmer.com			✓		✓
greekproducts.com			✓	✓	
ilios-sparagi.gr		✓		✓	
interflora.gr		✓		✓	
milquota.com	✓				
minagric.gr					✓
okaa.gr				✓	✓
paseges.gr					✓
producelinks.com			✓		✓
thrapsonsoil.gr				✓	
XSAg.com	✓				
agrek.gr				✓	✓
dragoumanos.gr				✓	



*Figure 3, Pct (%) of function of the various e-agribusinesses*

As it can be observed from figure 3, half of those businesses aim at providing information to rural entrepreneurs while 41% of them are repositories for the advertisement of products and services.

Apart from the notion of e-rural business, precision agriculture is considered one of the most important developments of the future of the rural sector. However, not much is yet registered in Greece about such businesses.

Indicative examples are Fereikos<sup>5</sup>, a company that specializes in snail farming. It is based in the region of Ancient Corinthos and its mission is to deliver certified products all year round while maintaining high quality standards. Important features of the organization are that it is investing heavily in Research and Development with the purpose of developing new methods of snail farming and the company works with thousand small farmers to build a network of partners

<sup>5</sup> [https://www.fereikos.com/en/home\\_en/](https://www.fereikos.com/en/home_en/)



## 2.4 Identification of driving and limiting factors based on literature

Despite the knowledge on the number of agricultural businesses that are established in the prefectures in Greece, less is known about rural business in general, mainly because rural activities are considered secondary to agriculture and are not registered separately. Even less data are available for **rural business models** or the strategies that such businesses use to bring and promote their products and services in the market (Trigkas, Anastopoulos, Papadopoulos, & Lazaridou, 2020). As a result, it is not always easy to specify the position of rural businesses in the country's value chain (Chesbrough & Rosenbloom, 2002). Despite that lack of knowledge, the international, scientific literature has studied both emerging opportunities for the rural sector in Greece and attempted to reveal the factors that lead to business efficiency.

Hence, some of the emerging opportunities that have been identified for rural development are the following:

- Utilization of new ICT tools
- Development of bio-economy based on renewable resources
- Generating value from ecosystem services while protecting the environment and its utilization for touristic activities (Schiefer, 2018)<sup>6</sup>

Regarding the factors that affect rural efficiency, four significant factors have been discussed and identified in the literature:

- Level of Education
- Age
- Farm size
- Peer network

Education is considered as a critical indicator for the quality of rural business, and it is becoming more important where environmental issues are considered. However, the results on the correlation between education and efficiency are not strictly clear, despite the fact that education is expected to be correlated to high efficiency (Van Passel, Lauwers, & Van Huylenbroeck, 2006).

The results related the age factor on the other hand are more straightforward. Not only age is considered as an important factor for increased efficiency, but it is also associated with the adoption of new technologies, since young businesspeople are considered more willing to risk new technologies and make long-term planning (Adesina & Zinnah, 1993).

In a paper published by Damianos and Giannakopoulos (2002) it is mentioned that young rural entrepreneurs have been also found to participate both to a greater extent and more willingly to environmentally-friendly practices, while Van Passel et al. (2006) concluded that older farmers are more likely to be inefficient.

Consequently, young entrepreneurs are more likely to be environmentally friendly, efficient and willing to adopt new technologies, which of course highlights one of the great challenges of the rurality which is the labor shortage due to limited numbers of available workforce (skilled or not).

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<sup>6</sup> Some of the initiatives are linked to the information and support platform: European Network for Rural Development ([2enrd.ec.europa.eu](http://2enrd.ec.europa.eu))



Moreover, a common finding in literature is the correlation between farm/business size and efficiency and diversification. The notion behind this correlation is that fertile soils might lead rural business people to have more options and thus be more willing to test new productions, services etc. (Mishra, El-Osta, & Sandretto, 2004). However, Van Passel et al. (2006) argue that a search and analysis for optimal farm size is futile since the heterogeneity of farm systems and production factors means that this size changes from region to region.

Another interesting factor that was discovered in the literature is that farmers seem to be more willing to engage in agri-environmental practices if their peers, private network, neighbors etc. also engage in such practices (Wilson, 1996).

Finally, in the literature a number of **challenges** that rural entrepreneurs face has been identified, which seem to apply not only to Greece but also to different contexts regardless of region, production system, offered service etc. These are:

- Distance. Rural areas are far away from the controlling centers of the economy, which leads to increased costs and time travel.
- Rural entrepreneurs are far away from like-minded people, institutions and networks of actors involved in the economy (Zampetakis & Kanelakis, 2010).
- Rural areas have been exposed to international competition, which in combination with the diminishing importance of agriculture in several regions further deteriorates those regions (Caraveli, 2006)
- Finally, the urbanization of the population along with societal ageing appear to be two of the greatest challenges that rurality will face in the 21<sup>st</sup> century

### Data Collection Process

Initially, scientific databases (like Scopus, Google Scholar etc.) were searched using the terms: “Rural Business Model” & “Greece” or variants of those (like “Agricultural Business models”). The initial list of papers was searched for relevance by reading the abstract and if necessary the entire text. The final set of papers that was chosen is mentioned in the References of the current document. Furthermore, by expanding on the notions that were revealed from the scientific literature, reports and data were collected by official Greek State websites, like Hellenic Statistical Authority, Ministry of Agricultural Development etc. Moreover, especially for the relevant programmes, the parts of the Greek Legislature were studied and the relevant, official documents are provided in the appropriate places in the text. Finally, apart from the Hellenic Statistical Authority, the site and database of Eurostat was searched for relevant information. All the data sets are cited appropriately in the text.

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### 3. Case Study analysis

**The purpose of case study identification is the examination of the main factors that lead to success of various business models in rural areas. The identification will be based on the collection of information in**



the fields listed below to investigate the origins and the developments of good practices and the factors that influence the conversion of starting businesses in to successfully established ones.

The choice and analysis of case studies was initiated during the survey dissemination. People that responded to the survey were also asked about their knowledge of successful case studies of rural entrepreneurship. Apart from the answers to the survey, the respondents were incentivized to discuss, which cases they consider successful, which ones they would wish to emulate etc.

Moreover, a desk research was performed on the case studies that were indicated by the respondents, along with a general search on the most successful enterprises in Greece. However, not much was found in terms of reports, scientific papers etc. As a result, the authors of this report relied on the information provided by the survey respondents, the official websites of the case studies that were chosen and if available information from the Greek taxation system. The information that was used in the report was corroborated from at least two different sources.

**Country: Greece**

**Name of organization/business:**

Development Agency of Karditsa (ANKA S.A )

**Contact person and contact info:**

34, Meg. Alexandrou str. (1st and 2nd floor)

Karditsa

41132

Greece

Phone:

24410 42363, 26345

**Website/link/more information:**

[www.anka.gr](http://www.anka.gr)

**Category: Please indicate:**

- Agriculture
- Renewable energy
- Circular economy
- Direct involvement of stakeholders
- Community based activities
- Social Economy

**1. Short Description of business model**

ANKA is a Limited Liability Company which is located in the city of Karditsa in the region of Thessaly and acts in in the public interest by cooperating with other regional and local authorities.



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The main objectives of the ANKA are:

- To assist in the development, management, maintenance, protection and utilization of good advantage of natural resources
- Introduce innovation and entrepreneurship in the productive system
- Promote and increase the use of renewable energy sources
- Provide support for the development of new collective structures,
- Contribute to social development and the general development of the region of Karditsa

Since its establishment in 1989, ANKA has been aiming in the enhancement of local development through the coordination of initiatives, the provision of technical support to local authorities and businesses and the implementation of projects on the basis of cooperation and autonomy.

ANKA covers the gap of networking and the lack of extension services by contributing to the confrontation of the difficulties and challenges farmers and rural entrepreneurs face, by promoting the adoption of collective structures based on the model of autonomous, self-controlled, and benefited business organization.

## **2. Socioeconomic background:**

The Prefecture of Karditsa, located in Central Greece (Thessaly Region), is a half mountainous - half plane Prefecture covering 2.636 Km<sup>2</sup> (2% of the country). In 2016, it produced 12% of the Regional GDP with its primary, secondary, and tertiary sectors contributing 26.15%, 12.47% and 61.36%, respectively. The primary sector is organized around small- and medium-sized farms. The cultivation of cotton prevails, covering the 45.5% of the cultivated areas and the 66.7% of the irrigated ones, while the contribution of the stock farming is low. Wheat, corn, tobacco, and vegetables complete the Prefecture's primary production profile. At organizational level the primary sector in Karditsa -as well as all over Greece- is characterised by the absence of a structured support service (extension) system and the collapse of the traditional co-operatives.

Through the course of recent history, a mentality and culture of cooperativeness has been highly cultivated and characterizing rural business models in the region of Karditsa. This culture can be attributed at a large extent to the geographical location of Karditsa, as it is one of the remotest regions of the mainland with limited access to national highways that connect the two main economic and commercial centers of the country, Athens and Thessaloniki. Therefore, remoteness urged locals to form groups and is strongly linked with collaboration and social entrepreneurship initiatives reflecting the elements of reciprocity, self – organization, semi – autonomy, solidarity and contribution to their local community.

ANKA's initial stakeholders scheme consisted of local Association of Municipalities and Communes, the local Association of Agricultural Cooperatives and four major Municipalities of the Prefecture of Karditsa while over the years it established collaboration with the Energy Cooperative of Karditsa and the Cooperative Bank of Karditsa, playing a critical role in the development of the Prefecture by providing financial security to local innovation schemes.

## **3. Main achievements:**





Since the 90's the agency has made efforts to implement a long – term strategy for the establishment of a Collaborative Ecosystem in order to fill the gap created due to the collapse of the traditional local union of farmers. The aim of its creation was to provide space of deliberation and dialogue between different actors of SSE background, in a form of network being composed by with academic institutions, political authorities and financial institutions in order to promote the interests of the groups that participate in it, be it rural entrepreneurial schemes or social service enterprises, primary and secondary sector cooperatives and cultural associations. In 2017, has reached more than 36 members, which include 12 Agricultural Cooperatives, 3 Civic cooperatives, 1 Energy Community (Energy cooperative), 2 Forest cooperatives, 3 Social cooperatives, 5 non -profit agencies, 6 associations, 1 union of associations, and unofficial groups. The activities covered by members in the primary sector include milk (from sheep and cows), cereals, tomato, snails, honey and bee-cell products, tobacco, legumes, stevia, superfoods, grapes, wine and spirits and forest products. The activities undertaken by members in the secondary sectors include wine and spirits, pellets, fruit jams, sweeteners extracted from stevia. Finally, there are members who belong to the tertiary sector, such as farming services, medical commerce, famer suppliers, financial services, tourism, sports, social care, groups against exclusion and discrimination and cultural activities. The initial step for the creation of the ecosystem of collaboration was the incorporation of a development sector, the so called “Collaboration Incubator”, aiming at the support of innovatory ideas/initiatives. The Agency's vision is the development of a local “innovation ecosystem”, as a type of network which is composed by the local cooperative schemes which spread their knowledge, experiences, technical expertise, and other dissemination services.

ANKA operates the Incubator based on the values of social entrepreneurship reflecting the values of self-government, equal partnership, and democracy.

The incubator has until now offered support to a lot of local initiatives transformed already in organizations of a variety of legal status: Cooperatives, Non-Profit Agencies, associations etc. All these local collective schemes in cooperation with existed ones formed gradually, with the support of Development Agency, a local network that is transformed into the “ecosystem of collaboration”. Its main characteristics are:

- There is a complementarity among its members
- They is a clear consciousness that all members belong to a system and know the members and their activities
- Members take initiatives to try and develop and implement a common strategy (they participate to the planning of their future)
- Each member tries to cooperate in preference with the other members of the ecosystem
- They establish common rules (code of conduct)
- They develop common services aiming to the members' improvement
- They develop support tools to facilitate the emergence of new collective initiatives

The incubator services provided so far to the cooperative schemes, in summary, are the following:

- Hospitality - provision of space for headquarters during the first phases of initiation.
- Technical support in the founding and establishing procedures e.g drafting of the statute which is not related to the legal parts of the document but is mainly linked to the organization of discussion



among cooperatives' members, the aims, the procedures that frame the relationships of the partnership and their functionality.

- Awareness raising initiatives with the organization of events to build well routed dissemination practices and ensure visibility (use of social media, local press and media) of the venture in the prefecture of Karditsa. Awareness raising is conducted in two separate phases. Before the establishment in order to act as a “pull – factor” for potential partners and afterwards in the phase of expansion of the cooperative.
- Secretarial and administrative support such as keeping minutes during board and stakeholders meeting, record – keeping and creation of members' registry, provision of information of visitors. In this way, a complete and organized archive is available when the cooperative is established.
- Support in ICT needs.
- Coordination and organization of group member meetings such as Boards of Directors and General Assemblies
- Support in the design and implementation of Business Plans
- Connection with academic institution and research and innovation centers and experts
- Information of funding opportunities

So far 17 cooperatives schemes have been hosted and received services from the agency.

#### **4. Main driving factors and criteria that play significant role for achievements:**

During the early 10' Greece has experienced a severe public debt crisis which led to harsh austerity measures for the majority of the populations highly affecting all the aspects of the economic sector. Within these circumstances a wave of social solidarity arose nurturing a culture of self – organization through initiatives focusing on trade, exchange of services in both urban and rural areas. During that time in the region of Karditsa, type of new generation of cooperatives started to pop up. The focused mainly on an homogeneous range of products, on the supply chain and on the market while productive activities were organized on a commonly agreed investment plan. Furthermore, the farmers forming the cooperatives were more of entrepreneurs than officers while the legal status of the cooperatives reflected characteristics related to social cooperative instead of agriculture cooperative. This model based on a bottom – up approach emphasized on the values of equity, cooperation and transparency.

#### **5. Main challenges/obstacles limiting potential for success:**

One of the most significant challenges, which unfortunately applies to most of non – urban areas and small towns in rural regions, is the Internal migration from rural areas to urban centers and the general decrease of their population. This development leads to a significantly lesser number of rural businesses willing to be engaged in this type of entrepreneurial opportunities.

Another challenge is that the current legislative framework does not stipulates the creation of a local structure - a network of cooperation between actors of Social Economy, at county level, irrespective of the legal form.

There are very limited opportunities for public funding.

Since the outbreak of the financial crisis there has been a serious shortage of funds. There is no foreign investment and local businesses have no liquidity and neither do the banks.



## **6. Level and way of local community's or other organizations engagement in business activities:**

One of the initial initiatives of the Development Agency was the hosting of the Credit Development Association of Karditsa (established in 1994 as a credit association) in the incubator. In 1998 started its operations and was licensed as a Cooperative Bank playing a key role in supporting the ecosystem approach. The bank has adopted a “moral” and “ethical” approach aligned with the principles of social economy as it was created out of the need for the local community to self-manage the wealth it produces. *The mission of the Bank is to support local development as much as possible and to contribute to all related projects. That was our aim since the beginning and that was the mission entrusted to us by the local community, with the support of the local community.*

The bank plays a key role in supporting this ecosystemic approach as it has established a new type of bank linked to the local community (10% of the local market) through deposits, loans and relations with local institutions and private and social business ventures that support the productive activity of the region.

In particular, the Cooperative Bank offers facilities to enterprises or co-operatives participating in European programmes, such as the very popular LEADER, by advancing expected grants in the form of a loan. Since May 2016, it has been offering microcredit (up to €25,000) to professionals or businesses of all types (including social enterprises), in partnership with the European Investment Fund (EIF), which guarantees 80% of these loans.

In 2020, the Bank had more than 9.500 members and has become a shareholder of ANKA. It provides support to local initiatives and cooperative schemes mainly of the primary sector but also small entrepreneurial schemes of local interest

It prioritizes first sector and cooperative endeavours, even if in pure economic terms this policy might not prove to be profitable. Once the Bank redeems all shares of its shareholders, it is then free to invest all future profits into its social mission. Through this mechanism, external and potentially extractive capital is ‘subsumed’ and disciplined to become ‘cooperative capital,’.

## **7. Role of the local community and other organizations in the advancement of business models**

A network of collaborating actors is present during the organization's activities. Public actors ( Municipality, local Chamber of Commerce, the Cooperative Bank ) work in a type of an informal or formal networks with fruitful results

According to research, the agency shares the belief that it is easier to leverage capital through collective action and bring the respective actors together and proceed to common steps and decisions.

## **8. Main characteristics that model good practices**

The presence and the engagement of a flexible, highly qualified team of experienced and specialized staff with international experience in management and funding of EU programmes and knowledge of legislation, business development and entrepreneurship, working together as a whole and offering integrated solutions and advisory services to the public, social and private sectors is vital for success stories. Furthermore, collaboration with Research Institutes, Universities and other development agencies in Greece and Europe is considered significant as it provides high levels of efficiency, transfer of know-how and exploitation of recent research results and developments in general.

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**Country:** Greece

**Name of organization/business**

ThesGi

**Contact person and contact info:** info@thesgi.gr

**Website/link/more information:**

<https://www.thesgi.gr/en/>

**Category: Please indicate:**

- Tourism
- **Agriculture**
- Renewable energy
- Circular economy
- Cultural heritage
- Direct involvement of stakeholders
- Community based activities
- Valorization of secondary raw material

**1. Short Description of business model**

It was founded in 2013 in Larissa, Greece and it consists of 75 members that have over 28000 m2 of arable land. Its purpose is to promote the cooperation among its members in order to achieve economic, social and cultural development. Moreover, the cooperative wishes to promote the production of its members

One interesting aspect of the cooperative is its structure which consists of six departments:

- 1) Logistics: they are responsible for the collection, storage, transportation of the products

- 2) Financial department responsible for the economic and financial viability of the organization along with the daily economic transactions
- 3) Production department: it consists of agronomists who assist the members of the cooperative with specialized knowledge in order to increase their production yield
- 4) Administrative department responsible for bureaucratic and day-to-day activities
- 5) Marketing department responsible for advertising, promoting and disseminating the cooperative and the products

**2. Socioeconomic background:**

The original actions of the cooperative were to collect and distribute the products that were produced by the members. However, the scope and activities of the cooperative expanded to include the buying and distribution of products by farmers that are not part of the cooperative, selling agricultural services and material, resources etc

**3. Main achievements:**

Figure 4 below illustrates the participation in the organization’s revenues of the various products and services.

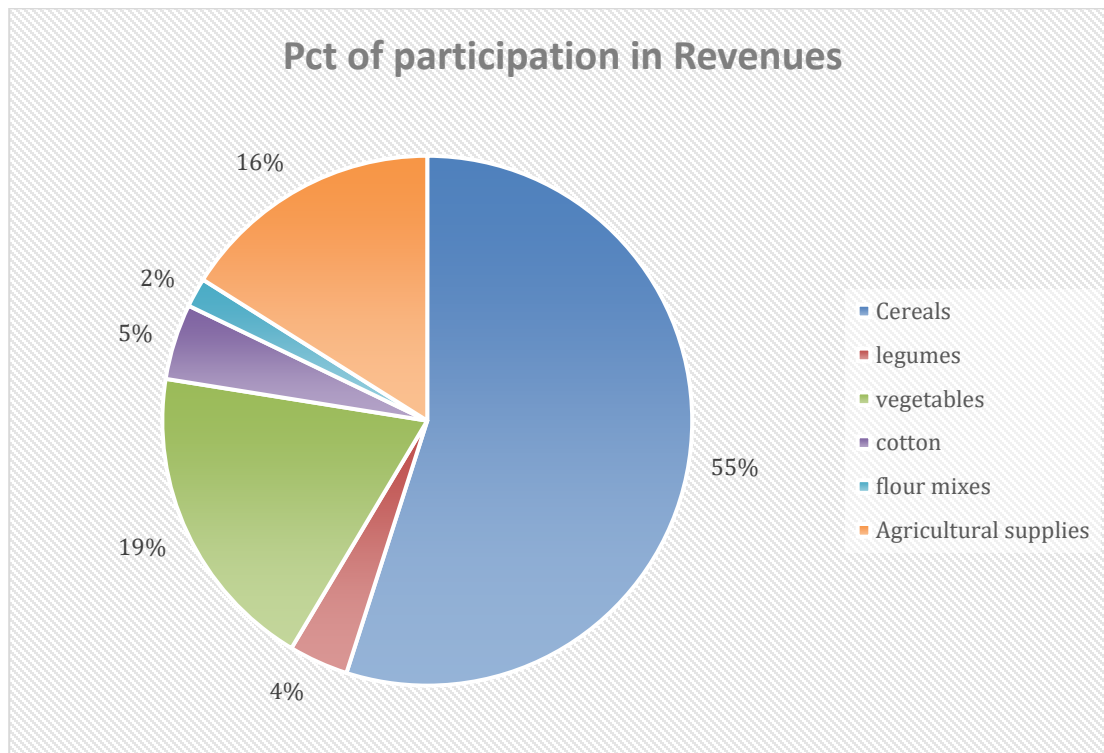


Figure 4 Products and services for the cooperative ThesGi

**4. Main driving factors and criteria that play significant role for achievements:**

Although not much is known or researched about the organization’s main driving factors that play significant role in its achievements, based on the research several insights are revealed:

- The structure of the organization, with clear departments each of which plays a significant role in the overall success



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- The focus of the organization on local communities of rural entrepreneurs and its expansion to surrounding areas
- The work of the organization in all aspects of agricultural production (supplies, products, services)
- The marketing to the local communities

#### **5. Main challenges/obstacles limiting potential for success:**

Factors that limit the organization's success can be summarized as:

The global environment with the increasing cost of energy and supplies

Scaling up has proven difficult so far, since the organization is limited mainly to the geographical area of Thessaly

Research and Development and the use of Technology (Information Systems etc.) are rather limited

The inherent political and financial instability in Greece that might limit the organization's success

#### **6. Level and way of local community's or other organizations engagement in business activities:**

The local community is involved in two ways:

- 1) The organization has members local agricultural entrepreneurs. The products are sold through the cooperative and at the same time agricultural supplies and services are provided to the entrepreneurs
- 2) The products are marketed and sold to the local population

#### **7. Role of the local community and other organizations in the advancement of business models**

See above

#### **8. Main characteristics that model good practices**

The main characteristics that constitute ThesGi as a good practice can be considered:

- The Organization's structure
- Its focus on the local community
- The employment in all aspects of agricultural production

### **Country: Greece**

**Name of organization/business**

**Amyntaion Wine**

**Contact person and contact info:**

[http://amyndeonoenos.gr/index.php?option=com\\_contact&view=category&id=12&Itemid=205&lang=en](http://amyndeonoenos.gr/index.php?option=com_contact&view=category&id=12&Itemid=205&lang=en)

**Website/link/more information:**

<http://amyndeonoenos.gr/index.php?lang=en>



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of the European Union

**Category: Please indicate:**

- **Tourism**
- **Agriculture**
- Renewable energy
- Circular economy
- **Cultural heritage**
- Direct involvement of stakeholders
- Community based activities
- Valorization of secondary raw material

**1.Short Description of business model**

Another important cooperative in Greece is Amyntaion Wine. It is a cluster of food enterprises that organizes itself in a formal cooperation model to utilize online communication tools, studies etc. for providing support in competence building, resource conservation and the utilization of technology in wine production.

**2.Socioeconomic background:**

It consists of 10 agri-food enterprises and they combine the production of wine with tourist services. Its official purpose:

- 1) To highlight the cultural heritage of the area
- 2) To collaborate with academia and research institutes in order to study the local wine “xinomavro”
- 3) To collaborate with organization and institutions across Europe and the world

The organization is mainly using the products of the members, however in the last years, the purchase raw material from different local producers and cooperatives

**3. Main achievements:**

The main achievements of the organization can be summarized as follows:

- The engagement of local producers under a common organization
- The preservation of the local wine variant
- The promotion of the local wine variant
- The combination of agriculture, enology and tourism/cultural heritage
- The employment of certified and trained enologists
- Modern wine techniques and use of technology
- Marketing the product in a way that makes consumers feel safe about it (Pitoska & Lazarides, 2010)

**4. Main driving factors and criteria that play significant role for achievements:**

A research study by Pitoska and Lazarides (2010) highlighted the characteristics and features of the cooperative that make it stand out:



- family members are employed, and seasonal staff (among them immigrants) are used to cover<sup>ion</sup> needs
- Modern wine techniques and use of technology
- Employment of enologists
- Financial results are unequal from year to year
- The distribution of the products relies on personal contacts and private networks
- Consumers feel safe about the product (Pitoska & Lazarides, 2010)

#### **5. Main challenges/obstacles limiting potential for success:**

Consequently, the organization faces the same challenges as those of other rural businesses, however the multi-stakeholder approach of the cooperatives and the exploitation of education, Information and Communication Technologies and expertise is helping to promote the product and make the organizations viable and sustainable. Thus, the cooperatives attempt to exploit the notion of “Glocalization”: the creation of products or services for the global market by adapting them to local cultures (Ritzer, 2003).

#### **6. Level and way of local community’s or other organizations engagement in business activities:**

The local community is involved in two ways:

- 1) The organization has members local agricultural entrepreneurs. The products are sold through the cooperative and at the same time agricultural supplies and services are provided to the entrepreneurs
- 2) The products are marketed and sold to the local population

#### **7. Role of the local community and other organizations in the advancement of business models**

See above

#### **8. Main characteristics that model good practices**

See above the research of Pitoska and Lazarides (2010)

## **4. Analysis of existing relevant programs**

**The purpose of this task is to demarcate the characteristics of the current programs implemented in enhancing the development of rural entrepreneurship and business development.**

The choice and analysis of relevant programs was initiated during the survey dissemination. People that responded to the survey were also asked about their knowledge of programs that aim at assisting rural entrepreneurship.

Moreover, a desk research was performed on the programs that were indicated by the respondents. However, not much was found in terms of reports, scientific papers etc. As a result, the authors of this report relied on the information provided by the survey respondents, the official websites and if available information from the Greek taxation system

**Country:** \_\_Greece\_\_

**Name of Program**

\_Young Farmers (“Neos Agrotis”)





**Category: Please indicate:**

- Tourism
- **Agriculture**
- Renewable energy
- Circular economy
- Cultural heritage
- Direct involvement of stakeholders
- Community based activities
- Other: please specify

**1. Short Description and objectives**

It is focused on the financial support of potential young people, with the aim of increasing the competitiveness of their holdings and the creation of entrepreneurial farmers who will be equipped with the appropriate qualifications and knowledge at the end of the support. At the same time, this program is an incentive for young people to stay and live in rural areas in combination with the reduction of urbanization.

**2. Target groups**

Natural persons who:

i) have reached 18 years of age, have full legal capacity and solvency in accordance with the provisions of the Civil Code and have not exceeded 41 years of age ii) are permanent residents of the areas of application

**3. Sector(s) that this program concerns**

One of the most basic conditions for joining the "Young Farmers" program is production capacity (expressed as standard yield) with a minimum limit according to what has been announced of €14,000. According to the existing data, we list below a pilot approach for calculating the minimum standard yield according to the most important crops of the area expressed in hectares or livestock accordingly.

**4. Main Contents (Modules/Units)**

The financial support for the first establishment of the new farmers is granted in the form of a flat-rate amount of support after the issuance of the decision on the integration of acts concerning the request for support. Financial support is granted in the form of capital. The amount of support is not linked to eligible expenses or costs. The amount of support is defined as 35,000 euros. This amount can be increased up to 5,000 euros, as follows:

by 2,500 euros when the head of the agricultural holding has a permanent residence in a mountainous or disadvantaged area or on an island with a population of up to 3,100 inhabitants by 2,500 euros for agricultural holdings that in the future state have a poultry-livestock production direction.

**5. Type of involvement**



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Each prefecture in Greece receives a pre-defined lump sum that is decided by the Ministry of Agriculture.<sup>1</sup> The farmers/agricultural entrepreneurs submit their application to the local area and the financing is awarded based on marks that each application receives, until the lump sum is finished.

## 6. Description of advantages and disadvantages

### Advantages:

- Financial support to young farmers to start and/or expand their agricultural business
- Easy application process
- The existence of a business plan is a pre-requisite of the application
- It aims at helping poorer regions and poorer farmers
- It offers motivation for de-urbanization and reinvigoration of rural areas

### Disadvantages:

- The level of financing might not be adequate especially with the rising energy prices
- Not much is known about the review of the farmers that received financing
- It does not cover fishing

## 7. Impact

The financing for the program was awarded in the first quarter of 2022 and the financing was 420 million Euros, thus the impact on agriculture in general is high. However, not much is known of how the program achieved its objectives, especially in motivating young people to relocate to rural areas. Furthermore, unofficial and uncorroborated evidence by rural entrepreneurs indicate that the financing is received by people who are already residing in peri-urban and rural areas.

## 8. Engagement of local communities

The ministry of Agricultural Development consults with certain agricultural unions before publishing the program, however, the local, rural communities (in general) and especially those that are far from the decision center of Athens might not be consulted. Thus, despite the importance of the program, more engagement by local communities across Greece could be beneficial.

**Country:** GREECE

### **Name of Program**

GREEN AGRI - TOURISM

### **Website/link/more information:**

Ministry of Rural Development and Food

<http://www.minagric.gr/index.php/el/xrisimewplirofories-2/draseis-tameiou-anakampsis-kai-anthektikotitas/id-16626-oikonomikos-metaximatismos-tou-agrotikoy-tomea1/12750-yperoergo-3-prasinog-agrotourismos>

### **Category: Please indicate:**

- **Tourism**
- **Agriculture**
- **Community based activities**

## 1. Short Description and objectives



The programme is coordinated by the Ministry of Rural Development and Food under the policy framework of the economic transformation of the rural sector, and is financed by the Recovery and Resilience Fund (RRF) and will direct subsidies to business projects that connect agricultural activity and farming with tourism.

The program's objectives concern:

- a) The Improvement of the position of farmers in the value chain.
- b) The strengthening and enhancement of the competitiveness and awareness of products in the markets through by placing them at points of attraction for visitors - tourists and developing actions of experiential rural tourism.
- c) The incorporation of innovation processes and the use of new technologies and the use of environmentally friendly technologies and processes that reduce climate change.
- d) The enhancement of sustainable local development and more efficient management of natural resources.

The geographical area of the subproject is the whole Greek territory.

## **2. Target groups**

The program aims at business owners in Greece investing in sustainable agritourism projects.

The beneficiaries of the aid are legal entities, Social Cooperative Enterprises and Consortia. Additionally, beneficiaries may be all legal entities whether they belong to SMEs or large enterprises provided that the conditions listed below are met:

- a) Offer food and agri-food products to visitors within the premises of the establishment or at the place of provision of experiential tourism services of the enterprise.
- b) The raw materials are sourced from:
  - aa) from contract farming at a rate of at least 60 % per year, or
  - (bb) vertical integration of the production process at a rate of at least 60 % per year.

## **3. Sector(s) that this program concerns**

It concerns investment projects in the tourism sector, which link the primary and secondary sector with the tertiary sector, creating a new tourism product. Funding opportunities are open for:

- Very small, small and medium-sized enterprises (SMEs) or large enterprises that:
  - a) offer food and agrifood products to visitors within the facility or at a location where experiential tourism services are provided
  - b) Produce products or raw materials coming from local farming activity.
  
- Additionally, businesses active in the following economic activities (NACE) can also apply for funding:
  - a) accommodation
  - b) food and beverages activities
  - c) travel agencies, tour operators and booking services and related activities
  - d) creative activities, arts and entertainment
  - e) libraries, archives, museums and other cultural activities



f) sports and leisure activities.



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#### **4. Main Contents (Modules/Units)**

In order for an investment project to be included in the Green Agri Tourism programme, it must meet the following eligibility requirements which are linked with the contents of the programme:

1. The maturity of the investment plan
2. Legal establishment of the beneficiary:
3. Green Transition:

At least one of the actions listed below is required:

- Investments in building facilities to achieve a higher energy efficiency coefficient.
  - Investments in mechanical equipment with reduced energy consumption.
  - Procurement of vehicles of the highest, available emission measurement standard, as applicable to each vehicle category.
  - Investments in RES
  - Investment in water saving infrastructure.
  - Investment in mechanical equipment that contributes to water saving.
4. Implementation of an experiential agri-tourism project: Presentation of an experiential agri-tourism project that takes into account the comparative advantages of the area and local community where the business plan is to be implemented.
  5. Sustainability of the investment

#### **5. Type of involvement**

A significant characteristic of the programme is that stipulates the involvement of at least 5 legal or collective entities ( e.g Social Cooperative Enterprises ) and the creation of a cooperation plan which will contain:

- Their role in the implementation plan of the experiential tourism project.
- The degree of diversification of the tourism product through the proposed cooperation.
- The financial contribution of the selected entities to the implementation of the cooperation.
- The commitment to implement the experiential agri-tourism project for a period of time specified in the long-term commitments.
- The expected economic benefits.

#### **6. Description of advantages and disadvantages**

The advantages produced by rural tourism enterprises will be linked with the following:

- Contribution to the improvement of the rural income
- Strengthening entrepreneurship
- Quality of life improvement and working opportunities of the rural population



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- Contribution to the reduction of demographic changes due to rural population's internal migration
- More and better opportunities for the promotion and efficient marketing of local agricultural and craft products
- Protection of the environment
- Promotion and development of local cultural elements
- Improvement of the attractiveness of rural areas

## 7. Impact

The program seeks to lead positive social, cultural, and environmental impacts and responds to the need for farmers to earn a supplementary income by working in the service sector and to the need for urban residents to return to nature. Furthermore, rural tourism initiatives provide development opportunities for the local community, such as the contribution for the continuation of the production of traditional products, preservation of local art and culture and traditions to the revival of architectural/cultural heritage, but mainly will offer more professional and life prospects to the young people of these areas.

## 8. Engagement of local communities

The business plan presented in this call for applications must include description of activities related with at least one of the following points.

- Promotion of local gastronomy
- Promotion of local cultural heritage through rural activities
- Linking with local businesses and institutions

**Country:** Greece

### **Name of Program**

Action 4.1.3: Implementation of investments that contribute to the use of RES as well as to the protection of the environment<sup>7</sup>

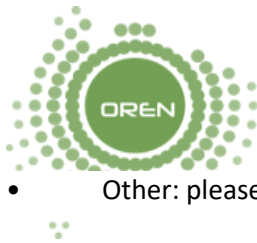
**Website/link/more information:** <https://www.opekepe.gr/paa-gr/2014-2020/3642-ypometro-drasi-4-1-3-ependyseis-symvalloun-sth-xrhsh-apeo-prostasia-perivallontos>

**Category: Please indicate:**

- Tourism
- **Agriculture**
- **Renewable energy**
- Circular economy
- Cultural heritage
- Direct involvement of stakeholders
- Community based activities

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<sup>7</sup> <https://www.pkm.gov.gr/inst/pkm/gallery/PKM%20files/ProgrammaAgrotikhsAnaptykshs2014-20/2017-12-11%20%CE%A6%CE%95%CE%9A%204302%20%CE%A0%CE%BB%CE%B1%CE%AF%CF%83%CE%B9%CE%BF%20%CE%B5%CF%86%CE%B1%CF%81%CE%BC%CE%BF%CE%B3%CE%AE%CF%82%20%CE%B3%CE%B9%CE%B1%20%CF%84%CE%B1%20%CE%A3.%CE%92..pdf>



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- Other: please specify

### **1. Short Description and objectives**

The aim of the action aims at:

1. Improving the competitiveness of sustainable agricultural holdings.
2. Improving the environmental profile of agricultural holdings and mitigating the effects of climate change.

More specifically, the program has the objectives of:

1. Improving the competitiveness of sustainable Greek farms through investment support to modernize and to adapt quickly to market needs.
2. Improving the environmental profile of agricultural holdings and mitigating climate change impacts by improving management of soil, fertilizers, pesticides and more efficient use of energy or of energy production from renewable sources.
3. The limitation of greenhouse gas emissions through investment support for management and the utilization of by-products and waste.

### **2. Target groups**

The target groups of the action are the following:

- a) Natural persons that are formally declared as agricultural entrepreneurs/farmers
- b) Agricultural enterprises
- c) Agricultural cooperatives etc.

### **3. Sector(s) that this program concerns**

This program is aimed at farmers/agricultural entrepreneurs that wish to make their enterprises more sustainable with the deployment of Renewable Energy Resources.

### **4. Main Contents (Modules/Units)**

More specifically the action/program aims at:  
"Facilitating the supply and use of renewable energy sources, by-products, waste, residues and other non-food raw materials for the purposes of the bioeconomy" and "Reduction of greenhouse gas and ammonia emissions from agriculture.

### **5. Type of involvement**

The program takes the form of co-financing to any investment that agricultural entrepreneurs might make towards making their enterprise more sustainable and reducing their environmental impact. The co-financing level can reach a value of up to 85%, while each beneficiary can gain up to 500.000, 00 euros. In a little more detail, the program will co-finance investments in the utilization of renewable sources of energy (sun, wind, geothermal, etc.) for own consumption, proper management of waste and by-products as well as their utilization for energy production for own consumption, which aim to protect the environment.

### **6. Description of advantages and disadvantages**

The program is relatively new thus, there are no concrete indications regarding the advantages and disadvantages. However, several insights have already been revealed:



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- The program aims specifically at reducing the environmental impact of agriculture
- The program is not only focused on energy but also on investments for the better management and use of agricultural by-products
- It is targeted not only to cooperatives and larger agricultural enterprises but also to individual farmers.

Regarding the disadvantages of the program, the following can be distinguished:

- The level of co-financing might not be enough (especially for individual farmers/entrepreneurs) given the cost of the technology and equipment necessary
- The program does not distinguish how much of the fund will be allocated to individual farmers and how much to cooperatives and larger enterprises
- No mention is provided on if and how the excess energy that might be produced could contribute to the load of energy companies and reach the general public.
- There is the possibility that the sum might not be enough for all entrepreneurs and enterprises that apply

#### **7. Impact**

The program could have a positive impact on reducing the environmental impact of the agricultural sector. Moreover, the program could reduce the by-products and waste of agriculture, since farmers are encouraged to better manage and utilize them. In addition, the program could substantially increase the sustainability of the agricultural sector in Greece and especially in areas where investing might not seem viable and/or desirable (remote rural areas).

#### **8. Engagement of local communities**

The program does not specifically mention local communities, however, it is clear that the ministry of Agricultural Development intended to increase the robustness and resilience of agricultural communities in rural areas, since Agricultural Cooperatives are one of the main beneficiaries of the program.

## **5. Analysis of Questionnaires Results**

The analysis will be based on the following points:

- Skills and factors that favor or limit rural business development
- Challenges identified
- Role of the context
- Codification and classification of responses based on research questions.
- Data Interrogation (e.g common responses and patterns, score/volume of responses, categorization of responses)
- Development, description, and visualization (if possible) of statistical data
- Short description of limitations/difficulties/ bias faced

(Target: At least 10 responses)



- Data was collected from ten (10) individuals in total, active in the field of rural entrepreneurship,<sup>1</sup> all of them being located in the region of Larisa, Thessaly one of the most rurally developed areas in Greece. Nine of them identified themselves as rural entrepreneurs while one respondent works in the bank sector but with specialization in dealing issues related with rural business. Due to respondents limited knowledge of digital skills, the survey was conducted in person with printed questionnaires which were afterwards incorporated into the digital version of the survey, by using google forms. A total of 18 questions were asked and the results are summarized and presented as follows:
- With regards to educational background, the majority of respondents (60% ) indicated being holders of a higher education diploma ( bachelor's or master degree or equivalent). More concretely, 30% of them were holders of a bachelor degree and 30% of master's degree while another 30% had completed secondary education (high school graduates). Only one individual reported having completed only primary education. In reference to their professional experience in their roles as rural entrepreneurs, it must be noted that 50% of survey participants reported having more than 10 years of experience, while the rest of them reported having experience from 1 to 5 and 5 to 10 years (30% and 20% respectively).
- In reference to the respondents' areas of expertise, the majority of them (50%) reported being specialized in the field of agriculture, while another 30% indicated being engaged in the field of livestock farming. The areas of circular economy and renewable energy were very slightly represented (10 % of response each) while one respondent described its expertise to be more related with the bank sector and more concretely the financing of rural businesses. In contrast to their areas of expertise, the respondents' views regarding the main emerging and promising sectors of rural entrepreneurship varied. In detail, 40% indicated the sector of renewable energy while 20% of them indicated the sector of circular economy. It is important to note that these two sectors did not represent the majority of responses regarding the areas of expertise mentioned before. In addition, another 20% of respondents considered the sector of agriculture as an emerging sector while the rest of responses concerned rural tourism and livestock farming ( 10% each ) .
- Respondents shared interesting view with regards to the challenges and hinderers for potential entrepreneurs when it comes to entrepreneurship skills. Almost half of respondents ( 40% ) identified the socioeconomic background as the most important challenge while a 30% indicated gaps of knowledge. The factor of the expertise of the human capital was identified by the 20% of respondents while another 20% described the main obstacles to be related with lack of subsidies and funding. One participant elaborated further by mentioning that especially in the sector of renewable energy, the Greek (rural) market is not properly structured and has a high number many intermediaries leading to great difficulties for entrepreneurs to enter in new markets/businesses sectors.
- In view of the factors that play a key role for achieving successful outcomes for rural businesses, as it can be observed in the following diagram, *innovation* is considered as the most important element. The possession of adequate entrepreneurial skills and the existence of a connection with network of stakeholders followed in participants' responses concentrating 50% of preferences respectively. Surprisingly, the factor of access to sufficient financial resources came after with a





percentage of 30% provided that the socioeconomic background was identified as one of the most significant challenges for rural entrepreneurs ( see above )

6. Which are the main driving factors for rural businesses success?

10 responses

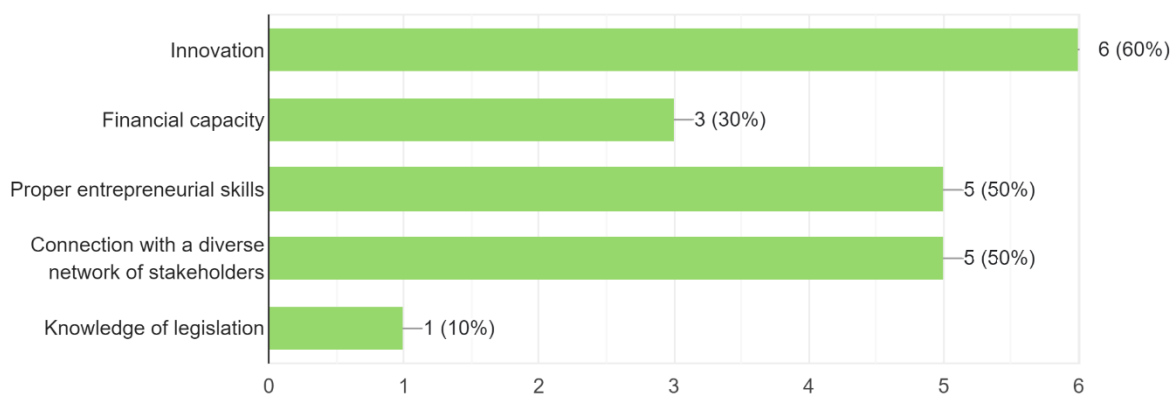


Figure 5. Main driving factors for rural business success in Greece

- Survey participants were asked to assess the significance of a number of main obstacles that can impede the establishment of successful business in the rural sector. Out of the participants number and volume of responses in can be extracted that :
  - **Environmental changes, access to funds and fewer educational opportunities** were considered the most significant barriers for businesses in the rural sector. As it can be observed in the chart below, these three options gathered the highest volume of responses ( very important) accumulating percentages of 70%, 60% and 40% respectively.
  - **Workforce development and skills shortage** were topics identified as barriers for business advancement with a remarkable number respondents evaluating them as important or very important ( 8 out of 10 respondents in both cases ) .
  - Issues related with **infrastructure** and **demographic changes** were significantly identified as obstacles but to a lesser extent. The responses in these options were almost evenly distributed between important and very important.
  - Respondents did not seem to consider **lack of vision** as an obstacle.
  - It is worth mentioning that the option of **fewer educational opportunities** has ranked higher in the two ends of the rating scale.

7. On a scale of 1 (not important) to 5 (very important) how would you rate the importance of the listed main obstacles for the establishment of successful rural businesses?

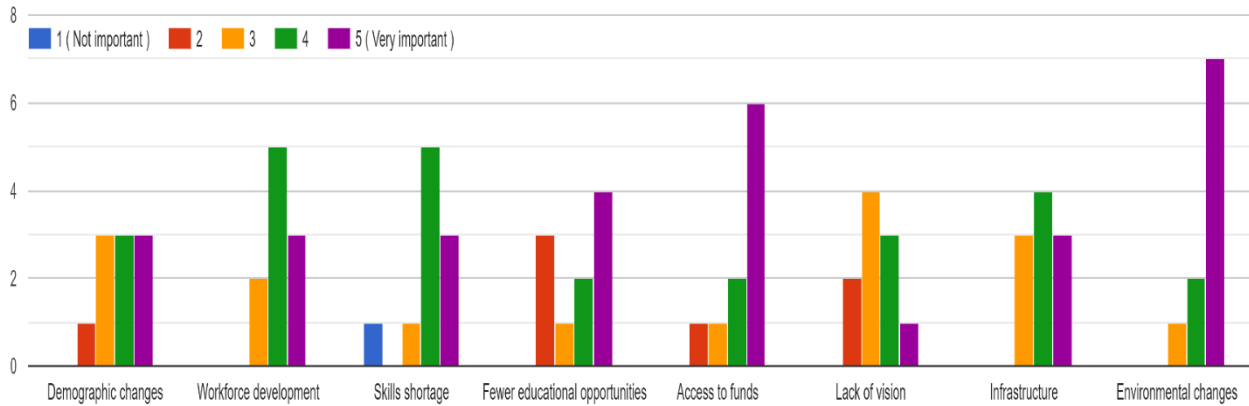
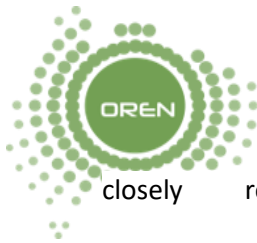


Figure 6. Rating of the listed obstacles

- In our participants views, rural professionals have to adopt a stance more related to that of businessman in order to face the challenges and complexities of the rural sector. A percentage of 80 % agreed or strongly agreed with the statement.
- The responses in reference to the skills that rural entrepreneurs should be possess illustrate that technical skills and skills promoting innovation were the most preferable among the survey participants while management skills follow ( 40%) . Furthermore, abilities and knowledge for recognizing and analyzing business opportunities were also identified by a 30% of respondents and are closely linked with a more managerial and business profile. Equally, technological know how was considered essential with 30% of preferences. Networking , planning and business strategy skills and communications skills gathered a lesser rate of preferences. Reviewing the data it can be observed that the diversification of responses and differences in figures are not highly extended. Thus, most of the listed skills are considered essential for our respondents and are



closely related to their capacity building and



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training needs.<sup>1</sup>

9. In your opinion, which are the most important skills that rural entrepreneurs should have (select up to three of the following listed skills):

10 responses

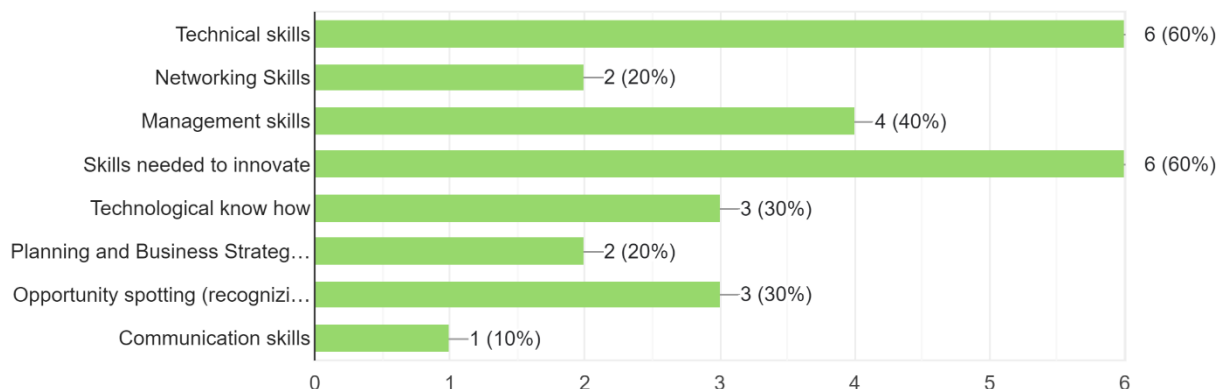


Figure 7. Most important skills for rural entrepreneurs in Greece

- In their explanations of their choices, the respondents provided significant insight on how they perceive their role and business development opportunities:

**Skills needed to innovate:**

*“Innovation is the most important asset that rural entrepreneurs should have as the environment is constantly changing.*

*“Innovation plays a key role in livestock farming and without innovation you cannot succeed”*

*“An entrepreneur must be able to identify innovative solutions that are constantly being developed and can contribute to the sustainability of his business”*

*“Innovation means continuous search for development and improvement of equipment and management of the company”*

*“Innovative products are a long-term investment that can lead to business success even in the agricultural sector. Moreover, it can diversify the entrepreneur.”*

**Management skills:**

*Management skills are important because offer the opportunity for the entrepreneur to know what the he wants from his business and in what time frame he would like and can to achieve it*

*“Are important because the farmer has to able to manage people, tools, banks, capital, etc.*

*Good management skills lead to proper management of the company's finances*

**Technical skills:**



*“Without them there can be no success in agriculture. The entrepreneur must take into account the characteristics of each tree, when to water, when to water, etc.”*

*“The rural entrepreneur must have good knowledge of the equipment used. He must have knowledge on the varieties cultivated and the requirements for growing them.”*

*“You should be able to understand when a new tool will help you in your work”*

*“They essential because you should learn to use new tools at a standard basis.”*

*“Technical skills because without specialisation you cannot enter the market properly”*

Technological know how:

*“If the farmer does not know how to work, he will not produce what he has in mind, so he needs deep expertise”*

### **Networking skills:**

*“Networking is essential so that the rural entrepreneur can identify new opportunities, be immediately aware of changes in legislation and have access to capital.”*

*“Without networks you cannot be aware of new opportunities”*

- Respondents were asked to indicate the skills in which potential rural entrepreneurs should receive further training. In their views, training opportunities related with **technical skills, management skills and skills needed to innovate** were deemed by far their top priority while training in skills linked with technological know how and opportunity spotting (recognizing and analyzing business opportunities) followed. A similar viewpoint, placed the local community in the center of decision making, as investments should be made through subsidies so that the local community can decide, depending on the needs of the region, to distribute either in development projects for the region or by helping financially the rural professions that help its economy.
- The sectors in which these skills are mostly needed concern mainly **agriculture and livestock farming** and less **tourism and renewable energy**.
- With regards to the factors that contribute most to successful business model and benefit local communities, the respondents did not provide clear answers. Some of them reported that only through cooperation, as a crucial factor, can the society be benefited. A cooperation though, between all actors along the chain is crucial starting from entrepreneurs/business/partnerships/cooperatives, local community the banking system and the state. Other, emphasized on the role that governmental programs and legislative frameworks offer opportunities for rural business improvement and upgrade and the development of specific models to benefit local communities, as a state policy. improve and upgrade businesses.
- The rural entrepreneurs surveyed had diversified views on how potential rural entrepreneurs can be supporting in starting businesses. As it can be seen below, the figures are almost evenly distributed with not great differences. Continuous learning, networking, good knowledge of legislation and exchange of experiences and expertise are among the factors that could assist rural



entrepreneurs in identifying opportunities and establish business in better and more favorable terms.

14. In your opinion, how could potential rural entrepreneurs be supported to recognize, realize, and start business opportunities?

10 responses

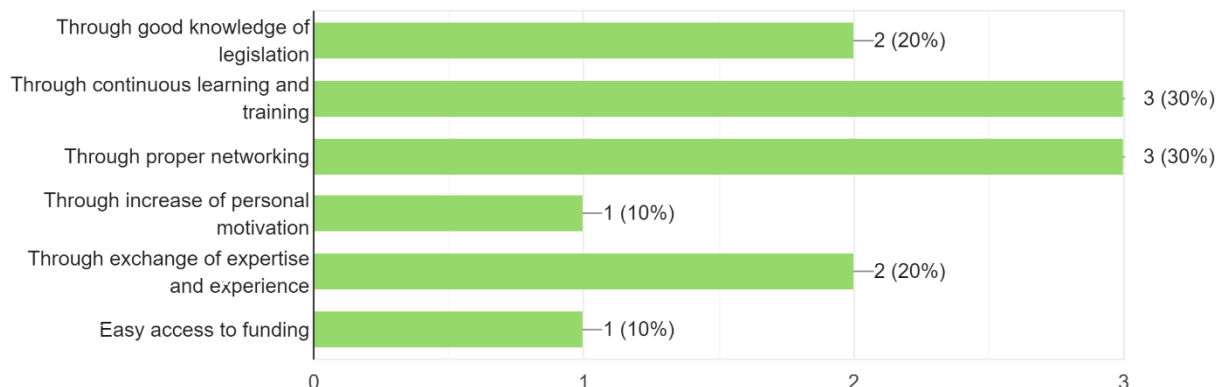


Figure 8. Ways to support rural entrepreneurs in Greece

- The main factors limiting the development of successful business models are linked with Economic background ( 70 %) and far less with the political (20%) or social background ( 10% ) . By elaborating on their selections, the respondents mainly addressed that the critical role of access to capital while shared thoughts related to other significant circumstances such as ( timing and conditions and the type of institution). Additionally, the challenges and the difficulties of lack of funding or low capital prevents the start or development of entrepreneurial ventures. The economic background is a determinant factor that guides business to success, no matter the innovative products or services produced/offer. This high rate illustrates the difficulties arising from the general business and economic context in country, after a long period of financial instability and crisis which has not been overcome yet leaving rural economy in a tight spot.
- Participants described several good practices/proposals that would facilitate rural entrepreneurs in overcoming the above mentioned challenges. Concretely:
  - Use and investment on circular economy approaches. Reusing of materials and use of biogas in livestock farming plants for self sufficiency.
  - Reduction of bureaucracy
  - Search of vocational training opportunities and funding through European programmes ( Erasmus +, NSRF ) or state funding.
  - Emphasis on agricultural cooperatives that have started to be very successful and considered a best practice in Thessaly. The proposed the “Thesgi” agricultural cooperative located in Larisa, Thessaly.



- The responses of the participants regarding the factors that would contribute most to successful rural business in general were mainly oriented state assistance through coherent and stable national policy for the rural sector, the proper funding and business management by rural entrepreneurs, adequate training in innovation technologies and opportunities for networking and the incorporation of good practices and models that work in other European states with more experience and advanced know how.

## 6. Concluding Remarks & Recommendations

The role of rurality in the prosperity of the European Union (EU) is widely acknowledged. Meanwhile, rural areas tend to lose their positions and opportunities in an increasingly urbanizing world. Despite the diversity of rural areas in terms of their socio-economic performances, natural characteristics, and cultural heritage, the majority of them demonstrates intrinsic fragility in social, economic and environmental aspects, and, consequently, different rural areas face common challenges, experience depreciation of their values and underutilization of the opportunities they are able to provide.

The aim of this study was to develop a sound and updated insight of agricultural business models in Greece. Through a robust analysis, based in both theoretical and practical approaches and concepts from several academic and operative actors, the work performed under this result intends to deliver explorative and comparative findings by systematizing this knowledge.

With regards to Greece, Central Macedonia and Thessaly lead the Prefectures in the number of business that are established and deal with agriculture, which is not unexpected since these two regions have the largest amount of arable land. Among the most important organizations that deal with rurality in general, cooperatives (agricultural or forest) along with new enterprises that combine agriculture with renewable energy resources and tourism are the most prominent.

Moreover, during the last decade there is an effort in Greece to incorporate technology and innovation in rural enterprises, however, there are important barriers such as lack of knowledge and support from experts, high cost of equipment, lack of relevant networks and a resistance to change by the rural entrepreneurs.

Regarding the factors that affect rural efficiency, four significant factors have been discussed and identified in the literature:

- Level of Education
- Age
- Farm size
- Peer network

Finally, a survey was developed and disseminated to rural entrepreneurs in Greece. Among the most important findings are the following:

- The respondents indicated that the main factors for rural business success are: Innovation, Entrepreneurial skills and a connection with a diverse network of stakeholders
- The respondents indicated that the main barriers for rural business success are: Environmental changes, access to funds and fewer educational opportunities
- The respondents indicated that the most important skills that a rural entrepreneur should have are: Technical skills, skills related to innovation and management skills.



Based on the findings of this report, a list of recommendations is summarized in table 3 below:

Table 3. Recommendations for the development of Greek rural enterprises

A/A	Recommendation
1.	Increase the opportunities for continuous education of rural entrepreneurs
2.	Education and training could be prerequisites of financial assistance by the state
3.	Incentivize younger people to engage in rural business
4.	Connect agriculture with tourism, culture, and renewable energy
5.	Promote and attract technological experts and companies/enterprises to upgrade the current rural enterprises
6.	Incentivize the development of cooperatives
7.	Incentivize the cooperation of rural cooperatives
8.	Simplification of the legal framework regarding the establishment and operations of rural enterprises
9.	Development of state marketing campaigns on Greece's rural attractions (similar to the ones developed for tourism)
10.	Continuation and expansion of state co-financing programs that aim at increasing the rural enterprises' efficiency