

# THE SYSTEM OF FIRM SUPPORT GRANTS IN ESTONIA: WHOM DOES IT FAVOR?

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## Abstract

After joining the European Union, remarkable support has been provided to Estonian firms through government grants financed from EU funds, but so far it has not been systematically studied, which firms can get support from them. Current study analyzes all grants for firms financed from EU funds in Estonia in the period of 2007-2013. The paper outlines most supported firms based on activities financed and restrictions set on firms and application. The results indicate that some limitations make only a narrow range of firms eligible to get financial support. The grant measures in different implementing units providing grants vary a lot. Also, grants directed to fixed asset investments have more restrictions when compared with those directed to reimbursement of costs.

**Keywords:** EU funds, government grants, support system

**JEL Classification:** H81

## Introduction

Since joining the European Union (EU), Eastern European countries have been provided a lot of financial support from EU funds, whereas this has been accompanied by the debate over the necessity and size of given support. Such debate has focused on various facets – for instance some countries are blamed of being grant-dependent and also intra-country inefficient grant provision decisions have been criticized. In Estonia the share of support (mainly from EU) in state budget during last three years (i.e. 2010-2012) has been around 19% (see Statistics Estonia ... 2013), which can be considered a high figure. In addition, the distribution of EU funds in Estonia has been under severe criticism, e.g. by the National Audit Office (2010), because of not fulfilling the goals it is designed to achieve. The reasons why grants do not serve their purpose facilitating economic growth and/or eliminating market failures can rely in their wrong setup. Namely, grants might have been designed to support firms which do not need them or are not vital enough, but also the problem can lie in the too narrow range of activities supported or too tough preconditions set for grant applicant. In the light of previous an essential question

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rises, which firm is eligible to be supported by state grants. An answer to given (research) question has a very practical implication by enabling policy makers to change grant distribution mechanisms in order to make the support available to wider range of subjects or in turn constraining distribution principles wherever appropriate.

Derived from previous, the article aims to find out whom do Estonian business support grants provided from EU funds in the program period 2007-2013 favor. More specifically, the objective is to study which activities are supported and how do the requirements set restrict potential applicant. The achievement of the objective will allow to conclude whether the design of grant system is shifted towards favoring narrow range of firms or on the contrary it is well-grounded to support firms through the whole spectrum of economy. In order to achieve the objective, the article is divided into following sections. Firstly, literature about public firm support grants is considered. Then, the Estonian system of grants to firms through EU funds in the program period of 2007-2013 will be described. This is followed by empirical analysis where first of all data for analysis is described, followed by outlining descriptive results from data processing and its analysis. Finally, main conclusions and policy implications from the study are presented.

## **1. Research about public grants to firms**

Research about public grants is thorough and multifaceted. The topic is inevitably connected to other research fields like public finances, public administration and public economics in general. Different theoretical and empirical approaches can be found about various facets of public funds allocation, whereas the discussion often concerns whether and to what extent should state (financially) support firms. The effect of grants in resolving market failures, increasing growth and productivity, but also the interconnection of the aforementioned results has not been explicitly clarified (De Long and Summers 1991, Roper and Hewitt-Dundas 2001). The support itself can in turn be in financial or non-financial form (Denis 2004), whereas in some circumstances it is not rational to distinguish one from another.

Grant is most commonly defined as provision of non-repayable financial aid for a special purpose use. Of course, in some cases firms are also provided funds in case their usage is not (strictly) constrained. In this sense grants differ a lot from other three measures of direct public financial support (Storey and Tether 1998), i.e. loans, loan guarantees and tax reliefs for firms, the purpose of which is often the same as for grants.

The setup of public grant system should ideally be composed of individual grants, each of which is aimed at a specific policy objective. Which policy objectives should be set, is more an empirical than theoretical question, depending on the specific situation in viewed environment. Still, over-subsidization of firms that actually do not need support and subsidizing unproductive firms (due to the action of pressure groups) are threats commonly accompanying government grants (Bergström 2000). The goals of grant systems are normally outlined in strategic

documents of country or some specific field. Because of different public strategies, grant systems can vary a lot through countries (Storey and Tether 1998).

## **2. European Union funded firm support grants in Estonia**

EU support for direct or indirect development of entrepreneurship is made available to the applicant through three main mechanisms:

- 1) structural aid and EU regional policy;
- 2) common agricultural policy;
- 3) fishery support.

The regional policy of EU aims to balance and unify the development of EU member states by reducing social and economic differences, which in turn should increase competitiveness of EU at world market. For the implementation of EU regional policy, structural aid is provided through following funds: European Regional Development Fund (ERDF), European Social Fund (ESF) and Cohesion Fund (CF). ERDF and ESF are structural funds. When all given three funds are aiming to increase unity, then both structural funds also aim to increase regional competitiveness and employment. In addition, ERDF aims to promote territorial cooperation in Europe.

European Council regulation No 1083/2006 lays down general rules governing three aforementioned funds for the program period of 2007-2013. For applying support from given funds in 2007-2013, three operational programmes (OP) have been composed. Those programmes define activities financed from structural funds and are:

- 1) OP for the Development of Economic Environment,
- 2) OP for Human Resource Development,
- 3) OP for the Development of the Living Environment.

On 11. January 2007 Estonian government approved National Strategic Reference Framework and abovementioned three OPs. In 2007-2013 Estonia gets structural funds in total of 3.4 billion EUR. Beside structural aid EU provides support in fields of agriculture, fishery and Baltic sea region cooperation. That support is accounted separately from the structural aid. The main implementing agency for structural funds concerning grants to firms is Estonian Ministry of Economic Affairs and Communications and implementing unit Enterprise Estonia.

Estonian Rural Development Plan (ERDP) 2007-2013 is directed to increase competitiveness of forestry and agriculture, improve environment and region, increase quality of life and diversify rural entrepreneurship. ERDP outlines rural life development patterns and measures to achieve them for the period 2007-2013. The ERDP, following the objectives of Common Agricultural Policy (CAP), is co-financed by Estonian government, European Agricultural Guarantee Fund (EAGF) and European Agricultural Fund for Rural Development (EAFRD). In total around 935 million euros can be used during the program period 2007-2013, whereas the

implementing agency is Estonian Ministry of Agriculture and implementing unit Agricultural Registers and Information Board.

The last group of support to firms comes from the European Fisheries Fund (EFF) and the distribution of support from that fund is set by Estonian Fisheries Strategy 2007-2013 and OP of European Fisheries Fund 2007-2013. During the program period 14 different measures, which divide between five different axes, will be financed. The implementing agency is Estonian Ministry of Agriculture and implementing unit Agricultural Registers and Information Board.

### **3. Empirical analysis of the characteristics of state grants**

#### **3.1. Data of state grants**

Data about all grants to firms is collected from all operational programs, implementing agencies and implementing units. After the list of different grants has been created, all regulations governing the grants are collected and read through. The regulations come from Riigi Teataja database of all Estonian Acts of Law and as each measure is connected with specific regulation, the names of which will not be presented in Table 1. We consider only financial grants, i.e. support measures offering non-monetary help will not be considered. Also, in Estonia the Credit and Export Guaranteeing Foundation (KredEx) provides loan guarantees for firms, but as it is not non-refundable financial aid, it will be excluded from analysis.

Based on the available information, characteristics of different grant measures will be summarized in Table 1. The measures have been grouped according to the implementing unit. The implementing unit for grants 1-18 in Table 1 is Enterprise Estonia and for grants 19-36 Agricultural Registers and Information Board. One other grant that firms can apply was detected under implementing unit Environmental Investment Centre, namely the grant for waste collection, sorting and recycling development, but this not included in the analysis below, as this is the only grant from given implementing unit to firms and favours a very narrow spectrum of companies. Following list gives a detailed overview of collected information, the most of which has also been included in Table 1. Some grant numbers have been highlighted in the first column, meaning that those grants are provided through the same regulation. Also, sometimes the regulation has been changed in time, so e.g. at some point of time there was only one measure and afterwards several measures.

- 1) Operational program:
  - a) MARK - OP for the Development of Economic Environment;
  - b) IARK - OP for Human Resource Development;
  - c) MAK - Estonian Rural Development Plan;
  - d) EKF - European Fisheries Fund;
  - e) EE - Estonia.

*The last item in the list of operational programs is "Estonia", as at a certain point of time in the program period of 2007-2013 the EU funds meant for some measures (see Table 1) were exhausted, because of what they are currently provided from state budget funds (i.e. tax income).*

- 2) Priority field:

- a) TOUEV - Knowledge and skills for innovative entrepreneurship;
- b) EVUK - Innovation and growth capabilities of firms;
- c) MAK1T - 1 axis – increasing competitiveness of agricultural and forestry sector;
- d) MAK3T - 3 axis – life quality and entrepreneurship diversification in rural areas;
- e) EKF1T - 1 axis – adjustment of fishery fleet;
- f) EKF2T - 2 axis – water cultivation, inland fishing, processing and marketing of fishery products;
- g) EKF3T - 3 axis – measures offering common interest;
- h) EKF4T - 4 axis – sustainable development of fishery regions.

*Note that priority fields have not been given for programs which are currently financed from state budget.*

3) Implementing agency:

- a) MKM - Ministry of Economic Affairs and Communications;
- b) PÕM - Ministry of Agriculture.

*Grants 1-18 in Table 1 are MKM and grants 19-36 are PÕM responsibilities.*

4) Implementing unit:

- a) EAS - Enterprise Estonia;
- b) PRIA - Agricultural Registers and Information Board.

*Grants 1-18 in Table 1 are EAS and grants 19-36 are PRIA responsibilities.*

5) Measure – name of support measure.

6) Implementation scheme:

- a) AV - open application;
- b) PR - program.

*All measures in Table 1 are AV.*

7) Person who can apply:

- a) EV - firm;
- b) MTÜ - non-profit association;
- c) SA - foundation;
- d) TA - research institution.

*All measures in Table 1 are EV.*

8) Type of grant:

- a) 0 – indirect, immaterial (counselling);
- b) 1 – indirect, material (education and training, usage of equipment, infrastructure etc.);
- c) 2 – monetary;
- d) 3 – development of technology transfer, mainly cooperation between firms and universities;
- e) 4 – financing, financial guarantee.

*All measures in Table 1 are grant type 2.*

9) Applicant:

- a) 0 – other than beneficiary;
- b) 1 – beneficiary firm;

*For all grants in Table 1 the applicant is 1.*

10) Supported activities (according to Enterprise Estonia database of support measures, „Yes“ - 1/“No“ - 0):

- a) Investment – expenditure to purchase fixed assets is eligible.
  - b) Development activities – expenditure to promote innovation is eligible.
  - c) Research – purchase of research is eligible.
  - d) Education and training – purchase of education and training services is eligible.
  - e) Consulting – purchase of consulting services is eligible.
- 11) Supported activities reclassified to two groups (“Yes” – 1/“No” – 0):
- a) Fixed asset investment – grant is mostly designed for fixed asset investments, whereas fixed asset should be understood as it is classified in accounting regulations.
  - b) Reimbursement of costs – grant is mostly designed for reimbursement of costs and fixed assets cannot be purchased.
- 12) Restrictions to applicant („Yes“ - 1/ „No“ - 0):
- a) Age
  - b) Industry
  - c) Owners
  - d) Past financial indicators
  - e) Future financial indicators
  - f) Location
- 13) Restrictions to application:
- a) Minimum support sum (specific or range) in euros (afterwards will be converted to 1 if the minimum is over zero and to 0 if minimum equals zero).
  - b) Maximum support sum (specific or range) in euros (afterwards will be converted to 1 if the maximum exists and to 0 if there is no maximum).
  - c) Maximum support rate as % (specific or range) of total investment or costs (afterwards will be converted to 1 if it is below 100% and to 0 when it is exactly 100%).
  - d) Budget of measure in millions of euros. *Those budgets which are highlighted and have the same number in the cell, have the same budget for different measures listed, i.e. their budgets have not been distinguished by implementing unit.*
  - e) Start period, reflected by the date regulation entered into force or the date measure was opened.
  - f) End period, reflected by the date measure was closed.
  - g) Application form, reflected by continuous (i.e. C, continuously opened for applications) and rounds (i.e. R, opened as rounds lasting only for predetermined time).

**Table 1.** Overview of financial grants through different characteristics

#	Operational program	Priority field	Measure	Investment	Development activities	Research	Education and training	Consulting	Fixed asset investment	Reimbursement of costs	Age	Industry	Owners	Past financial indicators	Future financial indicators	Location	Minimum support sum (EUR)	Maximum support sum (EUR)	Maximum support rate	Budget in million EUR	Start period	End period	Application form
1	IARK	TOUEV	Start and growth grant of start-up entrepreneur	1	1	0	0	0	1	0	1	1	1	1 <sub>1</sub>	1	0 <sub>3</sub>	0	32 000	65-80%	8	08.02.08	08.07.12	C
2	EE		Start-up grant	1	1	0	0	0	1	0	1	1	1	1 <sub>1</sub>	1 <sub>2</sub>	0	0	5 000	80%	9	09.07.12		C
3	EE		Development grant	1	1	0	0	0	1	0	1	1	1	1 <sub>1</sub>	1	0	0	32 000	50%	9	09.07.12		C
4	IARK	TOUEV	Grant of involving development employee	0	1	0	0	1	0	1	0	1	0	0	0	0	0	200 000 <sub>3</sub>	50-70%	8.2	29.09.08		C
5	MARK	EVUK	Export development grant	0	1	1	0	0	1	0	1	0	1	0	0	0	1 000	160 000	30-70%	42.6	17.02.08	07.12.12	C
6	MARK	EVUK	Tourism marketing grant for the entrepreneurs	0	1	0	0	1	0	1	0	1	0	0	0	0	19 170	96 000	50%	3	23.05.08	23.02.12	C
7	MARK	EVUK	Innovation voucher grant	0	1	1	0	1	0	1	0	1	1	1 <sub>1</sub>	0	0	0	4 000	100%	2.9	07.02.09		C
8	IARK	TOUEV	Development of knowledge and skills grant	0	0	0	1	1	0	1	0	1	0	0	0	0	1 600	64 000	50% <sub>4</sub>	12.3	29.06.08	22.11.11	C
9	IARK	TOUEV	Development of knowledge and skills, training share grant	0	0	0	1	1	0	1	0	1	1	1 <sub>1</sub>	0	0	0	959	100%	12.3	26.07.09	06.11.10	C
10	IARK	TOUEV	Industrial entrepreneur counselling grant	0	0	0	1	1	0	1	0	1	0	0	0	0	1 600	5 000	50% <sub>4</sub>	12.3	22.07.11		C
11	IARK	TOUEV	Diagnostics of production management grant	0	0	0	1	1	0	1	0	1	0	0	0	0	0	500	100%	12.3	22.07.11		C

12	MARK	TOUEV	Design counselling grant	0	0	1	1	0	1	1	0	1	1	0	1	1	0	0	0	1	600	5 000	50% <sub>4</sub> z.	0.5	20.01.12	C
13	MARK	EVUK	Grant of research and development projects	1	1	0	1	0	1	0	0	1	0	0	1	0	0	0	0	0	0	3 200 000	35-75%	56.3	25.05.08	C
14	EE		Manufacturing firm development grant	1	1	0	1	0	1	0	1	1	0	0	1	1	0	0	0	0	10 000	500 000	35%	10	06.03.12	C
15	MARK	EVUK	Tourism product development grant	1	1	0	0	1	0	1	0	1	0	0	0	0	0	0	0	0	1 910 000	3 200 000	30%	5.1	29.08.08	R
16	MARK	EVUK	Tourism product development grant for small projects	1	1	0	0	1	0	1	0	1	0	0	0	0	0	0	0	0	63 000	640 000	40-50%	11.5	29.08.08	C
17	MARK	EVUK	Technology investment grant for industrial undertakings	1	0	0	0	1	0	1	0	1	0	0	0	0	0	0	0	0	12 600	3 200 000	40% <sub>4</sub>	54.8	15.06.08	R
18	MARK	EVUK	Technology investment grant for industrial undertakings (large investors and subcontractors)	1	0	0	0	1	0	1	0	1	0	0	0	0	0	0	0	0	63 000	1 000 000 <sub>3</sub>	25%	18.8	01.02.10	C
19	MAK	MAK1T	1.2 Grant for young entrepreneur's agricultural start-up	1	1	0	0	1	0	1	1	0	1	0	1	0	0	1	0	0	0	40 000	50%	11.8/17.6 <sub>5</sub>	18.06.10	R
20	MAK	MAK1T	1.3 Grant for counselling system	0	0	0	1	0	1	0	1	0	0	0	0	0	0	0	0	0	1 279	75-80%	3/4 <sub>5</sub>	17.04.10	R	
21	MAK	MAK1T	1.4.1 Investment grant for agricultural micro firm	1	1	0	0	1	0	1	1	1	0	1	0	1	0	0	0	0	100 000	100 000	35-60%	99.2	13.09.10	R
22	MAK	MAK1T	1.4.2 Investment support for cattle breeding building	1	1	0	0	1	0	1	1	0	1	0	1	0	1	0	0	0	0	500 000	40-60%	64.5	30.08.10	R
23	MAK	MAK1T	1.4.3 Investment support for bioenergy production	1	1	0	0	1	0	1	1	0	1	0	1	0	1	0	0	0	0	512 000	40-60%	25.3	26.07.10	R
24	MAK	MAK1T	1.5.2 Grant for providing value added to forestry products	1	1	0	0	1	0	1	1	1	1	0	1	0	1	0	0	0	0	200 000	25-50%	6.8	24.04.10	R
25	MAK	MAK1T	1.6(1) Grant for giving value added to agricultural and non-wood forestry products	1	1	0	0	0	1	0	1	1	0	1	0	1	0	0	0	0	0	1 920 000	50% <sub>4</sub>	38.4	06.08.10	R



26	MAK	1.6.2, 1.6.3 Investment grant for common production and marketing of agricultural products, conforming with new challenges in dairy and organic farming sectors	1	0	0	0	1	0	1	1	0	1	0	0	0	0	0	1 920 000	50%	4.6	13.06.11	R
27	MAK	1.7.1 Grant for supporting cooperation in developing new technologies in agriculture, food and forestry sectors	0	1	1	0	0	1	1	1	0	1	0	0	0	0	0	320 000	35-80% <sup>4</sup>	6.5	26.03.10	R
28	MAK	3.1 Grant for diversifying rural entrepreneurship (small projects)	1	0	0	0	1	0	1	1	0	1	1	2	1	0	0	100 000	30-50%	71.4	23.03.08	R
29	MAK	3.1 Grant for diversifying rural entrepreneurship (large projects)	1	0	0	0	1	0	1	1	0	1	1	1	1	0	0	300 000	30-50%	71.4	21.11.08	R
30	MAK	4. LEADER measure	1	1	0	0	1	0	0	0	0	0	0	0	1	0	0	200 000	40-60%	77.2	03.10.10	R
31	EKF	1.3 Grant for investment on board of fishing boats and selectivity	1	0	0	0	1	0	0	1	0	0	0	0	0	0	0	639 117	40%	20.4	29.03.09	R
32	EKF	1.4 Grant for small scale seaside fishing	1	1	0	0	0	1	0	1	0	0	0	0	0	0	0	42 614	60%	20.4	10.04.09	R
33	EKF	2.1 Grant for investing in aquaculture	1	0	0	0	1	0	1	0	1	0	0	1	0	0	0	1 022 586	50%	32.8	23.05.08	R
34	EKF	2.2 Grant for inland fishing	1	1	0	0	1	0	0	1	0	0	0	0	0	0	0	139 362	40-60%	32.8	18.12.09	R
35	EKF	2.3 Grant for investing in processing and marketing	1	1	0	0	1	0	0	1	0	1	1	0	0	0	0	639 116	50%	32.8	05.07.08	R
36	EKF	4.1 Grant for sustainable development of fishery regions	1	1	0	1	0	1	0	1	0	1	1	1	1	0	0	383 470	40-75%	25.7	10.05.08	R

Source: compiled by authors.

1 - Applicant must be SME

2 - Restrictions connected with number of jobs

3 - Conditions have changed in time

4 - Smaller in case of large firm

5 - According to different sources

### 3.2. Analysis of state grants

The statistics about supported activities and restrictions on applicant/application have been provided in Table 2. Results are presented over all 36 grant measures and also through each implementing unit (i.e. for EAS and PRIA) separately. The analysis is conducted by using just the number of different measures (n=36), but also weighing all measures with their budget share from total budget of studied measures, this also on the example of both implementing units separately. When budgets of measures are accounted, the share of each activity or restriction tells exactly its importance among all support measures.

The number of grants supporting investment and development activities is the highest (69% and 67% of all grants respectively), whereas research and education/training are lagging behind remarkably (14% and 17% of all grants). The binary classification of supported activities confirms previously given results, as around two thirds of all grants favor fixed asset investments and remaining one third reimburse costs. When considering the budgets of specific measures, the shares are even more shifted in favor of investments (89%) and fixed assets investments (82%). So, the first important conclusion is that firm support grants in Estonia are strongly investment oriented, which probably could be linked to the fact that investments are expected to create results desired in policies more likely. When coming to EAS and PRIA, then EAS measures favor non-investment activities in a remarkably higher amount than PRIA measures, and it could even be said that the presence of non-investment measures is mostly determined by EAS measures.

The results are more divergent when coming to the restrictions side of analysis. Practically all measures have maximum support sum and maximum support rate restrictions, but on the contrary, minimum support sum restriction has remarkably lower representation. Given restrictions can prevent very large investments and firms must have sufficient self-financing available (which of course can be composed of borrowed resources). The share of location restriction applies for 50% of total grants when budgets are accounted, meaning more specifically that regional uniformity is targeted by funding activities outside Estonian capital. Around half of the measures set requirements for past financial performance and around a quarter to future financial expectations when budgets are considered, whereas PRIA's restrictions are about as twice more frequent than for EAS. Around half of the grants have age and ownership restrictions when budgets are considered, whereas for age the limitations come mostly from PRIA measures (mainly minimum operational time required) and for ownership the limitations mostly come from EAS measures. The last variable "industry" is constrained for most of the measures, but this is also logical as implementing units EAS and PRIA fulfill the tasks of different operational programs, therefore being focused on a limited range of industries.

In summary it can be said, that Estonian entrepreneurship grants distributed from EU funds mostly favor investment in fixed assets and are characterized by rather high amount of constraints to grant applicant and application.

**Table 2.** Statistics of supported activities and restrictions by grants.

	Investment	Development activities	Research	Education and training	Consulting	Fixed asset investment	Reimbursement of costs	Age	Industry	Owners	Past financial indicators	Future financial indicators	Location	Minimum support sum (EUR)	Maximum support sum (EUR)	Maximum support rate
Total number of grants supporting specific activity or having given restriction	25	22	5	6	11	24	12	13	34	19	17	9	8	11	36	33
Share	69%	61%	14%	17%	31%	67%	33%	36%	94%	53%	47%	25%	22%	31%	100%	92%
Share when considering grant budgets	89%	69%	16%	5%	13%	82%	18%	48%	82%	43%	54%	22%	50%	23%	100%	99%
EAS total number of grants supporting specific activity or having given restriction	9	11	4	5	10	8	10	3	17	16	6	3	0	10	18	15
EAS share	50%	61%	22%	28%	56%	44%	56%	17%	94%	89%	33%	17%	0%	56%	100%	83%
EAS share when considering grant budgets	71%	64%	46%	5%	38%	48%	52%	7%	77%	79%	13%	7%	0%	65%	100%	98%
PRIA total number of grants supporting specific activity or having given restriction	16	11	1	1	1	16	2	10	17	3	11	6	8	1	18	18
PRIA share	89%	61%	6%	6%	6%	89%	11%	56%	94%	17%	61%	33%	44%	6%	100%	100%
PRIA share when considering grant budgets	98%	71%	1%	5%	1%	98%	2%	68%	84%	25%	74%	30%	75%	3%	100%	100%

Source: compiled by authors.

Followingly, EAS and PRIA measures are compared in respect of supported activities and restrictions. As all values for variables are binary (i.e. 0 or 1), Cramer's V test is being used to find out whether grants from two implementing units differ. The results are summarized in Table 3.

**Table 3.** Analysis whether supported activities and restrictions are different through two implementing units (i.e. EAS and PRIA).

Variable	Cramer's V	Approx. Sig.
Investment	0.422	0.011*
Development activities	0.000	1.000
Research	0.241	0.148
Education and training	0.298	0.074**
Consulting	0.543	0.001*
Fixed asset investment	0.471	0.005*
Reimbursement of costs	0.471	0.005*
Age	0.405	0.015*
Industry	0.000	1.000
Owners	0.723	0.000
Past financial indicators	0.278	0.095**
Future financial indicators	0.192	0.248
Location	0.535	0.001*
Minimum support sum (EUR)	0.543	0.001*
Maximum support sum (EUR)	not calculated, constant	
Maximum support rate	0.302	0.070**

\* significant at 0.05 level

\*\* significant at 0.1 level

Source: compiled by authors.

It can be seen that grants from two implementing units (both having 18 different grants in database) are rather different in their setup. Namely, 7 variables out of 16 studied are different at 0.05 level and 10 out of 16 at 0.1 level. So around half of the criteria viewed are significantly different. This in turn will raise an important question, whether supported activities and restrictions are methodologically and empirically grounded. For instance manufacturing in the sense of processing agricultural or non-agricultural products are not so different industrial fields that their support measures should substantially differ. The answer to given question needs additional specific analysis, which could be conducted in future studies.

The last part of analysis indicates that measures focused either on fixed asset investments or reimbursement of costs, are rather different in respect of restrictions (see Table 4). Namely, five of the nine variables tested are significantly different on at least 0.1 level. For all significantly different variables, measures focusing on fixed asset investments have remarkably higher share of restrictions, whereas on some

occasions measures focused on reimbursement of costs do not have restrictions at all.

**Table 4.** Analysis whether restrictions are different through measures focused either on fixed asset investments or reimbursement of costs.

Variable	Cramer's V	Approx. Sig.
Age	0.409	0.014*
Industry	0.086	0.607
Owners	0.197	0.238
Past financial indicators	0.315	0.059**
Future financial indicators	0.408	0.014*
Location	0.378	0.023*
Minimum support sum (EUR)	0.171	0.306
Maximum support sum (EUR)	not calculated, constant	
Maximum support rate	0.426	0.011*

\* significant at 0.05 level

\*\* significant at 0.1 level

Source: compiled by authors.

## Conclusion

State grants are designed to achieve some objective of economic policy, which can for instance be addressing some market failures or increasing specifically some target figure (e.g. economic growth, employment, export). Current paper aimed to study whether government grant system to support firms is shifted towards supporting special types of firms rather than allowing a wide range of firms to get support.

For current study all Estonian grants to firms in the program period of 2007-2013 and financed through EU funds were included in analysis, totaling at 36 different grant measures. The analysis of grants showed that they tend to favor investment activities, but what concerns the restrictions to applicant and application the situation highly varies. When for some variables (e.g. industry, maximum support sum, maximum support rate) majority of the total budget of grants is connected with restrictions, then for others (e.g. future financial indicators, minimum support sum) most of it is without restrictions, still the majority of viewed restrictions existing for around half of the total budget of grants. The grant measures in two implementing units were found to have a lot of differences in respect of activities supported and restrictions. Also, measures focusing on fixed asset investments have remarkably more restrictions when compared with measures focused on reimbursement of costs.

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## **ETTEVÕTLUSTOETUSED EESTIS: MILLIST ETTEVÕTET NEED SOOSIVAD?**

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### **Sissejuhatus**

Seoses Euroopa Liiduga (EL) liitumisega on Ida-Euroopa riikidele ELi poolt antud suurel hulgal (tagastamatuid) toetusi erinevate eluvaldkondade arendamiseks. Oluline osa neist toetustest on olnud suunatud ettevõtete arendamisesse, mistõttu on ka välja töötatud suur hulk erinevaid ettevõtete rahalise toetamise meetmeid. Samas pole siiani avaldatud (teadus)kirjutiste põhjal võimalik öelda, millised ettevõtted on erinevate meetmete poolt finantseeritavate tegevuste ja ettevõtetele seatud piirangute tõttu soositud ning millised mitte. Eelnev ongi motiveerinud vastava artikli kirjutamist. Artiklis antakse ülevaade kõigist Eesti ettevõtlustoetustest, mis on EL fondide poolt rahastatud ja mida siseriiklikult jaotatakse, saamaks vastust küsimusele, milline ettevõte on Eestis ettevõtlustoetuste saamiseks soodsas seisus.

### **Tematikahane kirjandus ja ettevõtlustoetused Eestis**

Riigiabi käsitlevat teoreetilist kirjandust ja praktilisi uuringuid on maailmas teostatud palju. Uuringutes puudub siiani ühtne seisukoht, kas riigiabi on ainult positiivse mõjuga ning kas see suudab täita sellele seatud eesmärgi. Riigiabi rahalistest meetmetest on tuntud tagastamatu abi, laenu, laenugarantiid ning maksusoodustused. Erinevate riikide toetuste süsteemid võivad olla vägagi erinevad, tulenevalt peamiselt sellest, et nende ülesehituse tinginud riiklikud strateegiad on väga erinevad.

Programmeriigidil 2007-2013 kasutatakse Eestis ettevõtete toetamiseks erinevate EL programmide vahendeid, mis tulenevad peamiselt ELi struktuuri-, regionaal-, ühtsest põllumajandus- ja kalanduspoliitikast. Vastavaid poliitikaid Eestis elluviivad institutsioonid on peamiselt Majandus- ja Kommunikatsiooniministeerium ning Põllumajandusministerium, rakendusüksusteks vastavalt Ettevõtluse Arendamise Sihtasutus (EAS) ning Põllumajanduse Registre ja Informatsiooni Amet (PRIA).

### **Kasutada olevad andmed**

Ettevõtlustoetusi puudutava analüüsi läbiviimiseks koguti info kõigi programmiperioodi toetuste kohta strateegilistest dokumentidest ning rakendusasutuste ja rakendusüksuste kodulehtedelt. Peamiselt pakuvad Eestis ettevõtetele toetusi EAS ning PRIA, mistõttu on analüüsis piiratud ka nende poolt rakendatavate meetmetega. Samas on muude rakendusüksuste ettevõtetele suunatud meetmeid Eestis ka ainult üksikuid. Sejärel tutvuti kõigi meetmete määrustega, mille tulemusel koostati kõigi meetmete kohta nimekiri kajastades erinevaid karakteristikuid. Alljärgnevalt on kajastatud ainult need karakteristikuid, mis on vajalikud tabelis 1 toodud informatsiooni mõistmiseks.



- 1) Toetatavate tegevuste liigid (vastavalt EASi toetusvõimaluste andmebaasile, „Jah“ – 1 / „Ei“ – 0):
    - a) Investeeringud - kulutused põhivara soetamiseks on abikõlblikud.
    - b) Arendustegevus - kulutused innovatsioonile on abikõlblikud.
    - c) Uuringud - uuringute teenuste sisseostmine on abikõlblik.
    - d) Koolitus - koolitusteenuste sisseostmine on abikõlblik.
    - e) Konsultatsioon - nõustamisteenuste sisseostmine on abikõlblik.
  - 2) Toetatavate tegevuste liigid (selleks otstarbeks koostatud klassifikatsiooni alusel, st. väärtus „1“ omistatakse sellele toetatavale tegevusele, millele meede peamiselt suunatud on)
    - a) Põhivara
    - b) Kulud
  - 3) Taotlejatele esitatavate piirangute liigid („Jah“ – 1 / „Ei“ – 0):
    - a) Vanus
    - b) Tegevusala
    - c) Omanikud
    - d) Mineviku finantsnäitajad
    - e) Tuleviku finantsnäitajad
    - f) Asukoht
  - 4) Toetusmeetme piirangud taotlemisele:
    - a) Minimaalne toetus – summa või vahemik eurodes.
    - b) Maksimaalne toetus – summa või vahemik eurodes.
    - c) Toetusmäär – protsentides koguinvesteeringust /-kulust või vastav vahemik.
    - d) Meetme eelarve – toetuse kogueelarve kokku miljonites eurodes.
    - e) Kätesaadavuse algusaeg – meetme avanemine taotlemiseks või vastava määruse esimese redaktsiooni jõustumise kuupäev.
    - f) Kätesaadavuse lõpp – meetme sulgemise kuupäev.
- Taotlemine viis – „Jooksev“ (avatud taotlemiseks pidevalt – „C“) / „Voorudena“ (avatud taotlusvoorudena – „R“)

Kokku tuvastati perioodi 2007-2013 kohta 36 meedet, neist pooled EASi ning pooled PRIA omad.

### **Analüüsi tulemused**

Kõigi Eesti ettevõtlustoetuste analüüs näitab, et toetuste koguarvust on ligikaudu kaks kolmandikku suunilusega investeeringutele ja arendustegevusele, kokkuvõttes põhivara investeeringutele. Erinevate kulude rahastamine on eelnevast tulenevalt oluliselt vähemlevinud. Kahe rakendusüksuse lõikes on investeeringute põhisis oluliselt suurem PRIA meetmete puhul ning vastavalt oluliselt madalam EASi meetmete korral.

**Tabel 1.** Rahalist toetust pakkuvate meetmete ülevaade rakendustiksuste lõikes ja kokku

Toetusmäär	33	92%	99%	15	83%	98%	18	100%	100%
Maks. toetus (EUR)	36	100%	100%	18	100%	100%	18	100%	100%
Min. toetus (EUR)	11	31%	23%	10	56%	65%	1	6%	3%
Asukoht	8	22%	50%	0	0%	0%	8	44%	75%
Tuleviku finantsandmed	9	25%	22%	3	17%	7%	6	33%	30%
Mineviku finantsandmed	17	47%	54%	6	33%	13%	11	61%	74%
Omanikud	19	53%	43%	16	89%	79%	3	17%	25%
Tegevusala	34	94%	82%	17	94%	77%	17	94%	84%
Vanus	13	36%	48%	3	17%	7%	10	56%	68%
Kulud	12	33%	18%	10	56%	52%	2	11%	2%
Põhivara	24	67%	82%	8	44%	48%	16	89%	98%
Konsultatsioon	11	31%	13%	10	56%	38%	1	6%	1%
Koolitus	6	17%	5%	5	28%	5%	1	6%	5%
Uuringud	5	14%	16%	4	22%	46%	1	6%	1%
Arendustegevus	22	61%	69%	11	61%	64%	11	61%	71%
Investeeringud	25	69%	89%	9	50%	71%	16	89%	98%
	Toetusmeetmete arv, mis vastavad tegevust toetavad või omavad konkreetset piirangut			Vastav osakaal					
	Vastav osakaal kui võtta arvesse meetmete eelarveid			Vastav osakaal kui võtta arvesse EAS toetusmeetmete arv, mis vastavad tegevust toetavad või omavad konkreetset piirangut					
	Vastav EAS osakaal			Vastav EAS osakaal kui võtta arvesse meetmete eelarveid					
	PRIA toetusmeetmete arv, mis vastavad tegevust toetavad või omavad konkreetset piirangut			Vastav PRIA osakaal					
	Vastav PRIA osakaal kui võtta arvesse meetmete eelarveid								

Taotlejale ja taotlusele seatud piirangute lõikes on varieeruvus päris suur. Kõige vähem on seatud piiranguid tuleviku finantsandmete ning minimaalse toetussumma osas, mõlemal juhul ligikaudu veerandil juhul toetuste kogueelarvest. Teisalt on peaaegu kõigi meetmete puhul tegemist maksimaalse toetuse ning toetusmäära piirangutega, kuid küllaltki kõrge on ka tegevusvaldkonna piirangu osakaal. Vanusele, omanikele, mineviku finantsandmetele ning asukohale on meetmete kogueelarvest piiranguid umbes pooltel juhtudel.

Kahe rakendusüksuse meetmete lõikes varieerub piirangute olemasolu märkimisväärselt. Kuueteistkümnest vaadeldud muutujast kümne korral näitab Cramer'i V test nivool 0,10 EASi ja PRIA lõikes statistiliselt olulisi erinevusi. Kui vaadelda meetmeid selle alusel, kas need on suunatud põhivara investeeringute tegemiseks või kulude hüvitamiseks, siis viimatinimetatud meetmete puhul on oluliselt vähem piiranguid ning kahe vastava meetmetegrupi puhul on viis piirangut üheksast Cramer'i V testi alusel nivool 0,10 statistiliselt oluliselt erinevad.