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Social entrepreneurship in Lithuania: development, current situation and future plans

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The first law of social enterprise

- The first law of social enterprise (SE) was passed in 2004;
- The definition of SE used in this law;
- Types on SE.



Social enterprises of disabled

State financial support in 2016 - 23,8 mln. euros.

6 231 disabled persons employed.



The social enterprise conception

- ✓ The importance of the new legal act;
- ✓ The definition it establishes;
- ✓ Aspects social enterprise covers.



The further development of the system

- The Social enterprise Promotion 2015-2017 year action plan;
- Social enterprise criteria recommendations.



The adaptation of social enterprise principles different types of organizations

- ✓ Work integration SE;
- ✓ Non-gonvernemental sector organizations;
- ✓ Private sector organizations.



Not a social business model

Work integration social enterprises. Examples:

- This status have UAB “Neįgaliųjų įmonė” and “Mokymų Spektras” herbal manufacturers.
- UAB Acorus Calamus, a company that produces a wide range of electronic goods produced by blind people.

Non-governmental organizations. Examples:

- Lithuanian Caritas. However, the organization has an establishment- Caritas works, which can be seen as a social business: The organization makes and sells candles and the proceeds goes towards funding their projects.

Corporate Social Responsibility (CSR). Examples

- RIMI Lithuania (Employ people with disabilities)
- Pakmarkas (Constantly invests in technology to reduce the level of CO2 emissions caused through the manufacturing process).



State financial support

In 2017:

- Ministry of Social Security and Labour 2.9 million Euro from EU funds for social enterprises;
- Ministry of Agriculture – 113.87 million Euro (in the “Leader” program);
- Ministry of Economy - 2.9 million Euro for the mean "Verslumas Lt" (for consulting and starting of social enterprises).



Regional development

Lithuanian Leader network, one of the 4 EU Community Initiatives.



Social business development law

Project of the law in Lithuanian Parliament in 2017 by Ministry of Economics.

This law **aims** to define the concept of social business entity, the rules to get the status of social business and conditions to lose it, to define forms of possible state financial support and main principles for evaluations of positive social impact.



Concept of social business entity

Aa private or public legal entity that, in the course of an economic activity, seeks to reach the public, group or environmental objectives and solve societal social problems in accordance with named criteria.



Criteria of social business entity

1. Size
2. Measurable positive social impact for specific listed problems
3. Set part of income from economic activities
4. Profit specific allocation
5. Involvement of stake holders into the whole business process.



Integration issues faced by

- disabled;
- single-parents;
- people of pre-retirement age;
- pensioners;
- persons returning from imprisonment institutions;
- persons suffering from addiction diseases;
- persons without qualifications;
- unemployed;
- young people not enrolled in training (NEETS);
- representatives of national minorities;
- refugees;
- persons who have suffered form coercion.



Working on issues

- reduction of negative environmental impact;
- biodiversity and landscape protection, animal care;
- promotion of cultural activity;
- prevention of illness and addiction;
- health care, social tourism, increasing public health;
- protection and safeguarding of human rights and equal opportunities;
- development of citizenship, patriotism, reduction of emigration;
- provision of social services.



Concessions for social business entities

- Income Tax;
- state and municipal property free of charge;
- in Public Procurement procedures;
- Real Estate Tax;
- financial support measures;
- non-financial support measures;
- provision of public services for social business.



Social business accelerators

Reach for Change Lithuania

Socifaction / NGO Hive / Institute of Social integration

Questions?