



**BRESE**  
Interreg Europe



European Union  
European Regional  
Development Fund

Interreg Europe Project “BRESE – Border Regions in Europe for Social Entrepreneurship”

Regional Analysis **Latvia-Lithuania** cross border cooperation programme region – key points

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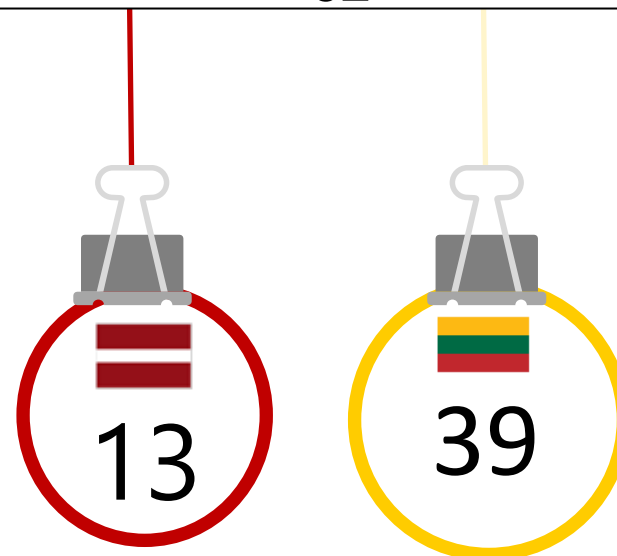
# Map of the region and overview of number of social enterprises



- Population - 2.3 mil.
- Business density – 20,5 companies per 1000 inhabitants

Number of social enterprises (2019)

**52**



Number of de-facto is larger, but unknown

# Legal Status and Concept of Social Enterprise



## Social Enterprise Law (2018)

- Only Limited Liability Companies, not NGOs
- With wide range of social impact:
  - Work integration social enterprises,
  - Social benefits to specific groups,
  - Lasting social or environmental impact
- Profit can not be taken out of the company by shareholders
- **De-facto** also exist



## Law of Social Enterprises (2004)

- **De-jure:** just work integration social enterprises

## Decree of the Minister of Economy “Conception of Social Business” (2015)

- **De-facto:** an organization with a social mission and a business model operating under market conditions
- With impact on society and environment

# Main factors hindering the development of Social Enterprises (SE)

- Lack of understanding and awareness about social entrepreneurship
- Lack of understanding of type of social impact provided by SE
- Active persons without **entrepreneurial skills, trying to solve personal social problems**
- Not distinguish charity and business with social impact
- Negative perception of SE (*profit on the social problems of people*)
- High bureaucracy and administrative burden

# Main findings and conclusions from the stakeholder interviews

- Lack of targeted and promoted ecosystem of SE
- Lack of overall awareness about SE
- Significant role of municipalities and local action groups to promote SE
- Unclear statistics (de-jure/ de-facto)
- Motivated by wrong reasons (grant support)
- Need to change the thinking of society about values and social needs
- Need of multi-stakeholder networking and experience exchange
- Need to promote Public procurement from SE (with social impact)

13 interviews conducted





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## Thank you!

