

Social enterprises in Lithuania: Challenges and Opportunities

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The need of social enterprises in Lithuania

Potential to address the persistent poverty and limited labor market inclusion;

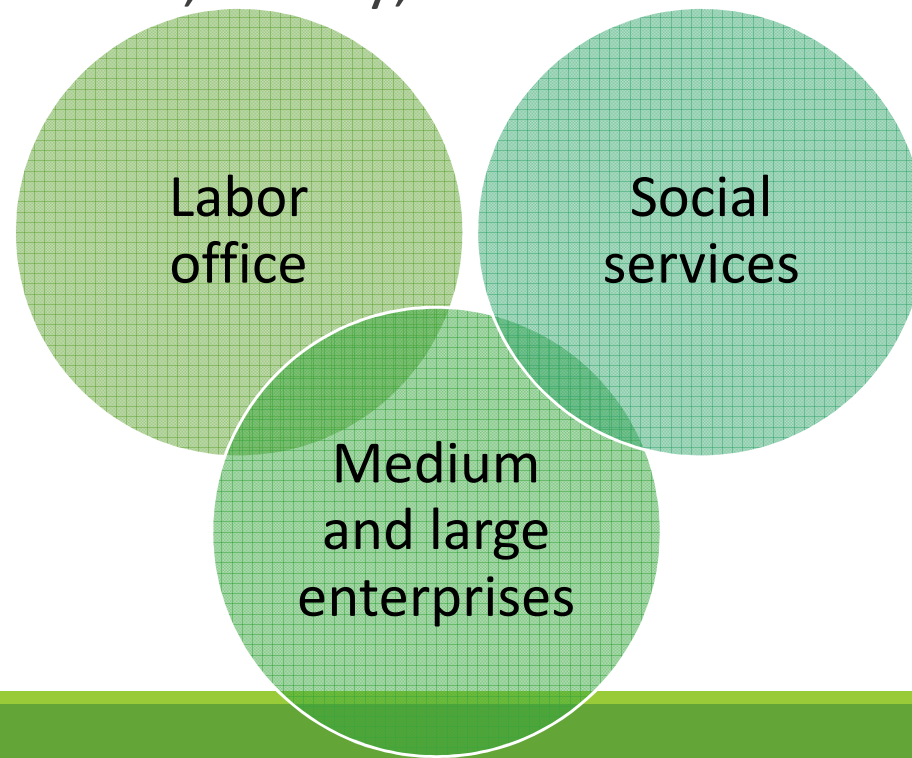
Low rates of employment, high dependency on substances, insufficient inclusion of socially disadvantaged groups to society;

Low motivation, low qualification of employees, not developed supported employment services, etc.



Challenges or Opportunities?

Services and production are provided by governmental institutions and private bussiness, mostly;



Challenges or Opportunities?

Legislation: *The Law on Social Enterprises* (Law No. IX-2251)

Employment is subsidised for further target groups:

- 1) Unemployed disabled persons (*the most complex schema*);
- 2) Long-term unemployed (> 2 years);
- 3) Persons who are unemployed for more than a year and their age of retirement is no more than 5 years after;
- 4) single parents, rising a child up to 8 years and unemployed more than 6 months;
- 5) ex-prisoners, who were imprisoned at least 6 months and are unemployed for more than 6 months.

Is it enough? What about NEETs?



Challenges or Opportunities?

Division between social enterprise(1) and social enterprise of the disabled(2):

(1) 40% of employees are coming from previously mentioned target groups;

(2) at least 50% of employees are disabled.



Challenges or Opportunities?

Many enterprises are operating de jure

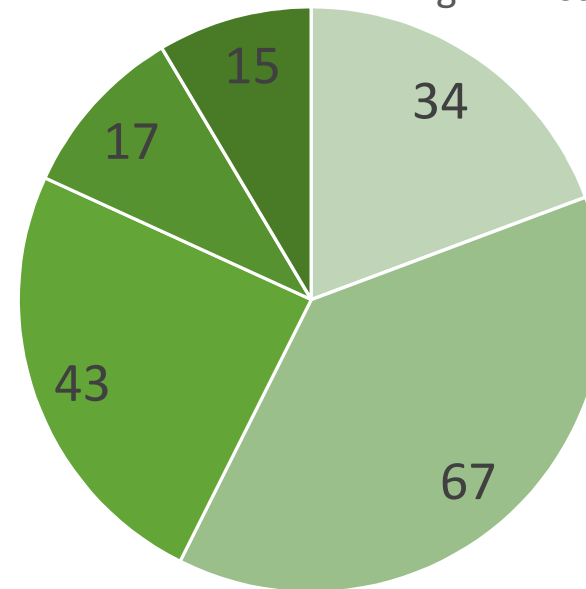
Rising focus on economic and not social objectives (similarly as other business companies), however, with much better access to public funding and tax exemptions

Challenges or Opportunities?

There are opportunities close to the biggest cities only?

176 social enterprises in Lithuania

Fig. 2. Distribution in regions



■ Kita ■ Vilnius ■ Kaunas ■ Klaipėda ■ Šiauliai

Risks for social enterprises in Lithuania

Low purchasing power – especially in regions;

Bureaucracy;

Limited share of disabled participating in the labor market (very large numbers of disabled are not motivated to work due to disability pensions)

Absence of specific financial support for de facto social enterprises;

Stigmas, stereotypes and lack of knowledge of employers.



Optimistic perspective – best practices

“Pirmas blynas” (eng. “*First pancake*”) – social enterprise for disabled

<https://www.youtube.com/watch?v=7EafNYA0hIE>



Optimistic perspective – best practices

“Mano GURU” (Eng. “My GURU”)
salads bar

<https://www.youtube.com/watch?v=vtja5o1pFik>

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THANK YOU FOR YOUR ATTENTION!!!

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The logo for ZISPB features the letters 'ZISPB' in a black, elegant serif font. The letter 'I' is replaced by a stylized flower icon with five petals in shades of green and blue. The logo is positioned in the bottom right corner of the slide, above a solid green horizontal bar.

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