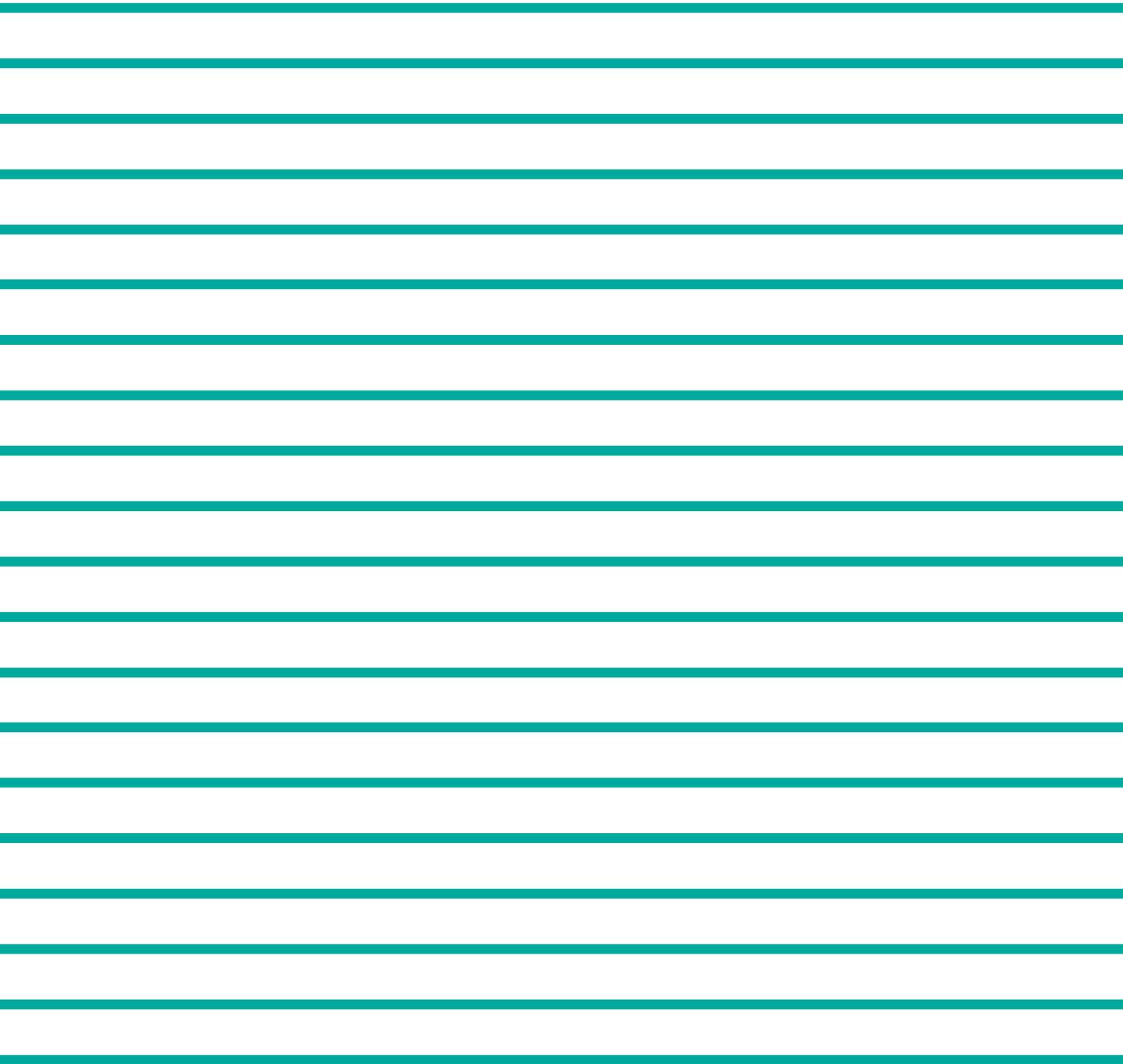
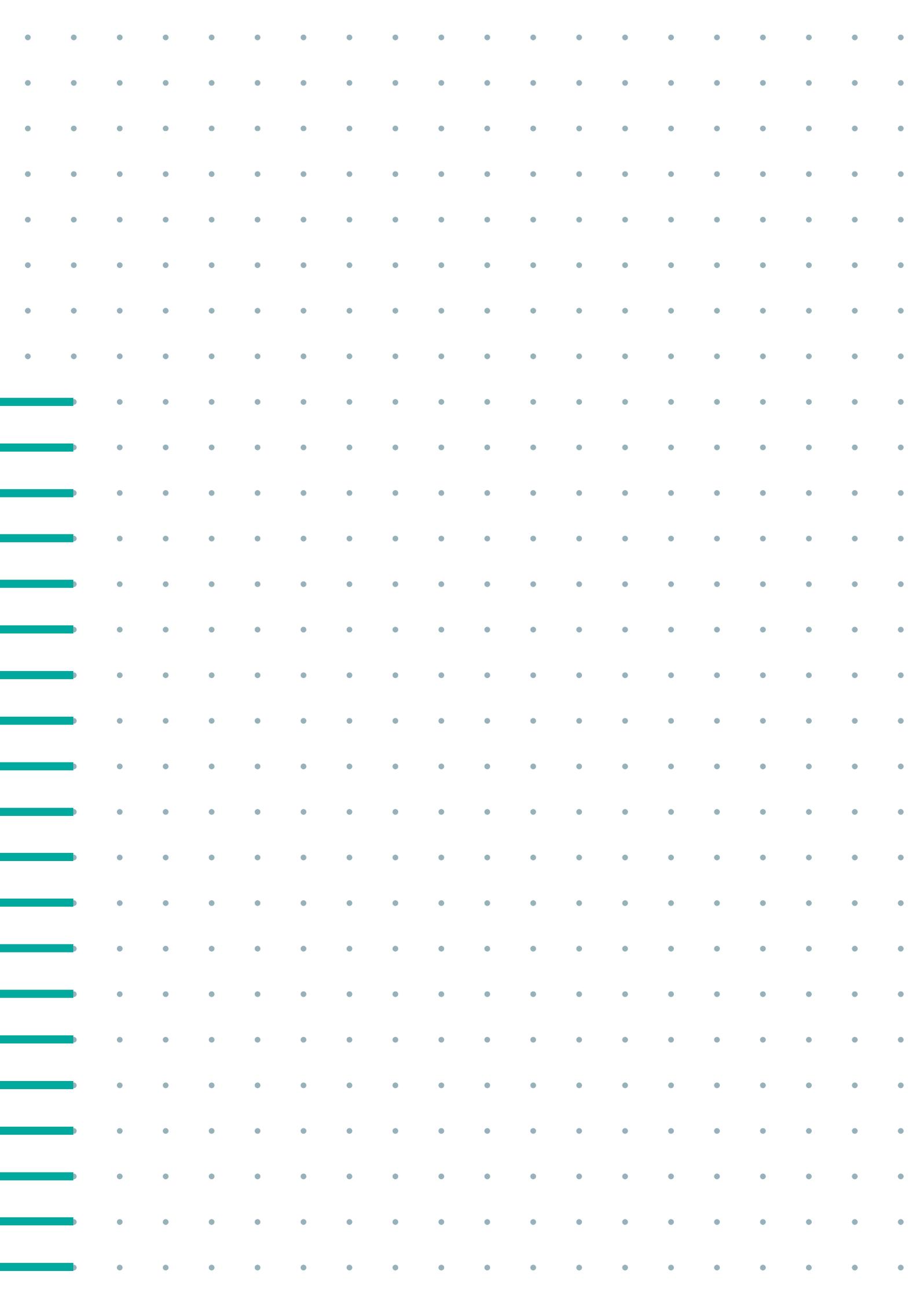


S O C I A L
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2017

R E P O R T





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Social Enterprise Summit 2017

Introduction



This year's summit was the fourth annual Social Enterprise Summit for Lithuania - the aim of which was,

To clarify the vision for social partnerships – the relationship between the state and social business – in Lithuania and to continue to build a favourable environment for social enterprise*

This one day event brought together social business experts, academics and practitioners from Lithuania and abroad to discuss the latest social business trends and growth opportunities. The main theme was to explore social partnerships - the relationship between the community, social business and local government. This was delivered through presentations, discussions and working groups led by local and foreign experts and focusing on three key areas:

1. The social business landscape in Lithuania, in particular, the experience of SOCIFACTION (a social business accelerator program) in the Lithuanian regions
2. Social business as a tool for addressing public or social problems - includes case study analysis
3. The relationship between social business and local municipalities - in particular, how to create an effective partnership

This conference started the process of identifying the types social partnerships in Lithuania by analysing Lithuania's best social business practices and its potential, with a focus

on self-government and self-determination through local organizations and social businesses. A key strand was the need to focus on areas which are in need of developing appropriate policies and steps at the national, regional or local level for social business development.

The target audience for this year's conference: social entrepreneurs who have already created and those who want to create social businesses, local community representatives, Local Action Group (LAG) representatives, Non-Governmental Organisations (NGOs), decision-makers, representatives of local municipalities, business representatives and academics.

This report is based on transcripts and the write up of the conference - including translation into English - by Inga Labutyte-Atkočaitienė, Phil Tulba edited and formatted the report. The author and editor have represented faithfully the views of the speakers and workshops and where there are mistakes, these are unintentional.)

*The term social enterprise and social business are used interchangeably – see notes of presentation from Raminta Krulikauskienė from the Ministry of Economy on page 9.

Welcome Speeches

The following welcome speeches have been summarised to reflect the key points of each speaker.

Mindaugas Sinkevičius

Minister of Economy



The Minister spoke about new forms of businesses and cooperation and the dynamic interface between business and the social environment and that the Lithuanian society is not an exception. He went on to state that the attention given to social business and its potential is increasing at both the European Union and national level.

During the speech, the Minister went on to underline the main aim of the Social Enterprise Summit - to develop the vision of social partnerships in Lithuania and to start creating the environment required. Partnerships of this type represent the essence and nature of social entrepreneurship: social entrepreneurs have ideas how to solve problems of the society, city or community - and most importantly - they know how to make a business out of it.

Bronius Markauskas

Minister of Agriculture



Mr Markauskas began by stating, “the media here in Lithuania is full of painful messages about the holes in our social policy – that’s why we need to pay more attention to social enterprises. Communities have the possibility, and I’d say, even a duty to notice social issues in our society, react and solve them and to contribute to the creation of welfare.

Lithuanian villages and remote communities have enough human resources - they only need now tools for their action.”

The Minister went on to state that the responsibility of the Ministry of Agriculture is not only about farming, but also about the development of rural areas and raising the quality of life. Furthermore, funds meant to boost the formation of communities, to raise wealth in rural areas, are also provided next to the Lithuanian Rural Development Program for 2014-2020.

The current 2014-2020 social business theme was prompted by the European Union ‘promoting social inclusion, decreasing poverty and raising employment in rural areas’ - these are the tasks set for the LEADER (local development strategy) programme in all European countries.

There are 110 million euros dedicated for LEADER program with 88 million euros set aside for local projects and 22 million to administrate the strategies of development and to encourage residents.

During the period of 2007-2013 ‘Rural Development Program’ the biggest attention from the LEADER program was set on creating infrastructure and improving it. Only a small part was provided to set up traditional business and to support the first stages of community business.

The Minister went on to state that, “despite that, the initiatives of social business still appeared and that’s a signal that communities are capable of developing businesses of such type. What they need is help and encouragement”. He continued, “social business could become a great tool in rural areas to achieve the objectives set and to create conditions for active members of the village to take action, create a better social environment, enable people to independently solve old and newly rising social and economic problems”.

Claire Lawrence

Ambassador of the United Kingdom



“Welcome to the Summit that convenes again for the fourth time and has become an important forum to meet and discuss ideas and issues for the policy-makers, social entrepreneurs, NGOs and socially responsible businesses.

In the UK social enterprise is a rapidly developing field: there are around 70,000 social enterprises, employing two million people and contributing £24 billion to the UK economy.

This large audience indicates that social enterprise is increasingly perceived as an effective tool to tackle issues of social and economic sustainability also in Lithuania, and we are glad to contribute to its development.

The Foreign and Commonwealth Office (FCO) is supporting the British Council and its partners in delivering a large-scale social enterprise program “Socifaction” that focuses on the Lithuanian regions as a part of the larger cultural relations program aimed at providing new opportunities for social cohesion, community resilience and openness to European values.

We hope that our support for social enterprise will not only strengthen links between the UK and Lithuania, but will play its role in generating the positive change you are trying to achieve.

The Summit program is ambitious: you will be discussing issues ranging from social enterprise in education to social business environment and, therefore I wish you success!”

Artūras Vasiliauskas

Director of British Council



“Welcoming the participants of the Social Enterprise Summit I would like to remind you that we gather here for the fourth time. Since 2014, when the first Summit was held, there have been a lot of changes: not only has the social enterprise field widened, but also the ones, that have been engaged in social enterprise for years, found a right name for their activity.

It is noticed that the interest of government institutions in social enterprise sector is growing with at least three Ministries: Economy, Agriculture and Social Affairs and Labour have a question of social business development on their agenda.

Strategies and action plans are being written, feasibility studies carried out. That proves social enterprise is stepping out of a niche, growing bigger from a few nice initiatives and searching for a new place between national priorities”.

Mr Vasiliauskas went on to state that for the British Council, as an organization of cultural relations, social business is an important innovation of social interaction, which raises long-term positive change and creates positive trust between people, social groups and countries. He went on to underline the work in this field is rapidly expanding all over the world (in 29 countries at this moment). Some examples included teaching more than 17,000 future social entrepreneurs, in many countries including Lithuania through the implementation of an education program “Social enterprise package for schools” for example.

Together with partners in Lithuania, the British Council is organizing a social business accelerator program called “Soci-faction” (see presentation from Monika Juknienė from NGO Avily). This program is being delivered in 15 municipalities in Lithuania which is addressing social and economic problems.

In addition to this, for the British Council, social business initiatives first of all is a way to unite communities and to help them find sustainable ways for cooperation and mutual assistance. Such independent communities create networks of “daily citizenship”, which later grow into stability and well-being of society.

Mr Vasiliauskas went on to say, “I’d like to quote the Chief Executive of the British Council, Ciarán Devane,

“Cultural and educational co-operation will now play a key role in preserving our long-term unions in Europe, during the period while we are reviewing our relationships with the continent. Both sides will benefit, if they will work together in the fields of research, education and art. They will however lose a lot if these sectors are ignored and forgotten, while giving all the attention to the political and economic discussions”

I sincerely thank to all, who organized this Summit and I hope that this Summit will become another big step towards understanding the work that needs to be done and priorities that should be sought. I wish you long, intensive and productive day as well as entertaining evening altogether”.

Jurgita Ribinskaitė

representative of Reach for Change,
Partner of Geri Norai LT



“For me social business means freedom. We are used to link freedom with the free speech, freedom of movement and that is very important but I’m from the generation that still remembers the ‘planned economy’. I also remember how entrepreneurial Lithuanians were when we just reclaimed our independence and the walls had opened: freedom and responsibility altogether is social business. Because you are free to create, but responsible for others, for your employees. You don’t make a five-year plan, and do not fulfill the program set from someone above. Now you make actions that create impact – otherwise business just won’t work.

On the other hand, social business is scary – you are much more

likely to fail, because the ability to write and application and friendships won’t work there. You can fail very easily, and it’s very good. I failed myself when a few years ago we tried to sell products, made by various non-governmental organizations and social enterprises. We had a great idea and a great team, but no one bought those products; my savings quickly disappeared. But I’m happy we risked it and from this experience the project “Socifaction” was born, with the goal to promote entrepreneurship.

I do not romanticize social enterprise, it won’t solve all of the problems and, in many cases, grants and funding is still needed. But it will be better for all, if we would take more responsibility for the money we have and gain freedom to create change”.

Eitvydas Bingelis

Vice-Minister of Social Security and Labor – Sustainability, reduction of poverty and social partnership



Darnus vystymasis – tai ne tik aplinkos apsaugos klausimas. Šis uždavinys tenka įvairioms Lietuvos ministerijoms, nes apima ir švaraus vandens prieinamumą, skurdo mažinimą, gerai funkcionuojančią sveikatos apsaugos sistemą ir kitus tikslus.

Taigi darnus vystymasis – sąvoka, aktuali ir verslo sektoriui, ne tik aplinkosaugininkams.

Šiuolaikinė (po 1990-ųjų gimusių jaunuolių) karta vadinama „tūkstantmečio“ karta, taip pat Z karta daug aktyviau savo profesinėje veikloje ieško prasmės. Jie neprisiriša prie vienos darbovietės ir gali keisti daug darbų iš eilės, kol pajus kuriantys poveikį, esantys tam tikro pozityvaus pokyčio dalimi.

Todėl socialinis verslas jiems atrodo patrauklus – šioje srityje gali ir generuoti pajamas, ir savo veikla pakeisti aplinką (bent jau bendruomenę, kurioje veikia socialinis verslas).

Socialinis verslininkas gali rinktis iš daugybės darnaus vystymosi sričių: sveikatos apsaugos, senjorų priežiūros, transporto ir kitų. Socialinis verslas gali demonopolizuoti šiuo metu teikiamas socialines paslaugas, suteikti jas perkantiems žmonėms daugiau galimybių rinktis.

Viešųjų paslaugų sektorius Lietuvoje jau gerą dešimtmetį egzistuoja be stambesių pokyčių. Socialinis verslas gali padėti surasti naujų būdų ir naujų kelių.

Socialinis verslas nėra „stebuklinga“ veiklos forma, kurios dabar dauguma turėtų griebtis. Nevyriausybines organizacijas turi išlikti ir veikti.

Šiuo metu labiausiai socialinio verslo iniciatyvų laukiama socialinių paslaugų srityje. Socialinės apsaugos ir darbo ministerija žada sudaryti sąlygas daugiau paslaugų pirkti iš socialinio verslo.

Ministerija mano, jog būtent nevyriausybines organizacijas gali dalyvauti teikiant įvairias socialines paslaugas, keliant jų kokybę. Jos teiktų paslaugas nebe savanoriškai, o gautų už tai pajamas, todėl būtų atsakingos už savo teikiamų paslaugų kokybę.

Esant tokiai situacijai visuomenė gautų galimybę rinktis paslaugas tiekėjų. Tai nebūtinai reikėtų, kad paslauga kainuotų pigiau, tačiau NVO būtų suinteresuotos teikti kokybišką paslaugą.

Monika Juknienė

“SOCIFATION“, Leader of NVO

Avilys – Experience of the program

“SOCIFACTION” and social

enterprise environment in Lithuania



The history of social business in Lithuania:

- In 2012 organization “Geri norai” was launched, it started platform “Good deeds auction”. On the same year the first social business festival “BizZz” was held
- In 2013 first “Good ideas parties” were organized, the network of social innovators started to form
- In 2014 it was understood that a policy was needed to define social enterprise – that was the reason the Social Enterprise Summit started that year and each year it has a different main topic and puts attention of different themes that are topical for that year.
- In 2015 the Ministry of Economy had approved the Social Enterprise Concept in Lithuania. The organization “Reach for Change” (which invites and helps social entrepreneurs to help children) had also launched. The first events for the social enterprise accelerator “Socifaction” were held to provide training and mentorship help for future social entrepreneurs.
- In 2016 the first funding for social enterprise start-ups was distributed.
- In 2017 social enterprise is on the agenda of Lithuanian Government and Social Enterprise Law is expected to be released in the nearest future.

“Socifaction” social enterprise promotion program

- The aim is to empower community leaders, provide them with confidence and skills so that they feel ready to launch their own social enterprise.
- The accelerator constantly seeks positive policy for social enterprises in local and national level
- Social enterprise as a topic was included in school programs (in 5 secondary schools and 5 vocational training schools) and the social enterprise topic was included in lessons of economy and business.

- Social enterprise has to be visible: that’s why it’s very important to share and tell about the success stories.

In the last “Socifaction” stage 15 initiatives from various regions of Lithuania were selected as a potential social enterprises. The leaders of those initiatives in local communities received training from experts and social entrepreneurs.

Social enterprise – one of the best tools to lower social exclusion in Lithuania

- Communities can provide public services, which are now being in-effectively provided by the municipality and state institutions.

- Tools: public partnership, property lease, trust law, partnerships in various projects.

Challenges and possibilities:

- European Union funding in Lithuania isn’t meant for small start-ups (it is not oriented to small enterprises and small projects)
- Social enterprise startups usually have a vital need for initial funding (at least small sums). Also they need support and advice from the experts.

Measurement of social business impact:

- Look to define a unified methodology or methodologies and increase ability to evaluate (what we did and what we should do in the future?)
- Develop common indicators
- Develop ability to communicate what have you already done

Neringa Stroputė („Versli Lietuva“)

Raminta Krulikauskienė (LR Ūkio ministerija)

The government institutions role in social environment improvement



Neringa Stroputė, „Kurk Lietuvai“

In 2015 GDP per capita grew in many European countries from 1% to 6% and in Lithuania growth of GDP per capita was significant (4,36%).

Lithuania is one of the leading countries in Europe in terms of investment into social infrastructure, yet every 5th Lithuanian is living below the poverty line.

In a public poll only 7% of Lithuanians said they are in 'good health' and in terms of public health Lithuania places 26th out of 27 European countries. There is a financial cost – government must provide 1,5 billion euros every year for healthcare and medical services.

In terms of alcohol consumption, it is 1,5 times higher than the average in Europe and the rate of suicide is 3 times greater.

Today one fourth (25%) of Lithuanian citizens are older than 60 years.

Is it convenient to grow old in Lithuania? According to Global Age Watch Index Lithuania takes 63rd place out of 96.

Who can overcome these challenges?

Government? It has the motivation, but lacks resources and entrepreneurial skills.

Traditional business? Don't have any motivation for that. Even if it's socially responsible business, in the end the main goal is profit.

Non-governmental organizations? They are striving to change actions of the participants of the market. But they lack resources and independence – many of them depend on external funding.

And this situation is a huge possibility for social entrepreneurs.

What is needed for social enterprise to grow?

- A professional team
- Common promotion system / platform
- Permanent / on-going help and support
- Legal regulation

Today social entrepreneurs can find useful information here:

- “Versli Lietuva”
- Guide of social enterprise
- Facebook page “Social enterprise”
- Legal help is provided by Vilnius University “Law clinic” (teisesklinika.lt)
- Free mentorship is provided in platform of mentors (mentoriai.verslilietuva.lt)

Raminta Krulikauskienė, Ministry of Economy

The Concept of social enterprise in Lithuania was approved on 3rd of April, 2015.

Features of social enterprise

1. Social enterprise must have its goals – provide services or produce goods for members of the community - and have a long-term perspective.
2. Social enterprise has a specific management model: stakeholders, employees, community members - all are participating in management – they are accountable to the community.
3. Profit must be reinvested back into the enterprise or into the other activities of the same organization.
4. Social enterprise is independent from the government, municipality, public sector or any other organizations – its activity is based on economic activity:
 - a. Goods or services are intended to fulfill social needs (housing, healthcare, assistance for elderly or disabled, services for vulnerable social groups, childcare etc.)
 - b. Production of goods or services is done in a way that fulfills the social goal (providing job opportunities for persons that are in difficulty, those who are unemployed etc.)

Other key features include:

- Social enterprise isn't equal to social enterprise in Lithuanian law or 'socially responsible business' (e.g. business that have active corporate social responsibility programmes)
- Social enterprise, social business and socially responsible business are often misinterpreted

Social enterprise (in Lithuanian legal system) is an enterprise that employs only people from certain social groups who have lost their professional or common working capacity, who are economically inactive, or those that could not compete in the labour market. In this case, the government pays those businesses back with financial support through subsidies.

The description in Lithuanian Social Enterprise Law does not match the criteria of social enterprise set by the European Commission. Lithuania's social enterprises are still seeking to maximize profit (as it is inherent for traditional commercial businesses) - profit is reinvested into the development of the social enterprise.

Social enterprise (as it is understood in the European Union) is also different from socially responsible business. Socially responsible business seeks for maximum profit and minimum social impact, while for the social enterprise social impact is the priority, profit is secondary.

In 2015 Lithuania had approved an Action Plan for Social Enterprise promotion, it aimed to:

- Create a legal framework favorable for social enterprise
- Create financial and tax systems favorable for social enterprise
- Promote social enterprises and a social enterprise culture

What actions were made in 2016?

The Feasibility Study of Social Enterprise Development was approved by The Ministry of Social Affairs and Labour with recommendations set for social enterprises.

The project of the new Public Procurement Law, where the

contracting authority could set the criteria to buy only from suppliers that meet criteria of social enterprise.

The 'social enterprise' subject was also included in 350 professional education programs.

Organizations "Versli Lietuva" and "Kurk Lietuvai" have also implemented a set of social enterprise events in various regions of Lithuania and a social enterprise guide was created to educate society and the social Enterprise Summit was in its 3rd year.

The Ministry of Internal Affairs approved funding for 79 regional action strategies initiated by the local communities.

Program "LEADER" had approved 49 strategies of Local Action Groups. Those communities will receive funding from their municipalities for starting new social enterprises.

13 out of 28 Lithuanian municipalities implemented means for social enterprise promotion.

"Versli Lietuva" and "Kurk Lietuvai" developed the project "Social Lithuania"

'Injections of social enterprise' – a series of events that were short, inspiring presentations and speeches on social enterprise topic as well as 4 hours of lectures presented by social enterprise experts. Injections of social enterprise events was approved in Alytus, and is also being organized in two smaller regional towns.

"Think-Tank" with experts – close, non-formal meeting with active social entrepreneurs, experts, representatives from business, public sector and academic sector. Events held twice a year.

"Hackaton SPRINT" – a two-day event with the first day dedicated to social business lectures, design thinking, exceptional examples and case studies. The second day was focused on "hackaton" type practical work: young professionals generating ideas to solve real social problems in Lithuania.

The Law of Social Enterprise was planned to be approved in the second quarter of 2018 and in the third quarter it is planned to create a mechanism of consulting and provide help for new social entrepreneurs. During the fourth quarter of 2018, it is planned to create motivational tools and assign social enterprises to provide public services (step-by-step transition).

Benefits of Law of Social Enterprises:

- Sustainable social enterprise model will be anchored in Lithuania
- Social enterprise types and forms will be regulated
- Rules of funding and social impact measurement will be set
- The confusion of social enterprises (as they are now understood in Lithuania) will be dissolved

Ministry of Social Affairs and Labour plans to distribute 2,9 million euros for social enterprises. Funding will be provided for:

- Starting social enterprise (consultancy and other services needed)
- Training / formation of new skills
- Events
- Promotion of social enterprises

Seema Chandwani, „Selby Trust“ (United Kingdom)

Ethnically mixed communities and integral growth through social business



Seema Chandwani works in one of the most diverse European districts – 220 languages are spoken Haringey, a district in north London. This district had first black male municipality representative elected to the UK parliament in 1987.

Although it wasn't always like that as the district had gone through racial hate crimes and tensions.

Due to this reason in the 1980's the organization 'The Selby Center' was launched. Its premises were dedicated to different ethnic communities to meet, talk, develop their businesses, promote goods and services.

Today 'The Selby Trust' is an everyday home for 40 different organizations, 500 people visit it everyday and about 100 organizations use its premises from time to time.

What is going on in "Selby Trust"?

- Lectures in English and training of various skills are provided and specialists help immigrants to translate documents needed.
- People receive consulting and support (e.g. about job market, immigration, welfare, career, healthcare, sexual help). Real help is also provided for those in need such as through a 'Food Bank' for those who cannot afford to buy food in markets.
- Internet access is provided so that people could use it to send CVs or handle other matters

Seema Chandwani also stated that the problem of racism still exists in the United Kingdom – that's why the Selby Trust provides and promotes migrant integration. To remove various tensions and quarrels communities work, eat and create together at one 'big table' by using the Centre. Communities are also encouraged to share their traditions and viewpoints because a new member from any country could at least share their tradition on 4 topics:

- How gardening is done in their country?
- How is food cooked in their country?
- What are the sports there?
- How art is created, what are the most appreciated artworks?

Owners of the Trust also believe that the community is strong when they are involved in governance of the country. Therefore community members here are encouraged to vote in the polls and elections and debates are organized including meetings with local politicians and police.

There are immigrants, who are qualified enough, skilled to start their own social enterprise but they lack trust in themselves, they need a little push forward. The Trust helps those, who are thinking about creating business, helps to understand the Law of United Kingdom. In this community center businesses as "Ding Dong Play", "Selby Cafe", "Global Garden", "Marquee Wedding Hall" operate. The wedding hall also allows other immigrants to celebrate traditional weddings. When there's a wedding additional waitress and providers of other services are hired from the same immigrant community, these include Turkish, Polish and African food restaurants.

In Tottenham in the 1970s and 80s there were several significant riots that resulted in the deaths of black people and police. The Trust took the position of 'negotiator for the community sending politicians a message about why black community were angry.

Another major problem in this district is significant inequality of income and wealth. Luxurious and poor quality housing stand just right next to each other. One thing the Trust did was organize a forum on this topic which was attended by politicians, immigrant communities and local residents – they are currently searching for a solution for this problem.

The municipality has recently given £250,000 pounds to promote newly born social enterprises and the community had the right to decide, which ones are worth to receive funding through voting.

Today's challenges for the „Selby Trust“

- Building where a „Selby Trust“ is costs a lot to repair
- Ethnic groups that seeks for help are constantly changing, the newly arrived have different needs than the ones before
- Disadvantageous global geopolitical changes occur (Islamophobia, Brexit, radical far-right groups)
 - Communities are in different stages of integration (someone had just came and someone is living here for a few years)
- Funding – the Trust generates its own income and profit, but also needs some grant funding

Achievements of the Trust

- Lower rate of hate crimes in the region
- Local people value and respect it as a community anchor
- They have their own income (loan premises for various businesses, including the ones created by ethnic communities. Thus they can be partly independent, do not have to listen all tasks from the municipality.

Nils Phillips, Centrum för Publikt Entreprenörskap (Sweden)

Social enterprise and integration of vulnerable groups



Nils Phillips has 12 years experience working with the social organization Centrum for publikt Entreprenörskap in south of Sweden. This organization promotes social business, provides training and mentorship and consulting for social entrepreneurs. All of the center's employees are themselves social entrepreneurs.

Nils runs a social business that buys property in a rural area, Rostanga, a small village in the south of Sweden – a village with only 900 people.

Swedish rural areas have serious issues: population is declining, real estate prices are falling, no one wants to invest in these areas.

Nils had found out that due to the decreasing number of students, Rostanga school would have closed within 5 years. Closing the school would have caused the football club to close down and it would start irreversible negative changes for the community. He and his peers decided to revive Rostanga – they developed bicycle paths, but the development of the town needed big funds.

To generate income a social enterprise was created – the real estate company. The first house that was purchased was covered with graffiti and abandoned.

How to use an abandoned house, if there is no shortage of residential space, there's even too much of it? The community decided to establish a 'Museum of Modern Art' here. Several dozen people contributed financially to the project and the premises were renovated in a year and a half.

After hearing about the modern art museum interested artists began to travel from distant areas and the community is also interested in their work.

The business is run in such way: Nils founded a non-governmental organization, that owns a controlling stake (51%), each resident can then buy a desirable number of company shares with one share costing 50 Euros.

After starting the Museum of Modern Art, residents bought an abandoned restaurant that had gone bankrupt. Out of 900 residents of the village almost a half wanted to contribute to this project and the building was bought for 50,000 euros – a few times cheaper than the first proposal because prices were falling quickly. The premises were then rented out to a new restaurant operator with one tenth of its profits reinvested back into the community's new projects – the other part is shared by investors.

Some of the projects were complex: for example, 4 houses where dysfunctional families and drug addicts had lived and the housing condition was very bad before the community bought them. After the renovation a Help Center for refugees and asylum seekers was established in these premises. When the first refugees arrived, the Center staff also noticed they had excellent skills in renovation, building and redecorating premises – these created opportunities for the refugees to be involved in local projects. The community found some professional builders and repairers to lead training for newly arrived refugees from Syria and after the training was finished, they provided jobs for the Syrians in property renovation.

One of the refugees also started living in the house he have just renovated and after a while he brought his daughter to Sweden and she started to attend the local school.

What happened? The community owned social enterprise had solved one global and two local problems: an empty house was inhabited, the village attracted more people to live there and shelter was provided for refugees after Sweden committed to accept many refugees from Syria.

The social enterprise also later launched a non-formal education program for refugees. They were at the same time learning the professional skills from the craftsmen and also communicating with them in Swedish, so learning the language. Rostanga's village social enterprise currently owns 7 buildings.

At first this project wasn't meant for the integration of refugees – it was just an offer for the community members to become investors and later receive benefit (profit).

The current 'model' is the business, public and non-governmental sectors – it seems that those three sectors are functioning perfect, but after a closer look, it was clear that they do not solve existing social problems. Social enterprise is a hybrid of those three sectors: it strives for a financial benefit, just as business does, has the same virtues as non-governmental organization and solve problems that belong to the public sector.

Rima Olberkytė („VMG Mokykla“), Reda Kneizevičienė, Vaidotas Ilgius, „Maisto Bankas“, Jūratė Arštikaitienė, Childcare day center of Šakiai in Sintautai

Social partnership practice in Lithuania

Social partnership – it's a collaboration for the common aim to solve social problem

One example provided by Reda Kneizevičienė as in a rural area where people are getting older and no one provided them with necessary services. After applying to the municipality for help one must wait up to three months to receive the service he or she needed. That was the reason why the local community started to provide such services themselves and hired a few social workers that were working in the evenings and on weekends – they were able to provide services with prices that were lower than usual in the market.

An example from Jūratė Arštikaitienė: Local community is raising children of the whole village/town. Residents of the rural area cannot afford babysitter, but when childcare services are provided for a group of children, it was cheaper. Local businesses are in favor of this idea and fund it, usually many partners support such ideas of the community and are willing to cooperate in different areas.

An example from Vaidotas Ilgius (“Food Bank”): “Food Bank” is an organization that provides food from shopping centers and farmers that would be thrown away to those in need. They also take a small fee for food distribution to cover their everyday costs. Ministry of Agriculture awarded this organization with “Best Social Enterprise Initiative” award. The “Food Bank” to date has collected and distributed food of 8 million euros worth during the last year. Their work would be more difficult if the organization wouldn't have large amount of the social partners – trade centers, large enterprises and farmers.

An example from Rima Olberkytė: Organization “VMG School” has installed 6 modern culinary classes in schools in the past year. Their social partners are: school community, municipality, businesses operating in that region and enterprises from Vilnius.

Culinary lessons in school are mandatory but the culinary classes are of a poor standard, with poor quality equipment and poor dishes. Therefore, part of the funds for class renovation is requested from the municipality, provided that the other part will be collected from a variety of businesses.

It is essential not to be an “applicant”, but to provide an offer as a partner: “Let's do this together!”. Culinary class benefits health of the school pupils – they can make lunch here in the class, instead of buying unhealthy snacks, fast-food, they can celebrate their birthdays there and learn to cook together.

Who hinders social business activities and successful social partnerships?

- Uncertainty: there are some good ideas, but also there's fear that they will fail, also one politician could value the impact social enterprise makes, others will consider it as unnecessary.
- No clear legal framework for the activity: social enterprises operate as they feel is the best, because there are still no clear rules set. Later they are inspected by audit and receive comments, are punished for irregular documents or other mistakes.
- Indifference of the government (both national and local): community gets organized to provide services that municipality fails to provide, but the government shows no interest in it. One example is, “VMG Mokykla” which created the modern

textbook for Culinary Lessons. They offered Ministry of the Education to print it and after they get bored of waiting for an answer, organization printed 150 textbooks on their own expenses and sent them out as presents for schools. Parents of school pupils got interested and started to buy books for home and the expenses were quickly paid off.

- One service and only one source of income: social enterprise should have few sources of income, otherwise, when that only source comes to an end the organisation needs to be restructured (losing jobs) and provision of the service can be reduced or stopped.
- Good ideas and deeds sometimes hit a wall of indifference of municipality, government, controlling bodies (for example Public Procurement Office): the social enterprise wins the procurement, but the contracting authority rejects it and no one is eager to take action, to solve such situation.
- The desire of the partners to take advantage of the situation: an example is of one culinary class in the local school that was installed using particular materials and particular equipment, bought from the particular company. Business interests however outweighed the needs of the pupils.

What ensures successful partnership?

- You are not an applicant, but an equivalent partner. One should brace up, to communicate in equal level, be open, to sign commitment papers
- The perception that supporting social entrepreneurs helps whole local community, contributes to the benefit of their activity.
- The courage to offer various ideas, go on your own path and develop business in a way you desire it to be developed
- Sharing the ideas. To fulfill an idea you usually need partners – they are found while sharing an idea with the others.

WORKSHOPS / SESSION GROUPS

The second part to the Social Enterprise Summit focused on a series of workshops (session groups) that was a combination of presentations, discussions and working group meetings. The aim was to share knowledge and information and to also help develop policy and shape new activity for the coming period.

The workshop themes were:

- Social Business and education
- Social Business and cultural heritage
- Social Business and the de-institutionalization of social services
- Social Business and Public Services
- Social Business and reduction in tensions between communities
- Social business - innovation and children
- Working Group: Social impact measurement
- Discussion: Social business Lithuania environment research

Moderator Jonas Laniauskas, Youth affair coordinator in Vilnius city municipality

Social business and education



The session focused on 'what is social business?' The following diagram provides the model:

- Entrepreneurship
- Social aspect
- Management (clarity – all stakeholders involved)

Areas where social enterprises could be involved include:

- Non-formal education and other training programmes
- Formal education
- Youth camps
- Project training

Questions the work group tried to clarify during the session:

1. What is social business? How does it work?
2. What is the impact of social business on education?
3. Good practices – what examples do we know?
4. Ways to collaborate with the government – ideas / suggestions?
5. How to start social business?
6. What are the customers of social business?
7. Individuals and social business

The group had a long discussion about what is 'social business' – they analyzed many examples and rejected many of them as not suitable to be called a social business. Many of the activities were not social business because they did not sell any product or service; while others have a social idea behind them, but are too commercial.

The work group agreed that the biggest possibility of social business lays in the education field, for example, providing non-formal education services. In this case, the customers of the social business are parents and beneficiaries, their children. However, if only the state funds it, children and parents are not interested – the idea of social business fails.

There were some government representatives in this group and – while NGOs stated that municipalities are not willing to cooperate, rejecting ideas and treating social entrepreneurs just like the representatives of any commercial company – government officials responded that they receive few truly good ideas from social entrepreneurs.

Moderators dr. Artūras Jokūbavičius, Neringa Stroputė

Discussion: Social business Lithuania environment research



– Potential directions for social enterprise development: **Small and Medium Business** leaders of private companies must make a profit for its owners

The leader of the social enterprise must also strive for profit, but it's not intended for someone particularly. For a social entrepreneurs there is no great difference, who owns this business.

Company models - economic and commercial operator (association, NGO, Joint Stock company or other type), the municipality may be a co-owner of the social business company (up to 25 %.)

There is no need to divide Lithuania into regions.

The company should be able to get support from any region

You need balance – the law should make everyone equal, should provide an equal playing field.

Activities: There is no need to limit social business activities – they should operate in any sector.

Activities banned could only be alcohol production or malicious activity on the environment – social enterprise reinvests in social impact after all.

Should social business be directed to the person?

Providing services for vulnerable groups – too narrow. According to the Social Business Concept, approved in Lithuania, there are no such restriction: services should be provided to the diversified range of clients.

Can kindergarten be a social business? Yes, business activity should not be limited. Although at the moment there are still a lot of restrictions and prohibitions in the rules set by Ministries.

Profit distribution – the profit of the social business should be reinvested back into the business or into the community. In any case, the community makes decisions about the use of profit.

Social business can be owned partially by municipality or private company, but not more than 25-30% of the business. In such case unbalanced influence of one member would be reduced.

Status: Is a company a social enterprise or not? This should be decided by how much profit was made and where it was used (according to the financial data) also it is crucial evaluate its social impact constantly. Evaluation should be made by existing methods.

moderators Eugenijus Kaminskis and Ieva Nagytė „Kurk Lietuvai“ Social business and cultural heritage



The session group responded to the following question and then outlined the current conditions and offers (solutions):

What are the current problems?

Communities do not engage in social business and cultural heritage

Value added tax (all businesses have to pay 21% VAT in Lithuania)

Clients aren't ready to pay (it makes it hard to survive for social businesses)

Cultural heritage is disappearing

Traditional handicrafts become simple traditional business

No volunteering programs - they don't work

Lack of advertising meant for tourists (lack of engagement of tourism information centers)

Few communities want to settle in one premises / location

Limited action and benefit of Tourist Information Department

Current conditions:

Only those who are registered (at Department of Cultural Heritage) could uphold cultural heritage

Any business must pay VAT

Requirement to keep workplace 3 years after you've created it

Financing conditions are more beneficial for short-term activity

Regions have lower chances to receive funding through Cultural Heritage actualization program, because flow of the visitors is evaluated

High prices of services of Department of Cultural Heritage

Applications for project development and project management should be presented separately

Department of Cultural Heritage puts little effort in caring for cultural heritage and collaboration with social partners

Offers / Opportunities:

Create methods to engage communities

Offer Parliament of Republic of Lithuania to evaluate activity of Department of Cultural Heritage

Legalize model of apprenticeship (when only a project manager is certified at Department of Cultural Heritage)

Create 'passports' for objects of cultural heritage. According to today's requirements, it's almost impossible for a catering company to provide service in an object of cultural heritage. Businessmen search for a way and means to bypass existing requirements, situation encourages unfair practices.

Activate inter-institutional collaboration between Department of Cultural Heritage, Ministry of Culture, communities, municipalities and Local Action groups. Sometimes the duties of various institutions are intertwined, there are no system, that would coordinate their work.

Prioritize Program of traditional crafts (Ministry of Agriculture)

Register culinary heritage free of charge

Make it possible to register in the remote areas. This would allow people, who are, for example, living in abroad, start the business and return back to Lithuania.

moderator Ieva Adomaitytė-Subačienė, Vilnius university

Social Business and the de-institutionalization of social services



Main obstacles for social business in social service sector:

Old bureaucratic work culture and viewpoints in municipalities – potential lack of competence, entrepreneurship and innovation

Bad funding practice - NGOs are viewed as “seekers” and the government is “giver” - NGOs must prove their benefit every year, although the activity is long-term. One year period is usually too short to provide clear results and funding is usually delayed impacting on service delivery.

On the other hand, it was suggested that NGOs can lack competence, fresh ideas and innovation. They find it difficult to become social businesses - they lack skills in entrepreneurship, social marketing and sales.

Lack of financial motivation to launch social business - there are no tax incentives or other financial measures to support for start-up social businesses.

High and sometimes illogical criteria for providing social services

Many complex hygiene standards, requirement to have separate WC rooms for every family etc make it

difficult to start-up.

Lack of free decision-making - NGOs have to report every decision, every euro spent

Lack of inter-institutional collaboration and lack of will from various institutions to solve critical social problems - they want to transfer issues and problems to some other institution to solve it.

Lack of trust in NGOs from society

Offers / Opportunities:

Flexible law of social business that includes and defines various social business features and models. The definition of social business should include various models and micro-credit (start-up investment) should be provided for social businesses

Empower NGOs, work in partnership with NGOs and acknowledge their skills and achievements

Strengthen NGOs' entrepreneurial skills through training and support

Lower requirements for providing social services, especially in rural areas

Let municipalities set their own rules and standards, because unified, national rules are more difficult to meet

Loan for use the empty municipality and government buildings to deliver services from (asset transfer)

Plan budget for at least three years forward

Form long-term agreements (for 3 to 5-year period) for the provision of social services

moderator Martinas Žaltauskas, Chairman of Lithuanian NGO Committee

Social business and public services



What services can social enterprise provide?

Childcare, children activities

Activities for older people

Cultural events

Information services and consulting

Sports and leisure activities and facilities management

Environment protection services

Education services

Health services

Social business:

Generate income that is reinvested into the local community

Can help solve social problems

They are inclusive - the client is also the creator of the service (co-production)

Can be a catalyst for social innovation

Can provide emergency assistance

Central to local exchange goods and services (barter)

Can provide volunteering opportunities

Moderator Beatričė Juškaitė and Neringa Jurčiukonytė, NSII

Social business as a mean to reduce ethnical tension



This work group discussed the following questions:

1. What problems could be solved by social enterprise at the place you live, your hometown?
2. What actions could be made and implemented right away?
3. Recommendations, solutions after creation of social enterprise

CHALLENGES:

The following challenges were identified by the workgroup:

Arbitrary media, writes and broadcasts in Lithuanian only

Lack of tolerance or understanding from society

Poverty (perhaps they had whole of Lithuania's situation in mind – many people living in poverty)

Negative viewpoint from the society

Communities are getting older

Lack of professionals, who could integrate people into activities and community

Lack of premises, where newly-made teams could meet and create relationships and deliver activities

SOLUTIONS:

Use current buildings and land more effectively

Community could have their own media channel

Use the project „Media for Change” which takes place every year for communicating activities and benefits

Work directly with people and communities that should be integrated into society

RECOMMENDATIONS

Listen for both (or more) sides in every story

Avoid subjectivity and identification – let people hear each other and talk

Grow cultural diversity

Social enterprises can focus on social activities, art, music and gardening activities

Organize the structure of social business / support the development

Moderator: Jurgita Ribinskaitė-Glatzer, partner of Geri Norai LT, SOCIFACTION Social Business – innovation and children



Problems that work group noted:

- Education
- Lack of activity in rural areas

When you notice the problem it's essential to evaluate real impact of the solution.

Solution:

- Search for a inner reason of the problem

Example: Children in the rural areas attends only 15 percent of the after school activities. State funds those activities, so lack of the money is not a cause for that. Why they do not attend then? After small research it is clarified that they have no possibility to get back home after these activities. Then problem lies in transport, not in the lack of activities.

- Is it a niche for new business or a solution for the problem in children's rights sector?

Example: Children hotel. Is it meant to leave children when parents are busy and have no one to take care of their child? Or is a temporary custody for children who were taken from abusive parents? In the first case it's a business, in the second case – solution of the problem.

Innovations:

- Innovation in rural areas may not be an innovation in the city. Innovation is not necessarily the new technology
- This is not something magical or unattainable. Simple transportation of children by minibus from the after school activity can be an innovation, if in this way you solve the problem.

Example: Mobile van travels through different regions and provides children activity services. It's like a mobile after school activity service.

You can find more innovative solutions from the leaders of change at the page of "Reach for Change" organization:
<http://lithuania.reachforchange.org/lt/about/our-change-leaders>

System changes:

- Social entrepreneurs should seek for a systemic change - a new law, change in people's viewpoints, minds.

Example: Autistic character was included into the cartoon „Sesame street“. Other heroes explain why she is different and that there's nothing bad about it.

Example: Irma Liubart was the one to reach that emotional education would become mandatory in Lithuania, both for children and teachers.

- Impact of the change should be assessed through changes in the system.

Example: Education level: only 10 percent of children from the rural areas are accepted to the prestigious universities. In the impact assessment organization that works to improve rural education, searched for a figure, whether after it's activity the percentage of children who entered universities had risen.

- Important – does the person, in which social business or service is focused, wants to change himself?

Moderator Andželika Rusteikienė, expert of social entrepreneurship

Social impact measurement



The moderator started by asking the following questions:

How do we understand social impact measurement? What are the key indicators and tools? What should be measured?

Social impact measurement could be described as a set of tools and approaches to understand your impact (to prove) and to manage performance to increase your impact (to improve).

The indicators / main components and key words are as follows:

- Inputs – the resources you need to deliver your activities
- Activities – the things you will do (services, programmes, interventions)
- Outputs – what is produced or results from your activity (numbers, countable, quantifiable, immediate / short term)
- Outcome – the change that comes from your activity

Impact – the change or changes you are looking to make (qualitative and quantitative, longer term)

Online programs / tools that help to track / measure social impact include:

- Sinzer (<http://www.sinzer.org/>) - the program helps organisations make better decisions, improve your impact and enables you to be accountable to stakeholders
- LM3 (<https://www.lm3online.com/>) - allows organisations to track how money flows within a local economy so you can assess your local economic impact in your community
- SROI (<http://www.socialvalueuk.org/>) – social return on investment is a framework for anyone interested in measuring, managing and accounting for social value or social impact

-Theory of change – a framework for social enterprises and NGOs to plan and evaluate activities and create a story (narrative) that is its theory of change model

Note: there is no single social impact measurement tool / system - each enterprise should evaluate what is the best tool / system for them depending on their activities.

Is it possible to adapt the internationally known standards and use one/ joint measurement system all over Lithuania.

Suggestions: municipalities should engage with local communities (NGO, social enterprises) then agree and prepare common priorities and align them into national programs.

Need to pay attention to:

-How can we measure the impact when the activity hasn't finished yet?

-Negative impact – what do we do then? Maybe there was a mistake setting the criteria. Maybe we need to find new criteria?

Conclusion:

- Lithuania should use and adapt existing impact measurement systems (select the system which represents Lithuanian case or even the Baltic region best)
- Measuring and managing social impact helps to involve stakeholders, understand changes and value what matters
- Impact measurement enables social enterprises to be accountable.
- Measuring impact provides insights where and for whom social enterprise is creating impact and how they can maximize this.

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