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R E P O R T

Introductory Speeches

Bronius Markauskas, Ministry of Agriculture



This year Lithuania is celebrating its centenary of independence. Particularly at this time the social enterprise sector demands exceptional attention, investment and work. We at the Ministry of Agriculture are happy to have the means, funds that allow investing in this field and prioritizing social enterprises. It is not easy, though – Lithuania still lacks perception what a social enterprise is about. I am also really happy for my team – the experts that know this field very well and are also keen on explaining it to others.

Our institution, National Paying Agency, has a tough task identifying which of the projects applying for funding are real social enterprises, because the applicants are quite smart. Sometimes evaluators even have to persuade them that the idea in fact has nothing to do with social enterprises.

I have a long work experience with rural communities, with the LEADER programme (funding programme), and I have participated in long discussions about the existing problems. If everything discussed and suggested here today became a reality, and if social services were in the hands of rural communities, this would be a great positive shift in their lives.

Rural communities have strong leaders and they deserve more attention and recognition. If they received an opportunity to provide social services, their role in local economy would be strengthened.

We already have a good example: when the responsibility of distribution of social benefits was given to municipalities, the process became clearer and more honest, and huge amounts of funds were saved up.

The experience of foreign experts is also very important – instead of trying to reinvent the wheel, we should take over and apply foreign experience.



I wish you all a productive day, to bring out at least one useful piece of information or experience, that you'd use in your daily work.

Artūras Vasiliauskas, Director of the British Council in Lithuania



It is the fifth Social Enterprise Summit and I have a feeling that we are moving forward fast. We have just had speeches from authority representatives, discussions are held, solutions are made, the Social Enterprise Law is being prepared. Thus, where we were five years ago and where we are now – there's a huge difference.

The mission of the British Council is to strengthen trust and understanding of social enterprises – we believe that social entrepreneurship is the right means to create a sustainable and involved society.

The British Council is managing social entrepreneurship programs in 29 countries. Programs involve mentorship, various training, events that are meant to create a political dialogue – such as this one.

The British Council also strives that social enterprise topics would be involved in school and university courses, that there would be also education in social entrepreneurship.

In Lithuania we been carrying out various activities through the program, 'Socifaction' with the help of our partners 'NVO Avilys' and 'Gerinorai.lt'.

The main theme of this Forum is 'provision of social services through social enterprise'. The United Kingdom has extensive experience in that, and especially since the 2013 'Social Value Act' was adopted¹.

The aim of this Act is to encourage municipalities and authorities to evaluate what social change would be provided by an applicant while they are carrying out a public procurement process.

¹ <https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

- To merge the budgets of social care and health
- Appoint 2 lead providers that would coordinate the whole network of other providers. Those main two providers had to demonstrate positive results from previous activities and prove that they have ability to collaborate with many different partners.
- Encourage investment from different sectors (for example, social enterprises)
- To use resources in a more 'joined up way' – adding greater value for money and to spend on these services
- Create a service where there would be no “closed door”, where every person in need would receive help, instead of being told, “You are not ill enough for our services”

Kent municipality had bought such services from 9 providers and Porchlight was one of them. Those providers were asked to create a new model of co-production and over time they had various sessions and discussions with representatives of the municipality and also the people who will receive such services.

In 2016 the 5-year contract was signed between Kent municipality and Porchlight, with the possibility to extend it for 2 years.

In next three months, while **building their delivery network**, leaders of Porchlight understood that they need:

- To focus on people’s recovery and personal potential
 - To have impact measurement tools
 - To have a database that would connect the whole network of organizations and show everyone’s progress
- Part of the funding to spend on innovations, search for new methods, experimenting (e.g. 'forest schools' for problematic youth, music project for refugees)
- To set quality standards for everyone in this network
 - Diversify provision (charities, social enterprises, over 300 different organisations had joined the network).

The targets Porchlight had set were:

- Improved personal outcomes of people receiving a service
- No waiting: no more than 2 days for the person to be contacted and no more than a week to receive help
- Employment issue: not only focus on people getting the job, but also how confident they are about their position, to ensure people won't lose their position because of their illness for example
- Create indicators of wellbeing (SWEMWBS – a tool that shows ones' mental health score²)
- Track a persons' pathway of support
- Organizations providing the services are paid only by the results ('payment by results' / PBR)

² <https://warwick.ac.uk/fac/med/research/platform/wemwbs/development/swemwbs/>

to support and started to search for new ways to invest in social issues, rather than only to spend money on them.

New Social Economy Investment Model (SOM) is:

- A calculation tool that can strengthen the decision base
- Focus on economic consequences that may be of investing in a specific social intervention
- Can calculate how social effort and affects the public finances

The tool is an Excel file, full of information and calculations which is open source and can be downloaded from Danish National Board of Health and Welfare webpage.

This tool can count, how many of citizens actually succeed after participating in one or another social program. It also allows municipalities to decide, whether they want to buy a service from one social enterprise (and what will be the cost and impact), or another, or whether to provide a service themselves.

It gives valuable insights how much different activities and interventions actually cost.

The value of social enterprise is:

- Social change
- Return of investment
- System change

Yet such tools cannot count citizen empowerment or social capital – which is also very important.

Sometimes there are no financial return, but there are amounts of money saved – and that’s also a positive outcome.

System change is available, when we have a strong democracy and strong culture.

The potential of the social enterprise in those categories are also evaluated, when ‘Reach for change’ is deciding, whether to support and fund the specific idea.

Social entrepreneurship and social innovation, public services field in the European Union

Antonella Noya, Head of Unit Social Economy and Innovation, OECD



OECD is an organization that connects 35 countries and their main mission is to promote public policies that improve the life of nations, communities and people.

Social entrepreneurship is a way to inject greater fairness, sustainability and social justice in existing national economies. That's why the OECD sees social entrepreneurship as positive part of the market.

The OECD defines social enterprises as private activities, conducted in the public interest, organized with an entrepreneurial strategy, but without the purpose to maximize the profit. Its purpose is impact and the attainment of certain economic and social goals. The social enterprise has the potential of bringing innovative solutions, solving environmental, employment and other problems.

In 2011 European Commission defined social enterprise is:

- Operator in the 'social economy'
- Its main objective is social impact, rather than making profit
- Organization that provides goods or services for the market
- Operates in entrepreneurial and innovative fashion
- Use profits primarily to achieve social objectives
- Organization managed in open and responsible manner that involves employees, employers and stakeholders

Sustainable development – fashion or necessity?

Laura Galdikienė, Senior Economist at „Swedbank“



The speaker reviewed sustainable development topic in general – not emphasizing on social enterprises. As an economist she noted, that sustainable development received very little attention from the economists worldwide.

Nowadays sustainable development is becoming more and more popular. Society had already understood that over-consumption, excess investment would stop the development in the future.

Example: Chinese economy

- Recently there was a rapid growth in economy (10-13 percent.)
- GDP grew, the index of poverty declined
- But growth has an impact – on air pollution (e.g. children got sick with respiratory diseases), inequality of income – those factors have also grown together with the economy

Was this growth in the account of future generations?

United nations had defined sustainable development as the development satisfying your today's needs, but not minimizing the possibilities of future generations to satisfy their needs.

Humanity is getting close to the end for various resources, thus, they have already started paying attention to sustainable development.

When sustainable development is forgotten:

- Political quarrels start - „Brexite“, USA president election – both could be argued were a consequence of missed sustainable development opportunities
- Businesses and companies reduce their possibilities to employ young people from Generation Z, because this generation looks at sustainability and take personal contribution seriously

Examples of sustainable development could be the „Paris agreement“. Many European countries have committed to cleaner air and have contributed to take action to minimize pollution.

The conclusions of the research that analysed the situation in three Baltic countries are that Lithuania should dedicate more attention to social inclusion, innovation and some environmental issues (such as huge consumption of gas and electricity to heat old houses). The effect would be reached only then, when countries would coordinate their action on sustainable development.

Sustainable development provides:

- Better management of costs
- Better management of risk
- Greater efficiency
- Possibility to enter new markets
- Advertising bonus (you can promote your sustainability)
- Greater possibility to attract younger employees

In today’s economy business have a competitive advantage if it operates sustainably.

- **How to start working sustainably?**
 - Look at your business from long-term perspective, analyse, what impact your business has on environment.
 - Improve transparency
 - Set new standards
 - Transfer this „we all work for change“ feeling to your clients

Social enterprise cities: combining resources and creating ecosystems

Gareth Hart, chairman of the social enterprise movement in Plymouth



Gareth Hart is also a founder and director of his own social enterprise „Iridescent ideas“, which is a Community Interest Company³. It provides business advice for social enterprises. He is also chairman of Plymouth Social Enterprise Network.

In 2013 Plymouth, a city in South coast of England, was declared „social enterprise city“.

How and why Plymouth?

- The national organisation ‘Social enterprise UK’ was looking for hotspots of social enterprise activity – they noticed Plymouth
- Gareth Hart and his colleagues applied for ‘social enterprise city’ award and got it
- Advertisements now encourage businesses to relocate business to Plymouth

Like many place, Plymouth has social and health issues – e.g. shorter life expectancy due to health inequalities and lifestyle. Although, many social enterprises tackle existing issues – there are up to 200 social enterprises in Plymouth now and they contribute half a billion pounds to the local economy each year.

Only 7 years ago social enterprises in Plymouth were fragmented, lacking vision, unconfident and there was no strong movement to connect them.

³ <https://www.gov.uk/government/organisations/office-of-the-regulator-of-community-interest-companies>



can set up such business people should talk about social enterprises in offices, homes and schools.

The aim of Plymouth's social enterprise network now is to make social enterprise the main way the business is done in the city.

The four biggest challenges social enterprises face when starting:

1. Access to finance
2. Access to markets
3. Proving their social impact
4. Have clear business proposition

Panel discussion: Transfer of public services in Lithuania - what is the strategy? Government and non-government sector expectations

Participants

Paulius Gradeckas, Lithuanian Government advisor on youth, health and non-governmental organizations

Jūra Ivonaitytė, Deputy Director at State Control Audit Management Department

Lineta Jakimavičienė, Chief Adviser for the Ministry of Economy

Dalia Masaitienė, Ministry of the Inner Affairs, Head of Local Government Policy Department

Jurgita Stakėnienė, Chief Adviser for the Ministry of Agriculture

Martinas Žaltauskas, Chairman of NGO Council



Dalia Masaitienė started the discussion with an insight, that we are not quite sure, how to define public services – and that is the priority task before letting social partners to provide them. Now there is no clearance because the municipal law forbids municipalities to engage in economic activity, except if there's no one that can provide a specific service, but state law describes public services as those, who are provided by public sector. Such a discrepancy in the legal framework creates misunderstanding.

Also D. Masaitienė noted, that in some municipalities' pharmacies, horse riding rinks, shooting ranges are managed by municipalities and these activities obviously are not public services, needed for the society.

When we all have not agreed on what is „public service“, it’s hard to plan how social partners could provide them. In the words of D. Masaitienė, activities that satisfies unnecessary needs, such as driving schools and horse riding rinks, shouldn’t be given for social partners – social sector should not provide such services at all.

Representative from state control, Jūra Ivonaitytė, agreed that we lack perception what should be called a public service and what shouldn’t. We should at first analyse how many services in municipality are provided and are they truly needed for the society. In the words of J. Ivonaitytė, how can municipality decide which services to pass on for social partners if they do not know which of their activities are public services.

Martinas Žaltauskas, chairman of NGO Council said that municipalities have more than enough funds to buy public services – and still in many cases today services provided are low in quality.

Lithuanian laws oblige municipalities to pass at least 15 percent of public services for social partners till 2020. Now the share of services provided by social partners range from 0,7 percent to 5 percent. There are good examples though, such as Vilnius municipality, who is getting close to 14-15 percent result.

He agreed that municipalities understand ‘public services’ differently, some of the leaders of municipalities still have the mentality to ‘rule’ everything in their territory.

Jurgita Stakėnienė, Chief Adviser for the Ministry of Agriculture ensured that people in rural areas have enough experience and competences to start and run small businesses – they are active and resilient. The Ministry believes, that rural communities are the engine of villages and towns.

She also mentioned several running social enterprises, such as „Pilnų namų bendruomenė“, helping people with addiction to rehabilitate and also work on the production of herbal teas and spices.

J. Stakėnienė urged institutions to invest in rural communities and their human resources.

Prime minister advisor Paulius Gradeckas talked about price range of the services. Private businesses sometimes refuse to provide the service, because they say it’s impossible to earn from the price set by municipality. P. Gradeckas says the bureaucratic boundaries should be minimized, but still it’s essential that government should receive offers to provide a good quality service cheaper than private businesses would.

Lineta Jakimavičienė, Chief Adviser for the Ministry of Economy, thought that social partners should at first prove municipality, that they are qualified enough to provide the service (with the activities they have done before). Also L. Jakimavičienė noted, that there are already examples of such model in Lithuania, for instance if a private health clinic provides medical services then it receives payment from state’s Patient Fund.

Ministry of Economy has a ‘taskforce’ to prepare a model for transferring provide services to partners and this model should be prepared by the end of this year. L. Jakimavičienė promised to gather all the interested parties to discuss more about it.

Finalizing the discussion, D. Masaitienė offered to review all the state laws to find out if the requirements for public service providers are not too strict, too high. To make this reform fluent, she says we need open-minded municipality workers, responsible and skilful service providers and well-made legal background that the laws wouldn't become a stone wall to stop the progress in the last steps.

M. Žaltauskas said that the main four fields, where social enterprises could start providing services are education, social services, culture and sports.

Also, he gave an example of the municipality, who provided lifeguard services. When it was decided to buy such services from private lifeguards, the service was almost 3 times cheaper.

In his belief, a big boundary for successful transfer of public services is mentality of municipalities. Some of them still believe they 'rule' the area and when they give this responsibility to someone else, they lose power.

J. Ivonaitytė added, that's it's important to set quality requirements for each service and then decide which of them can be transferred for social partners to provide.

Discussion groups

UK impact assessment experience and how can it be applied in Lithuania?

Moderators: Monika Juknienė, NVO Avilys and Phil Tulba, Consultant



The Ministry of Agriculture was the first ministry gave a investment priority to social enterprises and at the same time asked the applicants analyze and show impact that is expected.

Plymouth experience in social impact measurement:

- Different organizations use their own methodology to measure impact
- Social Value Act in UK encourages public procurement officers to take social impact into account, but it's not mandatory
- Municipalities are interested in numbers – one should show statistics, budgets and then provide information about social impact – but its additive and seen as 'something extra'
- Social Return on Investment (SROI) tools are used, but it's very complex
- Cost-benefit analysis (CBA) is another tool for financial data
- Outcomes stars (another tool to value your outcomes)
- Statistics should be presented in marketing style to make it visually attractive
- Theory of change model is widely used in United Kingdom. It requires social enterprises to be clear about their vision, aim of their activities and create a matrix of outcomes that would show this positive change. This approach

requires to divide all the business activity into small steps and think through the causal links that create outcomes.

Porchlight experience in social impact measurement:

- Competitive dialogue – it's a tool that helps to find out about broader impact, about what can be measured in numbers. For example: when an organization is working on unemployment issues, it should count not only the people who got hired, but also include job retention rate, how self-confident people feel in job search after the service etc.
- We also interview clients and compare the results with national statistics. For example, 69 percent clients of Porchlight said they visit their doctor less now. Those are personal experiences, but to report them to municipality, medical statistics should be checked.
- Saved costs can also be counted, for example if an organization is working in the health sector and it prevents people from more serious illnesses, you can calculate the costs of hospitalization and visit to doctor and provide this data to the municipality.

OECD opinion on impact measurement:

- Standardizing measurement tools is risky, because it leads to a risk of missing something peculiar for specific social enterprise or sector, it is oversimplifying
- There is a need to standardize not the methods, but the process needs to be standardized
- It's essential to know why you measure and for whom you measure your business impact. For example, the municipality would like to see the proof that the money paid for service was used effectively. Community however, would like to hear what service you are providing and what are the benefits of this service

Steps to create your own impact measurement methodology:

- 1. Identify objectives**
- 2. Identify stakeholders of the measurement (give voice for those, who are measured)**
- 3. Choose the relevant measurement**
- 4. Measure, validate, value**
- 5. Report, validate, improve**

There is also a shift in thinking from the term impact *measurement* to term impact management.

The tool used by Ministry of Agriculture arose from the need to verify that social enterprise are better able to solve problems more effectively, than traditional business.

This tool:

- Measures the impact of social enterprises working in 4 areas: employment, health, education and prevention

- Measures only the inner impact of the organization (doesn't show impact on national level)
- The aim of this calculator is to show added value of social enterprises
- Organization can choose from the list of required indicators and then fill in individual indicators that it finds important
- Organizations should provide information they fill into measurement tool
- Helps for those who are not sure whether they are a social enterprise, notice and define the impact they make
- Is simple, can be found on Ministry of Agriculture website, near the information about the 'LEADER' program.⁴

According to the European Commission definition, social impact is the reflection of social outcomes as measurement, both long-term and short-term, adjusted for the affect achieved by others. However, impact is what changes, and wouldn't had happened without specific actions by itself.

Social impact can be communicated in creative ways – internet site, video advertisements – one should choose a way that engages its public.

Social impact measurement is a long journey, trying various methodologies and indicators.

The practical experience from founder of 'Baby's nest' initiative:

- Ministry of Social Justice and Labor sent the author of the initiative to local municipalities
- Municipalities cheerfully welcomed the idea, but hadn't made any actions, hadn't bought the product
- Impact was communicated based on Finnish example – deprived mothers of newborns would receive safe space for baby's sleep and some first clothes. A further aim was to present all the newborn mothers with such a present.
- In the end only, a few municipalities bought 'Baby's nest' packs, others 'borrowed' the idea and start assemble such baby's care presents by themselves
- Municipalities should help active people to get noticed by society, get known

'Gerinorai.lt' and Phil Tulba is creating another measurement tool – an Outcomes Matrix. It can help to evaluate impact in areas such as health, well-being, sport, conservation, older people, children, financial inclusion.

The tool itself suggests outcomes and indicators, it's a qualitative method tool. It helps to collect the data, analyse it in a useful and meaningful way. Tool can be found www.thinkso.lt website.

⁴ <https://zum.lrv.lt/lt/veiklos-sritys/kaimo-pletra/lietuvos-kaimo-pletros-2014-2020-m-programa/priemones/19-priemone-leader-programa>

How to transfer public services? SWOT analysis

Moderators: Živilė Baušienė, Enterprise Lithuania, Arūnas Survila, NVO Avilys



Strengths

1. At a strategic level, in state documents, the transfer of public services to social enterprises is encouraged
2. There are actors in this field – they create communities, NGO, social enterprise initiatives.
3. In the rural areas the field is strengthened by LAG (Local Action Group) investment. They fund NGOs and social enterprise projects. Also, the LAGs in cities are suitable for starting social enterprises.
4. A legal basis for social enterprise to reduce legal obstacles is being formed.
5. Discussion in the field of social enterprise is ongoing
6. Social enterprises increasingly becoming a trend.
7. There are good examples (Lithuanian and foreign)
8. NGOs provide public services more rationally, more efficiently

Weaknesses

1. Nepotism
2. Lack of critical mass of people willing to start social enterprises
3. The market is not well perceived or identified
4. There is a lack of investments in social enterprises, we have them, but they are highly fragmented
5. Failure to see social value – no social impact measurements
6. Legal framework still raises question marks, especially to ones who are interested in entering this field
7. There is no “Buffer” structure / intermediate stage
8. Municipalities with the greatest potential to transfer public services do not see social enterprise as a partner in providing public services
9. Municipalities lack the practical side of national policy in transferring public services

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| <ul style="list-style-type: none"> 9. NGOs are encouraged to provide public services through existing competitive processes 10. Technologically more advanced initiatives are emerging 11. Decisions are made more quickly at the institutional level 12. Citizenship growth of people 13. Social Enterprise Association was established 14. There are social enterprise promotion programs and accelerators 15. Enterprise Lithuania advises on social enterprise issues | <ul style="list-style-type: none"> 10. Municipalities lack information on the benefits of selling services or buying services from NGOs 11. Absence of social impact measurement discourage public bodies to look for more efficient and innovative ways 12. There is no real value of existing public services (some services are no longer needed and some are not yet available) 13. To this day, the public service budget is formed by providing the public service provider with funds with no need to rely on social impact indicators |
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Opportunities

1. Economic benefits for the municipal budget
2. The provision of public services through the social partner provides the possibility to use social innovations and thereby achieve better outcomes
3. SPIS⁵ system can be used in the social field to see social indicators in given territories;
4. Lower political influence on the public service field
5. Services are provided 'closer to the client / beneficiary', the role of the institution decreases
6. Transfer of public services - an opportunity for effective deinstitutionalization
7. The recipient of the service becomes a customer – the principle of control arises because the service is provided by someone else than the controller
8. Personalization of services according to the needs of the client / beneficiary
9. Possibility of a higher quality of service for the beneficiary
10. More diverse and wider financing methods for the non-governmental sector - the NGOs potential to reduce the proportion of project financing and

Threats

1. The political 'course' can radically change
2. Unfair competition, non-transparent market
3. Social exclusion
4. Worsening relationships between the service provider and the supplier may affect the provision of the service
5. The possibility of political influence
6. Lack of critical mass - especially in regions
7. Potential investments for investing in this field are already being provided and may not achieve the strengthening of this field
8. Lack of legal regulation or clarification

⁵ <https://www.spis.lt/>

become independent

11. Part of the cost of the service can be covered by the client / beneficiary
12. The impact of public service measurement
13. The organization/sector of service provider has larger social dialogue opportunities
14. Increasing costs of infrastructure of public services is a burden for the public sector; this is why there is a need to look for alternatives
15. The provision of public services must be modern, people become more demanding
16. Better dissemination of good practice
17. Person to person principle – person-centred services
18. The possibility of using EU structural funds and other funds to strengthen potential service providers

SWOT analysis of public services transfer - summary

Strengths. The discussion group identified these strengths: social enterprises are increasingly being mentioned at a strategic level, there are existing and emerging operating communities – NGOs, social enterprises and rural areas have its local action groups (LAGs) that provide funding for new social enterprises. The legal framework is currently being formed and social business is seen as a potential for the execution of public services.

It is an increasing trend to create social enterprises; there are already good examples in municipalities. One of the strengths is that NGOs and social enterprises provide public services more rationally and efficiently, they are more technologically advanced than other entities currently providing public services. Everybody agreed that the transfer of public services would help to reduce bureaucratic paperwork, so decisions would be made more quickly. Citizenship growth and established Lithuanian Social Enterprise Association were also named as strengths.

Weaknesses. Weaknesses from the political side - nepotism with which we must fight with transparency and more information. The panel discussion with representatives of different institutions showed that there is lack of awareness and there is no consensus; definitions are understood differently, and it is not clear what should be or could be transferred.

On the economic side, it is a small market. Most municipalities that have a need to transfer services are likely to be the only clients of a social enterprises so there would probably be no private sector to take over these services. The question is how this market should be regulated: whether to increase the service packages, or to regulate the market by other methods.

The lack of investment and support at various stages of development for social enterprises and NGOs - or when they want to expand - so the sector itself would have partners who would be able to take over public services was named as one of the weaknesses.

From social benefit point of view – the lack of social value at all levels – we ourselves, as consumers do not realize the value of social enterprise, so the price remains a very important factor. It is essential to promote social enterprises and the value they create.

One of the major weaknesses is the lack of experience and ‘buffer structures’, which would ensure the sustainability of the service.

Possibilities. All the possibilities are related to cardinal change. The transfer of public services allows the possibility to formulate new qualitative and quantitative requirements, which will be ensured by providers of the service. This is inextricably linked with the political will, enterprise culture itself and other subjects.

Economic benefits have been named as the first option i.e. providing a high quality, cheaper and more efficient service with a greater impact, reduces public and municipal budget costs.

The reduction of political influence has also been seen as an opportunity i.e. then the provision of public services would not depend on the political cycle.

The discussion group agreed that the transfer of public services would give social enterprises the opportunity to provide higher quality and more innovative services, using organizational, social and technological innovations. Social enterprises have more opportunities for flexibility, so it would be easier to customize services according to customer needs.

As one of the opportunities the discussion group found is that social enterprise could have a greater choice in terms of funding opportunities, such as budget, project financing, venture capital etc. that municipalities cannot get.

The discussion group has noted that although measuring the impact of public services is not the best at the moment, transferring them to social enterprises would be an opportunity to ensure a more effective measurement of the impact of the services provided.

Social dialogue about public services in Lithuania is weak, but it is one of the political priorities for the transfer of public services to social enterprises. The social dialogue and promotion could be considered as one of the requirements and therefore, the discussion group thinks that the Lithuanian Social Enterprise Association could take this role.

During the discussion it was identified that there are better opportunities to change good practice, a suggestion was made to create a new system for exchanging good practice, bringing together intermediary organizations.

Threats. The following threats were identified during the discussion:

- A change in the political course after elections may radically change the attitude toward social enterprises and will not ensure continuity.
- There may be unfair competition and an opaque market, for example, due to the nuances of funding.

- Social exclusion and degrading social relationships. There is a need for continuous education about the meaning of social enterprises, what is social responsibility, what problems are going to be solved, to make it clear that it affects us all and no one is protected from that. It is important to understand the value created by the social enterprise.
- Lack of legal regulation – what are public services, how to measure them or how can the purchase of services be done.

Measuring Social Impact is the key to shift organizations with social interest to the level of partners for businesses and government

Moderator – Jurgita Ribinskaite-Glatzer.



This group discussion contained a variety of participants: there were representatives of international organizations (Global Entrepreneurship Network, European Venture Philanthropy Association, Social Value UK), representatives of large NGOs (Youth Line, Food Bank, SOS Children's Villages), social enterprises (Treasury Workshops, SOPA), universities (VGTU, VU) and each of them had their own insights, experiences and questions.

We raised these key issues that were important: how to find the motivation and resources to measure the impact? How or who has to communicate and show the impact? What methods to choose?

Key insights from experienced participants:

- Measuring the impact is needed to understand what changes you make if you make any
- Measuring the impact and using the principles of Social Return on Investment (SROI) and other tools can show how value is created (not only for the direct target groups but also for others)
- Everyone measures the effect in their own ways and sometimes unknowingly or undocumented (talking with the beneficiaries, getting feedback)
- Even if it is difficult to find resources, collective measure of the impact when several organizations merge could be a solution

Basic tips for beginners:

- define what drives you forward, what you are working on, what influences your key decisions and then you will find out what you measure, what matters most to you because it is impossible to measure everything
- understand what kind of problem you want to solve, its causes and consequences
- ask yourself the right questions (Theory of Change is very helpful for that), it is also good if the questions are asked by an 'external facilitator'
- Think about evidence-based methods for impact measurement to suit your problem (e.g. scales to measure children's self-esteem)
- unite with similar kind of organizations and influence the financiers together
- do it and enjoy it

Social entrepreneurship as a horizontal instrument – how to empower it to reduce social exclusion?

Moderators **Indrė Vareikytė**, Member of the European Economic and Social Committee, **Eitvydas Bingelis**, Vice Minister of Social Security and Labour



This group divided into two – one analyzed what positive benefits social enterprises can bring, how they can solve poverty and social exclusion problems. The other group discussed what the barriers that shuts the door for social enterprises are.

Benefits of social enterprises

Competition (when someone can provide the service better and cheaper, others also tries to follow)

More effective services (social enterprises usually can provide service in more flexible way, work longer than work hours, can manage state property in more effective way)

Innovation (social enterprises try to provide service in an innovative way)

Attraction of young people (those who want to make a change with their work, should be interested in social enterprises)

Reinvestment (profit goes back to business, helps to scale)

Service is closer to the person (usually the idea of the service arises for the person who has the same problem)

Organizer



Partners



Info partner

