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COMPARATIVE ANALYSIS OF SOCIAL INNOVATORS IN ZEMGALE REGION (LATVIA) AND NORTHERN LITHUANIA

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D.1.1.2 COMPARATIVE ANALYSIS

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Table of contents

INTRODUCTION	3
1. ECOSYSTEM FOR SOCIAL INNOVATORS IN ZEMGALE (LATVIA) AND NORTHERN LITHUANIA	5
1.1. LEGAL FRAMEWORK FOR SOCIAL INNOVATORS	5
1.2. STAKEHOLDERS OF SOCIAL INNOVATION	8
1.3. FUNDING FOR SOCIAL INNOVATORS	9
2. COMPARATIVE ANALYSIS OF SOCIAL INNOVATORS IN ZEMGALE AND NORTHERN LITHUANIA	12
2.1. METHODOLOGY	12
2.2. ANALYSIS OF IDENTIFIED POTENTIAL OR EXISTING SOCIAL INNOVATORS IN ZEMGALE AND NORTHERN LITHUANIA	13
2.3. ANALYSIS OF EXISTING SOCIAL INNOVATORS IN ZEMGALE AND NORTHERN LITHUANIA	15
2.4. ANALYSIS ABOUT EXISTING SOCIAL INNOVATORS IN ZEMGALE AND NORTHERN LITHUANIA (BASED ON INTERVIEWS FOR CHECKLIST)	28
2.5. MOTIVATION, STRENGTHS AND CHALLENGES OF SOCIAL INNOVATORS IN ZEMGALE AND NORTHERN LITHUANIA	33
2.6. DEVELOPMENT OPPORTUNITIES FOR SOCIAL INNOVATORS	41
CONCLUSIONS	44
RECOMMENDATIONS	46
REFERENCES	47
ANNEX – LEGAL FORMS AVAILABLE TO SOCIAL INNOVATORS IN THE LITHUANIAN JURISDICTION	50

Introduction

The demand for innovative solutions to social problems is continuously rising. While a great progress has been made through technology and improved social services, every improvement raises new challenges, as well creating new problems. Therefore, innovative solutions are highly needed. The field of social innovation turns critical societal problems into opportunities by actively involving the community actors (Licite & Grinberga-Zalite, 2018). Social enterprises and NGOs play a pivotal role in developing and fostering social innovation (Rousseliere, Bouchard & Rousseliere, 2024). They respond to social needs that are not met by the state or the market in a wide range of sectors. Literature reviews indicate that the field of social innovation research has experienced impressive growth in conjunction with several deep-seated technological, economic, political and sociocultural changes (Solis-Navarrete et al., 2021). Several studies and international empirical examples demonstrate that social innovators and social entrepreneurs create new socio-cultural activities (Cerreta et al., 2021), improve the quality of life, meet collective needs and promote territorial development (Sun et al., 2019), foster a great feeling of belonging to the place (Mattone & Frullo, 2022), creates new jobs (Bonini, Baraldi & Salone, 2022) and community identity (Scaffidi, 2024).

However, there is a lack of research focusing on social innovators and social entrepreneurs in regions where social problems should be eliminated. Although social entrepreneurship is gaining visibility, the concept is still poorly understood in Latvia and Lithuania (BRESE). The number of social enterprises in the region is limited – only 8% of social enterprises are registered in the Zemgale region (Ministry of Welfare, as of March 2023) and not many can be identified by LISVA in Rokiškis district (Northern Lithuania). Besides, there is limited information available about social innovation created by social entrepreneurs.

In both countries, the growth of social enterprises is generally restricted due to the limited size of the national market. This challenge is especially felt in areas outside the capital, where there is noticeably less of awareness among the local population about the opportunities the sector has to offer. The social economy environment in the Northern Lithuania districts and Zemgale counties is still at the stage of formation. Recently, there have been a few projects for social start-ups in Northern Lithuania to test social innovation and assess its suitability for a specific context. The social economy poses additional challenges, the target tasks during the projects were successfully managed accepting social innovations, involving in community activities. The cross-border regional alliance aims to create more conducive environments for social enterprises to grow between the LatLit Programme partners thus enhancing the development of joint initiatives and awareness raising activities to facilitate the development of a social entrepreneurial ecosystem. Social innovators can share their best practices, as well as solutions for different challenges. It is crucial to follow up and implement the exchange of experiences, to inspire social innovators and social entrepreneurs and to help them understand how social enterprises and social innovation are relevant in their context, so that they feel responsible for the development of the local context.

The research compares social innovators in two regions – Zemgale and Northern Lithuania. Zemgale is a planning region of Latvia located within the south-centre of the country and contains six counties (Jelgava, Bauska, Dobeles, Aizkraukle and Jēkabpils) and the city of Jelgava. Northern Lithuania comprises five counties (Rokiškis, Panevėžis, Biržai, Pasvalis, Kupiškis) and the Panevėžis municipality.

The aim of the research is to make a comparative analysis of social innovators in Zemgale and Northern Lithuania by providing an overview of the current situation, thematic groups of social innovators work, geographical and thematic gaps as well as identifying the areas for development.

Introduction

To reach the aim, several tasks were set:

- ① to describe the current situation (ecosystem) for social innovators in Zemgale and Northern Lithuania (the legal framework, stakeholders and support instruments) in order to get a comparative overview of the situation in both regions;
- ② to identify existing and potential social innovators in Zemgale and Northern Lithuania;
- ③ to analyse the field of activities, target groups (beneficiaries), legal forms, social goal and scale of changes and the novelty created by the social innovators in Zemgale and Northern Lithuania
- ④ to describe the motivation, strengths, and challenges the social innovators face in Zemgale and Northern Lithuania;
- ⑤ to identify development opportunities and make recommendations for potential and existing socialinnovators in Zemgale and Northern Lithuania.

Within the study, several research methods were applied. Interviews with social innovators in both project regions, and two focus group discussions in Zemgale and Northern Lithuania with social innovators were conducted to obtain primary data. Later, the text analysis methods (content analysis, narrative, and discourse analysis) for the comparative analysis were employed (Titscher et al., 2000). Special attention was paid to the research ethics: any biased attitudes, discrimination and potential harm to the respondents was avoided. The research team respected the informed consent of the participants at all stages of the research as well as the principle of equality of all target groups and informants during the fieldwork and data analysis process.

The research period: March - August, 2024.

The analysis was performed within the VI-A Latvia–Lithuania Programme 2021–2027 project “Improving the Social Entrepreneurship Ecosystem in Zemgale and Northern Lithuania” (RE:IMPACT).

1. Ecosystem for social innovators in Zemgale (Latvia) and Northern Lithuania

To describe the current situation for social innovators in Zemgale and Northern Lithuania (ecosystem), the comparison of the legal framework, stakeholders, and support instruments in both countries (with focus on Zemgale in Latvia and Northern Lithuania) have been done. The analysis was performed within the VI-A Latvia–Lithuania Programme 2021–2027 project “Improving the Social Entrepreneurship Ecosystem in Zemgale and Northern Lithuania” (RE:IMPACT). The information for the analysis was obtained during the first phase of the project through the identification of social innovators based on the checklist in both project regions and two online focus group discussions organised in June 2024 (one in Zemgale, one in Northern Lithuania).

1.1. Legal framework for social innovators

National policy and planning documents. The concept and idea of social innovation in various aspects has been included in the EU documents and materials, including those related to the planning and use of structural funds, for more than ten years. However, the term and concept of social innovation and social innovator is still underdeveloped in Latvia and Lithuania. In Latvia, in some cases, social innovation is mentioned in national level or sectoral policy planning documents. Sometimes social innovation can be inferred from the context of a document, but in these cases, social innovation cannot be found as a specific term (Kleina & Kalniņa, 2022). Thus, when examining policy planning documents at the national level and in several sectors, the focus is mainly on innovation (e.g. National Development Plan 2021–2027; The Guidelines for Science, Technology Development, and Innovation for 2021–2027; Latvia 2030), and not directly on social innovations and social innovators.

In Lithuania, the situation is very similar. There is no separate legal act aimed at social innovation in Lithuania. The SI policy is reflected in the national strategies and programmes, such as (i) Lithuania’s Progress Strategy “Lithuania 2030” (2012) and Plan; (ii) the State progress strategy “Lithuania’s future vision: Lithuania 2050” (2023); (iii) the Guidelines for the implementation of social business in accordance with the measures of the 2014-2020 and 2021-2027 Programmes of Rural Development of Lithuania. These documents mainly emphasise the importance of social innovation in providing the services for families, children, socially vulnerable groups, increasing employment of the population, their involvement in the labour market and socially beneficial activities, for this purpose using the potential for cooperation between the public and private sectors and educational institutions (Žičkienė & Tamošiūnas, 2018), non-governmental organisations such as local community organisations.

According to the current regulatory framework, the leading public administration authority in the field of innovation in Latvia is the Ministry of Economics, however, its activities are not directly related to the development of social innovation. In Lithuania, the main steering institutions of Lithuanian social innovation development are the Ministry of Education, Science and Sport, the Ministry of Economy and Innovation. These two ministries direct the activities of other institutions in the field of social innovation development (Žičkienė & Tamošiūnas, 2018). The Lithuanian Ministry of Agriculture, which is responsible for the development of rural areas, encourages and financially supports the development of community and social business, and has prepared guidelines and defined social innovations.

In Lithuania, several definitions of social business (entrepreneurship / enterprising) co-exist on different levels of the hierarchy of legal norms (laws, government decisions, ministerial orders, etc.), and impact directly onto how social innovation is understood. As of 2024, the Lithuanian Law on SMEs defines social business as “an economic activity that aims for socially beneficial goals, social and/or environmental impact and is carried out by social businesses classified as social economy entities”. The order of the Minister of Agriculture of the Republic of Lithuania “On the approval of the guidelines for the implementation of social business in accordance with the measures of the Lithuanian rural development programme for 2014-2020” (No. 3D-720 adopted in 2017) defined social innovation as “the development of new social ideas, the transfer and implementation of working innovative methods and practices from other sectors (products, services, mechanisms) in order to meet social needs, solve long-standing social and environmental problems and create new social relations and promote cooperation”. Currently, the ultimate authority on the EU-wide Social Innovation definition is the European Social Fund Plus (ESF) and Social Innovation+ initiative who runs the European Competence Center for Social Innovation.

1. Ecosystem for social innovators in Zemgale (Latvia) and Northern Lithuania

In the report commissioned to the Pan European Social Innovation Lab indicates that the European Social Fund Plus (ESF+) Regulation defines “Social innovation is[/as] an activity that is social in its objectives and its means, in particular the development and implementation of new ideas (related to products, services, practices and models) that simultaneously respond to social needs and create new social relations or cooperation between public, civil society and/or private organisations, thus bringing benefits to society and increasing its capacity to act.” (PEnCIL, p.8)”.

Municipalities and planning regions. The regional aspect and the role of municipalities in the development of social innovation is very important because it allows solving the problems of specific target groups directly and effectively by using local resources such as financial support from the municipality, as well as the professionalism and capacity of the human resources involved. Besides, it is common practice that social innovation comes from a lower or local level (community, municipality or regional) to a much wider (national or even more global, for example European) level (Laizāns, 2019). In other words, social innovations are often bottom-up initiatives. Local and regional development is one of the most prominent areas where the concept of social innovation is increasingly becoming an object of social science research. In the local and regional context, challenges such as the economic crisis, demographic changes or climate change become directly visible as immediate social challenges (Domanski, 2018).

Municipalities play an important role in the financing of social innovation, as they propose projects that are better suited to local needs. Therefore, municipalities are recognised as crucial initiators and drivers of potentially sustainable social innovation (Bund et al., 2015). However, each municipality addresses social innovation issues within the limits of its possibilities, available information, and the capacity of personnel. In Lithuania, there is no lasting interest and cooperation from the municipalities (PEnCIL, 2022). The existing role of municipalities in Lithuania’s case can be defined as twofold: an initiator of certain programmes and a supporter of certain social innovations. Also, the results of the quantitative survey (PEnCIL, 2022) show that participants in the ecosystem believe that public authorities do not pay enough attention to social innovation. It was also confirmed in the focus group discussion between social innovators in Northern Lithuania, who mentioned that there is high bureaucracy and slow decision-making process that hinder the social innovation development in organisations.

However, there are positive examples of cooperation as well, e.g. social innovators rent an estate from the municipality, and receive financial support in the form of projects. For example, Jelgava local municipality has given former school facilities to a social enterprise “Sajūtu māja”. Also, there are some positive example cases in Northern Lithuania, e.g. regarding strategic policy documents. Strategic planning at the municipal level as it relates to social business, the Rokiškis district sustainable development documents are an exemplary case in Lithuania. In particular, the aim of “Social business support and development through the implementation of local development strategies” aligned for 2024-2026 is inspiring. Together with the RE:IMPACT project results, this local and regional action will take Panevezys the region’s social entrepreneurial and innovation ecosystem into a qualitatively superior plane.

At the regional administrative level, it has been established that development strategies of **planning regions** also have some references to social innovation in various fields. The Zemgale Planning Region Development Program 2021-2027 determines mid-term strategic setting for Zemgale. One of the actions (3.1.3.) is to **promote the development of social entrepreneurship in the region by identifying and gathering the resources available to local governments**. Implementing educational activities for citizens, entrepreneurs and specialists on social entrepreneurship to support social entrepreneurship; identification and collection of local government resources to support social entrepreneurship; motivating measures for social entrepreneurs in municipalities; promotion of social entrepreneurship, collection and dissemination of good practice examples, experience exchange events; promotion of the supported work service, incl. involving population groups at risk of exclusion; development of enterprises based on labour integration.

1. Ecosystem for social innovators in Zemgale (Latvia) and Northern Lithuania

The LEADER programme itself is a social innovation that is being implemented in all rural and urban areas of the EU. In the local development strategies of rural areas, priority is given to creating social innovations. LAG of Panevėžys district was the first in Lithuania which includes social and community business projects in their 2014 - 2022 local development strategy. Discussions are underway, recommendations for gradual transfer of public services to social business entities models have been prepared (2017), according to the “Lithuania Progress Strategy Lithuania 2030” it is envisaged that “the public sector should provide only those public services that cannot be provided by NGOs, community organisations and business enterprises”, but cooperation between municipalities, NGOs and the private sector is weak, and the service transfer process is slow. This shows a lack of social innovation, which requires up-to-date business knowledge, social communication, and partnership skills.

Table 1.

Comparison of the overall situation for social innovators in Latvia and Lithuania (with focus on Zemgale and Northern Lithuania)

Indicators / characteristics	Latvia	Lithuania
The term “social innovation” and “social innovator”	The concepts are still in development process	
Leading public administration authority in the field of social innovation	Ministry of Economics, however, its activities are not directly related to the development of social innovation (mainly innovation in general) Ministry of Welfare, however, activities mostly focus on work integration and social services	The Ministries of Economy and Innovation; Education, Science and Sport; Ministry of Agriculture and Ministry of Social Security and Labour either direct or influence the activities of other institutions in the field of social innovation development
Regulatory framework for social innovation	Not yet fully established	
The term “social innovation” and “social innovator” in policy planning documents	Focus is mainly on innovation, not specifically on social innovations and social innovators	
Municipalities in Zemgale and Northern Lithuania	Focus is mainly on informative support, some municipalities provide small grants or involve social innovators in common projects; however, informative and networking support, purchase of services are expected more	
The level of stakeholders involvement in Zemgale and Northern Lithuania	Low	Medium
Social innovation support structure	Based on the European Commission’s proposal, National Social Innovation Competence Centres are being established in all EU Member States, including Latvia and Lithuania	
National Social Innovation Competence Centres	Responsible organisation – Society Integration Foundation Republic of Latvia (SIF)	Responsible organisation – European social fund agency (Europos socialinio fondo agentūra)

Source: authors’ own based on Pan European Social Innovation Lab, 2022; Kleina, Kalniņa, 2022; focus groups. discussion

In conclusion, social innovation issues are generally on the horizon of municipalities and planning regions, however, more specific information is not easy to find and it is not clearly understandable whether and in what way social innovators initiatives would be supported.

1. Ecosystem for social innovators in Zemgale (Latvia) and Northern Lithuania

1.2. Stakeholders of social innovation

In Latvia, society is rather passive in relation to social innovation issues and the level of stakeholder involvement is not high. This can most likely be explained by the fact that social innovation is a relatively new concept in Latvian society, thus there is insufficient understanding of the term, and its regulatory framework is not yet fully established. The support of **the state institutions** for social innovators is low and the main players are **the social innovators** themselves, who try to activate and consolidate other stakeholders (with a bottom-up approach) in solving current societal problems, in conditions of insignificant support from the state institutions and an incomplete legal base. As it was acknowledged during the focus groups, the situation and cooperation with municipalities is better compared to the state institutions. In Latvia, **NGOs** (e.g. Social Innovation Centre of Latvia, which focuses on driving social innovation in the Baltic Sea region) and **social enterprises** are the most important partners in the social innovation development process and the group of participants in the social innovation ecosystem in Latvia. The situation is similar in Lithuania, where social innovation is mostly driven by social business. Also, **civil society organisations** can be seen as a key player in creating and sustaining social innovation (Pan European Social Innovation Lab, 2022).

Analysing the social innovations in rural areas, it was observed that in this case the process becomes relevant for four types of organisations: public, non-governmental, business and scientific (Ragauskaitė & Žukovskis, 2020). The process of developing social innovations encourages participants not only to get involved, to systematically achieve set goals related to changes in the rural area, but also to accumulate local knowledge, innovatively transform it into solutions aimed at the development of the rural area, to strengthen social ties and to create collective interests.

Important stakeholders can be **universities** and **research centres**. In Lithuania, it was stressed that universities are the main stakeholders, in particular academics conducting research on this topic (participatory action research) (Pan European Social Innovation Lab, 2022). However, unfortunately, currently that role is not feasible because there is no systematic interest in the topic of social innovation within the academic community, and only the implementation of individual projects is taking place (Pan European Social Innovation Lab, 2022). The situation is similar in Latvia, where several researches and projects about social innovations were conducted during the last decades, but with no lasting effect.

Stakeholders may be **businesses** and **start-ups** as well, however, in Lithuania and Latvia there are doubts that businesses should be stakeholders in the development of social innovation, as its nature is profit and competition oriented and the role of social business is defined as supplementary. However, some businesses are already delivering social innovation. Business is often perceived as a sponsor, while businesses would expect more of a partnership (PEnCIL, 2022). In Latvia, social entrepreneurs, through their business activities, receive some funding for their social activities, and in the focus group discussion this was emphasised as a positive effect (outcome) of the entrepreneurial side of social innovation. In Lithuania, the same misconception prevails indicating a need for cultural change while a number of initiatives exist aimed at boosting participation of commercial players in social innovation: Horizon Europe projects IBESI and POSITIVE, just to name a few.

Start-ups may also offer innovative solutions, however, sometimes they lack sustainability in a long-term run. They, however, can be considered as stakeholders of social innovation ecosystem. Besides, in the focus group (Zemgale) it was revealed that social innovators arise from start-ups created in schools.

A positive step in the development of social innovation in the project countries is the establishment of the following organisations: **“Latvian Competence Centre for Social Innovations” (CCSI), in Latvia, and “National Competence Centre for Social Innovation” (NSIKC), in Lithuania.** Respectively, SIKC and NSIKC were founded with the core mission of ensuring that the parties involved in the social innovation process have sufficient access to the necessary competencies in their respective countries and abroad. These developments are consistent with the European Competence Centre for Social Innovation launching its activities in 2023, under the ESF+ Social Innovation+ initiative and located in Lithuania. This EU initiative provides a unique opportunity for the ecosystem development in both regions at the centre of this Comparative Analysis. Finally, a private initiative established in 2020, called “Lithuanian Social Innovation Cluster” exists, and serves as a network of socially responsible organisations and enterprises that unite, develop, and strengthen social innovators and entrepreneurs.

1. Ecosystem for social innovators in Zemgale (Latvia) and Northern Lithuania

Table 2.

Comparison of stakeholders for social innovation in Latvia and Lithuania (with focus on Zemgale and Northern Lithuania)

Stakeholders	Latvia	Lithuania
Government and local municipalities	Supporter of certain social innovations	An initiator of certain programmes Supporter of certain social innovations
Universities and research centres	Implementation of projects and several academic articles	Weak systemic interest Implementation of individual projects participates in Lithuanian Social Innovation Cluster activities and everal academic articles
Business	Traditional business initiatives	Traditional business initiatives
NGOs, non-profit sector, civil society	Leading implementation of social innovation	Leading implementation of social innovation
Social enterprises (business)	One of main leading social innovators	
Social innovators	Tries to activate and consolidate other stakeholders (with a bottom-up approach) in solving current societal problems	

Source: elaborated by the authors based on PEnCIL, 2022.

It can be concluded that public authorities are expected to provide leadership and support, although they are, so far, seen as initiators of certain support programmes. The most likely role of the academia is an advisory one, which is partly fulfilled, but not sufficiently due to the lack of systemic academic interest. The role of business is seen as ambiguous – traditional businesses are not expected to engage in social innovation, so a complementary role is given to traditional businesses. Social innovation is mainly expected from social enterprises (business). NGOs, the non-profit sector, civil society play a key role in the social innovation ecosystem. This is the sector that implements social innovation. This sector is also expected to provide a certain leadership that is still lacking today (Pan European Social Innovation Lab, 2022).

1.3. Funding for social innovators

In Latvia, there is currently no single, specific social innovation support structure that would purposefully provide all kinds of support for social innovators; however, there are good, high-quality activities in this area (e.g. Social Entrepreneurship Association of Latvia organises social innovation hackathons, the NGO “Social Innovation Centre” supports social innovators and social entrepreneurship initiatives, including implementing both local and international projects, etc.). At the same time, it should be noted that support for social innovators, especially financial support, has so far been mostly provided within the framework of specific **projects**, which affects both the development of the social innovation initiative, as well as maturing and sustainability.

The last ten years have been the years of social business growth in Lithuania, when social entrepreneurship accelerators (Socifaction, Reach for Change, ChangeMakers ON) started operating, Lithuanian Social Business Association LiSVA was established, social business forums held every year gather hundreds of interested people (Adomaitytė-Subačienė, Girkontaitė, Petružytė & Šumskienė, 2020). However, in Lithuania, a very small number of social innovations and stagnant progress can be observed, although great political and financial efforts are being made (Kubiliūtė & Neverauskienė, 2023).

1. Ecosystem for social innovators in Zemgale (Latvia) and Northern Lithuania

In Latvia, social innovators were most supported financially by: municipalities, EU institutions and various companies. Several **municipalities have created special funds** for financial support of innovation projects (Kleina, Kalniņa, 2022). Social innovation initiatives receive national and EU budget funding for the implementation of innovative projects and ideas in social entrepreneurship (e.g. ESF project “Support for Social Entrepreneurship”), however, so far there have been no specific, targeted, and continuous programmes designed to foster social innovation development processes. However, according to the European Union Cohesion Policy Programme 2021-2027, the specific support objective 4.4.1. “Promote the social integration of persons at risk of poverty or social exclusion, using social innovations” activity 4.4.1.1. “Support for new approaches in the provision of community-based social services” is planned to provide financial support (within the project “Support for new approaches in the provision of community-based social services”) for social innovative ideas in the field of social services, ensuring the modern development of community-based social services that meets human needs and is relevant. The organisation responsible for the implementation of this is the Society Integration Foundation Republic of Latvia (SIF). The ultimate beneficiaries will be state administration and municipal institutions, associations, foundations and merchants, including social enterprises that can apply for the implementation of social innovations and receive financial support. It is planned that applications can be submitted during the idea selection stage starting from autumn 2024.

Also, with the financial support of the structural funds, many social innovations have developed directly in the processes, for example social rehabilitation service for children with behavioural problems (foundation “Allažu bērnu un ģimenes atbalsta centrs”).

In the Lithuanian focus group discussion, it was acknowledged that municipalities help mainly in terms of information. Some good examples were mentioned as joint cooperation projects through which, for example, staff costs for the social innovator were covered by the municipality.

The Lithuanian Rural Development Programme (2015) envisaged that social innovations could be implemented through innovative forms of cooperation and partnership, such as the **European Innovation Partnership Groups (EIPG)**. The basis of the cooperation relations and the direction of the impact of social innovations is governed by the Lithuanian innovation development programme 2014-2020.

Point 27 of the Programme states: “*Task 2 of the Fourth Objective of the Programme is to create measures to stimulate the demand for innovations that help solve social, economic and environmental challenges.*” The Lithuanian innovation development programme also comments on the social innovations themselves, which are implemented by mobilising the cooperation of the public, private and civil society sectors and scientific institutions (Lithuanian innovation development program, 2013).

All pilot areas have Local Action Groups (LAG) that have prepared and received funding for Local Development Strategies under the EU LEADER intervention measure (programme). All strategies have been approved, and they comply with the strategic provisions of EU, national and district municipal documents. EU structural funds, government and municipal financing are intended for the strategies. It is, in a sense, an opportunity to receive funding for the creation and implementation of social innovations based on the “*Bottom Up*” principle. The LEADER programme provides ample opportunities for LAGs to improve the quality of life in the village, to solve environmental, economic and social problems by involving local residents, rural non-governmental organisations, and local entrepreneurs. The success of the LEADER programme is determined by the fact that it does not apply a traditional “top-down” but a new “bottom-up” method, which enables the villagers to solve their own environmental, social, economic and cultural problems (Lietuvos LEADER..., 2023). Also, from 2024 the “*Smart Villages*” intervention measure of the 2023-2027 strategic plan of the Lithuanian agriculture and rural development is starting. Smart villages are socio-economic systems in the development of which the local residents have a vested interest, in order to increase the attractiveness of rural areas and the quality of life, based on local strengths and opportunities, ensuring the widest possible involvement and cooperation of rural residents, adopting and implementing digital and other technologies in their daily activities innovative, systemic, change-oriented solutions based on a common understanding of needs and a sequence of actions aimed at a clear, specific local goal. Smart village movement is evolving also in Latvia (Valsts Lauku tīkls, Labā prakse).

1. Ecosystem for social innovators in Zemgale (Latvia) and Northern Lithuania

In Latvia and Lithuania, socially responsible public procurement is still a relatively new practice that requires awareness raising, information and education of social innovators, municipalities, and NGOs, as well as society in general. Once the European Commission issued general guidelines (2021) for socially responsible public procurement, the Lithuanian Public Procurement Office (2023) issued country-specific guidelines for socially responsible procurement.

Recently, the Lithuanian Social Business Association, as part of the European Commission “We Buy Social EU”, has conducted the training on Socially Responsible Public Procurement in Lithuania. The training was based on an *ex-ante* country situation report and was tailored to the needs of prospective learners. The Country Report described the recent situation as follows. Lithuania’s approach to Socially

Responsible Public Procurement (SRPP) is driven by EU Directive 2014/24/EU and focuses on integrating social issues such as fair wages, employment of assisted persons, and equal opportunities into procurement practices. The Law on Public Procurement mandates these principles, supported by guidelines and training from the Public Procurement Office and other governmental bodies. The aim is to embed SRPP in Lithuania’s economic framework, encouraging small and medium-sized enterprises’ participation. The legislative environment ensures social aspects that are included throughout the procurement cycle, addressing challenges such as unemployment and social exclusion. However, obstacles such as awareness gaps among procurement officials, unclear social criteria, limited supplier involvement, and inconsistent implementation of socially responsible criteria persist. Key actions include legislative measures, policy development, and stakeholder engagement, with ongoing efforts in education and policy refinement needed to overcome these challenges and fully realise the benefits of SRPP.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

The comparative analysis aims to describe a legal framework and funding for social innovations in both countries, to map existing and potential social innovators (thematic groups of their work, geographical and thematic gaps), challenges and strengths for social innovators, and to identify areas for development in the project regions.

2.1. Methodology

In order to conduct a comparative analysis of social innovators in Zemgale and Northern Lithuania, several data and information sources were analysed.

Firstly, the data collected during the pre-identification phase (about 134 in Northern Lithuania and 95 existing and potential social innovators in Zemgale) were used: name of potential social innovator; legal form; working area; location (municipality); contact information (contact person) and more information (website). All existing and / or social innovators were classified into three groups based on their level of social innovation: “low”, “medium” and “high”. Based on the obtained information, a general analysis was made about the identified potential or existing social innovators in Zemgale and Northern Lithuania (by geographical areas, working areas, target groups and legal forms). It should be stressed that potentially there may be more social innovators in these regions, however, the research data collection process was limited in time (April-June, 2024).

Secondly, the comparison between social innovators in Zemgale and Northern Lithuania with high social innovation potential was made (59 social innovators in Northern Lithuania and 59 social innovators in Zemgale) by describing their field of activities, target groups and legal forms.

Thirdly, to make a deeper analysis about existing social innovators in Zemgale and Northern Lithuania, the researchers interviewed selected social innovators in both regions (24 in Northern Lithuania and 20 in Zemgale) to better understand social problems and the social impact they make in society, novelty, the scale of changes and sustainability (social, financial and/or environmental).

Fourthly, the researchers conducted two online focus group discussions (approximately two hours each) in June 2024 (one in Northern Lithuania- June 5-6- via the Zoom platform, and one in Zemgale - June 11 - via BigBlueButton). Each of the focus groups involved seven social innovator representatives from different municipalities of the project regions. The convenience sampling principle was applied in selecting participants for the focus group discussions according to the following criteria:

- high level of social innovation of the organisation/the social innovator;
- representation of all municipalities in the project regions (in Panevėžys County - Northern Lithuania - and Zemgale region - Latvia - respectively);
- representation of all sectors and target groups: private sector, NGO sector, public sector.

The following topics were covered during the focus group discussions:

- 1 The aim and the main activities of the social innovator/social enterprise, description of the target group(s);
- 2 Personal motivation of the representative to engage in social activities/innovations;
- 3 The impact and results of the initiative and activities in the local community;
- 4 Cooperation with different stakeholders (local municipalities, other social innovators/social enterprises, schools/ universities, NGOs, the state institutions, funding institutions, target groups, social media/public media, international partners, etc.): positive aspects and obstacles for cooperation;
- 5 Local people’s involvement, knowledge and understanding, the meaning and the role of social businesses/social innovations;

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

- 6 Support for social innovators/social enterprises that should be provided particularly by different stakeholders (the state institutions, local municipality, funding institutions, public media, educational institutions, etc.);
- 7 Challenges the social innovators experience and face in Lithuania and Latvia;
- 8 Specific legal framework and legislative regulations needed to improve and support operation of social businesses/social innovators;
- 9 Future development opportunities.

The researchers followed the respective research ethics guidelines in organising, moderating, recording, and transcribing the focus group discussions. All participants were informed about the project's aims and the importance of their presence in the discussions. They gave permission to record the discussions in order to transcribe them later. Although the focus group discussions were organised as online meetings, they took place in a friendly and cordial atmosphere; the participants were sufficiently insightful and interested in the issues of the study and elaborated on each other's ideas. The results of the focus group discussions were integrated into comparative analysis. List of the social innovators and NGOs whose representatives participated in the focus group discussions and their codes in the analysis:

1) *Northern Lithuania:*

- MB “Solidari erdvė” (brand “Solidarumo kava”), Panevėžio miestas (LT R1),
- Rokiškio r. Salų dvaro kultūros ir laisvalaikio rezidencija (LT R2),
- Kupiškio r. VVG (Cafe “Marių terasa”, cabins on the water, cabins in a meadow) (LT R3),
- Panevėžio r. VVG (LT R4),
- VšĮ “Socialinė iniciatyva”, Pasvalio r. (LT R5),
- Pasvalio rajono Atžalyno bendruomenė (LT R6),
- VšĮ Šv. Juozapo globos namai, Panevėžio miestas (LT R7).

2) *Zemgale region in Latvia:*

- NGO “Tuvu”, Brankas in Jelgava County (LV R1)
- Latvia's SOS Children's Villages association, youth centre (house) in Jelgava, Jelgava city (LV R2)
- “BJMK” Ltd., Jelgava city (LV R3)
- “Ķirpēni” Ltd., Dobeles County (LV R4)
- Baltic Outdoors/“ZILITY” Ltd., Dobeles county (LV R5)
- NGO “Ekociemats”, Aizkraukle County (LV R6)
- NGO “Sēlijas laivas”, Jēkabpils County (LV R7)

2.2. *Analysis of identified potential or existing social innovators in Zemgale and Northern Lithuania*

In the first research step, 95 potential social innovators were identified in Zemgale and 134 in Northern Lithuania. To reach as many potential or existing social innovators as possible, several channels were used from the public, private and non-governmental sector (more detailed description is available in the methodological framework). In the pre-identification step, the researchers identified the level of social innovation for all selected cases based on the checklist. The main criteria for selection and classification into three groups were social goal/social impact and financial sustainability. Afterwards, a deeper analysis of the identified cases was made.

In the Zemgale region, the most of the cases with a high social innovation level were identified in Jelgava County (six) and Dobeles County (six), however, the most potential social innovators were identified in Jelgava city and County (23 in total). This can be explained by the fact that Jelgava is one of the largest cities in Latvia, concentrating more human capital and other resources as well as potential for innovations (including social ones) in comparison to very typical, remote and less populated rural municipalities facing demographic decline.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

In general, the number of potential social innovators in all counties is quite similar. The weakest county in terms of potential social innovators is Jēkabpils County (11 potential social innovators in total, only one with a high potential). This can be explained by the fact that Jēkabpils County is located further from capital Riga therefore limited opportunities are available for the development of organisations (information, financial sources, etc.).

In Northern Lithuania, there were 1.4 times more potential social innovators identified than in the Zemgale region, which may indicate that the population in Northern Lithuania is more socially innovative compared to Zemgale. Besides, there are 2.3 times more social innovators with high potential (in total 59 compared to 25 in the Zemgale region) and twice as few with low potential (Table 3). Another explanation for the differences between regions can be explained by the population density. The density of Zemgale is only 22/km² (2024), while in Northern Lithuania – 209 071 /km² (7.2% of all population in Lithuania).

Table 3

Social innovators in Zemgale and Northern Lithuania based on their social innovation potential

Region	Name of the count	Social innovation potential			
	Name of the county	High	Medium	Low	In total
Zemgale	Jelgava County	6	4	1	11
	Bauska County	5	5	7	17
	Dobele County	6	2	6	14
	Aizkraukle County	2	8	8	18
	Jēkabpils County	1	7	3	11
	Jelgava	4	10	9	23
	In total	25	36	34	95
Northern Lithuania	Rokiškio r.	13	12	7	32
	Panevežio m.	8	9	4	21
	Biržų r.	9	19	0	28
	Pasvalio r.	6	5	0	11
	Kupiškio r.	7	5	6	18
	Panevežio r.	16	9	0	25
	In total	59	59	17	135

Source: developed by the authors based on the research analysis; n=135 (Northern Lithuania), n=95 (Zemgale)..

The biggest number of social innovators with a high potential in Northern Lithuania are identified in Rokiškio and Panevežio districts. In total, these regions and also Biržų have the highest number of potential social innovators (Rokiškio – 32, Panevežio r. – 25 and Biržų – 28). The main criteria that social innovators with a low or medium social innovation level do not have in terms of social innovation (in Zemgale) is a lack of motivation, innovativeness and sustainability. In Northern Lithuania, the situation is similar. Very often organisations cannot ensure sustainability, especially if they do not provide paid services and operate only on the basis of funding from the municipality or project funds.

Existing and potential social innovators in Zemgale operate in different fields, e.g. education, culture, sports and art, charity, nature conservation (environmental field), work integration, community building, strengthening and engagement, tourism, social care, health and social services, animal welfare, history and cultural heritage, production (clothing, food, etc.). In Northern Lithuania the situation is similar, but activities can also be observed in such fields as communication, different types of specific services (e.g. accommodation, massage, hairdressing, financial and social support, social projects, transport services etc.), agriculture (e.g. lavender cultivation, snail production) and activities related to rural areas (e.g. rural tourism). It can be concluded that in Northern Lithuania social innovators operate in more diverse fields compared to Zemgale.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

Existing and potential social innovators in Zemgale and Northern Lithuania operate in different fields and cover different target groups (youth, children, women, people with specific interests, e.g. interested in folk traditions, history, people interested in nature conservation). Also, social innovators work with socially vulnerable groups of people (e.g. children with learning difficulties, long term unemployed, people with special needs, orphaned children and children left without parental care, people of retirement age, young adults aged 18-24 after out-of-home care who need additional support before leaving independent life, people in crisis situations, , persons at risk of social exclusion, people of pre-retirement age). It can be concluded that the activities of social innovators are very often focused on solving social problems related to socially vulnerable groups in society, which is one of the main criteria for social innovators (solving social problems). Some social innovators work with specific groups of people (e.g. in Zemgale there is one case of working with oncological patients), in Northern Lithuania there are social innovators that work with domestic and foreign residents, organisations and families, farmers, small and medium-sized entrepreneurs. Also, both in Zemgale and Northern Lithuania there are existing and potential social innovators whose activities cover wider fields, e.g. all inhabitants of the region or local communities, tourists, etc. It can be concluded that potential and existing social innovators in Zemgale and Northern Lithuania work with different target groups and solve social problems. The analysis shows that social innovation can be implemented based on the identified problem that is related to a specific target group.

The main legal forms used by potential or existing social innovators in Zemgale and Northern Lithuania for their activities are society, association, foundation, NGO, public interest institution (VšĮ) or social enterprise. Few of identified potential social innovators are enterprises (Ltd) or work as self-employed individuals.

The main differences between the project regions in terms of the legal forms of existing or potential social innovators are as follows: in Zemgale, for the research purposes, five student created companies were selected at Jelgavas Spīdolas State gymnasium (Jelgava); however, they lack some of the criteria necessary for social innovators, but by developing some aspects they may also become social innovators. There is a risk that they may not survive in a long-term run. Mainly between the student created companies good socially innovative ideas were identified, but there was a lack of sustainability. However, it should be stressed that businesses created by the students can become an important source for social innovation.

In Northern Lithuania, partnership groups, which is not a typical legal form in Latvia, were identified, as well as a non-profit organisation.

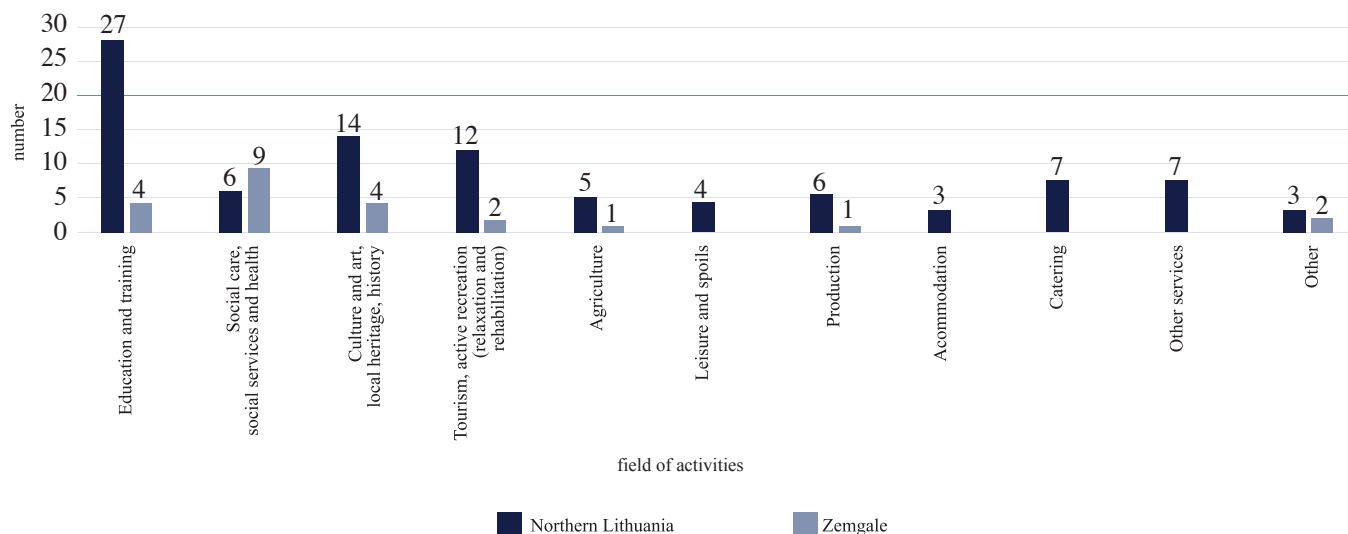
2.3. Analysis of existing social innovators in Zemgale and Northern Lithuania

The further comparison between social innovators in Zemgale and Northern Lithuania is made only between social innovators with a high social innovation potential (determined by the checklist). In Northern Lithuania, there were 59 social innovators identified and 25 in Zemgale.

Fields / areas of activity

Social innovators cover different fields thus solving social problems in various areas. In Northern Lithuania, it is very typical that social innovators work in more than one field (e.g. education, culture and tourism; agriculture, production and tourism), while in Zemgale social innovators mainly work in one field. Working in more than one field can be useful as it provides more revenue streams (e.g. selling products/services, tourism activities, organisation of cultural events, educational programmes, etc.).

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania



Source: created by the authors based on the research results; n=59 (Northern Lithuania), n=25 (Zemgale).

Fig. 1. Field of activities of identified social innovators in Northern Lithuania and Zemgale

Many social innovators (27 in Northern Lithuania; four in Zemgale) work in the field of education covering formal and non-formal education and creating innovative learning products or materials for different target groups (children, teenagers, adults, and seniors). Social enterprise “Barboleta” in Zemgale has created innovative method for children – balance board that helps to keep concentration and learn better, social enterprise “BJMK” (Zemgale) provides alternative music education in a supportive environment to help young people discover the joy of composing music, rock music education (the only one in Latvia). VŠĮ “Pasaulis senjorams” (Northern Lithuania) provides educational activities for seniors. In the Seniors’ World, they can listen to lectures remotely on the Zoom platform, travel across Lithuania in the 12-lecture series “The World Opens for the Curious”, and learn smart technologies once a month. The Seniors’ World Club is for those with individual needs. Each member can make new friends and share their experiences and knowledge.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

BOX 1. Social enterprise “BJMK” Ltd

BOX 1. Social enterprise “BJMK” Ltd

Alternative music education in a supportive environment, to help young people discover the joy of composing music, rock music education (the only one in Latvia).

Location: Jelgava city, Zemgale.

Field of social innovation: Education.

Product/service: School of music, music workshops, free time activities.

The emergence of social innovation: 2021.

Social problem: An opportunity for musical education and recreation for everyone, regardless of age, gender and social status.

Social goal and social impact: Alternative music education in a supportive environment, to help young people discover the joy of composing music, rock music education (the only one in Latvia).

Novelty: Alternative music education for everyone in open and welcoming community where you can find like-minded people.

The scale of change: Over many years, the school has given children who love alternative music the opportunity to learn music outside of the usual school standards. The school has been operating for 20 years.

Beneficiaries: Youth, children and all kinds of age music loving people and their families.

Sustainability:

Financial sustainability: Social enterprise participates and projects, but is financed from rock school income and other work – music equipment rental, one event sound provision, and lighting.

Social sustainability: Proved by the number of children, and youth who learn and develop music and social skills by learning at the Rock School. By purchasing the new building, two more organisations have created space in it, which promises an even stronger community in the future here.

Environmental sustainability: changing shoes in school premises, sorting waste, joint cleaning of the environment (talkas).

More information: www.bjmk.lv

Some social innovators provide educational activities for the whole society (not just for specific target group), e.g. “Radviliškių kaimo kepykla” UAB bakes bread and cakes. Bread bakers from all over Lithuania are invited every year to the Bread Festival, and educational programmes are organised, so that people can see the bread’s journey from the bread maker to the table, and each person can bake their own piece of bread. The Bread Road Sculpture Park and bread baking educational programmes develop a short chain for bread and bread products.

In Northern Lithuania, it is very typical that social innovators provide educational activities as additional activity to their main work, e.g. previously mentioned “Radviliškių kaimo kepykla” UAB. Also, “Upytės amatų centras” (craft centre) operates in a newly equipped unique ecological house built of straw and clay and organise exhibitions for artisans and folk artists and provides educational programmes and creative workshops. In Zemgale, four identified social innovators work in the education field which is their main activity. However, social innovators who work in other fields could provide educational activities, workshops or training as their additional activity as well because it is a good way how to educate society about social or environmental problems they are solving and also by attracting the attention of society to these problems. The educational aspect of traditional Latvian culture and life in harmony with nature is present in the activities of society “Ecociemats” (Zemgale, Aizkraukles county), whereas Baltic Outdoors Ltd. “ZILITY” (Zemgale, Dobeles County) develop school children and other people’s skills to survive in wild nature and in situations of crisis or emergency.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

In both regions there are several examples of innovative solutions in social care, social services and the health sector (four in Zemgale, six in Northern Lithuania). In Zemgale, it is quite a popular field for social innovators to provide social care or social services to different target groups. Very often social enterprises choose this profile as there is a lack of specific social services provided by the state, municipal institutions or private sector or these services are not sufficient. Thus the association “Latvijas Samariešu apvienība” and the Zemgale care centre provide social care for people with mental disorders, people of retirement age and disabled people with physical impairments.

Box 2. Association “Cerību spārni”, group home and day care centre in Bauska

Box 2. Association “Cerību spārni”, group home and day care centre in Bauska

Location: Bauska County, Zemgale.

Field of social innovation: human health and social work activities.

The emergence of social innovation: 2024.

Social problem: People with disabilities without support and assistance. There are many people in our society who cannot live independently, they need support with some functions – budgeting, cooking, taking medication and employment. People who cannot find a job that matches their abilities and capabilities go to the day care centre and develop different skills in the workshops. Professionals do the assessment of what they are good at and what they like. It is an opportunity to spend their time in a meaningful way. Children can finish school and go on to the day centre – they do not have to stay within four walls, nor their relatives have to support them all day.

Social goal and social impact: 16 people live in the group house (that is also the maximum number by law). There are around 30 people who come to the workshops. Then there are children who join from another centre. To scale this initiative, there are negotiations with Bauska municipality to create a social enterprise. Because of a centre like this, 97% of relatives for people with disabilities can be employed – this shows the real added value and wider impact in the society.

Novelty: The organisation has their own methodology for work – there are internal manuals. When a new employee joins the team, they get familiar with the working environment through it.

The scale of change: Although all of this started in the early 2000s as an NGO in Sigulda, they have broadened their scope and services – now there are day care centres in Talsi, Smiltene, Sigulda, Iecava and soon a shop will be opened in Valka.

Beneficiaries: The residents of Bauska with mental disabilities. Their relatives, parents, the society in general.

Sustainability:

Financial sustainability: Municipalities buy a service for their citizens and “Cerību spārni” (and their centre) delivers it. They also apply for projects. Cooperation with entrepreneurs and donors is important to guarantee financial stability. The workplaces for centers in Bauska and Iecava were equipped using EU funds. There is a cooperation with the Rottary Club, already internationally, that supports the purchase of equipment. Business activity – what is created in the workshops, is later sold in the shops and then invested in the social impact goal.

Social sustainability: The centre is working systematically – unlike other activities, these last for years. Employment is the key for these people to be included in the society and have an impact on all the people around them.

Environmental sustainability: The centre considers about recycling in all services. All workshops are committed to a zero-waste ideology – creating products from leftover materials. In Bauska clients of the centre make cardboard houses, nail scrapers out of cardboard waste. They also buy recycled paper to create design elements such as fruit bowls, vases etc.

More information: <https://www.ceribusparni.lv>

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

Latvia's SOS Children's Villages association works with young adults aged 18-24 after out-of-home care and who need additional support before entering their independent adult life. "Līgotnes LM" Ltd provides social care for the elderly and people with disabilities, social integration and employment of these persons etc. In Northern Lithuania an interesting example is the social enterprise "VšĮ Šv. Juozapo globos namai" that works with people experiencing poverty and social exclusion; "Maltos ordino pagalbos tarnybos Kupiškio grupė" provides delivery of food trucks, distribution of food products, helps grandparents who lack human contact or need physical support. It can be concluded that social care, social services and health sector is an important field of activities for the social innovators in both regions, but especially in Zemgale.

Box 3. Social enterprise VšĮ Šv. Juozapo globos namai

Box 3. Social enterprise VšĮ Šv. Juozapo globos namai

Location: Panevežio miestas, Northern Lithuania.

Field of social innovation: Human health and social work activities.

The emergence of social innovation: 2003.

Social problem: Long-term/short-term social care, day social care, help at home, personal help. Meals for vulnerable people at the Panevėžys charity canteen "Betliejus".

Novelty: Opening of care homes for independent living, participation in the transformation process, ongoing projects.

The scale of change: Local and regional level.

Beneficiaries: People experiencing poverty and social exclusion, sick and disabled people.

Sustainability:

Financial sustainability: Recipients of daily social care services are residents of Panevėžys city and district. Most of the service costs are financed by Panevėžys city and district municipalities.

More information: <https://www.juozapogloba.lt/>

Characterising the differences between the regions, it can be concluded that the social innovators in Northern Lithuania operate in agriculture, while in Zemgale this field is not very popular. Activities in agriculture in Northern Lithuania are focused on niche products (e.g. lavender cultivation, processing and sales; snail breeding and production) or reducing unemployment for local residents. For example, the rural community "Kairelių kaimo bendruomenė" established a social enterprise to cultivate 1 hectare of strawberries, creating an opportunity to employ local residents with fewer opportunities in seasonal work related to strawberry farming. They also attracted funding to renovate premises, which now serve as a venue for local community events, such as conversations, discussions, and celebrations. Work in the agricultural field is very often related to reducing unemployment for socially vulnerable groups of people. In Zemgale one social innovator has been identified operating in this field (NGO "Ekociemats") that has created a space for ecological practices and community activities. However, agriculture can become a more developed field for social innovation in Zemgale as well because there are rural territories that can be used in socially innovative ways (e.g. care farms).

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

BOX 4. Association “Ekociemats”

BOX 4. Association “Ekociemats”

Location: Aizkraukle County, Zemgale.

Field of social innovation: Agriculture, forestry and fishing.

Social problem: Sustainable farming is not practiced enough, there is a need for more education about it.

Social goal and social impact: To create a space for ecological practices and community activities.

Novelty: Permaculture as a separate field.

The scale of change: Local.

Beneficiaries: Local inhabitants, tourists, clients.

Sustainability:

Financial sustainability: Activities such as workshops, knowledge sharing, also giving land to the local inhabitants.

Social sustainability: Local community involvement.

Environmental sustainability: Eco-tourism, permaculture.

In Northern Lithuania social innovators very often work in the field of culture (14 social innovators in Northern Lithuania). Usually they organise different events, e.g. VšĮ “Būk geresnis” organises midsummer festivals for district residents and community members and other meaningful events and social actions that encourage choosing a healthy lifestyle and protecting the environment; MB “Švenčių kalvė” is organising events, and tastings: the winemaking path of B. Karazija, Lithuanian winemakers’ wines, snail and “Šušvės” mead tasting, etc.; MB “Alchemikai” organises electronic music concerts in non-traditional spaces. By analysing the activities that the social innovators are implementing in the field of culture, it can be concluded that very often culture is just one of the fields where social innovators operate, quite often it goes hand in hand with education and tourism. For example, in Zemgale, as it was defined by the representative of the NGO “Ekociemats”, they provide events of both environmental and cultural education through organised workshops, master classes, and events of “the solar calendar to get some synergy between environment, culture, and nature.” (LV R6)

In Northern Lithuania social innovators produce different niche products, e.g. “Ilzenbergo dvaras ir ūkis” produces 300 natural products according to old traditions, IDV (Individual Activity) “Iliustruota Matematika” creates books for children, MB “Raido grupė” produces innovative fermented drink concentrates, “Radviliškių kaimo kepykla” UAB bakes bread and cakes, individualai įmonė “Jurgitėlės amatai” creates and sells handmade clay candlesticks, plates, incense burners, souvenirs and dishes from clay, “Varnos ūkis” produces farm soap using only lye and lard from ash and produces mohair from Angora goats and “Janinos Krikštaponienės sraugių ūkis” produces snail meat. It can be concluded that social innovators focus their production on niche products and additionally offer other activities related to the products they produce – educational programmes, tourism activities etc.

Social innovators operate in tourism sector, e.g. VšĮ “Prie Raubonių malūno” organises international craft and art festival “Vilnones dienos” and provides interactive educational tourist route, game – suraskavi.lt (places of interest are marked with QR codes). Very often tourism is an additional activity to the main activity, e.g. “Panevėžio Alpakų ūkis” (Alpaca farm) produces wool, handmade products (gloves, socks, hats, blankets, etc.) and organises tours “The Wool Road from Animal to Yarn”, providing sensory trail, cognitive trail, outdoor sports activities, games, photo wall etc. Also, “Varnos ūkis” which has Angora goats and sells their mohair, produces farm soap (using only lye and lard from ash), hosts excursions, runs educational programmes for children and adults.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

They show how to work and spin the mohair of Angora goats in the workshops, using the oldest methods. It means that tourism activities generate additional revenues for the social innovators. In Zemgale there are some social innovators operating in the tourism field, e.g. NGO “Sēlijas laivas”, which provides active tourism opportunities, and the association “Baltaine”, which uses active tourism to help to ensure local community sustainability for the long term. Also, in Zemgale there is “Baltic Outdoors / SIA “ZILITY”, which turns the beginners into survival enthusiasts through fun, educational and practical outdoor activities.

BOX 5. Association “Sēlijas laivas”

BOX 5. Association “Sēlijas laivas”

In 2018, Ričards and Santa Šmits moved from the capital city to Aknīste, where Santa was born and raised. The couple are local enthusiasts and fans of active leisure who want to have an active lifestyle in the countryside and to enthuse others. They use the “Sēlija Boats” organisation to ensure this step by step. The local community has organised events to clean up the environment, to set up an appropriate infrastructure for boating, to organise widely attended educational hikes, and to attract financing to facilitate local volunteering in Sēlija.

Location: Jēkabpils County, Zemgale.

Field of social innovation: Tourism.

The emergence of social innovation: 2018.

Social problem: Rural territories are increasingly depopulating and active tourism can help to ensure local community sustainability for the long term.

Social goal and social impact: To have an active lifestyle in the countryside and to enthuse others.

Novelty: Brings the best knowledge about active tourism and different sciences to rural territories.

The scale of change: Regional and national, as the owner is very active in the tourism industry and is known in the sector.

Beneficiaries: Local inhabitants, tourists and clients.

Sustainability:

Financial sustainability: A visit to the farm to learn about the history of boating, be trained in rowing, and be transported after the activities in the river. There are services offered by environmental guides who will sail down the river so that visitors can learn about the ecosystem, and flora and fauna. Offers a wide range of nature tourism services in the historic land of Selia. Boat rental in South Susē and other bodies of water in Selia, hiking and expeditions, environmental education events.

Social sustainability: It lies within close cooperation with the local community that need the organisation as the magnet for the region.

Environmental sustainability: One of the most important topics that the organisation is teaching about is environmental protection and biodiversity for the local community.

More information: <https://selija.com/piedzivo/aktiva-atputa/selijas-laivas/>

Few social innovators in Northern Lithuania provide **accommodation and catering services** (e.g. Kaimo bendruomenė “Palēvenys” makes monk fish soup and other culinary heritage dishes). Very often the catering service is an additional activity of the social innovator (e.g. day centre UAB “Senjorija” for lonely elderly people who lack social integration, attention and personal care services provides social, employment, care, physical activity, emotional state improvement, creativity, independence, community support services and also catering; “Panevėžio Alpakų ūkis” - Alpaca farm - provides catering services in addition to their main activities provides catering services). These activities ensure additional revenues for the social innovators.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

Social innovators also provide **other services**: rental services for physical health improvement and massage equipment, chimney cleaning, organise local product markets, provide mobile youth work services in rural areas, etc. For example, in Zemgale region “Ķirpēni” Ltd organises regular car-boot sales what started during the COVID-19 pandemic as a solution for people to earn some money. People can sell their stuff and purchase useful items from others thus giving them a second life. Later “Ķirpēni” Ltd created a workshop where local people could use facilities and tools for different crafts (e.g. overlock sewing machine, saws for both metal and wood) they otherwise could not afford themselves for their creative activities. There is a photo corner in the workshop so that people can take pictures of their products and post them on social media platforms. Afterwards, people can sell their products at a car-boot sale. Another example from Zemgale is “Branku Brančotava” which has been operating as a social enterprise for only a couple of years though its history is longer. As a social enterprise, “Branku Brančotava” organises cultural events, shows, activities, also rents out facilities and space, and runs its charity shops, which is retail. This is how social business is organised right now through earning funds for the social goals of their NGO “Tuvu” Ltd. Other fields of activities in the case of Northern Lithuania mean that social innovators are managing changes in rural areas according to LEADER principles and provide financial support that is very important for rural development.

It can be concluded that social innovators cover different fields of activities. They focus on solving social problems in various fields. The greatest experience and activities are observed in education, culture and art, and tourism. Social entrepreneurs have good experience, knowledge and skills in social care, social services and health sectors (especially in collaborating with municipalities and governmental institutions). The fields that have been covered and have potential but should be strengthened more are agriculture, accommodation and food service activities, production of different products produced by social innovators (also, by employing socially vulnerable groups of people). However, there is a lack of social innovation in areas such as construction; wholesale and retail trade; transportation and storage; information and communication; financial and insurance activities; real estate activities; professional; scientific; technical; administration and support activities. The development of trading activities (such as charity shops) can be very useful as it can bring additional income for the social innovators and can be seen as an additional activity for agriculture, production, etc. Information and communication activities may be a great source for social innovators that are willing to employ socially vulnerable groups of people. In general, there is still a lot of potential for the social innovators to cover wider fields of activities.

Target groups

Social innovators in both project regions very often work with more than one target group thus solving social problems for different groups and the wider society at the same time. It can be concluded that social innovators work with socially vulnerable groups of people and also with the wider society (e.g. children, youth, adults, local residents, etc.).

In Northern Lithuania the most popular target group is the local community (local people) which means that social innovators give benefit to the whole local region, municipality. Taking into account the fact that many social innovators provide activities in tourism they also focus on tourists as a target group (15 social innovators in Northern Lithuania). In Zemgale, social innovators mainly focus on youth (six social innovators in Zemgale) and children (four social innovators in Zemgale). These target groups are covered also in Northern Lithuania because many activities provided by the social innovators are related to education, cultural events and / or tourism.

In Northern Lithuania, compared to Zemgale, the social innovators quite often cooperate with local community organisations and entrepreneurs (farmers, small and medium sized enterprises). This is an important point, as cooperation with different organisations and stakeholders may be useful in solving different problems. Also, for the social innovators in Northern Lithuania, the target groups are all residents of the country and foreigners who participate in the activities offered by the social innovators (e.g. tourism and cultural events they organise and that are attended by different visitors).

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

BOX 6. Baltic Outdoors / “ZILITY” Ltd.

BOX 6. Baltic Outdoors / “ZILITY” Ltd.

Location: Dobele district, Zemgale.

Field of social innovation: Other services.

The emergence of social innovation: 2024.

Social problem: With increasing urbanisation and the rise of digital entertainment, people, especially children and teenagers, are spending less time outdoors. This disconnection from nature can lead to a lack of appreciation for the environment and its preservation. Moreover, spending less time in nature can negatively impact physical and mental health. Many people, particularly in urban settings, grow up without learning basic survival skills such as building a shelter, making a fire, or finding food in the wild.

Social goal and social impact: The aim is to educate as many people as possible about being in the wilderness so that they can enjoy Latvian nature independently. And to turn the beginners into survival enthusiasts doing this through fun, educational and practical outdoor activities.

Novelty: It was created as a learning enterprise by the youngsters as their first business experience. Educational content with enjoyable and engaging activities, making survival skills training fun and interactive.

Fostering a community feeling, it encourages knowledge sharing, mutual support, and collective growth.

The scale of change: Local.

Beneficiaries: Young people, pupils.

Sustainability:

Financial sustainability: The positive aspect of financial sustainability is the low operational costs; all activities are planned outdoors. The primary source of income comes from charging participants for the outdoor activities.

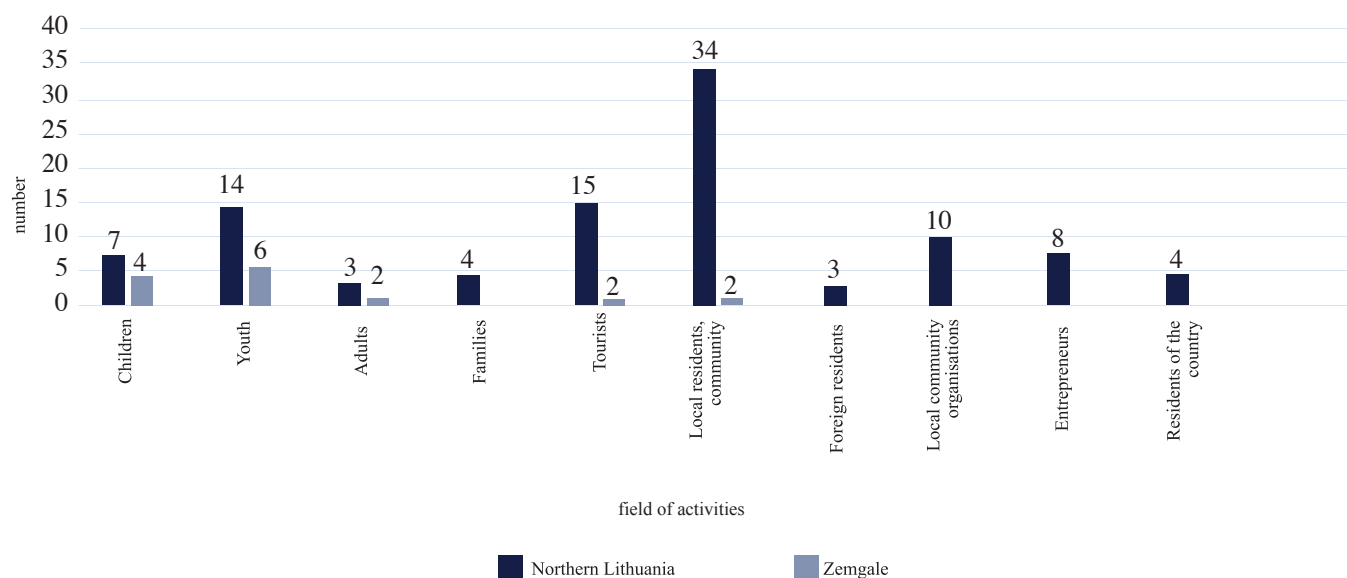
Social sustainability: Through outdoor activities, physical fitness is encouraged, reducing associated health risks including stress and improving mental health, contributing to overall wellbeing.

Social sustainability includes youth engagement, community building, promoting inclusivity and equal opportunities for outdoor activities.

Environmental sustainability: Enterprise educates participants about the natural environment, promoting a deeper understanding and appreciation of local ecosystems.

More information: <https://balticoutdoors.lv/>

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania



Source: created by the authors based on the research results; n=59 (Northern Lithuania), n=25 (Zemgale).

Fig. 2. Target groups of identified social innovators in Northern Lithuania and Zemgale.

Social innovators very often solve problems related to socially vulnerable groups in the local community. In both project regions, the social innovators very often work with people with mental disabilities and people of retirement age (seniors). Some social innovators employ these groups of people (e.g. work integration social enterprise (WISE) “4 vėji” employs people with mental disabilities who manufacture cardboard, soap, pottery, and other handicraft; WISE “0 design” employs this group of people who are creating interior lamps made of recycled and reused materials; WISE MB “Solidari erdvė”/ “Solidarumo kava” runs a coffee shop and provides work integration for people with mental disabilities).

BOX 7. Social enterprise MB “Solidari erdvė”/ “Solidarumo kava”

BOX 7. Social enterprise MB “Solidari erdvė”/ “Solidarumo kava”

Location: Panevežio miestas, Northern Lithuania.

Field of social innovation: Human health and social work activities.

The emergence of social innovation: 2020.

Social problem: Integration of persons with intellectual disabilities into the labor market; aims to provide professional skills to young people with disabilities and fight against discrimination of disabled people.

Social goal and social impact: Aims to provide professional skills to young people with disabilities and fight against discrimination of disabled people. Observes the transformation of team members: how their attitude towards themselves and society changes, their desire to communicate and work, how quickly they learn and how diligently they work. The number of partners is increasing, introducing partner products (e.g. “Pirmas blynas”).

Novelty: People with disabilities are included in the labor market by working in a cafeteria. The café is mobile, so residents of different neighbourhoods and people with disabilities can join in.

The scale of change: Local and regional.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

Beneficiaries: People with intellectual disabilities, people who like coffee.

Sustainability:

Financial sustainability: Mobile service, paid services and coffee. Various café venues: The Panevėžys College, the J. Miltinis Drama Theatre, the Solidarity Café, the Solidarity Space, conferences.

Social sustainability: The positive impact of the project is measured by counting the flow of café guests, which grew rapidly up to the Covid-19 second quarantine. The more clients they get; the more work/communication skills the project participants get.

Environmental sustainability: Solidarity Coffee offers coffee in an edible cup, made by a Lithuanian company with oat selenium and flour, which tastes like a waffle.

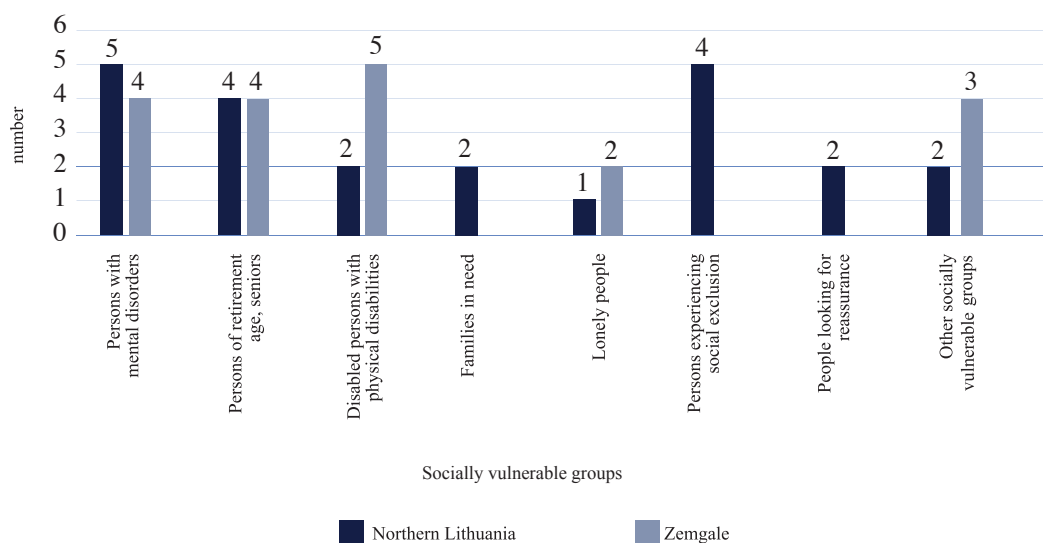
More information: <https://www.facebook.com/Solidarumokava/>

Some social innovators provide support to this group (e.g. the association “Cerību spārni” unites parents who have children with disabilities, help them not to lose hope and to find an opportunity to help each other with their daily concerns).

For people of **retirement age**, the social innovators usually provide different services, e.g. social care and social rehabilitation, catering and community support services.

In Zemgale, it is common practice to work with **disabled people who have physical disabilities**. Some social innovators provide support for disabled people, e.g. the social enterprise “Sociālo inovāciju parks” provides various types of support for people with physical disabilities – assistance in purchasing technical aids, housing arrangement, environment adaptation, social enterprise. Other social innovators provide work opportunities for disabled people, e.g. day centres “Līgotnes LM” (a social care centre) and UAB “Senjorija” provides social integration and employment for the elderly and people with disabilities. These examples show that social problems can be solved in various ways, but all are focused on solving problems for socially vulnerable groups of people.

Other socially vulnerable groups of people that social innovators mentioned are children with learning difficulties; young adults after out-of-home care who need additional support before living independent life; blind and visually impaired, children with cancer and diabetes and Ukrainian war refugees.



Source: created by the authors based on the research results; n=59 (Northern Lithuania), n=25 (Zemgale.)

Fig. 3. Socially vulnerable groups that social innovators work with in Northern Lithuania and Zemgale.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

BOX 8. Social enterprise “Ķirpēni” Ltd.

BOX 8. Social enterprise “Ķirpēni” Ltd.

Location: Dobele County, Zemgale.

The emergence of social innovation: 2021.

Social problem: There are several interrelated social and environmental problems – individuals at social risk, those from disadvantaged backgrounds, people with disabilities, the long-term unemployed, and other marginalised groups who often face significant barriers to find and maintain employment, as well as the lack of sustainable practices increase amounts of waste, particularly from consumer goods, contribute to environmental degradation and resource depletion.

Social goal and social impact: The aim of the social enterprise is to promote and support the employment, welfare, education and quality of life of people at social risk by carrying out economic activities with a positive social impact, organising educational and skills-building activities, and supporting the implementation of charitable projects. As well as promoting sustainable practices such as recycling goods, promotion of second-hand products, and waste management.

Novelty: They have two focus areas – social inclusion and environmental sustainability. Fostering a supportive community environment that enhance social inclusion, providing job opportunities for individuals at social risk. Offering skills – building activities to enhance the employability and overall quality of life of marginalised individuals.

Promoting the recycling of goods and effective waste management practices to reduce environmental degradation. Encouraging the use of second-hand products to minimise waste and promote a circular economy.

The scale of change: They operate on the regional level as they are located close to the motorway. They attract also people who are commuting around the region and in the country in general.

Beneficiaries: Local community and people at social risk.

Sustainability:

Financial sustainability: The social enterprise generates income through the sale of recycled and second-hand products utilising donated goods, they also offer a service to come and pick up large amounts of goods. It encourages everyone to join the market space and sell their goods for a small fee.

Social sustainability: They provide stable employment opportunities for individuals at social risk, helping to integrate them into the workforce. Also, they foster a supportive community environment reducing social isolation and promoting social inclusion for marginalised individuals. Besides, they also support and implements charitable projects that directly benefit the community, strengthening social ties and collective wellbeing.

Environmental sustainability: They promote recycling of goods, effective waste management practices and circular economy model where products are reused and recycled, conserving natural resources and reducing the need for raw materials. By encouraging the use of second-hand goods (buying and exchanging), the enterprise helps to minimise the environmental impact associated with the production of new items.

More information: <http://www.lma-dace.lv/lv/bagaznieku-tirgus-kirpeni/>

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

It can be concluded that social innovators work with different target groups, however, the main focus is on local residents, community and local community organisations, which is important in fostering local development and solving social and economic problems in the region. Also, a good feature is the fact that social innovators work with children and youth because they have the potential to create social innovation in the future by themselves. Besides, by educating children and youth about different social problems can help solving them. Some social entrepreneurs have the experience of working with foreign residents, however, this practice should be strengthened more as it is one of the directions how to disseminate information about existing social innovation in the project region more widely and to create international cooperation.

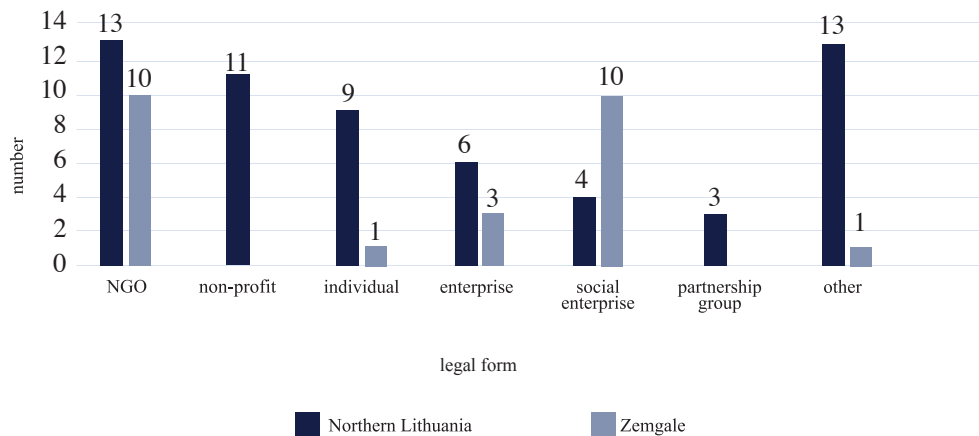
Social innovators work with socially vulnerable groups, however, mainly they focus on a few groups of people – people with mental or physical disabilities and people of retirement age. There is potential to involve more socially vulnerable groups of people. In accordance the Social Enterprise Law in Latvia and the Cabinet Regulation No. 173 “Regulations Regarding the Population Groups at Risk of Social Exclusion Risk and Procedures for Granting, Registration and Supervision of the Status of a Social Enterprise” (Latvia), there are 13 population groups at risk of social exclusion (target groups) that may be employed by social enterprises in Latvia. According to this classification, there is a lack of social innovators who involve people for whom the conformity with the status of the needy family (person) has been determined by municipal social services; the Roma ethnic minority; convicts and ex-convicts; people with alcohol addiction problems, narcotic, psychotropic or toxic substances, gambling or computer games; people whose place of residence is declared in a night shelter; victims of human trafficking; people to whom the status of a refugee, alternative status or the status of a stateless person has been granted. These groups have great potential to be involved in activities by social innovators, however, it should be stressed that there are several organisational, social, health and psychological, individual and financial challenges related to the employment of above mentioned target groups. Mainly social entrepreneurs have a lack of education and experience of the target group employees, their health status, social and psychological problems, as well as motivation to work with specific group of people (Līcīte-Ķurbe, 2022) that may explain the fact of low involvement of these people by social innovators. However, the involvement of these groups can have a great potential – it will bring new and innovative experience and solve significant problems.

Legal forms

Most social innovators, in both project regions, operate as NGOs (association of foundation; most social innovators operate as associations) – in total 23 social innovators (13 in Northern Lithuania and 10 in Zemgale). It can be explained by the fact that the main goal of associations and foundations is to solve social problems in society. According to the Law on Associations and Foundations in Latvia (in force since 01.04.2004.) “*an association is a voluntary union of persons founded to achieve the goal specified in the articles of association, which shall not have a profit-making nature*”. In Lithuania the concept explanation is similar. Also, a popular form of activities in both regions is the social enterprise (in total 14 social innovators). In Latvia, the legal form of the social enterprise is a Limited Liability Company (Ltd.), which is granted by the social enterprise status. Social enterprises very often use innovative tools in solving social problems in society that are left by the state and the private sector that can explain the fact that social innovators often use this form of activity. In Lithuania, the social innovators also operate as non-profit organisations.

In Northern Lithuania, social innovators work under varied legal forms of legal entities (see Annex) or as self-employed natural persons. The 13 social innovators from the intentional sample have chosen the following legal forms. Firstly, about 35% chose public interest institution mostly known under the VŠĮ acronym in Lithuanian. The VŠĮ is one of several forms of non-profit organisations in Lithuania. Secondly, about 35% operate as membership-based small enterprise/partnership known under the MB acronym in Lithuanian. Thirdly, the legal form of association (*asociacija*) applies to the local actions groups known as VVG as per its acronym in Lithuanian. Furthermore, a couple of social innovators are closed limited liability companies (UABs are the Lithuanian equivalent to Ltd.). Finally, another social innovator without legal entity, just like the natural persons, is the community (*bendruomenė*). It must be noted here that “NGO”, in Lithuania, is a legal status, not a form of a legal person. In Latvia, such legal form doesn’t exist anymore. Some social innovators operate in the form of enterprises (usually – Ltd.) or they are natural persons, individuals.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania



Source: created by the authors based on the research results; n=59 (Northern Lithuania), n=25 (Zemgale).

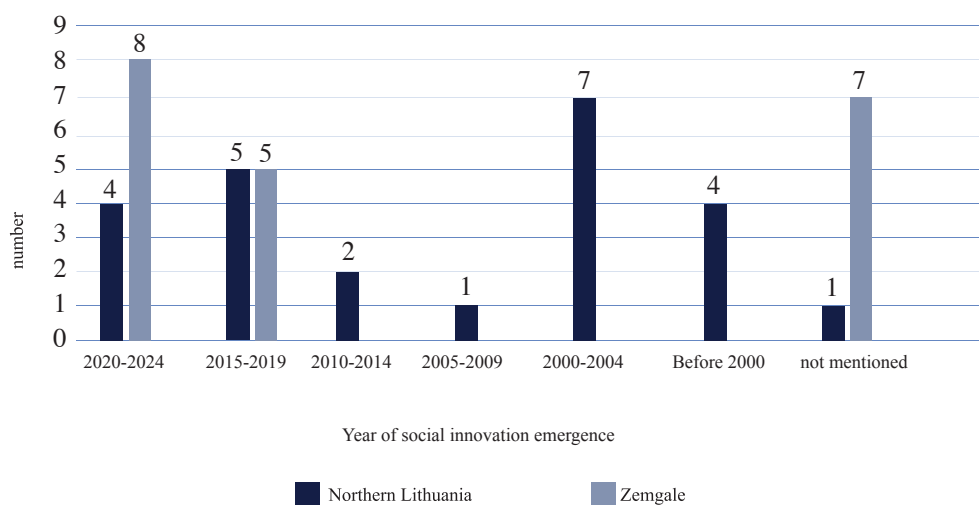
Fig. 4. Legal forms of identified social innovators in Northern Lithuania and Zemgale.

2.4. Analysis about existing social innovators in Zemgale and Northern Lithuania (based on interviews for checklist)

In order to provide a deeper analysis of the existing social innovators in the Latvian Zemgale and in Northern Lithuania, the researchers conducted interviews with selected social innovators in both regions (24 in Northern Lithuania and 20 in Zemgale). This was done to better understand social problems and social impact they make in the society and the scale of changes the social innovators create and its sustainability (social, financial and/or environmental).

Emergence of social innovation

Many social innovators are young and they have created social innovation quite recently.



Source: created by the authors based on the research results; n=59 (Northern Lithuania), n=25 (Zemgale)

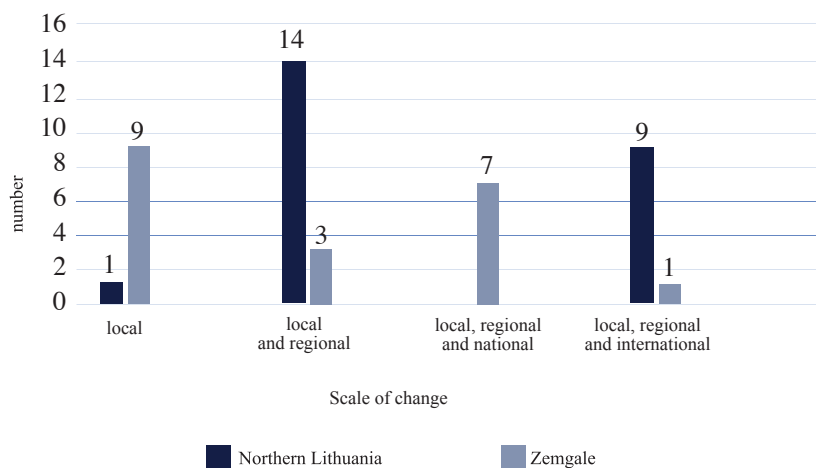
Fig. 5. Emergence of social innovation of identified social innovators in Northern Lithuania and Zemgale.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

Most of the social innovations have emerged after 2015 (in total, 13 in Zemgale and nine in Northern Lithuania). In Northern Lithuania, some social innovations have roots in the 90s (e.g. Radviliškių kaimo kepykla, UAB in 1996; Milišiūnų ūkisin 1994; Radviliškio Viltis, sutrikusio intelekto žmonių globos bendrija in 1997 and UAB “Biržų duona” even in 1953). It can be concluded that Northern Lithuania has more experience in creating the social innovation, while in Zemgale the social innovation is created much later.

Scale of changes

In Northern Lithuania, social innovators make changes mainly at the local and regional level (14 social innovators) and nine make changes at the international level. It can be explained by the fact that the social innovators in Northern Lithuania have more working experience in the field and, as a result, they have expanded their activities broader. Very often changes start at the local level and grow further. In Zemgale, the majority of social innovators operate locally but some have also expanded their activities nationally (seven social innovators).



Source: created by the authors based on the research results; n=24 (Northern Lithuania), n=20 (Zemgale.)

Fig. 6. Scale of change of identified social innovators in Northern Lithuania and Zemgale.

Social goal and social impact

Social impact that the social innovators create in Northern Lithuania and Zemgale can be divided into seven groups:

- 1 Social benefit to the region (district) by providing job opportunities to local people, services, etc.;
- 2 Educating people about different topics important for local community/wider society;
- 3 Positive conditions for the preservation and popularisation of ethnic/cultural heritage values and development of cultural events;
- 4 Social benefit for a specific target group (benefits to socially vulnerable groups of people, children etc.);
- 5 Environmental impact;
- 6 Place attachment and a sense of community;
- 1 Novelty.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

Creation of social benefit for the region (district, county) is a quite common social goal for social innovators especially in Northern Lithuania, e.g. Panevėžys District Local Action Group aims to contribute to strengthening social capital in Panevėžys District and increasing the availability of services for the population of the district (including social services) and the creation of new ones, increasing social inclusion, as well as preserving and creating new traditions of the region. To introduce these activities, they implement different projects, e.g. “Territorial Sustainability Networking”, Territorial Sustainability Networking Project, Territorial Partnership Projects “Networking Smart Villages”, “LEADER Ideas Networking”, “DIGITAL LAG’S”, Youth Initiatives Project “JATFIN”, “Let’s Play Lithuanian-Polish Community”, “Small Community Museums”, etc. Pačeriaukštės kaimo bendruomenė also tackles social problems in the region (e.g. reducing poverty, improving health care, expanding educational opportunities, and reducing social inequalities, reducing the rural-urban divide). They create jobs in rural areas, provide health care services, health education and other initiatives that contribute to the overall health and wellbeing of society, as well as provide job opportunities in rural areas. In rural areas it is very important to activate people, e.g. VšĮ “Socialinė iniciatyva” activities aim to encourage and support local youth and community initiatives in business, environmental protection, education, culture, and other fields.

They have found innovative and effective ways to increase the participation and integration of young people in local communities. In Zemgale, a good example is the association “Sēlijas laivas” and the association “Baltaine” which try to activate and attract people to rural areas by organising tourism activities.

BOX 9. Association “Atžalyno kaimo bendruomenė”

BOX 9. Association “Atžalyno kaimo bendruomenė”

Location: Pasvalio rajono, Northern Lithuania.

Field of social innovation: Human health and social work activities.

The emergence of social innovation: 2003.

Social problem: Local employment. Community business providing large-scale laundry services. It deals with issues such as the preservation of traditions (organising calendar festivals), the washing and drying of clothes, and research into the needs and opinions of the population. It aims to pass on the traditions of culinary heritage to young people (e.g. cooking fans) and organise education and tasting sessions.

Social goal and social impact: Creates a positive change in the region by empowering local communities to act. Creates some jobs in the local community. Project “Providing laundry services and increasing social skills for residents of communities in the Pasvalys district”. The key is to spot the pressing and painful problems that need to be addressed by the majority of society.

Novelty: Opened the first community laundry in Pasvalys district, providing larger laundry services (mattress covers, large bedspreads, tablecloths, duvets, pillows, blankets, etc.). They also provide household services, information, cultural events, nurturing of culinary heritage and run project activities.

The scale of change: Local and regional level.

Beneficiaries: Members of the local community organisation, local residents, tourists and children.

Sustainability:

Financial sustainability: It aims to create an internal market for local services, ensuring sustainable community development based on balanced economic growth and stable prices, and a highly competitive social market economy.

Environmental sustainability: Seeking to use environmentally friendly means in their business.

More information: https://www.facebook.com/atzalynas/?locale=lt_LT

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

It can be concluded that these social innovators focus on several social problems at the same time thus solving problems in the specific region. These approaches can be transferred to other regions (in Lithuania and also Latvia) as good examples.

Educating people about different topics is important for society because it is a good start on solving social problems e.g. “Trakiškio žolininkės” (herbalists of Trakiškis) provides educational programs related with medicinal herbs; “Milišiūnų ūkis” educates about sheep wool and wool products. This is a good way how to create interest in society that later can be turned into action. In Zemgale, Baltic Outdoors/ “ZILITY” Ltd. offers events for school children and business companies (corporate events), where people are taught the basics of survival: during a one-day short course, people learn how to be prepared for three situations (how to assemble a 72-hour bag in case of an emergency, how to set a fire with flint, how to filter water) and how to build survival camps. As the representative of Baltic Outdoors/“ZILITY” Ltd. stated: *“In fact, we prepare the part of Latvia that has never faced life in the forest or life outside the city for crisis situations”* (LV R5).

Positive conditions for the **preservation and popularisation of ethnic/cultural heritage values and development of cultural events are an important** field of social development. This working field is chosen by some social innovators. Rokiškio tautodailininkų asociacija, Salų dvaro rūmai /Rokiškis Folk Artists’ Association, Salai Manor House aims to create positive conditions for the preservation and popularisation of ethnic heritage values by innovatively combining and integrating ethno-culture and modern solutions; “Ilzenbergo dvaras ir ūkis” produces ten natural products according to old traditions.

In both regions, the social innovators focus on **provision of social benefit for specific target group**. They mainly provide help to socially vulnerable groups of people (e.g. MB “Solidari erdvė”/ “Solidarumo kava” created a coffee shop where they employ people with intellectual disabilities; social enterprise “Ligotnes LM” has created a family-type social care centre for elderly and disabled people; a social enterprise “Dare Audeamus” aims to promote and support the employment, welfare and education of people at risk of social exclusion especially people with disabilities and with mental disabilities through entrepreneurship, education and skills development; a social enterprise “Socviālo inovāciju parks” offers various types of support for people with physical disabilities – assistance in purchasing technical aids, housing arrangement, environment adaptation). Some social innovators focus specifically on children or youth. Vši “Linkėjimų ateljė” provides classes and workshops for children aimed at reducing stress and anxiety; asociacija “Išdrįsk keisti”/Loreta Sagaitienė implements a social business project in the direction of children’s non-formal education “Science Club on the Road”. They organise educational STEAM (integrated classes in natural sciences, technology, engineering, reading, English, mathematics) classes, laboratories with field trips, experiential 3D printing creative workshops, interactive English language classes). There is focus also on youth (e.g. Jaunimo iniciatyvinė grupė “Marabu”) that coordinates and promotes local youth leisure and employment activities, organises music camps where professional musicians help the young people of region to develop their vocals, organises team activities and involves them in other musical activities; social enterprise “BJMK” in Zemgale provides alternative music education in a supportive environment, to help young people discover the joy of composing music, rock music education. The representative from “BJMK” explained: *“In fact, music is a tool for raising society, for growth and raising the quality of life. [...] We have a very large number [of students] from large families with many children, which is the kind of cool collaborative model that shows something because kids come after one another, they [families] start with parents and move on with younger siblings.”* v (LV R3). A representative from Jelgava Youth Home, which is part of the Latvian Association of SOS Children’s Villages in Latvia, currently provides home for several young males aged 15-20 from different counties of Latvia who are left without parental care. In fact, this is the only institution in Latvia that gives these young people the opportunity *“to go on the right path”* (LV R2), because almost all these young people are with a kind of delinquency; when no other institution accepts them anymore, they find support in Jelgava Youth Home. There is even more: in relation to the welfare of children, SOS has initiated various changes to the national law many times. One of the last suggestions was about the change in the respective law about children staying with foster families; experiences from many countries show that normally SOS children can live in foster families until the age of 24, but in Latvia it is limited to 18 years. As the representative of Jelgava Youth Home stated: *“Now, the law is being changed and although it has taken 18 years, I am delighted that the Ministry of Justice has become interested in what we are dealing with.”* (LV R2)

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

BOX 10. Social enterprise VŠĮ “Socialinė iniciatyva”

BOX 10. Social enterprise VŠĮ “Socialinė iniciatyva”

Location: Pasvalio rajono, Northern Lithuania.

Field of social innovation: Information and communication.

The emergence of social innovation: 2018.

Social problem: Organises education and training of youth, and organisations working with youth, local communities, organises events, and promotes volunteering.

Social goal and social impact: Aim to:

Encourage and support local youth and community initiatives in business, environmental protection, education, culture, and other fields;

Find innovative and effective ways to increase the participation and integration of young people in local communities;

Organise education and training for young people, youth work organisations and local communities;

Organise and provide assistance to young people, youth work organisations and local communities wishing to implement various projects or initiatives;

Provide information and advice to young people on a wide range of issues affecting young people;

Promote local and international volunteering;

Open and mobile youth work.

Novelty: Social business enterprise providing mobile youth work services in rural areas. They arrive at young people’s homes when nobody is working, between 16:00 and 21:00. They organise education and training of youth, organisations working with youth, and local communities. Organises a youth music and debate festival.

The scale of change: Local, regional and international level.

Beneficiaries: Young people aged 14-29.

More information: <https://sini.lt>

Environmental impact is a less chosen field for social innovators; however, few examples can be identified. UAB “Biržų duona” has installed a secondary heat utilisation system in the company. Products that do not meet the shelf standard are used a second time. They aim to switch to zero-waste production (produces bread granola, and installed its own 450 kW solar power plant). In Zemgale, regional impact in the environmental field is mainly additional activity. An innovative example is the NGO “Ekociemats” that create a space for ecological practices and community activities because there is a lack of sustainable farming.

Place attachment and a sense of community is an intangible outcome that the social innovators promote either purposefully or unintentionally. This was emphasised several times during the focus group discussion in Latvia. When asked about the aims of their NGO, the representative from “Ekociemats” put it as follows: “*And the other [goal] is a great desire to encourage people not to leave the local municipality and the county, even though those who have gone to Riga and abroad create a kind of attachment to the place, wherever they come back.*” (LV R6). A representative of the NGO “Sēlijas laivas” declared their aim very clearly in relation to the idea of place attachment: “*We have been operating for about five years, our goal is that we want to show local people that it is cool to be here. Unfortunately, for the local people to understand that it is cool here, other people must come here, sometimes from Riga and further parts of Latvia, so that the local people could also see that this is the place worth coming to, where they can enjoy nature. May it not be only one one – travelling to Riga.*” (LV R7). During the focus group discussion, a leader of NGO “Tuvu” in Zemgale believed that attracting locals from a very small village they represent, especially youth, in their activities was their strength. Through understanding of local problems and joined involvement in seeking their solutions, local community raises its awareness and problem ownership what in turn leads to a greater sense of community and developed problem solving skills.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

Novelty. Analysing the novelty of social innovators in Northern Lithuania and Zemgale it can be concluded that, with a few exceptions, the scale of innovation is mainly at the local region or community. Social innovation is usually related to innovative solutions for specific target groups or communities in the local region. In some cases, good practices have been transferred from the city to the countryside, from one community to another. The novelty may be as a reaction to some external factors, for example, an idea about the survival courses emerged mainly from the need to be prepared for extraordinary circumstances within a context of the latest geopolitical situation and societal fluctuations. In other cases, the local innovators seek some solutions to local problems, which are not properly addressed by the local municipal or the state institutions or support schemes targeted to help socially vulnerable groups. Most of the social innovation examples analysed during the research revealed either process, or product innovations in both project regions.

2.5. Motivation, strengths and challenges of social innovators in Zemgale and Northern Lithuania

Motivation of social innovators

To promote social innovation, it is important to understand the motivation of social innovators – what makes them create social enterprises and social innovation. Based on the results of the focus groups, several reasons were identified. One of the reasons that motivated social innovators to start their activities was **their previous work experience**. Respondents in the focus group have mentioned that *“It started with my own work. As a youth coordinator in the municipality, I could not see how many problems there were for young people from out of town”* (LT R5), *“I am a social worker, and that desire to help in some way and to make everyone equal goes back a long way. That was the motivation when I was studying and when I got a job here”* (LT R3). The leader of “Ķirpēni” Ltd. from Zemgale acknowledged: *“I have been doing charity for 30 years and I have a job in Riga, and I realised that, sorry, everyone in Riga has already “eaten up with everything”, and that I realised there was still a need in rural areas for something I do; I wanted to take that idea to the countryside.”* (LV R4).

Some social innovators believe that it is a **“gene” of doing good things (born to be a social innovator)**. One of the participants in a focus group mentioned that *“[...] there is a gene for all social entrepreneurs. That you need economic activity, economic stability, to be able to provide that, but it is in people’s personalities ... only exceptional people can do social businesses, because it will be too difficult for a real entrepreneur to create social benefits for society in addition to the economic activity”* (LT R5).

Social innovators have mentioned also the **praise from society** that motivates them to keep going and do things better and more: *“[...] the appreciation and praise from people motivates us”* (LT R2).

An important aspect for social innovators is the opportunity to **experiment and create novelty**. It is also a very important aspect for social innovation – novelty. Focus group participants have mentioned *“[...] we can experiment a lot in the manor, we try some kind of education, we can come up with a completely new thing that our manor has never seen before. That freedom to experiment motivates us”* (LT R2), *“[...] the work that we do, yes, it’s visually beautiful, it’s with interesting, fun activities, but those fun activities are just a tool, they are a tool that we use to attract young people, and the most essential element is change, a lasting change”* (LT R5).

A significant aspect that motivates social innovators is **sustainability and the opportunity to find an effective solution**. *“[...] my main motivation is that I want to help people, but I want to help people in the best and most efficient way, because that is what we are supposed to do. We can’t do it any way, we have to think about sustainability, organisational efficiency, cost-effectiveness”* (LT R7).

Motivation sometimes starts with the **ability to see the social problems and the willingness to solve these problems**. *“[...] there was no such activity, no local activation in that village. Everybody was saying that there was nothing to do in Kupiškis and that was the beginning of the business. Maybe that is where it started, you must do something to have something to do...”* (LT R3), *“It’s very nice when people go, and enjoy it. It is great when you can help”* (LT R6), *“I guess it is because we feel what it very necessary is, that we cannot see who else is going to do it for us. I do not know; it just is”* (LV R3).

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

The most important part from the perspective of motivation is possibility to see the **changes in society**. In fact, this is also one of the most important criteria for social innovation. Focus group participants have mentioned:

“[...] that motivation keeps rising when you see that the quality of life of a person with a disability is better. We also see that because of what we are doing, the attitude of society is changing. That’s why it’s great” (LT R1).

“For our estate, the funniest thing is when we add up the numbers at the end of the year and see how many visitors have come to the estate. We are further away from the main road, three years ago the estate was completely forgotten. 26,000 visitors to the estate. That is apparently what drives both our manager and our other staff, who are residents of the same Salai town. And they see that young families and older people come to the estate” (LT R2).

“[...] the most essential element is change, lasting change. It takes time, but we still try to reach out, to change young people’s thinking, to change their future possibilities and to give them a chance to see what’s around them, to see what possibilities they have themselves. That’s when you see how many young people get involved. For example, when you see after a year that a young person who was shy and unsociable before has become more courageous, has made friends, has socialised. That is a huge achievement, and it is motivating. As an example, we already have several young people who have dropped out of the education system and we have put them back in the same education system” (LT R5).

“[...] the things that I am thinking of developing are to make something happen, to make people happy” (LT R3).

“I think the only motivation for us is a human being and changed lives. And then the rest just comes along, I guess. [...] clearly what gives the motivation is to see people’s lives really changed.” (LV R1)

An important element for the motivation is a **creation of the benefit for the whole society or a specific target group. As mentioned by the participants of the focus group:**

“[...] the added value of the projects implemented is very, very exciting. It’s not that a work place is created or a laundry is set up, but what else is done in addition. The promotion of community, you see how the community has teamed up, how they work together, how they provide additional services that can be called psychological, maybe even. It is this kind of added value of the projects that we are seeing that is really very, very attractive” (LT R4).

“What I like the most is obviously the changes to what you can contribute to – to the implementation of people’s ideas. That I can use my competences to help people to turn their idea into a project and to make it a success” (LT R4).

Besides, some social motivations, some innovators pointed out the **enjoyment of what they were doing** as a source for personal motivation: *“As colleagues said, at first that no one else would [do], then I figured it was interesting for us and we liked it. I would say – we do what we like and enjoy the process ourselves.” (LV R7).*

It can be concluded that the motivation for social innovators is deeply connected with the main criteria of social innovation and is driven by both societal needs and personal achievements: introduction of change, novelty, solving social problems, creation of the benefit to the whole society or a specific target group, personal interest in activities, sustainability, and effectiveness of solution.

Challenges

Social innovators face different challenges in their work. During the focus group discussions, several external and internal challenges were identified that social innovators face in Northern Lithuania and Zemgale. For a deeper analysis, all challenges are grouped as follows: personal issues, geographical location and poor public infrastructure, funding, information and communication with municipality and governmental organisations, cooperation with other stakeholders, legal framework.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

Personal issues

Social innovators in Northern Lithuania have mentioned that they feel fear of making mistakes because they must be 'transparent', especially when they are implementing projects. "[...] what I see from us as a LAG, as a funding body, is that our whole model is stopping all that activity, cutting people's wings, cutting their ideas, because we are not allowed to make mistakes. If you come into a project you have to do, there has to be a result and there is a control period. And there is no room for trial and error here. And there is a big, big flaw" (LT R4). All activities of social entrepreneurs have to be 'transparent' but sometimes it is hard to choose the right way because of unclear legal regulation. "Different legal norms allow us and do not allow us. And we, our social business, are navigating between these two principles in a very tight relationship. In the public sphere, in local government, in public administration in general – everything that is not allowed is forbidden, in the private sector – everything that is not forbidden is allowed. And social business is between these two principles. That's why it is called, like NGOs, a fourth sector; it is a kind of a separate sector. Neither private nor public because of its significance" (LT R1). Similar concerns about being considered as offenders or the fear to make some decisions that regulatory bodies could translate as breaches were also reported by the Latvian social innovators.

Geographical location and poor public infrastructure.

Sometimes geographical location can be a great challenge to attract more customers. It was stated by the social entrepreneurs in Northern Lithuania and Zemgale. "[...] sadly, there is not a lot of attention from the municipality, so that, say, guests come to the municipality and we have a Solidarity coffee. But this is probably the problem with our location, even though we are in the centre of the city, we are on the 5th floor; with a courtyard entrance. As a real, real café, we can't be happy and boast about it, but we are looking forward to opening a café in the city centre" (LT R1). Problems related to accessibility, poor infrastructure of public transport and expensive transport were mentioned during the focus group in Zemgale: "The biggest problem so far, especially for me since COVID-19, is rented bus prices. A group of school children, to come from Jelgava to us, almost gets to pay as much for the bus as they would pay for our activities, and that is just from Jelgava driving. In fact, from somewhere further away you pay more for the transport on the bus than for our activities, right away it leads to the next problem that the public transport to Bērze [a small village in Dobele County] from the one side is available, would not say it is bad, but on the other side in the reality, it is not." (LV R5). Thus the reality is that the services and activities provided by social innovators are not easily accessible for the target groups.

Funding

Social innovators struggle with financial matters, e.g. buying equipment, making payments, such as for rent, salaries, etc. As mentioned by one of the focus group participants in Northern Lithuania, "[...] the biggest problem was with the power grid, the laundry would not start up, so we needed to increase the power. For the power increase they asked for eight thousand.... As much money as we earn, we practically have to pay for the electricity. In the winter we heat, we run the washing machines and we use the water... The heating season starts and then you have to pay" (LT R6). Social entrepreneurs struggle with financial issues in terms of paying salaries as well. "[...] we don't really generate enough money to pay salaries. With what we earn, we buy coffee beans, permits and so on. But we cannot employ disabled people normally. We want them to be able to be employed, not as an internship with us. There should be some compensation mechanisms, more attention from the state for social businesses. It would be good to be able to employ them, to buy the tools." (LT R1).

Some social entrepreneurs have seasonal activities that affect their financial situation and work in general. "[...] what we have here is basically seasonal work. Our main income comes in the summer – a summer day feeds the year. We can only survive in the winter. And then in the summer we must just about pay off the debts we have accumulated." (LT R2).

During the focus group discussion in Zemgale, it was acknowledged that funding is crucial for any social innovation. Advantage is if the social innovator can earn something by itself, for example, running a charity shop, renting equipment or facilities. Another source of funding is donations; however, due to normative regulations in Latvia, donors lack tax relief, which was ensured in past: "We were faced with the fact that we wanted donors to donate something to the school, and then it turned out that they were not entitled to tax relief if they donated something to social enterprises, contrary to the fact that they donated to associations with a public benefit status, whereas that is different, because it should somehow be levelled out, because on the one hand donations may be, on the other hand, those donors do not really have a benefit other than a plaque on the wall or something". (LV LR3).

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

Regarding the availability of public funding, some social innovators acknowledged that there is an opportunity to apply for small grants provided specifically by the funding schemes for social enterprises.

Information and communication with municipality and governmental organisations

Advisory assistance. Social innovators have mentioned necessity not only for covering their costs, but also for advisory assistance, e.g. for bookkeeping. “[...] *advisory assistance is needed in those cases where the tax office is involved, where there is some bookkeeping involved. We also faced a big challenge when we started our organisation, when we had to find an accountant to help us with the bookkeeping. And how difficult it is, because most of the service providers or companies are concentrated on traditional activities. And I don't know anyone who could competently help social businesses. We have developed that ability to do the bookkeeping ourselves. But all over Lithuania, that is a challenge*” (LT R5). It shows that not only financial issues are important for social entrepreneurs, but advisory support as well. It is partly related with the next challenge mentioned by social innovators – a lack of information. In Latvia, innovators indicated problems with complex situations caused by very complicated national regulations, sometimes even contradictory norms, and sometimes unclear even for the very experienced people in the field. Therefore, consultation centres for NGOs (closer to communities and not situated only in the capital city or big regional centres) or a specialist in local municipality were suggested as a solution: “*It would be good for someone to be able to explain these things because now it is not right that without the urge to break the law, without any motivation to do anything wrong, let us say we are continuous violators just because that law is incomprehensible or the regulation is not even developed at all.*” (LV R6).

Lack of information. Social entrepreneurs themselves face a lack of information “[...] *there is a serious lack of information. If I had not come across Ieva or Viktorija from LISVA, I would not have known what was available*” (LT R1). Social entrepreneurs from Latvia also mentioned this problem and suggested that “one-stop agency” would be a great solution where social entrepreneurs could get information about different issues – financial support, available projects, etc.

Not only social entrepreneurs face a lack of information, but in society in general, there is still a lack of understanding about social innovation and social business. Social innovators in Northern Lithuania have faced a different attitude and understanding from ministries. “[...] *I have seen from my own perspective that this common understanding is lacking. We are an NGO based on a public body and we, as an NGO, can participate, we can go wherever the NGO representatives go. But a social business operating as a Small Partnership (MB), even though it is a social business, cannot apply and access funding opportunities. Different perceptions of certain institutions. The Ministry of Agriculture and the Ministry of the Interior have a certain understanding of social business. And of course, the Ministry of the Interior refers to the Ministry of Agriculture's various rules for social businesses. I have seen some differences of opinion. There is a lack of that common understanding. We are waiting for the law on the development of social businesses*”. (LT R5) Also, in society there is still a lot of misunderstanding about social business. “[...] *perhaps a clearer understanding of what social business is needed. When you start telling others, explaining what social business is, it raises questions. How is it different from a traditional business? There is a lack of clarity, some say that social business will not exist at all, others say the opposite. This is a serious lack of clarity*”. (LT R1)

In the Zemgale focus group discussion, some examples were mentioned about information channels that are used to inform target groups, wider public or respective institutions. It turned out that most frequently very informal channels (e.g. testimonials, social media platforms, everyday conversations) works much better than official websites, articles published in mass media (or the lack of these publications as they even are not published by the local public media for some reason) or informative official letters about the social innovators' activities sent to municipal institutions. Successful communication takes time, willingness to engage, learn and listen frequently depends on local human and social capital which is absolutely a crucial factor.

One of the main challenges mentioned by social innovators in Zemgale and Northern Lithuania is **bureaucracy**, especially regarding cooperation and communication with the municipality and governmental institutions. One of the respondents in Northern Lithuania mentioned “[...] *municipality can reply in 2-3 days, but for something as simple as a question, we can wait 20 days for a reply. Cooperation with the municipality is more complicated*” (LT R3)

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

Also, the slow decision-making process in the governmental institutions is a challenge for social entrepreneurs. “[...] we cannot move forward because of certain decisions and things by the municipality. Which is a bit strange. The municipality should be helping social or other businesses, which is what everybody usually emphasises, but it is not. I would like to see an understanding from the municipality. I would like their help, this common understanding. What makes cooperation more difficult is that you just wait, because there are procedures, deadlines and times when you could have a quicker solution. And of course, with other organisations that depend on the municipality it is more complicated” (LT R3). In Latvia, there was administrative territorial reform in 2020, which aimed to reduce the number of municipalities and pool of resources. The reform, however, was and still is criticised in many respects. One of the main critical points that people feared, and what turned to be true, is alienated attitude from the administration towards peripheries of much bigger municipalities. This was also mentioned by the representatives of social innovators. Examples were given of how long and complicated it is now, after the reform, to reconcile documents, coordinate local activities or get support as people in positions have changed and they actually do not know the local situation in villages or remote parts of the municipality.

Social innovators emphasise that there is a need for good will in public administration, for open communication, for listening and for clarifying of situations. It can be concluded that social enterprises and social innovation is quite a new field and it is important to inform governmental organisations and society about things they are doing in order to create a better understanding. However, it is important to stress that the situation and attitudes in governmental organisations are changing. As mentioned by the social innovator in Northern Lithuania “[...] there is a change in public administration. I see a positive change towards communication, towards openness, and as a mediator I can see that too, more and more of that dialogue is happening”. Overly bureaucratic procedures and regulations taking too much time and energy from social innovators were emphasised also during the Zemgale focus group.

However, many municipalities and the state institutions do not understand the social impact created by the social entrepreneurs, as a result there is lack of support. “[...] the biggest problem is that municipalities do not respect the EU's subsidiarity principle. Because there is no flexibility for the municipalities, they are immediately threatened. Well, there is competition law, but surely social business must not compete - equal to equal. Because creating impact, especially on that occasion when there is always double and triple impact on whom. We are both doing business and having a social impact, and most of the time our activities are green, at least neutral if not positive. It is an investment of all your time and effort, because you also work in other jobs and so on. This is not what we get from the economists at the OECD, the Organisation for Economic Co-operation, the World Bank and all the other economists. The assessments do not calculate these things. And then they say, 'No, this is support, and that is wrong, the subsidy is illegal. Because the impact created by social business is not calculated, creating impact requires enormous extra effort. And where the impact is best felt is at the local level: on the ground, in the municipality, in the village, in the ward’’. However, positive examples were mentioned even though it may take many years for some meaningful changes to happen. Representative from Jelgava Youth Home shared their experience: “[...] because we also had an informal meeting with the representatives of the Ministry of Justice about the creation of a youth home for such difficult children (because currently, as you know, there is no such institution in Latvia anymore), now there is some interest in what we are doing so that other regions can do that as well.” (LV R2). This leads to the conclusion that understanding and evaluation of social impact may take a long time for both formal institutions and society groups, while similar good practices would be replicated in other counties, communities, or contexts.

Cooperation with other stakeholders

Apart from the municipal and the state institutions, the data and both focus group discussions show that social innovators have developed formal and informal cooperation with a wide range of stakeholders (local community groups, NGO sector, individuals, clients, target groups, volunteers, social innovators implementing similar initiatives abroad, etc.). Through volunteering and donating activities as well as other types of very practical support and cooperation, the wider society has been informed and taught about the needs of vulnerable groups and how to respond to them. Thus, people gain more knowledge also about the core idea and importance of social businesses. An interesting, even surprising example was mentioned during the Zemgale focus group discussion by one of the very young social innovators: “I am currently studying in Riga, it is entrepreneurship, and I am studying with people who are from rich families or families of high officials, and I have noticed the logic of their thoughts on social entrepreneurship or on donations. . They do not donate because they find it right or because they should, but they donate just so they can come after that and say: ‘Look, I have just donated €500 to this charity, I am the best person.’” (LV R5).

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

On the one hand, people donate for a good cause which shows their true motivation; on the other hand, however, it is worth educating society about the role of involvement in social activities, as it raises the general level of humanity and inclusiveness.

One of the large groups of stakeholders are clients and customers. Representatives from the NGO “Tuvu” shared the following about their experience in charity shops and with donors: *“I think what we stick to is informing where our funds go, because we already earn and divert them to our social goals, and we have realised that this information is important. And maybe we also are giving that feeling, when they use our service, it is already for users that they are part of that good work for us. In both shops, customers [...] they are always informed, in poster formats, as well as girls telling and informing them directly [...]. And for larger donors [...] we have this kind of reporting system where we also give feedback that, I think, is very important.”* (LV R1). Through photos and real stories the social innovators get their credibility, so the feedback, regular information and communication is considered as very important from the perspective of social innovators.

During the research, an international cooperation was reported mainly as occasional cases and basically for inspiration during personal visits, for example, to similar ecovillages, charity shops, car-boot sales abroad. Some ideas for social innovations are transferred from international experiences, for example, the creation of ecovillages or SOS Children’s Villages.

Legal framework

The legal framework for any form of entrepreneurship and NGOs is substantial. Some of the interviewed social innovators in Latvia pointed out difficulties related to the current legal regulations in terms of bureaucracy, limited opportunities for donors, etc. *“In the old days it was much simpler. There were just public organisations, there were revenues and expenses and that was it, and you did what you did; you could very simply do that good social work. But then we were all re-registered as NGOs so that we could do this economic activity. It is a shame they did not leave [the earlier regulation]. I totally agree that many organisations want to do a parallel economic activity, as all these charity shops and so on. [...] I do not want to do anything more; I want to help a person and do that kind of thing. That is gone [with the latest regulations].”* (LV R4). In Latvia, a legal form of a non-profit organisation does not exist anymore (the law On Non-profit Organisations was in force until 5 May 2006 after the Commercial Law came into force). The law on non-profit organisations provided an opportunity to grant the special status of non-profit organisations to business entities (enterprises and companies) engaged in economic activity and with no purpose of making profits. However, it created a situation where the legal form did not match the content. After the law was amended, most of the enterprises and companies founded as non-profit organisations had to make a choice: either to become conventional enterprises according to Commercial Law – thus losing their non-profit organisation status-, or to re-register as associations – thus continuing their activities aimed at achieving their social goals and reducing their economic activity. As a result, social innovators in Latvia mainly operate in the form of NGOs. So, the suggestion from the social entrepreneurs and social innovators was to return to the previous legal regulations or at least to revise the existing one.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

To sum up, the main challenges identified during the comparative analysis for social entrepreneurs are presented in the Table 4.

Challenges faced by social innovators in Northern Lithuania and Zemgale

Challenges		Northern Lithuania	Zemgale
E x t r n a l	Lack of information and understanding about social business and social innovation	Different attitude and understanding from ministries; society has misconceptions about social innovation and social business	Different attitude and understanding from municipal and the state intuitions; passive involvement in timely support for social businesses and social innovations
	Lack of understanding about created social impact	Municipalities and governmental institutions do not understand the social impact created by social entrepreneurs, as a result there is lack of support	
	Bureaucracy	Cooperation and communication with municipality and governmental institutions are very slow	Legal framework does not motivate donors to support social businesses and social innovation; some regulations social innovators find useless and burdensome to their work
	Geographical location	Hard to attract more customers	
I n t e r n a l	Lack of information	Lack of information about support instruments, available projects etc.	
	Lack of advisory assistance	Lack of advisory assistance, e.g. for bookkeeping	
	Financial issues	Social innovators struggle with financial matters, e.g. buying equipment, making payments, salaries Seasonal activities that affect the overall financial situation	
	Personal issues	Fear of making mistakes and being punished for them	

Source: created by the authors based on focus group discussion results.

Strengths

Social innovators face different challenges in their work; however, they have identified strong points they have as social innovators.

Flexibility. Organisations represented by social innovators very often are micro and small organisations that allow them to be very flexible, and to respond quickly to different situations. As mentioned by one of the participants in the focus group in Northern Lithuania “[...] for us, as a social business, this independence from local authorities has allowed us to go remote very quickly, within 3 days of buying Zoom, without any major constraints” (LT R5). Flexibility is an important aspect in the change period because it allows social innovators to adapt to the situation faster and in an innovative way.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

Ability and necessity to cooperate. Social innovators cooperate with different stakeholders – municipality, local organisations, ministries, local community etc. “[...] we have cooperation agreements with certain social partners – with the youth work centre of the employment service, with communities, with the high school, with local communities” (LT R5); “A LAG without cooperation gets nowhere. It is actually at various levels, it is between the LAGs at the Lithuanian level, and we cooperate with the National Payment Agency, the Ministry of Agriculture and international cooperation. But I would like to talk more about local cooperation, what we have close to us, social institutions, our social environment. We are very cooperative with the Panevėžys District Union of Communities. Of course, nothing would be possible without cooperation with the municipality and other budgetary institutions. We have to cooperate with business, with all the NGOs in Panevėžys district” (LT R4).

Some social innovators cooperate with more than ten partners (e.g. 30 municipalities and other partners), some with few stakeholders, however, all confirm the importance of cooperation with different stakeholders. Participants in focus group have mentioned that “[...] the social initiatives that we are talking about here could not be achieved in our organisation without cooperation [...]. There is a lot of administrative and personal input involved in building these ‘bridges’. Perhaps all of us here understand the importance of this” (LT R7); “[...] cooperation creates new ideas, new projects, innovations, something different and more interesting” (LT R4).

To promote social innovation, it is important to educate youth. For this reason, some social innovators cooperate with education institutions. “[...] we work with schools – from the smallest, primary school to high school. We cooperate with representatives of the municipality, other organisations, Panevėžys College. We have a lot of partners. There are regular partners with whom we started with a project, and now we are already on the social business side, and we have already started to work with social workshops. There are year-round partners who invite us to their events and there are new partners” (LT R1). As it was presented earlier, in Zemgale, some social innovators are directly linked with education (e.g. BJMK rock music school or Baltic Outdoors/ “ZILITY” Ltd.) because either their main activities are educational or linked with skills development and cooperation with general education schools.

To disseminate information about the social innovation it is essential to cooperate with the media: “[...]the cooperation with the media is quite good. For example, one woman has left the media, but she continues to make videos, and films about certain initiatives. Now she is making films about us, she has been making films about us for a good 4-5 months” (LT R1). In Zemgale, however, some examples were indicating problematic points regarding cooperation with local media. Still, local traditional media and social media represent the main activities of local social innovators in terms of providing information.

Some of the social innovators in Northern Lithuania cooperate even with international partners: “[...] our activities started at the very beginning with the support of the Reach for Change team, which was an international organisation with branches in Scandinavia and the Baltic countries. We have established and maintained our cooperation relations. We now have a network of social partners in Scandinavia and the Baltic countries, together with the social partners in other countries, and social supporters. We have periodic meetings, we share experiences, we learn from each other” (LT R5). Cooperation with international partners usually is in the form of international projects (e.g. within the Latvia-Lithuania Cross Border Cooperation Programme), which brings money, innovations, and ideas. Other cooperation has started from Erasmus+ exchange, where also social innovators got great ideas on how to develop their own work. And this cooperation works vice versa, also international partners can learn from social innovator examples and their experience and spread it all over the world. International partners were mentioned also in the Zemgale focus group: “Yes, well, we have had more cooperation with foreign countries directly as a society, as an organisation. They are Erasmus+ Solidarity Corps projects with organisations in Italy, Germany, Bulgaria, Spain, France, Austria, and other countries I cannot remember. This is a network of cooperating NGOs.” (LV R3).

Social innovators confirm that they experience positive cooperation, and less negative ones. However, still there are some stigmas that hinder successful development of cooperation: “[...] there is information dissemination, social networks, social workshops that are very well advertised, there are various city festivals, city fairs. People with disabilities get involved. People sometimes don’t want to create joint activities out of ignorance. There is no exposure to people with disabilities” (LT R1).

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

). Also, it is not easy to facilitate engagement of local community: “[...] *the local community is not very active. We have signed a partnership agreement with the local community, and at the beginning there was a very negative attitude [...] what are you going to do here, well, well, well, and now there is no such active participation, no such cooperation [...]*” (LT R2). It can be concluded that social innovators are active in cooperating with different stakeholders, which brings them new ideas and innovative solutions for their activities.

Focus on local needs and local people. It should be emphasised that one of the most important strengths of social innovators in both project regions is their ability to respond to local needs, particularly those neglected or not fully addressed by local authorities or the state level institutions. Some target groups that do not qualify, for example, to be involved in municipal support schemes or support is limited, can receive some material, moral or other help from social businesses and social innovators. Involvement of local people, volunteers, youth in particular, can be considered as a great potential for building stronger and resilient communities especially in rural areas facing demographic decline and insufficient service infrastructure.

2.6. Development of opportunities for social innovators

In the focus group discussions, social innovators were asked to identify what is necessary to expand their social innovation. The main things that were mentioned were related to the necessity to improve and revise the legal framework (in both Northern Lithuania and in Zemgale), to provide more financial support for social enterprises, to provide information about social innovation and social entrepreneurship, and to raise the level of general understanding about this field in the wider society. Some answers during the focus groups indicated positive attitudes despite difficulties: “*Our further activities will unequivocally continue even if [external] support is not available, because we started as an NGO from the very beginning with charity shops. We only set up a social enterprise because there was that legal frame and it was such a logical step. I think we are going to continue even if there is no support and we are going to live on donations.*” (LV R1).

Legal framework and financial instruments. Social innovators in Northern Lithuania have mentioned that support from government is needed to develop social innovation and social enterprise. This includes better regulation and support instruments: “[...] *what I am lacking, first of all, is specific, clear regulation. And we are 'skidding' in this area. There is a need to do good work in that area. This could be followed by tax support, tax incentives. That is where I think the support would contribute to social enterprises*” (LT R4). But firstly, as mentioned by social innovators in Northern Lithuania, a clear regulation should be set: “[...] *no tax advantages without legislation, no definition of social business. We have a definition of social business in the Small and Medium-sized Enterprises Act. This is the first step in understanding that social business is a business, but there is still a lot of work to be done*” (LISVA expert). Similarly, some complexities regarding the tax system and legal operation of NGOs were mentioned also in Zemgale. The representative of “*Ķirpēni*” Ltd. mentioned: “*With the fact that we now have NGOs, we are all thrown into the same basket [...] we have got all this big bureaucracy, and according to the SRS [State Revenue Service] request we are supposed to give a monetary value to all donations. [...] All stuff what people bring for free, I give them away for free! And suddenly the SRS is demanding me to give a price to every item.*” (LV R4).

Support from municipality. The experience of cooperation with municipalities is very different. Some municipalities are very supportive, they try to help social entrepreneurs in different ways, including financial support: “[...] *the biggest problem was with the power grid, the laundry would not start up, so we needed to increase the power. For the power increase they asked for eight thousand, we wrote a request to the municipality. Our Pasvalys municipality, I am very happy to say, always contributes to all projects*” (LT R6). Municipalities can support social innovators within different projects. The other respondent shared their experience: “[...] *we received support when we signed the project. I am very happy. For three years, we have had a salary paid by the municipality to a worker for these activities. In those three years we will be able to save up a little bit and accumulate a contribution so that we can continue to operate independently*” (LT R6).

Municipalities can support social innovators by buying their products or services: “[...] *my hope, having been in contact with colleagues for a long time, would be to encourage more municipalities to purchase those services from those social or community businesses, not to be afraid of it. Yes, we have really good examples in Lithuania where this is being done. For some of the social businesses, it would be a great help in securing that stability. To secure that stability through the creation of social benefits for society*” (LT R5).

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

Social innovators suggested to develop a centre right on the side of the Zemgale region or at least to have a specialist in each municipality with expertise in social entrepreneurship who could practically help with explaining legal norms, who could also coordinate some cooperation. Having one unifying umbrella organisation in the capital city is not enough, because it is far away from rural localities and small communities. This is crucial especially for newcomers to the countryside. As one of the focus group participants mentioned: “[...] where we could somehow even help each other, you see, to solve the transport problem, for example. [...] We can give others what I suppose we can share; I have sewing machines, you want to create something there, now come to me, take the sewing machines, or I can take them to you. I think that kind of centre is needed because as a newcomer (I have recently moved to Dobele), I do not know what social enterprises are there, what they do, but I would love to work with them very much.” (LV R4).

To develop social innovation on a larger scale, support from **the media** is necessary. Some opinions from the focus group support this statement: “[...] I would like to see the importance of the media more. I would think that it has a big influence. There could be a lot of good examples from the small districts, and there could be general publicity on those major media portals. And less negative ones” (LT R3); “[...] publicity is very important to show the public the substance, the benefits that are being created, and that would be a really big support. Another aspect is that maybe the social businesses that provide social services should be publicised more in this way from the social services directories” (LT R5). “I recently sent some kind of press release to the local newspaper “Zemgales ziņas”, either they had other things to write about or something, but for example, for that last event somehow ... we sent three emails! There was no information [in a newspaper] at all. I do not know why. We were not topical? Incorrect email? At the same time, another event, which was also on the same day (and I think it would be interested for a narrower group of people), got its publicity.” (LV R3).

Local newspapers could be an important source. Some social innovators have mentioned positive experiences but some – negative: “[...] in Rokiškis there are two main media sources – “Rokiškio sirena” and “Gimtasis Rokiškis”. It used to be that you could send out advertisements, no matter what type of event and so on, and they would share them for free. But now they have put in place a procedure, for commercial events there is only paid advertising, and for events that are free, the same policy remains that they can share them for free. We are trying to play around a little bit, to make some part of the event free. And then we try to share in the media for free” (LT R2). Both positive examples regarding communication with local mass media and miscommunication were mentioned also in the Zemgale region.

Local tourism centres are an important channel through which information about social business (social innovation) can be spread: “[...] the Rokiškis Tourism Information Centre used to share information about all events, whether paid or free. Now there will be a fee for commercial events. But it is not a big amount, and we can still have publicity there, it is a few euros for placing an advert” (LT R2). Also, in Zemgale social innovators suggested contacting local tourism agency, as they had very good experience with them. The agencies have a list of local enterprises, they can share the contact information and post some news about social innovations on their webpage.

Also, **a local municipality’s website** can be a significant tool sharing information: “[...] the Rokiškis District Municipality is carrying out a project to create an 'Events in Rokiškis' page. All organisations that only organise events can post there. The municipality shares the event, the programme, for free. For us, communication is all about more communication. And the regular communication on our FB web page is enough for us” (LT R2).

The best channels to disseminate information through are the customers’ organisations: “[...] the biggest media are our customers and our social media accounts, they share. It was the same with the other project – our donuts. Our promoters were the children who visited, who said something somewhere and shared it. And without even knowing it, both TV and journalists visited us. As they say, “What you want is what you get, what you seek is what you find”. And you serve as much advertising as you can, and the customer chooses where they like, what tastes good, what is clean and who gives them a better service” (LT R6). It can be concluded that it is important to attract customers and provide good service/product that customers like.

2. Comparative analysis of social innovators in Zemgale and Northern Lithuania

In order to disseminate information about activities of social enterprises, and the problems they solve, social innovators become **ambassadors**, e.g. “[...] *several young people give lectures on disability. Let’s say a person with Down’s syndrome gives a lecture about their disability. They have been to college, to the ministry, and so joint activities are being set up*” (LT R1).

The main solutions for identified problems are summarised in Table

Table 5

Solutions for problems identified by social innovators in Northern Lithuania and Zemgale

Problems	Solutions	Stakeholders involved in solution
Lack of information	To publish more articles in mass media that inform about social innovation and social entrepreneurship	Local and national media, Lithuanian Social Business Association (LISVA), Social Entrepreneurship Association of Latvia, mass media, social media
	To disseminate information about activities and events created by social innovators and social entrepreneurship	Local tourism centres, municipality (municipality newspaper, homepage), social innovators (social networks), Lithuanian Social Business Association (LISVA), Social Entrepreneurship Association of Latvia
	To disseminate information in education institutions	Social innovators and social entrepreneurs, education institutions, Social Entrepreneurship Association of Latvia
	To raise public awareness about social entrepreneurship and social innovations	Lithuanian Social Business Association (LISVA), Social Entrepreneurship Association of Latvia, mass media, social media, educational institutions (all levels)
Lack of advisory assistance	To create a “one stop” agency in district /regions that provide information about support instruments, available projects for social innovators and social entrepreneurs etc.	Municipality, social innovators
Financial issues	To promote sales by selling services/ products to municipality	Municipality, social innovators
	To implement projects to attract additional funding	Municipality, governmental institutions
	To promote socially responsible public procurement	Municipality, governmental institutions
	To create additional financial mechanisms that will improve access to finance	Municipality, government, Lithuanian Social Business Association (LISVA)
Legal framework	To create legal framework that makes better understanding/that promoted ecosystem development of social enterprises (Lithuania case) and involves tax as well as others benefits to social enterprises; revise the legal framework in Latvia regulating NGOs	Lithuanian Social Business Association (LISVA), Social Entrepreneurship Association of Latvia, government
Bureaucratic burden	To inform governmental institutions and administrative bodies more about social innovation importance that may help to understand that quick communication can help to develop this field	Lithuanian Social Business Association (LISVA), Social Entrepreneurship Association of Latvia, government

Source: created by the authors based on focus group discussion results.

1. The comparative analysis revealed many of similarities about social innovations and social entrepreneurship in both project regions. In Northern Lithuania and Zemgale similarities concern innovators' motivation, funding issues, understanding within wider society about the field and support, focus on local needs, similar target groups, cooperation patterns. Differences are mostly related to the legal framework regulating social businesses and the NGO sector in general as well as the number of players – social innovators.
2. Even though the research team used different information channels to identify potential social innovators in both project countries, the numbers are still approximate as there is no one data base or such information is not collected at the municipal level. The lack of systematically updated information also hinders potential cooperation among social innovators as they do not know about each other's existence. This was mentioned during the focus group discussions.
3. In Zemgale region, most of the organisations/companies with a high social innovation potential are in Jelgava and Dobeļe County; however, the social innovators with the most potential were identified in Jelgava City (23 in total). This can be explained by the fact that Jelgava is one of the largest cities in Latvia, concentrating more human capital and other resources as well as potential for innovations (including social ones) in comparison to very typical, remote and less populated rural municipalities facing demographic decline. In general, the number of potential social innovators in all counties is quite similar. According to the research results, in Latvia, the weakest county in terms of potential social innovators is Jēkabpils County, which can be explained by the fact that it is located further away from the capital Riga, where different opportunities are available for the development of organisations or companies (information, financial sources, etc.).
4. The largest number of social innovators with high potential in Northern Lithuania was identified in Rokiškis and Panevėžis districts. In total, these regions and also in Biržai have the highest number of potential social innovators (Rokiškis – 32, Panevėžys r. – 25 and Biržai – 28). The main criteria that social innovators with a low or medium social innovation level lack in terms of social innovation are weak social goals (social impact) and/or challenges with ensuring sustainability.
5. In Northern Lithuania, 1.4 times more potential social innovators were identified than in the Zemgale region that may indicate that Northern Lithuania is more socially innovative compared to Zemgale. Besides, there are 2.3 times more social innovators with high potential (in total 59 compared to 25 in Zemgale region) and twice less with low potential. It can be explained by the population density that is much higher in Northern Lithuania, and as a result gives bigger potential to attract more social innovators and social entrepreneurs.
6. Social innovators in Northern Lithuania usually operate in more than one field (e.g. culture and tourism, agriculture and tourism etc.) thus increasing their revenues coming from different streams. Quite often their main domain of activities is agriculture; social innovators employ socially vulnerable groups of people. Besides, they produce different niche products. In Zemgale, this field in terms of social innovations is not very popular; however, it has potential in the future because Zemgale is rich in arable lands, and alongside conventional farming some care farms could be developed.
7. In both project regions, many social innovators operate in social care, social services and health sector thus covering the gaps of services that are not sufficiently provided by the governmental and/or municipal institutions and support schemes.
8. Social innovators focus on different target groups, providing services for them or providing work integration opportunities. In Northern Lithuania, compared to Zemgale, social innovators quite often cooperate with local community organisations and entrepreneurs that may be useful in solving different problems. Also, for social innovators in Northern Lithuania, the target groups often are all residents of the country and foreign residents that can be explained by the activities of social innovators (e.g. tourism and cultural events they organise and that are attended by different visitors). This is a potential direction for social innovators in Zemgale that can be strengthened.

9. Although there are differences in national legal regulations, in both project regions, social innovators mostly operate as NGOs and social enterprises, as the goal of these legal entities is to solve social problems in local communities or in the wider society. During the research, it was found that in Zemgale compared to Northern Lithuania social innovators emphasised the need for strengthening the sense of community and attachment to place in the countryside. This is largely achieved through the involvement of volunteering local people, especially youth.
10. Mainly social innovators are young people and they have created social innovation quite recently. Still, some representatives of the social businesses have even 30 years of experience. However, Northern Lithuania has more experience in the creation of social innovation.
11. In Northern Lithuania, social innovators make changes mainly at local and regional level and are even involved in international activities. It can be explained by the fact that social innovators in Northern Lithuania have more working experience in the field of social innovation and they have expanded their activities more broadly. Very often the changes start at a local level and grow further. In Zemgale, the majority of social innovators operate locally and only some have expanded their activities nationally.
12. The motivation of social innovators is deeply connected with the main criteria of social innovation – introduction of change, novelty, solving social problems, creation of the benefit for the society as a whole or a specific target group, and sustainability and effectiveness of solution.
13. Social impact created by social innovators in Northern Lithuania and Zemgale can be divided into five groups: 1) social benefit for the region (district) by providing job opportunities to local people, services, etc.; 2) educating people about different topics that are important for society; 3) positive conditions for the preservation and popularisation of ethnic/cultural heritage values and development of cultural events; 4) social benefits to a specific target group (benefits to socially vulnerable groups of people, children, etc.); 5) environmental impact; 6) place attachment and a sense of community. The main gaps are in the environmental field, where fewer social innovations are identified. This is the field that can be strengthened in the future.
14. Social innovators and social entrepreneurs face different external and internal challenges in their work: personal issues, geographical location and poor public infrastructure, funding, information and communication with municipality and governmental organisations, cooperation with other stakeholders, legal framework.
15. Social innovators have identified their strong points, e.g. flexibility and the ability to cooperate with different stakeholders, which brings new ideas and innovative solutions for their activities.

The project team has identified several challenges that social innovators face in both project regions. Some should be addressed at local or regional level, some at national level in both Latvia and Lithuania. To improve the social innovation ecosystem, the legal framework, public awareness, and the diversity of social innovations, each of the following stakeholder groups should implement several activities.

National governments. Respective line ministries in Latvia and Lithuania, in close cooperation with national associations (Lithuanian Social Business Association (LISVA) and Social Entrepreneurship Association of Latvia), should revise existing legal regulations: 1) to elaborate the necessary normative base and laws regulating social entrepreneurship (in Lithuania); 2) to ease bureaucratic procedures that unnecessarily complicate the operation of social businesses and NGOs, 3) to revise the current tax policy and support for donors to motivate them to support social innovations and social entrepreneurship.

National associations. To promote the dissemination of information about social innovators (social innovation), and social entrepreneurs (social entrepreneurship) as well to raise public interest and awareness about social innovations Lithuanian Social Business Association (LISVA) and Social Entrepreneurship Association of Latvia:

- must cooperate more with local and national media to publish articles in mass media; as a result, society will become more knowledgeable about organisations created by social innovators and social entrepreneurs and their products/services;
- must cooperate with local tourism centres and municipalities to disseminate information about events and productions created in their organisations; useful sources can be official media such as the municipality's official newspaper of, homepage and brochures, webpages of local tourism centres;
- must inform governmental institutions more about social innovation and its importance that may help to understand that quick communication can help to develop this field.

Social innovators and social entrepreneurs must cooperate with educational institutions to disseminate information about volunteering, social innovations, and social entrepreneurship (guest lectures for students, workshops, competitions, etc.). It can both raise public awareness of local social problems and motivate young people to create socially innovative start-ups or get involved in social enterprise activities.

Municipalities. To overcome the lack of advisory assistance and empower local social innovators, municipalities should develop certain support measures:

- To create a “one stop” agency in their district/county that would provide information about support instruments, available projects for social innovators and social entrepreneurs, etc. This has become increasingly important after the unification of the counties when it has become a challenge for locals to reach experts in the municipality (very often the services are more distant and less accessible). It could be useful to provide an expert in the municipality who is knowledgeable and skilled in the above mentioned things.
- To promote financial sustainability of organisations created by social innovators (or social enterprises), municipality and governmental institutions can support their work by promoting socially responsible public procurement thus buying more their services/products. Also, it is advisable to create additional financial mechanisms that will improve access to finances (in the form of projects, etc.).
- To develop a social innovation ecosystem, municipalities should keep records about active and potential social innovators and organise some networking events thus enabling potential cooperation partners to find each other.

Educational institutions. Schools in both project countries should be more involved in local community development through volunteering, educational events, and collaborative projects with social innovators.

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Annex – Legal forms available to social innovators in the Lithuanian jurisdiction

Based on the official information from the Lithuanian Register of Legal Entities, social innovators in Lithuania can use the following legal forms.

Lietuvos juridinių asmenų registro sąrašas

Translation provided by the Lithuanian registry of legal persons

Comments by Ieva Žebrytė of LiSVA

Akcinė bendrovė (AB)	Public limited liability company (LLC)	Open, can be a publicly traded company.
Uždaroji akcinė bendrovė (UAB)	Private limited liability company	Closed, joint stock company, which is not listed for public trading; shares are not transferred publicly.
Kooperatinė bendrovė (kooperatyvas)	Cooperative (coop.)	
Žemės ūkio bendrovė (ŽŪB)	Agricultural company	
Asociacija	Association	There is a subset of associations which contain the words "Vietos veiklos grupė" [Local Action Group] in their name. These are local action groups modelled after the LEADER programme. They serve either urban or rural areas, and their communities.
Tikroji ūkinė bendrija (TŪB)	[General] Partnership	
Komanditinė ūkinė bendrija (KŪB)	[Limited] Partnership	
Mažoji bendrija (MB)	[Small] Partnership	Membership-based small enterprise
Individuali įmonė (IĮ)	Sole proprietorship	Owned by a sole natural person.
Valstybės įmonė (VĮ)	State enterprise	
Savivaldybės įmonė (SĮ)	Municipal enterprise	
Viešoji įstaiga (VŠĮ)	Non-profit institution	VŠĮ - "public interest institution" is the direct translation. Social business models are often implemented under this legal form because it permits income generation through the provision of social services which used to be primarily in the public domain (state or municipal budget).
Labdaros ir paramos fondas (fondas)	Non-profit foundation (foundation)	Charity foundation
Bendrija	[Home-owners'] Partnership	Partnerships uniting department-owners, homeowners and similar for the purpose of managing their common interests. There is a notable difference if compared to the small partnership (MB) whose purpose is commercial (generation of income and employment).
Sodininkų bendrija	[Garden-owners'] Partnership	