



# Women's Social Entrepreneurship in



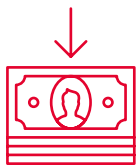
# LITHUANIA

Providing work opportunities for the most marginalised

Women social entrepreneurs in Lithuania are struggling against bureaucracy and stigmatisation to develop social enterprises which change societal attitudes

## SNAPSHOT\*

\*Out of 9 women surveyed



The majority of women surveyed have an annual revenue of less than **75,000€**

**30 to 60%**

of revenue comes from the market (for de facto and mixed social enterprise types)



The **MAJORITY** have care responsibilities



Less than **10%** of the profits are reinvested back into the social mission (by the majority of women social entrepreneurs)



over **90 %** revenue comes from the market (for de jure social enterprise types)



The **majority** feel like they are **empowering women** with their social enterprise

## KEY FINDINGS

"I inspire other women, telling them that they can do it too"

Rasa Besekirskienė  
MANAGER OF THE PRIVATE LIMITED  
LIABILITY COMPANY METRAS

### ECOSYSTEM

- Three types of social enterprises (SEs): SEs de jure, SEs de facto and a mixed type • 133 legally recognised social enterprises

### SECTORS

- Health & Social Work, Arts & Recreation, Manufacturing, Professional Services and Education

### MISSIONS

- SEs de jure- (Re) integration of socially and economically disadvantaged social groups to the labour market • SEs de facto and mixed - environment, changing societal attitudes to the disadvantaged/disabled, reducing stress to parents

### MOTIVATIONS

- Self-realisation and independence as well as the desire to earn (more) income for household • Creating a more sustainable, more ethical business model and launching a new product or service

### BARRIERS

- Both genders: competition for finance, a sceptical attitude of the society towards the employees or clients or owners/managers of SEs, national taxation system

### GENDER

- Women social entrepreneurs undertake activities which capitalise on occupations traditionally associated with females • Women social entrepreneurs inspire other women with their example • The majority have care responsibilities

### IMPACT

- Creation of jobs to the disabled and socially disadvantaged, improvement of their quality of life • Very few women social entrepreneurs measure social impact

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## BACKGROUND

# SOCIAL ENTERPRISE IN LITHUANIA

### Ecosystem

A history of SEs in the narrow sense of social entrepreneurship dates back to 2004 when the Law of Social Enterprise was passed. However, measures to integrate socially disadvantaged, in particular disabled people to the labour market, by a tax reduction policy were applied in 2000. In Lithuania, three types of social enterprises (SEs) can be distinguished: SEs de jure, SEs de facto (cf. Gaušas et al., 2014) and a mixed type. SEs de jure includes SEs and SEs of the disabled which are legal forms of enterprises employing socially disadvantaged and often socially excluded people. SEs de facto are based on a broad understanding of SEs as entities with a social mission, that reinvest profits and address social and/or environmental issues.

### Legal Format

The legal forms of operating SEs de jure include private limited liability companies, public entities/ establishments (as a form of a non-governmental organisation) and individual enterprises. Since 2012, SEs de facto can have a special legal form as a small company. In rural areas, individuals engaged in agriculture have a legal status of farm holding. This form applies to for example co-farms as SEs. Local community groups are usually registered as associations (public entities).

### Size of Sector

Small and medium enterprises dominate the field: in most SEs the number of employees does not exceed 50.

### Activities

SEs in Lithuania are mostly located in primary sectors of the labour market. Specifically, they are active in providing printing, IT and graphic design, (building) cleaning and landscape design, catering, tailoring and cloth sales.

### Barriers

Social entrepreneurs of both sexes face a number of barriers, including:

- competition between local communities for limited EU funding
- low wages which impact on small gaps between wages and social benefits (or which can cause a 'social benefit trap')
- a skeptical attitude of the society towards the employees or clients of social enterprise
- a cumbersome national taxation system (especially for new SEs de facto)

### National Policy

The most important effect on SEs de jure at national policy level is the Law of Social Enterprises (2004, amended 2011). It is the main economically incentivising instrument for establishing and running this type of business. However, it was criticised because in order to register as this type of SE, priority must be given to disabled persons and therefore other socially disadvantaged groups, for example former drug addicts, are considered as secondary.

The work to broaden the understanding of SE was undertaken by the Ministry of Economy. The first Social Entrepreneurship Summit was held in 2014, which sparked a discussion of the new concept of social entrepreneurship, involving diverse stakeholders. As a result, a new concept of social entrepreneurship was approved by the Minister of Economy on April 3 2015. It defines an SE as an entity that is oriented to profit and social welfare, reinvests a part of its profits into business development, and contributes to the well-being of the community or certain social groups by serving their needs or addressing social and/or environmental issues within business models. The call for SEs meeting the criteria of the broader concept of SE will be announced in 2017.



## Motivations

Many of the women established SEs as a result of a personal experience with their own or a loved one's disability, or experienced a need for certain products or services which were not available on the market. Others experienced joy in developing their talents or found meaning in their lives by employing socially disadvantaged people.

## Available funding

Both SEs de jure and de facto are established by women for similar reasons. As SEs de jure are eligible for state support they can receive other economic benefits; a legal status of a SE is an important contextual factor for establishing SEs. On the other hand, some municipalities initiate programmes to promote SEs as tools for addressing social issues such as unemployment, reducing crime for example by integrating previous drug addicts into the labour market or developing creative services.

Sniegė Naku, the owner of the public entity Upės kultūra discusses one of the options that she considered when starting a SE: *"I was part of the programme of Fine Crafts, Ethnographic Businesses and Fairs that was initiated by the Mayor of Vilnius City and the programme participants could get premises for their business in the old town for a small fee."*

Women from regional SEs also took the opportunity to apply for finance for community activities from the EU funds. In these projects, they could address concerns within their community: improve social welfare, environment and, at the same time earn their own living, as employment possibilities are limited in rural areas.

Vanda Stonienė, Chairperson of Smalininkai community centre that owns a wind-mill, a mini tractor and bicycles describes her community's motivation *"We consider our area as a resort, therefore, for us it was important to take up a business with ecological implications, so that it is attractive to tourists. We thought that we should take as much from nature as possible with the least damage to it."*



## CASE STUDY

### Žalia pupa Green smoothies

Jurga Baniienė is the founder of a small company community Žalia Pupa that produces green smoothies and sells them in the centre of the city. She has been in this business since 2011. A small community (a legal form specific to Lithuania) was established in 2015, to make the accounting process less complex with business partners. Jurga speaks about challenges that she faces as a small business owner, specifically regarding cumbersome bureaucracy:

*"One official told me that the more successful I become the more inspections I'll get."*

*When I started my activities I thought that every institution wanted to help me. At the end of the last year I got tired of visiting state institutions. My website's title was not proper, my language was not correct, this and that...*

***I work such much just so that institutions can show the world that they function.***

*For example, I needed permission from the municipality to bring two armchairs outside.*

*First, this has to be approved by the cultural heritage chapter [the bar operates in the area of cultural heritage]. Therefore, I had to order a plan at the architect's to position the armchairs in two square metres. Next, I had to make a design at a marketing agency, bring the draft to the municipality, then it goes to the National Language Commission which came here to check my signboard... and all the visits are filled with threats – if you violate this regulation, the fine will be of that size and so on. ... and after all the arrangements and visits I get a call from the municipality, that my plan for the two armchairs was approved. So I had to come to the municipality and take my documents from desk 6 to 9. These officials sit next to each other, but I had to come, push a registration button and queue to hand in my documents."*

### Additional income, Social impact, Self-realisation

Some women started a SE as they strove for self-realisation and independence on the one hand, and wanted to earn (better) income for their family on the other hand. They addressed a customer's specific need or issue, which they often had a personal experience with (such as disability) seeking to have a social impact while maintaining their own economic independence.

Rasa Bulvičienė, Chairperson of Karalkrėslis community which initiated a bakery as a social business in 2015 recalled

*"I could not find a job with my profession [primary school teacher] and as I have a disabled son and money was needed, we [active people in the community] decided that it's not a solution to walk and ask for money with an outreaching hand, we need to earn the money."*

Vitalija Stankevičienė, owner of a private limited liability company Saimeta which bakes bread products explained *"One of my sons was very eager on baking...We tried baking cake for some time and selling it. We were so successful that soon I quit my job as an accountant in the kolkhoz."*

Jurga Baniėnė, founder of Jurga Baniėnė's individual company and a small community Žalia pupa that produces green smoothies recalled *"Since childhood I remember myself mixing smoothies, grinding nuts and different herbs. And then at a certain time of my life I was wondering what I would like to do. As I was bringing up two children, doing other activities and felt tired I was thinking how to sleep less and what I could do to stay energetic. So I landed with the green smoothie idea."*



## Barriers

The major barriers for women starting and growing their SEs are a lack of financial resources, bureaucracy and

finding suitable employees. Financial resources are usually a problem when growth perspectives are considered, or more complex goals are sought. Community groups are usually dependent on project based financing. Other SEs, in particular the ones de facto, try to apply for project or initiative funding. However, these resources cover the so-called 'soft' part of their company's activities, e.g. training, social workers or psychologists' but not the 'hard' part when, e.g. housing is required for special social groups.

Reda Sutkuviėnė, manager of the public entity "Socialinė paramos projektai" which runs a salad bar Mano Guru that aims to integrate former substance addicts into labour market explains *"We need finance to make our rehabilitation programme complete: to create a safe closed environment because some of our clients after work here return to their environment where alcohol and drugs may be used and the stakes of relapsing are very high."*

Bureaucracy is also a problem for many women in social entrepreneurship, in particular, the ones which produce eco food – certification procedures, checks and the documentation work are among the most tiring aspects of such a business.

As many of the women interviewed ran a SE de jure which employs disabled persons, they acknowledged that communicating with them, explaining the tasks and their responsibility is sometimes challenging to managers. For some employees, this is the first time they have been in paid employment. Another barrier is low wages and in some instances the difference between wages and social benefits can act as a disincentive; this is particularly the case in rural areas.



## Gender and Social Entrepreneurship

### Gender Equality

For the women interviewed, gender equality did not play a role when

establishing an SE. Most just wanted to accomplish their idea, (usually not related to gender issues) while others focused on their own competence or field of knowledge as the criteria for establishing and running a business. Milinora Pšibišauskienė, who owns the land on which she and her husband cultivate herbs observed: *"It is competence that matters. I graduated in agronomy, the farm land was mine, so I registered the farm. My husband is an engineer and he takes care of the technical equipment. There were no dilemmas about who is going to lead. There wasn't any disharmony."*

In most cases, a focus on gender issues did not develop or manifest as the enterprise progressed. The exception is in the case of enterprises in which characteristics traditionally ascribed to women, such as thoroughness, attentiveness and care were important to the success of the business. Renata Umbrasienė, the owner of a SE that produces attractive clay products (marketed primarily to women) noted,

*"Now we are a 100 per cent female company. We had some men. But somehow they do not have an approach or skill to create attractive products. And women usually do".*

However, the women interviewed acknowledged that personal characteristics that are traditionally related to women help them to be more effective as managers. They considered communication competences, empathy and care as very helpful, in particular, when dealing with disabled employees who require special attention. As Renata Umbrasienė, the owner of Molio Motiejukas noted, *"You need much patience to train new employees. A woman has more motherly characteristics perhaps and can be more patient."*

### Women's Empowerment

Women acknowledge that an SE was a way to discover their own talents but more importantly, they develop their leadership competences by dealing with people and different public institutions, including foreign partners. A few of them have given advice to other women who want to



do something with their land holdings or start a SE de jure or develop their community's activities. Some of them consider that they are role models to other women and admit that they try to encourage other women to be more active and search for ways to accomplish themselves. Rasa Besekirskienė, Manager of the private limited liability company Metras explained *"I sing in the choir. I am its president and I am visible there. I inspire other women, telling them that they can do it too. One girl was depressed, could not find a job, was taking medicine. I spoke to her and tried to lift her up and succeeded. She attended stomatology courses, started working as an assistant, her life is better now."*



## SOCIAL IMPACT OF WOMEN-LED ENTERPRISE

Among the women social entrepreneurs interviewed, two major missions can be distinguished: integrating socially disadvantaged people into the labour market and contributing to societal welfare through products and services. However, they do not measure their social impact specifically. Yet, most women social entrepreneurs consider their business successful – they have successfully realised their business plan, they see the number of clients growing, they need to hire more employees, they do not have to search for new clients themselves as they find them even from abroad. They are aware of the reputation that they have earned for offering high quality, eco-products or services and try to keep it.

Women believe that their SEs do impact on society's attitudes. For example, they note a positive impact on the perceptions towards rehabilitated drug-addicts, large families and disabled people. They also notice that their employees change attitudes to work. As one entrepreneur noted: *"It's no secret that people need activity, (they need to) find a place under the sun. People come to work here and their skills develop, they are happy to see the result."* They also enjoy what they do, feeling that their SEs builds stronger communities and networks which benefit all society.

### CASE STUDY



### Mano guru

Reda Sutkuvienė is the manager of a public entity "Socialinės paramos projektai" and owner of a salad bar "Mano guru". The mission of her social enterprise is to integrate former substance abusers into the labour market.

Since 2004, Mano guru has helped medically rehabilitated people get training to become cooks, waiters/ressees and barmen/women. In addition, ex substance abusers benefit from psychological consulting and assistance from a social worker. The organisation aims to help them to become self-reliant and take ownership of their own life; beneficiaries leave the bar with a qualification and a recommendation from their first employer. The salad bar has won numerous awards for integrating innovativeness, social responsibility and entrepreneurship at European and national levels. The success rate of the salad bar of integrating former substance-addicts back into the labour market is about 95%. However, the most important impact cannot be measured by figures alone: the bar has changed the attitudes and life-style of the employees and also the perceptions of ex substance abusers by the larger society.

*"In our practice, we have a case when a man who used drugs for more than 20 years came to work at our bar after rehabilitation and on receiving his first salary commented with enthusiasm and genuine surprise: "Oh, I didn't know that working is easier than stealing!" It became a corporate story about the impact we make",* says the manager of the salad bar.



# Recommendations for Policy Makers

\*Create preventative measures to avoid the misuse of the legal status of 'social enterprise' by companies which do not actually have a social mission, and which are simply trying to avoid competition.

\*The definitions of a social enterprise and of socially excluded people should be broadened. This would enable enterprises to successfully integrate other socially disadvantaged groups into the labour market.

\*A multi-stakeholder approach to monitor the practice of a social enterprise could help to ensure that the status and economic incentives are used to create social benefit.

\*Broaden the range of SEs that are eligible for state support.

\*Support to SEs by public institutions and politicians is necessary.

\*Preferences given to social enterprises in communal procurement

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### Interviews with the following social entrepreneurs:

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- Sniegė Naku-"Upės kultūra"
- Renata Umbrasienė- "Molio Motiejukas"
- Jovita Ratkevičienė- "Vitaresta projektai"
- Rasa Bulvičienė-"Karalkrėslio bendruomenė"
- Vanda Stonienė- "Smalininkų bendruomenės centras"
- Jolanta Bertašienė- "Smalininkų bendruomenės centras"
- Vitalija Stankevičienė- "Saimeta"
- Deimantė Bublytė-Samuolienė—"Neįgaliųjų paslaugų centras"
- Rasa Besekirskienė- "Metras"
- Irena Bulotienė-"I.Bulotienės company"
- Violeta Masteikienė- "GMM projektai"
- Milnora Pšibišauskienė- "Milnoros Pšibišauskienės"
- Neringa Budreikienė- "Sauteka"
- Jurga Budreikienė- "Žalia pupa"

## ABOUT THE PROJECT

This mini-report is based on primary empirical data gathered by Raminta Pucetaite from February to May 2015 in Lithuania, on behalf of the European Women's Lobby. Data was gathered via desk research, in-depth semi-structured interviews with 15 informants using feminist interview methods, and an internet survey available in Lithuanian and English undertaken by 9 respondents.

These findings are part of a 1-year pilot study initiated by the European Women's Lobby entitled WEstart: Mapping Women's Social Entrepreneurship in Europe. Focusing on 10 European countries, WEstart seeks to gain a better understanding of the situation and state of play of women's social entrepreneurship in Europe.

For more details about WEstart visit:

[www.womenlobby.org](http://www.womenlobby.org)  
or [www.WEstartEurope.org](http://www.WEstartEurope.org)

### PHOTO CREDITS

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