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WOMEN SOCIAL ENTREPRENEURSHIP

COUNTRY REPORT

LATVIA





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1.87 mil

Population

19.11%

Females' with tertiary**
education level

53.67%

Share of females

5.80%

Females'
unemployment rate

1.35%*

Females' with low education level

1.40%

Females' long-term
unemployment rate

Development of social enterprises

The phenomenon of "social entrepreneurship" is relatively new in Latvia. It emerged in the mid-2000s and was included in national strategic planning documents as an instrument to address social issues. The establishment of the Social Entrepreneurship Association of Latvia in 2015 and the introduction of the Social Enterprise Law in 2018, were significant milestones in the awareness building and development of social enterprises. The strong involvement of social enterprise ecosystem actors in long discussions to define social enterprise for many years resulted in a dedicated legal framework. This law defines that limited liability companies (LLC, SIA) under certain criteria can obtain the official status of a social enterprise and, as a result, are eligible for the state provided social enterprise support (social enterprises de jure).

Historically, social enterprises in Latvia have operated in various legal forms, many of those who consider themselves as social enterprises are still operating as NGOs, associations, foundations or regular commercial enterprises (de facto) but choose not to seek official social enterprise status due to the availability of support programmes for non-profits. It is also common to maintain a business model with both legal forms, LLC and NGO. Information on both social enterprises, de jure and de facto in Latvia can be found in the digital "[Social enterprises catalogue](#)".

* women aged 15+ with a primary school education or no formal education.

** ISCED 5-8, women aged 15+

The main fields of activities for social enterprises

Education (20%), social care without accommodation (10%), creative and entertainment activities (7%), healthcare (5.3%), and information services (4.9%). Overall, the most part of social enterprises in Latvia operate in the services sector (providing social and healthcare services), rather than in the production sector.

The main social objectives

- Promoting employment or work integration for target groups.
- Improving the quality of life for societal groups affected by significant societal issues by providing services or manufacturing goods.
- Undertaking activities of significance to society, which generate long-term positive social impact.

Ecosystem – women in social entrepreneurship

According to the latest data from the Register of Social Enterprises, the total number of active social enterprises in Latvia is 216 (as of June 2023). It has been calculated within the U.POWER research that 53,10% of enterprises are led by women, 9,30% are led jointly by women and men, and 37,60% are run by men. In addition, there are some estimates suggesting that there are up to 200 legal entities in Latvia that could be considered de facto social enterprises.



Besides, the European Social Enterprise Monitor (ESEM) 2021-22 demonstrates that the average percentage of women being board members is 62% and the average percentage of them being founders is 69%. These findings provide additional evidence that women are more interested to work in a field that cares for social impact, therefore, on average 70% of all employees working for the respondent organisations (82 social enterprises) are women.

Key findings on women social entrepreneurship

Social entrepreneurship (SE) in Latvia is considered a predominantly female sector, both in terms of the number of women engaged in founding and leading enterprises and the number of employees. This tendency is similar in other European countries. At the same time, it is SE that often attracts women to start entrepreneurial activity and to sample entrepreneurship.

SOCIAL ENTREPRENEURSHIP SERVES AS A TOOL FOR WOMEN IN LATVIA TO UNLOCK AND VERIFY THEIR OVERALL ENTREPRENEURIAL POTENTIAL AND ABILITIES

Key obstacles

- Disorganised overall legislation, incl. a lack of communication after legislative changes.
- Quite complex tax system (high taxes, workforce related taxes, etc.).
- Women lack options to finance the organisation once started and for its long-term development. The existing non-financial support for social enterprises is mostly driven by private initiatives.
- Limited number of advocacy organisations for social entrepreneurs due to the small size of the SE sector in Latvia.

- Difficulty in finding qualified employees among the socially disadvantaged and creating products or services for this group, which requires specific knowledge and skills.
- Women, particularly single mothers or those facing socio-economic difficulties, encounter challenges in finding the time (due family commitments), encouragement, financial resources to start a business, and dealing with an emotional nature.
- Women starting businesses alone risk burnout and struggle to find collaborative partners without financial resources, making their efforts essentially voluntary work. Such opportunities are often overlooked, as it seems unlikely that others would engage in unpaid work with the hope of eventual income generation.
- Lack of awareness about SE and available support for people outside the SE sector is common. Organisations disseminating information generally target an audience that is already somewhat informed. They have to explore new channels to reach the potential target group.

Key knowledge and skills need

- Financial literacy and knowledge are crucial, specifically among women who have not been previously involved in entrepreneurship, economics, or the financial sector.
- Developing a business model (planning), business functioning principles, financial analysis, and social impact analysis are crucial for achieving sustainability in social entrepreneurship.
- Marketing - one of the key topics (how to create a marketing plan, how to add practical elements, etc)

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Photo by [Daiga Ellaby](#) on [Unsplash](#)

- Everything related to leadership, management, and team building is crucial.
- Analytical skills are necessary to analyse and orientate large amounts of information, and conduct research (data collection and evaluation, assessment of social impact).
- Communication skills and psychology are essential for interacting and working with various socio-economic groups of people.
- Also, industry-specific skills and knowledge are important in the field where social enterprises operate.
- Willingness to learn regularly.
- The Social Enterprise Law and the Social Entrepreneurship Association in Latvia create a favourable environment and strong ecosystem for social enterprise development. It ensures specific support mechanisms (involvement of volunteers, certain tax reductions, access to EU funds) and enables municipalities to create their own local support instruments.
- Availability of financial and non-financial support instruments within the social entrepreneurship sector (ESF SE grant, incubation and acceleration programmes) and beyond the sector (e.g. offered by the Latvian Investment and Development Agency).
- Study programmes and courses on SE are becoming increasingly available in higher education institutions in Latvia, including in the context of rural development.

Drivers and opportunities

- Social entrepreneurship (SE) provides an opportunity for women to pursue their desires, gain independence, and achieve self-realisation. It is inherent in women's nature to care for others, and SE could serve as a first step for them to enter the business world.
- Social entrepreneurship is highly suitable for disadvantaged groups. Often, women themselves or someone from their environment – close friends or family – have experienced social problems and developed potential solutions, which they want to offer to a wider audience.

Policy recommendation to empower women

Generating support that would cover all cycles of social enterprise development – starting from the development stage of an idea to its growth and expansion. There is a need for long-term and continuous support that would be accessible to a wider range of social entrepreneurs and that can be supplemented with the existing financial instruments.



POLICY MAKERS AND PUBLIC INSTITUTIONS

- Ministry of Welfare – Social entrepreneurship policy making, promoting, controlling authority
- State Employment Agency - subsidy programs for employing people from different vulnerable groups (e.g., disabled, etc.)
- ALTUM – a state-owned development finance institution
- Ministry of Economics – development of overall entrepreneurship
- Latvian Association of Local and Regional Governments - a public organisation associating local governments on a voluntary basis
- Latvian municipalities

ORGANISATIONS AND NETWORKS REPRESENTING SE SECTOR

- Social Entrepreneurship Association of Latvia (SEAL)
- SE Ambassadors Network (by SEAL)
- Investment and Development Agency of Latvia (LIAA)
- Latvian Chamber of Commerce and Industry (LCCI) – SE lobby, policy recommendations, promotion of social enterprises
- LIAA Business Incubators

KEY FINANCIAL SUPPORT PROGRAMMES

- EU ESF project "Support for SE" (2016 – 2023, by Ministry of Welfare in cooperation with ALTUM)
- The Augšup ("Up", by SEB Bank) – grant programme supporting ideas for SE in the Pierīga region
- She's Next grant – support for women entrepreneurship in Baltic States
- Iedvesma ("Inspiration" by SEB Bank) - grant for implementation of new business idea or developing of existing business in the Pierīga region
- Ideju kauss ("Cup of Ideas") - a business idea competition

FISCAL ARRANGEMENTS

- Income tax relief (based the Social Enterprise Law)
- Value Added Tax Law – tax is not applicable to certain type of social service providers, non-profit organisations under certain conditions
- Law on Enterprise Income Tax – associations, foundations are not VAT payers within the certain turnover limit

DEVELOPMENT OF SKILLS, PRACTICAL EXPERIENCE AND MENTORING

- Reach for Change - international SE incubator
- "New Door" – SE Accelerator
- Consultation on the Business Plan – 1 h free consultation by Ministry of Welfare
- Individual consultation on SE issues (by SEAL)

OTHER

- Ambassadors network of SE – promotion and awareness raising among general public
- Video lectures about SE in Latvia (in Latvian)
- Future Heroes – a leadership & entrepreneurship programme for girls aged 14 -17
- Rīga TechGirls – community educating and inspiring girls & women about technology

Used sources:

- Central Statistical Bureau of Latvia (CSB)
- European Commission (2020), Social enterprises and their ecosystems in Europe – Latvia, Author: O'Shaughnessy, M.
- Ministry of Welfare of Latvia (2020), Informative Report on the Development of Social Entrepreneurship in Latvia during the period of time from 1st April 2020 to 1st April 2022, p. 9
- Register of Social Enterprises in Latvia
- Social Enterprise Law (.01.04.2018)
- The Euclid Network Knowledge Centre, Latvian Social Enterprise Monitor 2021-2022

- U.POWER Country Report of Latvia (analysis of data and expert interviews) by LECSA in cooperation with University of Latvia
- Ūlande, M., Līcīte, M. (2018), Social Entrepreneurship in Latvia: a Brief Overview of the Current situation ECOSYSTEM MAPPING, Social Entrepreneurship Association of Latvia

Statistical data sources:

- CSB, Population of Latvia (2022)
- CSB, The educational level of population 15+ (2021)
- CSB, Unemployment rate (2022)
- CSB, Long-term unemployment rate (2022)

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SUCCESS STORIES





LATVIA

RaMaLa, Ltd Success Story



**RUTA ŠENKEVICA
(CEO)**

Sector: Catering and Education

facebook.com/Radosamaizeslaboratorija

www.ramala.lv

LESSONS LEARNED AND TIPS

The profits are invested in the rehabilitation of people who have suffered from violence and people with disabilities ("Paspārne, "Cimdiņš").

EVIDENCE OF SUCCESS (RESULTS ACHIEVED)

For 5 years in a row, Ramala provides regular bread therapy sessions for special groups of people (children and adults who suffered from violence and individuals with special needs) and the general public.

In 2022, it was recommended by Restaurant Guru in Latvia, and in 2023 was acknowledged as the best coffeehouse in Ventspils.



INTRODUCTION TO THE CEO

Rutas has been inspired by the Bulgarian organisation Bread House to provide a unique approach that brings diverse people together and inspires them to create, bake and share bread and other baked goods. She is also the director of the crisis centre for families and children "Paspārne" and the head of Ventspils Regional NGO Support Centre.

THE MAIN AIM

"RaMaLa" is a social enterprise in Ventspils city that offers bread therapy classes for children, adults, and individuals who have suffered from violence or have special needs. This form of therapy involves baking bread as a means to promote healing and emotional well-being. RaMaLa was established to provide support to the crisis centre for families and children "Paspārne"

(Shelter) and the support centre "Cimdiņš". In addition, "RaMaLa" offers entertaining master classes, produces confectionery, and provides cafeteria services for the public.

QUOTATION FROM THE CEO

"BREAD IS A SYMBOL OF HOME, OF LOVE, OF THE WORLD, AND IT CAN NOT ONLY FEED US, BUT ALSO HELP US, UNITE US, MOTIVATE US."



LATVIA

Sonido, Ltd Success Story



INGA MUIŽNIECE (CEO)

Sector: Call Centre Services

[facebook.com/sonidolv](https://www.facebook.com/sonidolv)

<https://www.sonido.lv/>

LESSONS LEARNED AND TIPS

It's a story about a step closer to an inclusive society and work integration by employing people with special needs, and by addressing the issue of loneliness in society through conversations.

EVIDENCE OF SUCCESS (RESULTS ACHIEVED)

"Sonido" employs approximately 30 persons, half of whom have disabilities. Inga was named twice in the Euclid Network's TOP 100 Women in Social Enterprise – in 2021 and 2023. Since 2018, the helpline "Let's talk" has received nearly 21,000 calls, being the sole helpline of its kind in Europe. Project has also gained international recognition in social innovation competitions.



INTRODUCTION TO THE CEO

Inga has been working in call centres since age 19. After gaining significant experience, she decided to launch "Sonido". While working at a call centre, she regularly encountered situations where people called simply to have someone to talk to, inspiring her to create a social phone line "Let's talk" with the added feature of employing people with disabilities. She also chairs the Social Entrepreneurship Council and engages in various other activities.

THE MAIN AIM

"Sonido" provides call centre services to various corporate customers (telemarketing, telephone surveys, etc.) by employing people with disabilities – visual impairment, mobility impairments, as well as individuals with serious illnesses. In addition to commercial activities. Since 2018, "Sonido" implements a social project called "Parunāsim?" ("Let's talk"), a free of charge phone line for lonely individuals to call someone and be listened to.

QUOTATION FROM THE CEO

"FOR ME, IT'S A BALANCE BETWEEN BUSINESS AND CHARITY THAT BRINGS SATISFACTION BECAUSE I AM ABLE TO SOLVE A SOCIETAL PROBLEM WITH MY ACTIONS. I FEEL A SENSE OF CONTRIBUTION NOT JUST FOR MYSELF, BUT ALSO FOR SOCIETY, ESPECIALLY FOR THE PART THAT IS OFTEN MARGINALIZED"



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Ligero, Ltd Success Story



LIENE REINE-MITEVA (CEO)

Sector: Employment fostering

[facebook.com/Ligero.lv](https://www.facebook.com/Ligero.lv),
<https://ligero.lv/>

LESSONS LEARNED AND TIPS

The potential of people with disabilities as workers is not yet fully recognised. "Ligero" focuses on a segment of society whose potential remains untapped.

EVIDENCE OF SUCCESS (RESULTS ACHIEVED)

Liene was included in the Euclid Network's TOP100 'Women in Social Entrepreneurship' in 2022.

"Visiem!" was organised 4 times having over 1000 participants, over 37 recognisable companies in Latvia (airport "Rīga", DPD Latvia, Rimi Latvia, Luminor, Lido, etc.). In 2022, the festival received the Latvian Ombudsman's award "Promoter of Employment".



INTRODUCTION TO THE CEO

Liene is a social entrepreneur who brings young people from the regions and people with disabilities together with their potential employers. In addition, she is a social project manager at the "Sonido" call centre. Previously, she managed the Latvian Social Entrepreneurship Association, worked as a communications expert at the European Commission, and held other positions crucial for her social entrepreneurship career. Liene has acquired a master's degree in law.

THE MAIN AIM

"Ligero" mission is to engage young people with disabilities into work-life by offering innovative testing methods created together with pedagogues and psychologists. Every year, since 2019, "Ligero" has been organising an outdoor job opportunities festival "Visiem!" (For Everyone)."

QUOTATION FROM THE CEO

"I AM PROUD TO BE NOTICED AND APPRECIATED, AS WELL AS TO SHOW EUROPE THAT LATVIA HAS A NEW BUT ALREADY DEVELOPED SOCIAL ENTREPRENEURSHIP SECTOR IN WHICH STRONG WOMEN OPERATE. THE EUCLID NOMINATION'S ROLE IS TO PROVE THAT WOMEN CAN DO AND INSPIRE OTHERS TO REALISE THEIR DREAMS, GOALS, AND BE THEMSELVES. REMEMBER THAT YOU CAN CHANGE YOUR LIFE AT ANY AGE AND CAREER STAGE, MAKING IT THE WAY YOU WANT IT TO BE"

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