ENTREPRENEURSHIP IN LITHUANIA: INVOLVING YOUNG PEOPLE IN SOCIAL ENTERPRISES

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Abstract- The paper aims to provide the analysis of the development of entrepreneurship in Lithuania, focusing on social one. Some data are presented about main documents important for social entrepreneurship. Overall situation of entrepreneurship in terms of social one is presented. Special attention is put on education system and entrepreneurial skills and abilities gained and developed at university. Research methods are analysis of scientific works; document analysis; target survey of students; comparative analysis.
The main findings disclose the results of students' perceptions about development of entrepreneurial skills and abilities at university during the studies. The results of research emphasize the most important skills and possible measures for their effective development during teaching courses at university of constructing systematic approach for entrepreneurship development in Lithuania.

Keywords- entrepreneurship, social entrepreneurship, social enterprises, entrepreneurial skills and abilities, training and education of entrepreneurship, youth unemployment.

I. INTRODUCTION

Lithuania has already being a member of European Union (EU) over 10 years. In this period a lot of changes happened especially due to reconstruction of market and business. As the country was under the regime of planned economy the changes which happened during recent twenty years were absolutely new and challenging. Lithuania still fight some economic and social problems but tries to find solutions for them. Entrepreneurship and its development is one of them. As EU focuses its policy on social entrepreneurship already more than five years Lithuania just confirmed the conception of social entrepreneurship (LR Ukioministerija, 2015). Entrepreneurial enterprises, especially social ones, are not developing as fast as it were planned due to various issues discussed later in the paper. As potential for social enterprises creation emphasis is put on young people in Lithuania having innovative and interesting entrepreneurial ideas. It becomes rational to think that here the role of education system should be mentioned for inspiring young people to become social entrepreneurs as a lot of examples of good-practice might be found in the other EU countries dealing with such situation. It is very important to use appropriately those examples for Lithuania's situation in solving unemployment problems.

Scientific problem of the article lays on question how to improve the environment for entrepreneurship's development in Lithuania, attracting young people,acquainting and/or developing appropriate skills and abilities at university, in social enterprises.**Research object** is entrepreneurship and its development in Lithuania. **Research subject is** support of social entrepreneurship through education and teaching of appropriate skills and abilities at university.**Research aim** is to analyse the development of entrepreneurship, especially social, in Lithuania, focusing on the importance of education to development of appropriate entrepreneurial skills and abilities at university for potential social entrepreneurs.

Research tasks are:

1. To analyse problems and possibilities of entrepreneurship development in Lithuania, evaluating the practice of other EU countries focusing on social entrepreneurship and social enterprises creation;
2. To present the empirical research results of students' , who study the course of Entrepreneurship in Lithuania, and evaluate the potential of entrepreneurial skills and abilities at university comparing the results with similar research in EU countries;
3. To provide recommendations and suggestions, how to engage young people in social entrepreneurshipand improve overall situation of phenomena development In Lithuania.

Problems and possibilities of entrepreneurship development in Lithuania: towards social entrepreneurship and social enterprises

Social entrepreneurship became as one of the most important rescue measures for European Union (EU) after the financial crisis where social economy consist more than 50 percent of all economy. By EC initiative for Social Business of October, 2011 (EC, 2011) the European Commission proposed 3 sets of priority measures: measures to improve the access to funding for social businesses; measures to improve the

visibility of social businesses; measures to improve the legal environment of social businesses. The steps need to be taken for complex environment improvement in the field. Despite of unarguable meaning and significance of social entrepreneurship in EU and different countries the development of social entrepreneurship in Lithuania goes rather slowly in all levels: political legal (state), business, and society.

In political legal (state) level Lithuanian governmental institutions during last decade have been working on particular issues as sustainable development, social responsibility in business, innovation, national progress (see Table). These spheres are important as background for successful development of social entrepreneurship. But it should be mentioned that the essential document concerning social entrepreneurship and social enterprises development was adopted just in 2015 (LR Ukiministerija, 2015). According the definition of *social entrepreneurship*accepted by the Ministry of Economy, "social entrepreneurship is business model according which, using market mechanism, gaining profit is related to social aims and priorities. It is based on corporate social responsibility based business and public and private sectors' partnership. Social entrepreneurship applies social innovation. Such entrepreneurship involves three main aspects: entrepreneurship based on casual business activity, social based on social aims, and managerial based on profit dividing and fair public management"(LR Ukio ministerija, 2015, p. 3).

Table. The most important documents in Lithuania concerning social entrepreneurship

Title of document, year	Main regulation spheres	Impact on social entrepreneurship
National sustainable development strategy, 2003	Strategic guidelines for the country's sustainable development and growth.	The role of social cohesion is stressed.
Improved "National sustainable development strategy", 2011	The main task for the state implementing the Strategy is coordination and combination of essential components of sustainable development (environment, economy and social) and their brands' development till 2020.	In the strategy it is emphasized that social dialogue, enterprise social responsibility, and private and public sectors partnership should be strengthen.
The measures supporting enterprise social responsibility 2006-2008, 2005	The main aims of the document are focused on: - better CSR understanding and social consciousness propaganda; - improving enterprises and their specialists skills to implement CSR principals in practice; - improving CSR practice, methods and instruments clearness, trustworthiness and effectiveness and improve legal basis for that.	CSR concept development and its implementation provides favourable conditions for social entrepreneurship development. The attention to entrepreneurial skills and abilities is stressed.

"National enterprise social responsibility development programme 2009-2013", 2010	The main aims in this programme were: creating legal and institutional environment, favourable for CSR; promoting of better CSR understanding, social and environmental consciousness; raising enterprises and stakeholders' groups' competence about CSR.	CSR concept development and its implementation provides favourable conditions for social entrepreneurship development.
"Lithuanian innovation strategy 2010-2020", 2010	Development of innovation in strategic level.	Social innovations are emphasized and kept as driver of economy.
National progress strategy "Lithuania 2030", 2012	The development of Lithuania in the strategy is based on smart and cohesive growth.	Lastly the clearness about entrepreneurship and sustainability was put in strategic political level. Smart growth is based on smart people with appropriate skills and abilities, entrepreneurial spirit.
„National Progress Programme 2014 – 2020", 2012	The aims of the programme are directly related to social entrepreneurship and its environment development in Lithuania.	It was declared clear priority for social entrepreneurship development.
Conception of social entrepreneurship, 2015	Finally, the Ministry of Economy described the adopted concept of social entrepreneurship used in political legal level in Lithuania.	Clear definition of social entrepreneurship will be used in future documents and initiatives. The further steps in political and legal level are foreseen.

The essence of social entrepreneurship according the adopted conception is based on attracting existing models for such kind of business and changing NGOs activity through adapting existing business models.
Conception has three raised tasks (LR Ukioministerija, 2015, p. 6) which lay upon the EU documents:
1) To create favourable legal environment for social entrepreneurship;
2) To create favourable financial and tax support system;
3) To reach the visibility and acquaintance with the phenomena in society.
The third task includes and special attention to skills support and strengthening programmes, where social enterprises creation and social innovation development would be fostered and enhanced. Special attention is devoted to programmes for consulting and information creating social business, exchange with best examples and models of business training and education programmes. In the context of this article it is important to stress that the emphasis on education system put in strategic document enhance to expect real actions and changes in the appropriate field of concrete educational and study programmes.
Business/ enterprise level. In Lithuania the potential of NGOs is not used enough, especially fostering social entrepreneurship. In 2014 in Lithuania 15 thousand NGOs were acting. The average annual budget was 869–1448 Euros. Many NGOs suffer financial problems in their development of activity. The conception of social entrepreneurship in Lithuania fosters NGOs services sales and appliance of business models reaching for concrete social aims. The problem lays that the organisations lack sufficient legal and financial instruments for fulfilling the task appropriately.

Lithuania had 133 social firms acting in 2014. They employed 4 762 citizens. The numbers are rather low and need to be improved. The activity of these firms is based on state support which consisted 12.7 million Euros in 2013, in the first quarter of 2014. – 7.3 million Euros (LR Ukioministerija, 2015).

The roots of family business go back only 20 years and has rather poor traditions in Lithuania. There is little research on family business in the country. Some traditions might be discovered concerning agriculture and villages. The main support from the government by national programmes was devoted precisely to the young farmers (89, 5 percent) (LR Finansuministerija, 2012). Family business is exceptionally entrepreneurial and it might be the area for social entrepreneurship development and expression especially in rural areas.

Lithuanian enterprises in itself show less explicit entrepreneurial features as it might be (Greblikaite, 2012). For example, implementation of CSR concept still is kept as some rather new dimension as well as sustainability. Lithuania still lacks the implementation of social innovation. Some preconditions as culture of social innovation and entrepreneurship, appropriate legal acts, different

financial sources, national and international networking of social innovators, partnership between public sector, private sector and NGOs, involvement of target groups, infrastructure for social innovation, effective control and monitoring of social innovation, sufficient administrative skills are kept as essential for successful implementation of social innovation policy and development of social enterprises in Lithuania (Greblikaite, 2015).

In society context should be emphasized that Lithuanian society members lack confidence in business. Social entrepreneurship is poorly known in society, it is still lacking good practice examples. Other EU countries experience of communication about phenomena might be used. There is small number of promotion and financial measures for social entrepreneurship in Lithuania (LR Finansuministerija, 2012, p. 4). "The teaching and education in the field are kept as fragmental that is why just few enterprises apply social principles in their activity".

The most developed social entrepreneurship examples in Lithuania are in informal learning, integrating socially minor groups in labour market, job places creation. Lithuania lacks statistical data about social enterprises and social entrepreneurship. Especially it is important to notice that there is no effective public discussion about social innovation and social entrepreneurship in Lithuania. Courses about social entrepreneurship, study programmes on social entrepreneurship are missing as well as consultancy for social entrepreneurs and good practice examples.

Education in favour for social entrepreneurship: entrepreneurial skills and abilities gained at university

Education system plays one of key roles in raising new social entrepreneurs. Just the problems remain in this field as it was already mentioned previously. Lithuania now is challenging the reorganisation of universities structure in the country and higher education reform remains one of the primary tasks in the country. Due to various economic and societal changes, for example, migration, Lithuanian universities lack national students and must focus their activity and actions to international level attracting more students from abroad (Greblikaite et al., 2015). The situation remains in some transitional period for reconstructing overall universities in cities and distributing the study programmes in rational way.

Despite the mentioned changes in some programmes there are courses of entrepreneurship. They are included in Management or Business programmes. For example, some data are provided in Table from Lithuanian students (n=20) who were listening course of Entrepreneurship in Kaunas University of Technology, Institute of Europe in 2013 and 2014. These results are compared with similar research made in 2015 Mendel University in Brno (Czech Republic). The respondents (n=11) were international students of Business Management programme but non-listeners of specific course on entrepreneurship. The research was focused on measures which could improve entrepreneurial skills and abilities gained or/ and developed at university. The main findings are presented in Table.

Table. Entrepreneurial skills and abilities development at university

Lithuanian students (listeners of Entrepreneurship course)	International students (non-listeners of Entrepreneurship course)	Comment
Measures of personal entrepreneurial features development		
– situation and case analysis; – discussions, teamwork; – model creation and decision making; listening of success histories; – various improvisations.	– special courses; – scientific literature on entrepreneurship.	Lithuanian students after the course of entrepreneurship enumerated more measures how to develop entrepreneurial features at university.
Measures how to develop entrepreneurial skill and abilities at university		**Comment**
– analysis of success examples; – the cooperation between science and business sectors; – team work; – encouraged competition; – generation of ideas; – meeting real entrepreneurs; – practice at entrepreneurial enterprise; – innovative projects.	– current entrepreneurs in lectures; – practical examples; – internships; – project activity.	Both groups of respondents had almost similar attitude to the question; it means that they proposed measures in the same manner.
Measures for raising and developing young entrepreneurs		**Comment**
– as systemic approach as raising entrepreneurs from primary education and high schools, later – at college and university; – real stories of successful entrepreneurs in Lithuania; – cooperation between business and university; – entrepreneurs' involvement in study process; – interdisciplinary education.	– managerial skills; – simulations; – traineeships; – good ideas; – planning; – teamwork; – decision making; – critical thinking.	Non-listeners of special course mostly were focused on managerial skills development and not showed complex view to a problem.
Students are interested in social entrepreneurship and its content.	Students have little knowledge about social entrepreneurship and would like to know about it.	Both groups expressed interest in social entrepreneurship.

*Own authorship of empirical research

It could be stated that students who were listening special course on Entrepreneurship in Lithuania were more acquainted and presented more interest in the phenomena itself. Those students also provided more various measures how to improve situation in teaching entrepreneurship at university. It might be considered that students are really interested in social entrepreneurship as they expressed the willingness for deeper acquaintance with it as much as interest to be involved in different social activity as precondition for possible social enterprises creation. The research clearly expressed the importance of education in social entrepreneurship as students strongly believed they could gain entrepreneurial knowledge, skills and abilities at university.

CONCLUSIONS

The sustainable and effectively implemented cohesion of the mentioned three levels: state, business, and society leads to the creation of favourable environment for social entrepreneurship development in Lithuania. Emphasis on education role in social entrepreneurship is put in political level but it requires effective realisation in practice. Empirical research results provide evidence that education could be a key for successful young social entrepreneurs as entrepreneurial skills and abilities are gained and developed at university, just some effective measures should be taken to improve the teaching process and study programmes themselves. Lithuania has potential in development of social entrepreneurship but requiring some special attention in the area.

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