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Editorial

In this volume, we present articles showing recent developments of long-term care challenges in Europe, policy and regulatory context for social enterprises in Baltic Countries, and discussion about social return on investment. The numbers presented by Beata Drzazga in the paper titled "Identification of Long-term Care Challenges in Europe" demonstrate the urgency of planning and provision of services for the aging society in Europe.

Audrone Urmanaviciene and Merle Praakli present the social enterprise situation in Estonia, Latvia, and Lithuania. They explore differences in supporting social entrepreneurship offered in these Baltic states. This paper completes the picture covered by Defourny and Nyssens (2021). Jakub Głowacki discusses the Social Return on Investment based on Moroń and Klimowicz's (2021) work. Previous studies like Lingane and Olsen (2004) or Millar and Hall (2013) provided guidelines that can be tested in new conditions beyond economic efficiency measurement.

The book review section covers the commentary of Dominika Cendrowicz about *Poor, disabled and homeless people in the social welfare system* written by Magdalena Małecka-Łyszczek and Radosław Mędrzycki. This book, published in Polish, describes the social exclusion of the poor, the disabled and the homeless from the perspective of administrative and legal regulations included in social exclusion, social assistance and social economy.

Additional content for this volume comprises the conference letter from international events. The first one is *Social Economy 2021. Social entrepreneurship and social capital: importance – education – development*, an annual event organised by the Institute of Law and Economics, Pedagogical University of Krakow. The second one is the Strategic Interest Groups (SIGs) initiative at EURAM focuses on Entrepreneurship. The SIG Entrepreneurship organised a social and sustainable entrepreneurship track during EURAM 2021 conference. Marzena Starnawska brings more details about it.

Marek Ćwiklicki
Editor

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Identification of Long-term Care Challenges in Europe

Beata Drzazga

Abstract: **Background:** Changes in demographic structures and especially the dynamic ageing of the population lead to an increased demand for care services. Finding ways to provide them efficiently has become one of the challenges for developed countries. The choice of the research issue is a consequence of recognising the fact that in recent years it has increasingly emerged as an area of practical and theoretical reflection in many scientific disciplines, including management and health sciences.
Research objectives: The aim of the study is to characterize characterising selected aspects of the organisations and functioning of long-term care in EU countries, describing the related initiatives taken by the European Commission and identifying the challenges faced by decision-makers and managers in the said service sector.
Research design and methods: The paper is based on the analysis of European documents, Eurostat database and literature review. It provides numerical analysis of current and prospective variables such as: average population age in EU 28, projected population age structure, population aged 65+, long-term care expenditure.
Results: Analysis of the available statistical data unambiguously confirms that increasing life expectancy, combined with low birth rates, leads to a significant quantitative increase in the proportion of older people in the overall population structure of EU countries. There is also no internationally accepted and standardised definition of what constitutes long-term care and thus no possibility of reliably identifying needs in this area. In many Member States, long-term care systems are characterised by horizontal interdependencies with health care and social care systems. Consequently, they may and do apply different criteria for long-term care eligibility, needs assessment, social protection scope and the catalogue of services and benefits offered.
Conclusions: The evolving social structures, the increasing introduction of artificial intelligence solutions and the situation after COVID-19 are changing the conditions of long-term care functioning, hence the reflection on the directions of these transformations is essential to properly formulate public policy practices.

Keywords: social economy, crises, pandemic, Covid-19, business model, transformation
JEL Codes: I13, I18

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1. Introduction

Changes in demographic structures and especially the dynamic ageing of the population lead to an increased demand for care services. Finding ways to provide them efficiently has become one of the challenges for developed countries. The aim of the study is to identify and describe key conditions for the functioning of long-term care in EU countries. In this article, the author focuses on characterising selected aspects of the organisations and functioning of

long-term care in EU countries, describing the related initiatives taken by the European Commission and identifying the challenges faced by decision-makers and managers in the said service sector. A particular area of interest is the assessment of human resources and working conditions as a prerequisite for the effective implementation of tasks related to the provision of services for people whose health condition does not allow self-care.

The choice of the research issue is a consequence of recognising the fact that in recent years it has increasingly emerged as an area of practical and theoretical reflection in many scientific disciplines, including management and health sciences. These two research perspectives complement each other since they make it possible to look at the organisational aspects of the activity of long-term care providers as a problem in shaping the living and health conditions of citizens who have to use services provided by care institutions due to their health and family members' inability to provide care. It should also be noted that the evolving social structures, the increasing introduction of artificial intelligence solutions and the situation after COVID-19 are changing the conditions of long-term care functioning, hence the reflection on the directions of these transformations is essential to properly formulate public policy practices.

2. Literature Review

Concept and identification of long-term care needs

The organisation of long-term care differs not only between the Member States but also within them. There is also no internationally accepted and standardised definition of what constitutes long-term care and thus no possibility of reliably identifying needs in this area. In many Member States, long-term care systems are characterised – in the absence of close interaction and with transparent cash flows – by horizontal interdependencies with health care and social care systems. Consequently, they may and do apply different criteria for long-term care eligibility, needs assessment, social protection scope and the catalogue of services and benefits offered.

In most Member States, long-term care is not defined as a specific branch of social security or a separate area of policy, but is covered by different social care and health care provisions. At the European level, the Court of Justice concluded that long-term care benefits are benefits aimed at improving the health and quality of life of those who need care and, as such, are to supplement health insurance benefits (Regulation (EC) No 883/2004). As indicated above, in many Member States long-term care is financed from different sources and organised at different levels of authority and institutional structures. In terms of regulation, funding and provision of services, long-term care provision can be closely linked to (or form part of) policies on health care, social care, housing, housing support services or persons with disabilities. This horizontal division can hinder the coordination of long-term care and even the provision of services. In some cases, the competencies of the entities responsible for the creation and delivery of long-term care may also be vertically divided between the national, regional and local institutional levels, which adds to the difficulty of preparing a rational, logical, coherent and effective system that responds to the real needs reported by citizens (Spasova et al., 2018).

While looking for a ground to create common solutions, a standardised definition of this social and organisational issue was proposed. The definition of long-term care in the EU was proposed by the Social Protection Committee in its first comprehensive report *Adequate social protection for long-term care needs in an ageing society* (2014). The referenced study defines long-term care as „a range of services and assistance for people who, as a result of mental and/

or physical frailty and/or disability over an extended period of time, depend on help with daily living activities and/or are in need of some permanent nursing care." The daily living activities for which help is needed may be the self-care activities that a person must perform every day (Activities of Daily Living, or ADLs, such as bathing, dressing, eating, getting in and out of bed or a chair, moving around, using the toilet, and controlling bladder and bowel functions) or may be related to independent living (Instrumental Activities of Daily Living, or IADLs, such as preparing meals, managing money, shopping for groceries or personal items, performing light or heavy housework, and using a telephone)" (European Commission and Social Protection Committee (SPC), 2014). Although, in general, long-term care consists in providing services that enable a person to function in society, it should be distinguished – although the two concepts are connected – from the concept of social support understood as „the formal (government services and NGOs) and informal (family and friends) connections or relationships, based on empathy and trust, particularly useful in times of stress, where a vulnerable person interacts to find help by means of information, accompaniment or physical material" (Carabott, 2018).

The descriptive, rather than prescriptive, way of defining long-term care proposed in the EU document and hence the indication of the *delict* in which the estimation of long-term care needs takes place, makes it difficult to use it in the collection of statistical data, thus making it impossible to unambiguously estimate the potential number of beneficiaries. From the point of view of the criterion for inclusion in the group requiring long-term care, it is most useful to use international scales of ADL/IADL.

However, it should be emphasised that there is a certain arbitrariness in the process of assessing a person's need for long-term care or services or in the assessment of the extent of social protection in each Member State, resulting from the individualisation and contextualisation of the catalogue of restrictions and the level of difficulty of self-care and the ability to function well in the living environment, cognitive decline/aphasia and the inclusion of other indicators (e.g. social environment, availability of family support, medical history). Therefore, one may venture to say that the contextualised national data on the results of the needs assessment cannot quite provide an unequivocal basis for estimating the number of people in need of long-term care in the Member States. The data obtained using fuzzy measuring tools is not fully comparable between the Member States due to different assessment criteria and the exclusion of cases that are specific but not infrequent, e.g. people in need of long-term care who do not apply for any benefits for example because they are aware that their income or assets are too high for them to be able to receive the benefits from public funds. In this context, it is important to emphasise that due to the different types and extent of long-term care needs (for both health care and social care), there is in fact no service which would be legally and organisationally uniform for all Member States and could be defined as long-term care delivery. Apart from the general framework, there is a considerable variation in the planned and currently functioning long-term care solutions. This seems appropriate, since such care should be an individual response to different needs, resulting from the pursued model of social policy and the wealth of the state.

The modes of delivering health services

In recent decades, developed countries of the world started facing the problem of finding socially just and economically efficient methods of delivering health services (Frączkiewicz-Wronka, 2009), especially to people who require long-term care services due to their health condition. The solutions functioning in this field in EU countries can be divided into two, often

coexisting, approaches, i.e. institutional and non-institutional. The distinction between them is a consequence of the model of public policies pursued, specifically social and health care, and relates to the organisational and legal conditions of service provision. Focusing on the second criterion, we note that institutional long-term care is provided by qualified personnel employed by organisations dedicated to people who need to be supervised by medical professionals for an extended time, regardless of whether their care needs arise from physical or mental frailty, disability or other factors. It can also be provided in the form of coordinated home care, in which case the service is provided in the patient's home, but the service is conditional on the provider being licenced to provide medical care and employed by a care institution. In contrast, non-institutional long-term care is usually provided in the recipient's home by the people around them – family members, friends or neighbours – who are not formally employed as professional medical carers and provide their services on a voluntary basis without remuneration. The most distinctive feature of non-institutional care is the emotional connection between the recipients and providers of services and the latter's lack of specialised, certified training (Oliva-Moreno, Trapero-Bertran, Pena-Longobardo, Del Pozo-Rubio, 2017). The development of both institutional and non-institutional long-term care requires the design and implementation into the internal legal and organisational framework of solutions accepted and acceptable – at least to a basic extent – by the EU Member States. The development of formal care only complements, rather than replaces, informal care provided by members of the family network and helps better satisfy care needs.

3. Material and Methods

The paper is based on the analysis of European documents, Eurostat database and literature review. It provides numerical analysis of current and prospective variables such as: average population age in EU 28, projected population age structure, population aged 65+, long-term care expenditure. The most reliable information, and therefore used by the Social Protection Committee to estimate the number of people in need of long-term care services, are those obtained from surveys carried out in each EU country as part of the European Health Interview Survey (EHIS). The data collection process conducted under this scheme focuses on self-care limitations as described in the ADL and/or IADL which are considered the most important and standardised, hence the SPC's decision about the possibility of using them to operationalise long-term care needs.

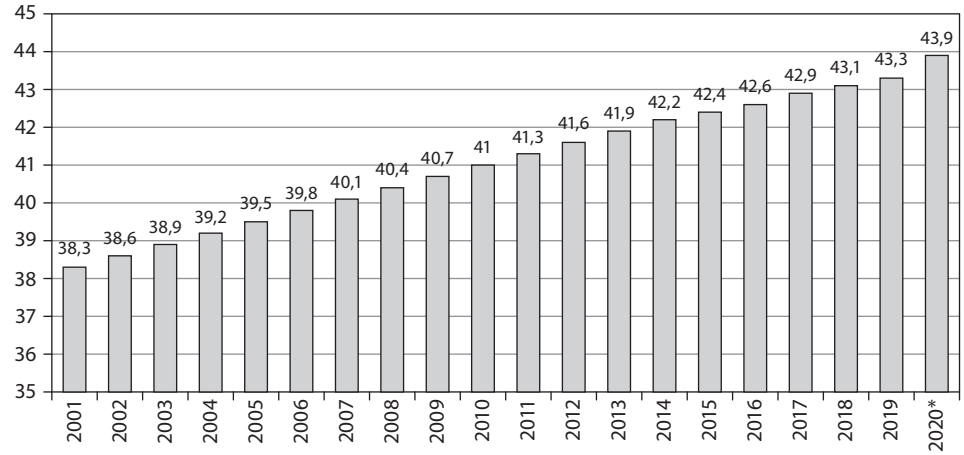
4. Results

Demographic changes and their consequences for provision of long-term care

The most important factor influencing the operation of long-term care providers are demographic changes and their consequences for healthcare systems. Analysis of the available statistical data unambiguously confirms that increasing life expectancy, combined with low birth rates, leads to a significant quantitative increase in the proportion of older people in the overall population structure of EU countries.

It is projected that in the next 20 years, the number of people aged 65 or over will increase by 41% – from 92.1 million in 2020 to 130.2 million in 2050, the number of people aged 80 or over will increase by 88% – from 26.6 million to 49.9 million, and the age dependency ratio (the

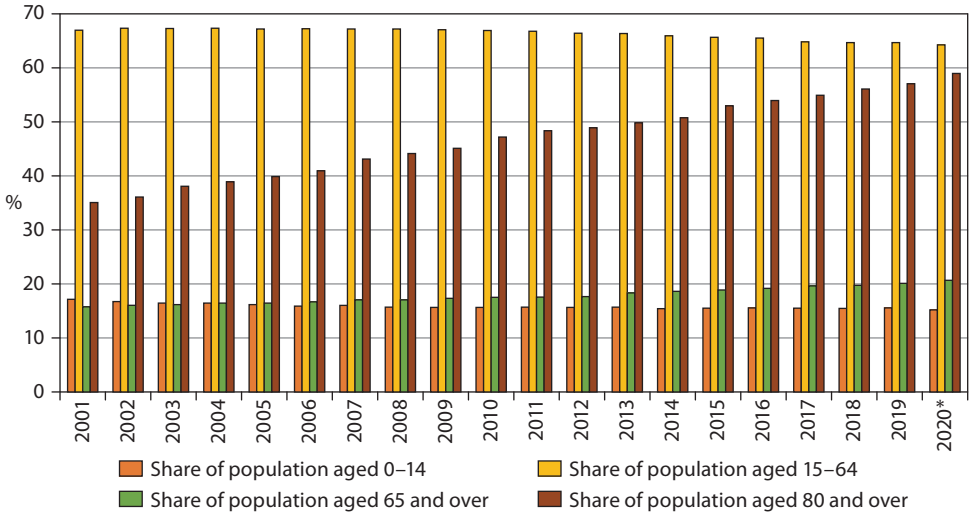
ratio of the number of persons of non-working age to the number of persons of working age) will rise from 32 to 52, a jump of more than 62% (European Commission, 2020).



*data for 2020 for EU 27

Figure 1. Average population age in EU 28 in the years 2001–2020

Source: Own elaboration based on Eurostat, Population structure indicators at national level [demo_pjanind] (Accessed: 27 August 2021).



*data for 2020 for EU 27

Figure 2. Population age structure in EU 28 in the years 2001–2020

Source: Own elaboration based on Eurostat, Population structure indicators at national level [demo_pjanind] (Accessed: 27 August 2021).

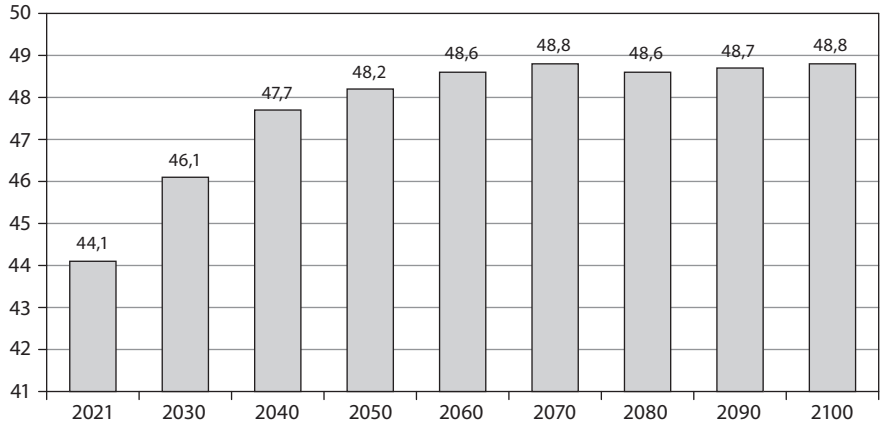


Figure 3. Projected average population age in EU 27 in the years 2021–2100

Source: Own elaboration based on Eurostat, Demographic balances and indicators by type of projection [proj_19ndbi] (Accessed: 27 August 2021).

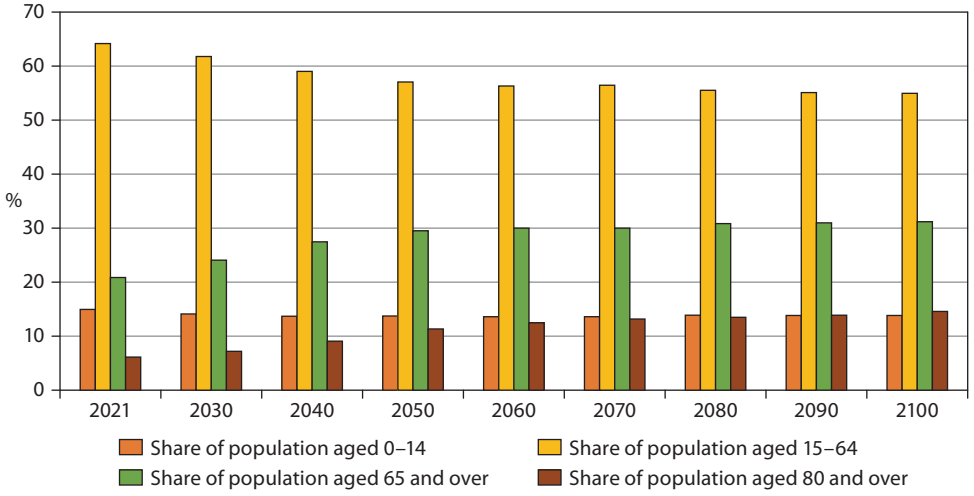


Figure 4. Projected population age structure in EU 27 in the years 2021–2100

Source: Own elaboration based on Eurostat, Demographic balances and indicators by type of projection [proj_19ndbi] (Accessed: 27 August 2021).

It is obvious that the demand for long-term care increases with age and is particularly prevalent among people in the 65 and over age group. In this age group, 47.8% of the population perceive themselves as people with disabilities who are restricted when performing many everyday tasks (Irzyniec, Nowak-Kapusta, Franek, Drzazga, 2016). In the context of assessing changes in the demand for elderly care, in addition to the information on increasing life expectancy, it is equally important to know whether these additional years of life are spent in good health, allowing for independent functioning, and to what extent these years are marked by helplessness and dependence (Elderly care in Poland 2022).

The observed increase in long-term care needs leads to the search for solutions that will support the efficient and effective delivery of such services to those in need. The European countries' recognition of the indicated development trend as one that is important and affects the conditions for achieving sustainable development was reflected in the preparation and announcement, jointly by the European Parliament, the EU Council and the European Commission on 17 November 2017, of the document establishing the European Pillar of Social Rights. This document sets out the key principles and rights for a renewed process of convergence toward better working and living conditions for the citizens of Member States. Of relevance to the issue at hand is Principle No. 18 of the aforementioned document, which states that „everyone has the right to affordable long-term care services of good quality, in particular home-care and community-based services". The above-mentioned provision means ex lege the establishment at EU level of the right to long-term care as an area of social policy, and thus paves the way for the search for effective solutions with regard to managing institutions which cater to such needs. Detailed activities related to the implementation of the European Pillar of Social Rights, including the announcement that in 2022 the European Commission will prepare a policy framework to guide the development of this system and ensure better access to quality services for people in need, were presented in a package of operational documents in March 2021 (European Commission, 2021a).

The observed growth of interest in identifying the conditions for the functioning of long-term care providers is a consequence of the impact of dynamic transformations taking place in the environment where organisations providing health and care services operate. The growing need for long-term care and the emerging drivers for its development prompted research into various aspects of the operation of organisations that provide this type of service.

Working-age population

The decreasing share of the working-age population observed in all EU countries will make it even more difficult in the coming years to finance the expenditures related to population ageing, including expenditure on long-term care, threatening the sustainability of the current health care and social care systems and increasing the risk of poverty among those who need care and their families. The observed phenomenon is justifiably worrying, as public expenditure on long-term care is projected to be the fastest-growing in the category of social public expenditures (compared to the expenditures on social care and pensions) in all Member States (European Commission, 2018). In the future, many Member States will face the challenge of developing sustainable systems for financing long-term care to overcome the expenditure growth. In view of the crisis caused by the COVID-19 pandemic, this will not be an easy task. At present, the level of long-term care expenditure in relation to GDP varies greatly across the 27 EU countries. According to the data from the System of Health Accounts, the currently estimated total expenditure on long-term care as % of GDP in 2018 ranged, for example, from 3.9% in the Netherlands, 2.1% in Germany, 0.9% in Italy and Portugal – to 0.01% in Bulgaria. Unfortunately, the limited, incomplete and often incomparable data collected in individual countries make it difficult to carry out a reliable analysis of this phenomenon.

In accordance with the usual eligibility conditions in public systems, which set a minimum threshold of long-term care needs, it is common to focus on difficulties classified as „severe" (as referred to in the EHIS survey). The Figure 6 illustrates the information available on this subject in each Member State.

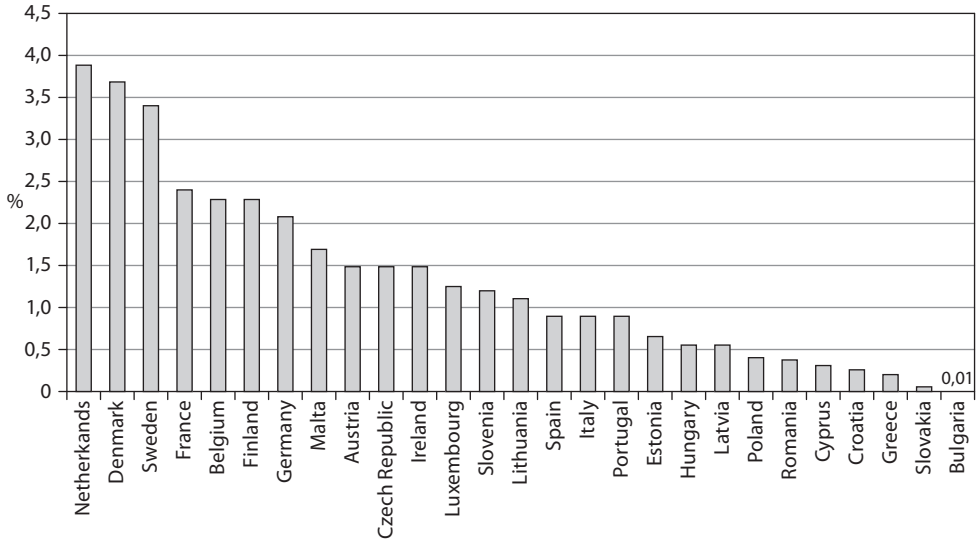


Figure 5. Estimated long-term care expenditure as % of GDP in 2018

Source: Own elaboration based on Eurostat, Reported long-term care expenditure as % of GDP [hlth_sha11_hchf] (Accessed: 27 August 2021).

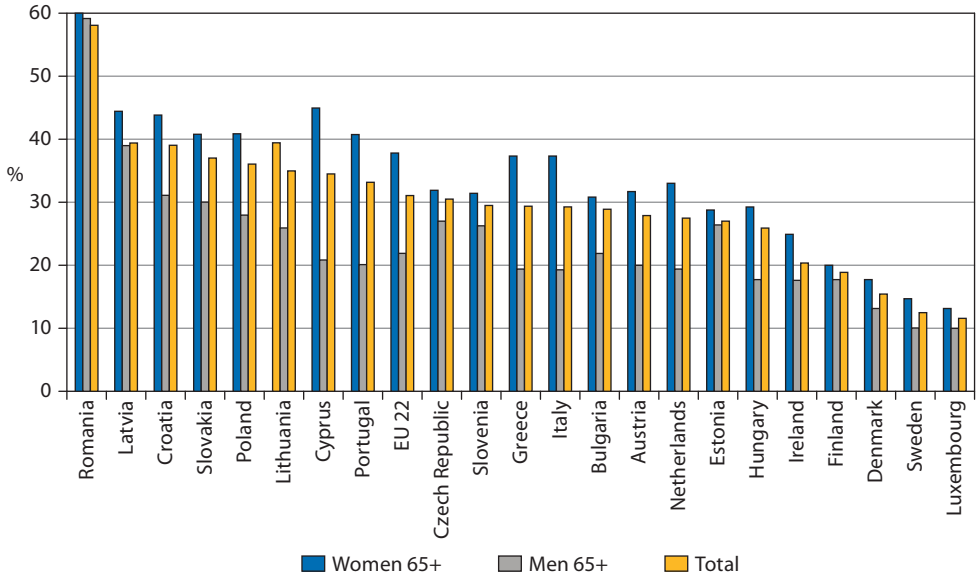


Figure 6. Share of population aged 65+ living in private households who have severe difficulties with personal care or household activities

Source: (European Commission, 2021b, p. 29).

On average, in the European countries that provided the data collected in the third edition of EHIS, 30.9% of people aged 65+ required long-term care in EU-22 (data from 2019), with

a clear variation in needs depending on gender. Women rate their health condition much lower than men. At the time the report *Long-term care report Trends, challenges and opportunities in an ageing society* (European Commission, 2021b) was prepared, analysts did not have data from the third edition of EHIS for countries such as Belgium, Germany, Spain, France and Malta, hence the indicators characterising the situation in these countries are not included in the summary (Figure 6), but analysis of the data available for the second edition of EHIS (2014) showed that, respectively, 36%, 24.9%, 15.2%, 25.9% and 34% of the total population aged 65+ had at least one major difficulty as assessed according to the ADL and/or IADL scale.

Analysis of the presented data not only leads to the conclusion that there is a need to think about creating economic and organisational support for the effective functioning of long-term care but also leads to the question of how, in terms of shaping labour resources, to prepare the system for the rapidly growing needs and yet the limited public funds that can be allocated to their implementation. It is difficult to find a satisfactory solution to a challenge formulated in this way because, as indicated earlier, long-term care institutions are not seen as desirable employers, the work there is both physically and emotionally exhausting and poorly paid, and the volume of public money must be allocated taking into account the needs of other sectors as well e.g. defence, environmental protection, internal security, etc.

Employment and working conditions in long-term care

Long-term care is provided by both formal and informal – mostly women – carers. This section characterises working conditions in an institutional system, i.e. one where services are provided by qualified carers employed in institutions operating in the service sector. The institutional long-term care sector is the employer for approx. 6.3 million people, representing 3.2% of the total EU workforce (Eurofound, 2020). Labour resources in long-term care include many professionals employed both in the direct process of service provision as well as in administrative structures. In addition to administrative staff, the sector employs support staff (e.g. cleaners, cooks), social care workers (e.g. assistants for the elderly) health care workers (e.g. general or geriatric nurses) and other carers employed in long-term care institutions. Long-term care workers perform their roles in collaboration with other professionals, especially those employed in hospitals, primary and specialist health clinics, social and health insurance institutions, as well as social workers and informal carers. The currently dominant perspective on deinstitutionalisation also imposes on them tasks related to working with organisational actors and community leaders, including representatives of people with disabilities or the elderly (e.g. Councils of Senior Citizens) (Frączkiewicz-Wronka i Kozak, 2018; Frączkiewicz-Wronka, Kowalska-Bobko, Sagan, Wronka-Pospiech, 2019). The vast majority of the total labour supply of formal long-term care workers is employed as nurses or personal assistants – in the Member States, respectively 67% and 33% (European Commission 2021b, p. 124).

This working environment is characterised by heavy feminisation (88% women), a relatively high – 45 years – median age and a very worryingly high already in 2019 – almost 38% – share of workers aged 50 and over (European Commission 2021b, p. 63). Due to growing needs, according to forecasts prepared by the European Centre for the Development of Vocational Training (CEDEFOP), between 2018 and 2030, 3.2 million jobs will be created in this system for professionals working in health care organisations and about 3.8 million for personal care workers. If this does indeed happen, it will be a good signal after a significant decrease in the average for the Member States between 2011 and 2016. During this period, the number of long-term care workers per 100 people aged 65+ fell from 4.2% to 3.8% (OECD, 2020). Almost all Member

States are struggling to achieve the optimum number of employees, in particular qualified care staff (mainly nurses) (Eurofound, 2020). Various factors may contribute to increased staff shortages in the future. These especially include the expected increase in demand for institutional long-term care due to the growing elderly population, as well as current trends, such as the increasing participation of women in the labour market resulting in decreased ability to meet care needs within family structures and the increased mobility of people, especially from the poorer Member States, which may affect the availability of informal carers. Analysing the structure of the geographical origin of long-term workers, we note that currently, in the countries of the so-called „old" Union, already around 20% of the resources do not originate from the country in which the employee is working (Eurofound, 2020). This phenomenon can be viewed both positively and negatively. The report referred to earlier reads „although the mobility of workers is one of the key elements of the EU acquis and involves many opportunities" (e.g. helps to alleviate shortages in the host Member States), the mobility of long-term care workers may entail challenges for the Member States from which they migrate. Firstly, it can exacerbate workforce shortages in these countries, especially since they themselves are struggling or will struggle with population ageing. Some Member States that export care workers fill the gaps by independently importing workforce, from other EU or non-EU countries. For example, Hungary attracts care workers from abroad, mainly from ethnic Hungarian communities in Romania, and Poland from Ukraine. Secondly, outflow countries invest in the education and training of care workers but then cannot use the skills they have developed because the graduates of different levels of education choose to work abroad. But it should also be pointed out that „many mobile workers send remittances home to their families, who then spend this money in the home country", and if the migrants become expats and return to their countries of origin for work, „they bring their experience acquired abroad, which can help to enrich local practices" (European Commission 2021b, p. 63). Other factors that may increase workforce shortages in long-term care are mainly those highlighted above, such as the ageing of the workforce and, as a consequence, the retirement of many existing employees. Not without significance is also the competition on the labour market from other sectors offering more attractive employment opportunities and better working conditions, thus resulting in the drainage of an already shallow market of long-term care workers.

Most employees among nurses and personal carers in long-term care institutions have a secondary or higher level of education while the access to some professions is strictly restricted by law regulations, which is important for the quality of provided care but hinders the access for those who have skills not confirmed by formal qualifications. This, in turn, has an indirect negative impact on the numerical growth of labour resources. Requirements for skills and qualifications in long-term care are becoming increasingly complex, which on the one hand, may exacerbate staff shortages, but on the other hand, may also contribute to making work in the sector more attractive. Its appeal may also be increased by the application of multiple information and communications technology (ICT) solutions, which will partially allow to replace human labour with artificial intelligence. On the positive side, telecare and online interventions reduce travel time, are usually shorter than on-site visits and their organisation is more flexible. Using ICT for documentation preparation can reduce the time spent on office work, allowing carers to focus on core tasks related to patient care, improving both working conditions and the quality of care. Technology and artificial intelligence used in monitoring patients can reduce the number of staff needed during night shifts to monitor vital functions. Care robots can also take over physically demanding tasks, such as lifting the patients, and

online platforms bringing together people in need of (mainly home) long-term care with persons providing care will better serve to match supply and demand if, of course, they are properly managed and equipped (Mosca, van der Wees, Mot, Wammes, Jeurissen, 2017). However, in order to take full advantage of the potential benefits of technology for long-term workers, it is necessary to invest in the development of their digital skills (Zigante, 2020).

The assessment of the working environment by long-term care workers confirms that they are aware of its importance, but also reveals the lack of satisfaction with working conditions. According to the 2015 survey data, 71% of long-term care workers had a sense of doing useful work, but only 22% said they were satisfied with their working conditions. Particularly negative was their assessment of the wage levels and the social working environment including exposure to the consequences of the, not at all rare, traumatic relationships with patients (often resulting from their multimorbidity, dementia and other old-age diseases that impair social functioning) and health consequences perceived as particularly distressing (Eurofound, 2020).

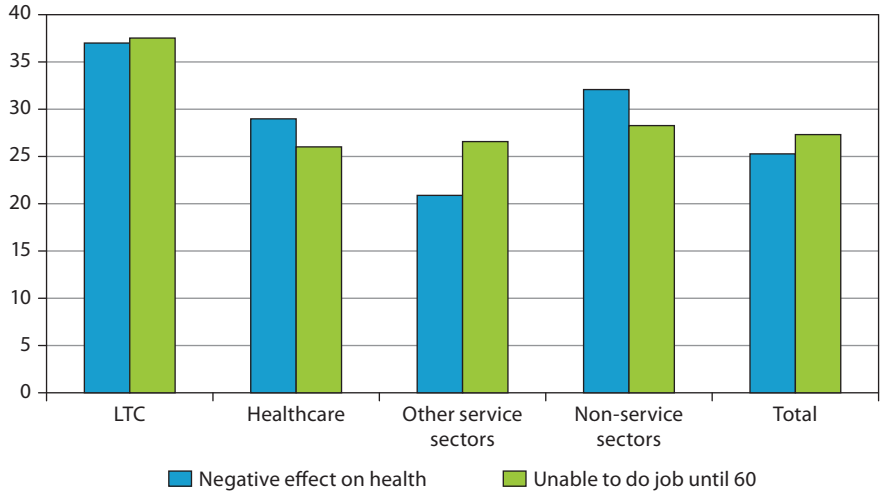


Figure 7. Work and health, EU-27 and UK

Source: (European Commission, 2021b, p. 63).

The difficult working conditions are reflected in a significant share of long-term care workers facing health problems, which is confirmed by the survey results shown in Graph 7. Long-term care sector workers perceive their work as resulting in far greater adverse health effects than workers in other sectors of the economy; they are also more likely to believe that they will not be able to continue working in their current job until the age of 60. In concluding the discussion of employment and working conditions in institutional long-term care, it should be noted that in recent years many Member States have been taking measures to improve the attractiveness of this sector. The main ones concern wage increases as well as opportunities to improve qualifications by creating new fields of study and providing training for people who want to certify their skills and thus become employable in long-term care institutions.

5. Discussion

The growing needs in terms of financial, legal and organisational preparation of the entities of the health care, social policy and public management system for the necessity of securing the health and care needs resulting from dynamic demographic changes intensify the work toward solutions to this problem not only within individual EU Member States but more broadly – at EU level. For many years, the dynamic demographic changes and their consequences for the health care and social security systems, affecting all EU countries, have been the subject of numerous analyses conducted by both theorists and practitioners, and their results contribute to the design of new methods for dealing with the identified problems. Observed since the 20th century, the increase in life expectancy and the sudden growth in the number of people with disabilities – due to the increase in the number of the so-called older age cohorts (80+) (Szarota, 2010) – are what directs the attention of decision-makers who shape the foundations of public policies toward the search for appropriate (with regard to the emerging needs) organisational solutions for long-term care. It is particularly important to correctly identify the so-called care gap. The care gap, i.e. unmet care needs, is defined as the difference between the identified care needs resulting from the elderly person's health condition, degree of autonomy, age, family status, economic status, cultural resources (individual characteristics of the individual) and the help and support received. The care gap is identified on two levels. The first level (Care Gap I) is the unmet care needs within the family and social networks that constitute the so-called informal support networks for the individual. In other words, this gap is determined based on the difference between the care needs of the individual and their satisfaction by relatives and unrelated persons (neighbours, acquaintances, friends). Care Gap I can be bridged by providing formal institutional and community support. Care services provided at the place of residence of the elderly person, as well as semi-institutional and institutional assistance should reduce the degree of unmet care needs. Therefore, the second level of unmet needs is defined as Care Gap II. It forms when the assistance received from family and unrelated persons, as well as the purchase of care services, assistance provided by non-governmental organisations and assistance provided by local and central government are insufficient to satisfy the individual's care needs. Given the diversity of elderly care models in EU countries, one of the new challenges faced by the EU is the need for partial standardisation, across the Member States, of indicators reflecting the scope, access, scale of needs and solutions used to support the development of institutional and non-institutional long-term care, in order to harmonise the identification of the care gap.

As a result of the emerging challenges in recent years, EU policy-makers are paying special attention to the preparation of effective institutional solutions for the growing number of people who are unable to secure the services they need to live with dignity in their community through their own efforts, slowly moving towards a systemic settlement of the revealed social issue at EU level.

Since 2014, a key role in this process – even though long-term care policy-making is generally the responsibility of the Member States – has been played primarily by the European Commission, i.e. the executive body responsible for current politics, overseeing the work of all agencies and managing EU funds. This body, using economic, awareness-related, legal and other instruments, initiates and supports the implementation of practices that enable the effective provision of high-quality care services to people whose health condition prevents them from living fully independently. On the date indicated, the first comprehensive report was prepared

and published on behalf of the European Commission, identifying the three most important organisational challenges faced by national governments, i.e. (1) a rapid and huge increase in the needs for care of dependent persons, (2) an inadequate number of qualified personnel willing to work in entities providing long-term care, and (3) the creation of opportunities conducive to the provision of the desired quality of services in relation to the indicated growth of expectations and revealed shortages in the health professional market (European Commission and Social Protection Committee (SPC), 2014).

The growing awareness among political decision-makers of the gap between the demand for and supply of long-term care services has led to a number of measures being proposed and actually taken in recent years in order to foster the implementation of effective long-term care solutions at the European level. The most important of these include:

- creating a knowledge repository to make better use of available data in order to monitor the impact of the dependency of an increasing number of people on society and the labour market;
- identifying the adequacy of the degree of social protection to the consequences of the risk of dependency;
- strengthening cooperation and continuing joint work on the development and application of tools for measuring the level of effective social protection in long-term care by the European Commission and the OECD;
- supporting mutual learning activities by promoting good practices under the open method of coordination;
- increasing in the volume of EU funds allocated, mainly within the cohesion policy, to the development and standardisation of long-term care;
- implementing strategies to prevent the emergence of negative development trends (European Commission, 2014, p. 23).

As indicated above, long-term care policy-making is ex lege the domain of the Member States, however, the application of the open method of coordination made it possible to agree, within the Social Protection Committee, on common objectives for the accessibility, quality and sustainability standards of health care and long-term care being developed, as well as to search for ways of effective management in institutions providing services in these areas. Since management is only possible if objectives are set, resources for their implementation are allocated, employees are mobilised and the results are controlled in terms of the pre-set objectives, the experts of the Social Protection Committee, following this rule, have started work on the preparation of a common to the Member States catalogue of indicators assessing this accessibility, sustainability and quality in the existing long-term care solutions. The aim of this action is to create a base that will be useful for assessing the current state and charting a course for change. Selecting indicators, followed by collecting adequate data and monitoring it, is expected to contribute to the preparation of a formula/tool for the operationalisation of the implementation degree of the recommendations put forward by the European Commission and enable proper orientation of organisational activities and introduction of necessary adjustments. Important for the achievement of the indicated objectives was the preparation of recommendations concerning (a) maintaining budgetary sustainability despite the numerical growth of the group of potential beneficiaries of long-term care services, (b) access to long-term care services, (c) monitoring the situation on this labour market, mainly women's (d) creating solutions to support the legal and economic position of persons providing informal long-term care.

Not without significance for the efficiency and sustainability of long-term care systems are the consequences of population migration between the Member States. According to statistics, 13.3 million EU citizens were living in a Member State other than their country of origin in 2019 (European Commission, 2020). The observed directions of migration reveal that these flows can mitigate the negative effects of ageing in the inflow regions while simultaneously aggravating already negative demographic trends in the outflow regions, often facing not only population decline but also the aggravation of unfavourable relations between the pre-working age, working age and post-working age population. This phenomenon is all the more worrying because the outflow concerns not only countries and regions with relatively weaker economies, but also those with underdeveloped institutional support systems for the disadvantaged and with a low level of social capital which (if it were at a high level) could, even if to a limited extent, contribute to the activation of non-institutional forms of long-term care provision. Increased mobility also means that children often work far from their parents' place of residence and, consequently, are unable to care for them, shifting this responsibility to public institutions.

6. Conclusions

The presented considerations focused on the characterisation of selected aspects of long-term care treated as an important area of state activity. The invoked Principle No. 18 of the European Pillar of Social Rights, which emphasises the rights of every citizen of the Member States to affordable care services, in particular institutional, home and community-based care, obliges national decision-makers to take active measures to redefine public policies, including in particular health and social protection, so that that the objectives set out in the European Commission documents are implemented in organisational reality. This should be done through public management practices and access to EU funding, including in particular resources of the European Social Fund Plus (EFS+) and the new economic instrument prepared in the era of COVID-19 for economic recovery and strengthening cohesion. These financial instruments are to be used both for public investments and for reforms aimed at strengthening resistance to changes, including those resulting from the observed significant increase in demand for long-term care.

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Legal Context and Support Incentives of Social Enterprises in Baltic Countries

Audrone Urmanaviciene, Merle Praakli

Abstract: **Background:** All three Baltic countries: Estonia, Latvia, and Lithuania, faced similar historical contexts and challenges. Currently, Baltic countries have created a favourable environment for entrepreneurship and have an active civil society sector. However, the social enterprise sector in the Baltic states is very young and still developing. Baltic countries have great potential for developing and expanding social enterprises through various support infrastructures. The solutions implemented to support the development of social enterprises differ in all three countries.
Research objectives: This article aims to identify social entrepreneurship support incentives in Estonia, Latvia, and Lithuania.
Research design and methods: The paper uses literature review, document analysis, and comparative analysis results.
Results: The study revealed that all three Baltic states are gradually taking steps towards establishing a social enterprise ecosystem. However, Estonia and Lithuania lack supportive legal frameworks and tax support systems for SEs. The development of supportive regulatory environments could help to grow the sector and solve many conceptual issues.
Conclusions: The governments could, therefore, adopt a legal regulation and a clear definition of SEs to build a shared understanding of the field between all sectors and to implement future governmental strategies with identified coordinating structures, roles, and missions of SEs for far more successful collaboration.
Keywords: social entrepreneurship, Baltic states, legal framework, support incentives, social enterprise ecosystem
JEL Codes: L31, Z1, K40, J38

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1. Introduction

There is growing interest in social entrepreneurship as it is a form of doing business by finding solutions to challenges through social innovation and business activities combined. Furthermore, social enterprises (SEs) can improve a variety of areas like the labour market, social inclusion, the quality of public services, the development of rural regions, and environmental protection (OECD & European Commission, 2015). SEs are undergoing a period of rapid growth today, not only due to new policies introduced at the European level but because many initiatives, both old and new, produce goods and services of general interest. These enterprises offer various deliverables to generate a positive social impact on challenges that the United Nations Sustainable Development Goals (UN SDGs) focus on (Zimmer & Pearson, 2018). SEs are finding innovative ways to meet the needs of society, filling the gaps of perhaps the public or

the private sector, and at the same time being a hybrid of them and the civil society (Borzaga & Galera, 2016). SEs contribute to important policy objectives, such as job creation, inclusiveness, equal opportunities, sustainability, and civic participation. They are an excellent example of an 'economy that works for people' (Borzaga et al., 2020). However, despite the wide use of the term and gradual convergence of meanings underway at the European Union (EU) level, SEs are still conceived in significantly different manners by national legislation, policy strategies, academics, and the public (Borzaga et al., 2020).

History influenced SE development in the Baltic states. 'Following the restoration of independence, the political system became favourable to developing private business after a long period of centrally planned economies. These economic and political changes opened up new opportunities for private entrepreneurship and civil society in Baltic countries' (Evans et al., 2021).

Estonia has one of the highest start-up numbers per capita in Europe. The country has created an accommodating environment for startups. 'In 2020, startups generated 782M EUR in turnover in Estonia, which is 43% more than the year before. Estonian startups employed 6072 people locally at the end of 2020, and startups paid 97M EUR in employment taxes in 2020, 24% more than the year before' (Startup Estonia, 2021). Latvia also has favourable conditions for entrepreneurship. Business entry and exit rates are pretty high, and start-ups face little administrative burden (OECD, 2020). Moreover, the population above average has entrepreneurship skills. The nascent entrepreneurship rate was considerably higher than the EU average during 2015–19 (9.2% vs 4.0%). The new business ownership rate was also above the EU average for the 2015–19 period (5.1% vs 2.7%) (OECD, 2020). Lithuania stands out with a robust civil society sector. 'In 2017, the Lithuanian civil society ranked 5th among 24 Central and Eastern European and Eurasian countries. Lithuania received the highest score for advocacy, implying a solid influence of civil society organisations on policy-making processes' (OECD/EU, 2019).

Thus, all three countries have great potential to develop a solid social entrepreneurship ecosystem and support schemes for its development. However, the SEs sector in Baltic countries is still developing. There are about 120–180 SEs in Latvia, and 125 SEs in Estonia. In Lithuania, it is indicated that such enterprises, which have the status by the law of a SE, are 186 (Urmanaviciene et al., 2021a). Also, according to Enterprise Lithuania, at the beginning of 2019, there were 95 SEs de facto. Moreover, many organisations are small or medium-sized enterprises. Also, many organisations do not identify themselves as SE.

This study aims to identify support incentives for social entrepreneurship in Baltic countries and compare them in all three countries. Methods: literature review, document analysis, and comparative analysis.

2. Definition and legal regulation of social enterprises in the Baltic states

Latvia and Lithuania have adopted a legal framework for a SE that constitutes some recognition, at the political level, of the sector's importance (Evans et al., 2021).

Social Enterprise Law in Latvia defines SE as 'a limited liability company that has been granted the status of a social enterprise and conducts an economic activity that creates a positive social impact' (Saeima, 2017). A broad definition encompasses a variety of activities, including social services, environmental issues, cultural diversity, support for science, the formation of an inclusive civil society, etc. However, Social Enterprise Law allows SEs to operate only under the legal form of limited liability companies (Licite, 2018).

In Lithuania, de jure and de facto SEs exist (Table 1). SEs de jure are related to the Law of Social Enterprises and represent work integration SEs (WISEs), considered the dominant type of SE in Europe. The Law on Social Enterprises was adopted in 2004 and amended in 2011 (Lietuvos Respublikos Seimas, 2011). 'The legal definition of SE as WISEs was heavily criticised by local stakeholders. WISEs de jure is governed by social welfare and commercial logic; the latter became dominated in many cases by these WISEs' (Urmanavičienė et al, 2021b).

According to the new law on Social Enterprise (Lietuvos Respublikos Seimas, 2019), 75% of WISEs' profits must be reinvested for social inclusion and measures to support job-skills development. However, how profit should be reinvested is not defined. 'The new Law on Social Enterprises is still heavily criticised by representatives of disability organisations and some politicians who believe that the law does not address the problem entirely address the issue' (Urmanavičienė et al, 2021b). Thus, many WISEs' de jure primary aims remain to generate profit for owners and shareholders rather than create social impact. Also, employees and other stakeholders usually are not involved in decision-making and management processes.

'SEs de facto have a social mission at the forefront and pursue it by designing a business model'. It is defined by the Decree of the Minister of Economy of the Republic of Lithuania on the Approval of the Conception of Social Business (The Ministry of Economy, 2015). The Conception characterises a SE as 'an organisation with a social mission and a business model operating under market conditions'. The definition in Lithuania is also broad, encompassing SEs' impact on society and the environment in fields ranging from traditional economic areas such as transportation and logistics, agriculture, tourism, etc., to landscape cleaning, preserving the authenticity of Lithuanian culture, civil education, etc. The forms of these organisations range from non-governmental organisations (NGOs) to private limited liability companies (PLCs).

Thus, these two concepts of SEs in Lithuania 'led to a situation in which different stakeholders (such as policymakers, civil society organisations, social entrepreneurs, and researchers) have diverse understandings of the notion of social enterprise' (Urmanavičienė et al., 2021b).

The general definition of SEs in Estonia is linked to the Social Enterprise Network (ESEN), which focuses on social or environmental impact creation also on profit making through the sales of products or services, either to public or private sector stakeholders, to generate resources for financial sustainability and constrain the SEs with precise profit distribution requirements (Speiss-Knafl & Scheck, 2019). There are three main aspects that ESEN points out in terms of defining SEs in Estonia – 1) they are businesses whose primary purpose is to create a positive impact on society. SEs sell their products or services to make the world a better place, 2) they have a clear social purpose, which means a direct contribution to people's livelihoods, well-being, or the environment, 3) They act as an economic entity, i.e., providing goods or services for a fee as an economic entity. In the 2010s, the ESEN's main aspects of the definition proposed were mainly social or environmental objectives, full reinvestment of profits, and locking in assets. However, by the end of the decade, it became clear that profit and asset requirements were becoming a challenge for social entrepreneurs who wanted to expand with investment and provide financial motivation for founders. Thus, the definition of social entrepreneurship has changed over time in terms of profit-sharing in response to the development needs of enterprises (Lepik, 2021).

A well-designed legal and regulatory framework is essential to building a conducive ecosystem for SE development. In Latvia, SE is recognised as an economic entity, and the term is integrated into the legislation (Licite, 2018). Thus it increases the legal awareness of SEs. The legal framework also stipulates many benefits for SEs in Latvia.

Table. 1. Social enterprises in Baltic countries

	Estonia	Latvia	Lithuania	
Definition of a social enterprise	'Businesses whose primary purpose is to create a positive impact on society. In simple terms – social enterprises sell their products or services intending to make the world a better place' (ESEN, 2021)	'A limited liability company that conducts an economic activity that creates a positive social impact' (Saeima, 2017)	'an organisation with a social mission and a business model operating under market conditions' (The Ministry of Economy, 2015)	'A legal entity that has acquired the status of a social enterprise by the procedure established by this law or its division, in which employees belonging to target groups (disabled, persons older than 50 years, long-term unemployed) make up at least 50 % of the annual average number of employees of the social enterprise on the lists, and the number of employees belonging to target groups is at least 6' (Lietuvos Respublikos Seimas, 2019)
Characteristics of a social enterprise	1) The main objective is to have a positive impact on people's livelihoods, well-being or the environment 2) The impact is measured 3) A sustainable economic model 4) 50.1+% of profits reinvested in the achievement of the core objective 5) A business provides goods or services for a fee (ESEN, 2021)	1) An obligation to have a positive social aim as the company's primary purpose while restricting profit distribution to company owners. Profits must be reinvested in the company or invested in reaching the social aim. 2) The social enterprise's employees or target group individuals must participate in the management of the enterprise (Saeima, 2017)	1) pursues the primary goal of measurable and positive social impact; 2)the resulting profits are reinvested according to pre-defined profit distribution procedures and rules to achieve the main objectives. 3) the social business is managed in an accountable and transparent manner, including stakeholders or their legal representatives who are affected by the activities; 4) social business is independent of state and municipal institutions and bodies, public sector organisations, and other organisations (The Ministry of Economy, 2015)	1) The purpose is to promote the return of these persons to the labour market, their social integration and reduce their social exclusion by employing persons belonging to the target groups specified in this law, whose working capacity has decreased due to disability, who cannot compete on equal terms in the labour market. 2) At least 75 per cent of the net profit of social enterprises for the financial reporting year must be used for the social enterprise's operational goals related to the return to the labour market of target groups of persons employed in social enterprises and promoting their social integration, reducing social exclusion (Lietuvos Respublikos Seimas, 2019)
Legal regulation	No law	Social Enterprise Law since 2018	Social business conception since 2015	Social Enterprise Law since 2004
Legal forms	NGOs, foundations and private limited companies	Limited liability companies	NGOs, private limited companies	private limited companies

Source: own elaboration.

In Lithuania, the Conception of Social Business (The Ministry of Economy, 2015) presents the general principles of social business. The Conception identifies three significant tasks that should be accomplished to support the development of social enterprises in Lithuania: '(1) to create a favourable legal environment for social entrepreneurship; (2) to create a favourable financial and tax support system; and (3) to improve the visibility and raise awareness about the social-business and social-enterprise phenomena in society'. On a strategic level, 'the Conception enhances the recognition of social entrepreneurship; however, in practice, the concept remains underdeveloped because of the lack of specific legal acts about SEs and the functioning of social business' (Urmanavičienė et al, 2021b). In 2019, hearings on the particular Law of Social Business were initiated in the Parliament; however, the law is still not adopted.

In Estonia, there are no legally settled definitions of SE nor specific regulations by the public sector. Therefore, the purpose of SEs is relatively broad. Legislative changes are needed in an Estonian context. The public sector should put in place policies, such as the Commercial Code, Non-Profit Organisations Act, etc., that can release the true potential of SEs while supporting the further development of social innovation. A national strategy is essential to understand and adopt official definitions of the terms to increase SEs' opportunities for more suitable grants, loans, and investments. Additionally, legislative changes could clarify tax benefits for non-profit and private limited organisations operating as SEs.

In all three countries, SE definitions are linked with the EU definition, emphasising the primary objective – social impact rather than generating profit for owners and shareholders. Latvian and Lithuanian SE definitions also mark the importance of stakeholders' involvement in management. However, in Lithuania, the existing Social enterprise law brings some confusion and narrows the SE definition. In Estonia, SE is not legally defined. Thus, the concept is still poorly understood. Moreover, in all three countries, many socially-oriented companies are still not legally recognised as SEs. A distinction can be made between SEs de jure and de facto.

3. Research methods and materials

The study uses a qualitative approach. The authors use document analysis – as a systematic procedure to analyse documentary evidence. In this case, SEs and their ecosystems in Europe: country reports of Lithuania, Latvia, and Estonia (Licite, 2018, Pranskeviciute et al., 2018, Reimann, 2019), also other documents and legal acts. Country reports are part of the study 'Social enterprises and their ecosystems in Europe'. It provides an overview of the SEs' landscape in Latvia, Lithuania, and Estonia. Estonian report is based on information available in 2019, Latvian and Lithuanian in 2018. Also, a comparative analysis is used to compare Estonia, Latvia, and Lithuania's social entrepreneurship support incentives and see their similarities and differences.

4. Results and discussions

According to the Social Enterprise Law, SEs in Latvia may use specific support mechanisms for SEs: volunteer involvement, specific tax reductions, and access to EU funds (SAFEGE Baltija, 2020). In 2018, the support measures of the Ministry of Welfare and ALTUM became the most important and only measure of its kind, as it aimed explicitly to offer financial grants in the range of 5000 EUR to 200000 EUR and develop SEs in Latvia (Licite-Kurbe, Gintere, 2021). Furthermore, 'the Social Enterprise Law enables municipalities to create and implement local

support instruments: reduced real estate tax, permission for SEs to use municipality property for free, special financial support schemes, and privileged public procurement for SEs' (Licite, 2018). In Lithuania, according to the Draft of Social Business Law (adopted on 14 May, 2019, No. XIIIP-3458) (Ministry of Economy and Innovation of the Republic of Lithuania, Government of the Republic of Lithuania, 2019), two primary forms of support will be provided to a social business. 'Governmental support: 1) right to use state assets; 2) reserved the right to participate in public procurement; 3) provision of public services for social business in an authorised facility, business incubator, etc.; 4) promotion measures provided for in the Law on Small and Medium Business Development of the Republic of Lithuania. And municipal Support: 1) exemption from local charges; 2) right to use municipal property; 3) other forms of promotion established by municipal authorities'. However, the current legal framework doesn't provide more favourable conditions for SEs. They, as other entities, can use the same exemptions under the Law on Profit Tax, the Law on Value Added Tax (VAT), and the Law on State and Municipal Property Management, Use, and Disposal (SAFEGE Baltija, 2020). Additionally, there are recommendations for state and municipal institutions to pass the public service provision to SEs. The primary way of transmission of such services is public procurement.

In Estonia, a separate legal status is not established. Yet, SEs can register as both NGOs and PLCs to work as an economic entity by selling goods and services parallel to working on their social or environmental mission, supported additionally through public grants and other support mechanisms. Two of the most significant support organisations are the Good Deeds Foundation (GDF) and the National Foundation of Civil Society (NFCS). They offer direct financial support (grants), a network of mentors, case-specific development expertise, a development accelerator incubator program, case-specific counselling service, a network of volunteers, probono or low-cost expert services, and training in areas such as impact evaluation and measurement. In 2015, the Estonian government confirmed the 'Civil Society Development Plan 2015–2020' as one of the focal points for national civil society policy development. In spring 2021, the Ministry of the Interior selected ESEN as one of its strategic partners.

According to the latest studies conducted in Estonia mapping SEs in Estonia, the majority of them are registered as NGOs (Lepik, 2021; OECD, 2020; Reimann, 2019). Under the 1996 'Non-Profit Associations Act', NGOs may only use their financial returns to achieve their statutory objectives and may not distribute their profits among their members. Additionally, they must be transparent and involve their members in decision-making. The Income Tax Act, which came into force in 2000, states that NGOs can benefit from the income tax relief once they have been registered through the Tax and Customs Office as NGOs that 1) act in the interest of the general public, 2) the goal of the activities is not to make a profit, 3) the organisation shall not distribute its assets or income or grant to its founders or members, and 4) the fiscal reports must be public and presented to the Center of Registers and Information Systems on time each year once confirmed with the members on a general assembly meeting. The Income Tax Relief is regulated by the Ministry of Finance of Estonia and benefits other foundations. Income tax is payable on private gifts, donations, entertainment expenses (catering, accommodation, transport, and cultural services), non-business costs, and all payments from wages and salaries. There is no income tax on the organization's income, donations, or so-called project finance, as Estonia currently has no corporate income tax.

The activities of a non-profit association for which it was established are not considered a business or a transaction by the VAT Act. However, suppose the turnover of an organisation's additional activities (for example, to generate extra income to achieve its statutory objectives)

in goods and services exceeds 40 000 EUR from the beginning of the calendar year. In that case, NGOs and foundations must also register for VAT within three days. Turnover, in this case, means services provided or goods sold; so-called project money, grants, and donations are not included here. In addition, certain services are not included in turnover and are not subject to VAT (services provided by health, social, shelter, or non-profit organisation to several of its members; and the use of a sports facility or sports equipment supplied by a non-profit organisation or foundation to a natural person). In general, it is advantageous for NGOs to operate without VAT, as the costs are often largely exempt from VAT, and the state must retain the tax portion of their income in full. Sometimes a separate NGO is set aside for more considerable business expenses, with one part providing services and declaring VAT and the other not. The NGO itself may even set up a PLC.

Although several legal benefits in Estonia for the SEs registered as NGOs or foundations instead of PLCs, they do not have access to public business support programs and financial schemes available to the PLCs. Overcoming these challenges could require removing legal barriers to ensure SEs can access the exact financial support mechanisms as PLCs.

Thus, the essential support instrument in Latvia is the Altum grant (Licite, 2018). However, other financial support instruments remain pretty limited. In Lithuania, many financial instruments are oriented towards NGOs or SMEs. However, none of the critical current financing tools supports the true nature of SEs. 'SEs still struggle to carve out their place and access finance and business development support tailored to their needs' (SAFEGE Baltija, 2020). In Estonia, NFCS, GDF, and Limitless offer financial support to SEs, particularly in their early growth stage. The NFCS is a primary state-financed civil society fund for NGOs and foundations (Reimann, 2019). Through calls for proposals, applicants can apply for funding based on their development needs identified as a result of self-analysis or for the development of a pre-determined specific capacity. Additionally, they offer a 5000 EUR stipend for the best organisation of the year and run, alongside the GDF, an incubation program NULA that grants three winning organisations 25 000 EUR. Moreover, with the support of the NFCS, a crowdfunding platform Hooandja was established. The GDF, Estonia's first and only organisation of strategic philanthropy, has two funds that offer direct financial support for impact organisations – the Impact Fund, with a budget of 1 million EUR for 2018-2023, and the Education Fund, with a budget of 3 million EUR for 2019-2024.

In Latvia and Lithuania, cooperation with the local government often is hindered by bureaucracy, lack of motivation, and resources to co-operate. However, 'in Latvia, legislation enables municipalities to create and implement their support instruments: reduced real estate tax, permission for SEs to use municipality property for free, etc.' (SAFEGE Baltija, 2020). In Estonia, the local government supports NGOs similarly to the previously mentioned mechanisms. Still, there is a lack of support, particularly for SEs in their seed, startup, and late implementation development stages.

Most incentives to support social entrepreneurship are implemented through different channels. Table 2 shows government, private and civil society incentives.

The Social Entrepreneurship Association of Latvia promotes cooperation among various stakeholders, effectively addressing significant SE ecosystem problems while establishing a more effective community. In Lithuania, the Social Business Association is one of the critical representatives that raise awareness of the sector (Pranskeviciute et al., 2018). In Estonia, ESEN has become the central promotion organisation for SEs.

Table 2. Support incentives in Baltic countries

Areas of support incentives	Type of support incentive		
	Estonia	Latvia	Lithuania
Tax reliefs	No special tax exemptions for social enterprises	100% exempt from the enterprise income tax, lower the immovable property tax rate	No special tax exemptions for de facto social enterprises
ESF project Support for social entrepreneurship»	ESF Operational Programme with seven priorities	Ministry of Welfare and Development Finance Institution ALTUM	Ministry of Economy and Innovation of the The Republic of Lithuania, a support measure for SEs
Support instruments from local government	Possibility to apply for financial support for rooms, refurbishment, etc.	Free use of municipality property, special support schemes	Special Support Schemes
Privileged procurement procedures	There are no privileged public procurements for SEs	Social impact criteria are taken into account	There are recommendations for state and municipal institutions to pass the public service provision to social business
Social Enterprise Networks	Estonian Social Enterprise Network	Social entrepreneurship association of Latvia	Lithuanian Social business association
Accelerators and incubators	NFCs/GDFs incubator NULA, Ajujaht, Buildit, Startup Estonia, Garage48 hackathon series	New Door, Reach for Change	Change Makers ON hackathons, boot camps
Potential investors and financial intermediaries	Limitless, SEB bank, Estonian Business Angels Network (EstBAN)	Latvian Business Angel Network (LatBAN), European Latvian Association	Lithuanian Business Angel Network (LitBAN)

Source: adapted from SAFEGE Baltija (2020).

In Latvia International social entrepreneurship development program 'New Door' to only supports social startups working with the target groups. They support mentors, startups, consultations on social entrepreneurship, forums, and experience exchange programs. Programme 'Reach for Change' helps develop social entrepreneurs' business ideas, training, financial support, and contacts. However, social entrepreneurs must build their ideas for enhancing children's lives. Change Makers in Lithuania is the social innovation and business development support program that helps social innovators grow, achieve significant scale, become financially stable, and deliver impact (Pranskeviciute et al., 2018). Their goal is to develop social innovations and businesses with the help of executive experts. Estonia has several noteworthy accelerators, incubation, and startup programs. NULA incubator is a development program created by NFCS to support smart, effective, and innovative ideas that resolve acute problems in Estonian society for over half a year. The GDF has been a partner of the NFCS in running the incubator from the beginning.

NULA finishes its seventh season this autumn by granting three of the most successful teams with a 25 000 euros grant issued by NFSC. The Ajujaht accelerator program and TV competition is a collaboration between the public and private sectors and is created by Enterprise Estonia. The accelerator program involves 20 selected teams and includes boot camps, training, experience stories, and personal mentoring. The best nine teams will continue to compete

after the accelerator program in the Estonian Public Broadcasting (ERR) TV show Ajujaht, the winner of which will receive 30,000 euros. Ajujaht also offers participants various inexpensive and convenient opportunities to participate in conferences (MELT, sTARTUp Day, etc.), pitching events for potential investment raising (EstBAN pitch, etc.), and more. Startup Estonia is a governmental initiative to supercharge the Estonian startup ecosystem is powered by Foundation KredEx and is financed by the European Regional Development Fund with 7 million euros. Moreover, Garage48 was established in 2010, organising a startup hackathon, base camp, and idea garage series for impact-driven projects to help innovative ideas become prototypes with the guidance of industry-leading mentors.

On 9 December 2021, the European Commission (EC) adopted a new action plan on the social economy for the next nine-year period. With the action plan, the EC put forward concrete measures to help mobilise the full potential of the social economy, building on the results of the 2011 Social Business Initiative (SBI). The Action Plan states 'that policy and legal frameworks are the key elements in creating the right environment for the social economy to thrive. This includes taxation, public procurement, and state aid frameworks that must be adapted to the needs of the social economy'. This study's comparative analysis shows that Latvia, out of the three Baltic states, has the most developed legal framework for SEs. The legal framework stipulates many benefits for SEs in Latvia, such as tax reduction, privileged public procurements, etc.

On the other hand, the Estonian institutional framework lacks an explicit focus on developing more need-based sources of funding, a separate legal form, and a clear definition for SEs. In direct correlation, SEs in Estonia have no tax exceptions nor privileged public procurement schemes even when offering their services to the public sector and relieving pressure on public assistance. In Lithuania, the current legal framework doesn't create a favourable financial and tax support system for SEs. Notwithstanding, financial support to SEs in Estonia is quite advanced because organisations from all three sectors: public sector (NFCS), civil society (GDF), and private sector (Limitless), offer financial support to SEs, particularly in their early growth stage of development. In Latvia, the Altum grant, regulated by the Ministry of Welfare and Development Finance Institution, is an essential financial support instrument for SEs. In Lithuania, no one of the necessary critical current financing tools supports the true nature of SEs. Their access to finance is limited. In all three countries, there are accelerators, incubators programs, and strong SEs networks which support SEs, particularly at their initial stage of development. In all three countries, there is a lack of social impact investment funds. However, Limitless first impact investment fund was recently established in Estonia. Thus, Estonia and Lithuania lack supportive regulatory frameworks for SEs. The development of supportive regulatory environments could help to grow the sector. Governments could raise the SEs sector through public procurements, favourable taxation, and encouraging private investment in the sector.

5. Conclusions

All three Baltic states are gradually taking steps towards establishing a SE ecosystem that could be more successfully developed with sufficient political support, more startup incubation programs, and a diversity of support structures. This progress, if it were to take place alongside the strengthening of the prevailing impact measurement culture, could provide credible and sustainable solutions for societal and environmental problems while raising awareness

regarding the importance of SEs, relieving pressure on public services, and promoting cross-sector collaborations for social innovation.

SEs networks work tirelessly in all three countries to promote the impact of SEs. Accelerators and incubators actively support new and innovative SEs in their early stages. Additionally, support organisations raise awareness about the field and the precise definition of SE amongst the public to widen and strengthen the ecosystem.

Estonia and Lithuania lack a supportive legal framework for SEs. Also, there is a lack of a good tax support system and public procurements for SEs. The governments could, therefore, adopt a legal regulation and a clear definition of SEs to build a shared understanding of the field between all sectors and to implement future governmental strategies with identified coordinating structures, roles, and missions of SEs for far more successful collaboration.

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Social Return on Investment – does the Tool Work in Practice?

Jakub Głowacki

Abstract: **Background:** This text was created as a consequence of reading the article entitled "Using the social return on investment as a measure of the effectiveness of social innovation projects implemented under public policies" published in the Social Enterprise Journal.
Research objectives: This article aims to contribute to the ongoing debate about the best way to measure the economic effectiveness of public policies, as well to explore the possibility of using the SROI method as one of the indicators.
Research design and methods: The paper is based on Google Trends analysis and previous project's results.
Method: Social return on investment (SROI).
Results: Despite many years of existence and quite high popularity, there are very few examples of the regular use of such tools as SROI.
Conclusions: In order for the tool to function in practice, certain forms of support are needed: (1) organizational and substantive support for small entities in the use of the tool, (2) standardization of measurement steps that are most sensitive to the human factor, i.e. monetization of social effects and (3) making such a tool used in one of the evaluation stages during application for public funds.
Keywords: Social return on investment, SROI, cost-benefit analysis, measurement
JEL Codes: D63, L31

Suggested citation:
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1. Introduction

This text was created as a consequence of reading the article entitled "Using the social return on investment (SROI) as a measure of the effectiveness of social innovation projects implemented under public policies" published in the Social Enterprise Journal (Moroń & Klimowicz, 2021). This article aims to contribute to the ongoing debate about the best way to measure the economic effectiveness of public policies, as well to explore the possibility of using the SROI method as one of the indicators. Based on my experiences related to the research and implementation of SROI, I would like to slightly complete the considerations contained in the quoted article.

2. SROI

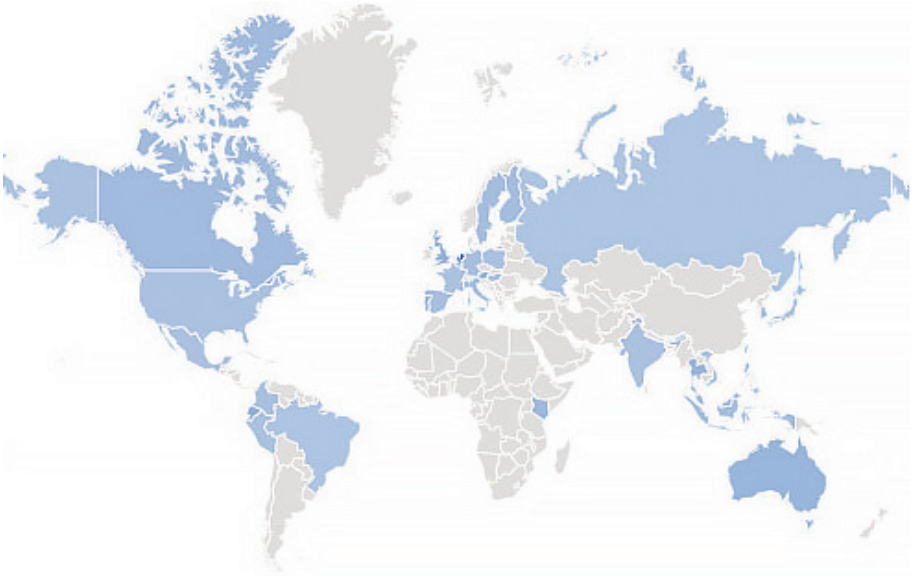
In the face of many crises in recent years, social economy entities are under constant pressure to document the efficient use of resources and report their impact on society. One of the answers to these needs is the SROI methodology, which creates a framework for monetizing the social impact created by social organizations. Increasing interest in the subject of measuring social added value took place at the turn of the 20th and 21st centuries. The research conducted by the American organisation Roberts Enterprise Development Fund (REDF) was the impetus. REDF was the first to propose a tool for expressing the social effects of entities' activities in monetary units (Emerson & Cabaj, 2000). SROI is a tool that enables an organisation to express in financial terms its social, ecological and economic value in the face of the investment expenditure that has been incurred. It is based on standard accounting principles and investment appraisal techniques and is an extensive version of cost-benefit analysis (CBA) (Edwards & Lawrence, 2021). The key difference is the part of the methodology in which benefits are viewed from a broader perspective and also include social profit, which is not included in traditional accounting. As a result, the profitability threshold for projects is raised, which, taking into account additional categories of benefits, become profitable and there is a basis for their launch.

Moroń & Klimowicz (2021) discovered following advantages of using the SROI method:

- It focusses on the long-term impact of the social project and allows for analysing its impact in the adopted time perspective, taking into account the reduction/increase of results over time.
- It takes into account purely financial costs and profits of the analysed project and also includes monetisation of social effects, which allows a fuller analysis of both expenditures as well as the results.
- It takes into account the possibility of monetisation the unintended, as well as the negative effects of social projects.
- It allows for presenting the financial results from the perspective of final beneficiaries, as well as the main stakeholders of social projects.
- It is a good tool for planning and evaluating public-private partnerships and other forms of cross-sectoral cooperation, as it takes into account the viewpoints, inputs and profits of all possible stakeholders.
- It enables the evaluation of already implemented projects, as well as forecasting the social return from the prepared social innovation projects.

Nielsen et al. (2021) systematised all the barriers resulting from the use of SROI. They are mainly: lack of data, a time and resource consuming process of calculating SROI, difficulties in capturing social value in a single number, challenges of choosing proxies, a limited time horizon for including future value generation, difficulties of identifying the chain of causation, an extensive uncertainty of the accuracy of the final ratio, and challenges of calculating deadweight[1].

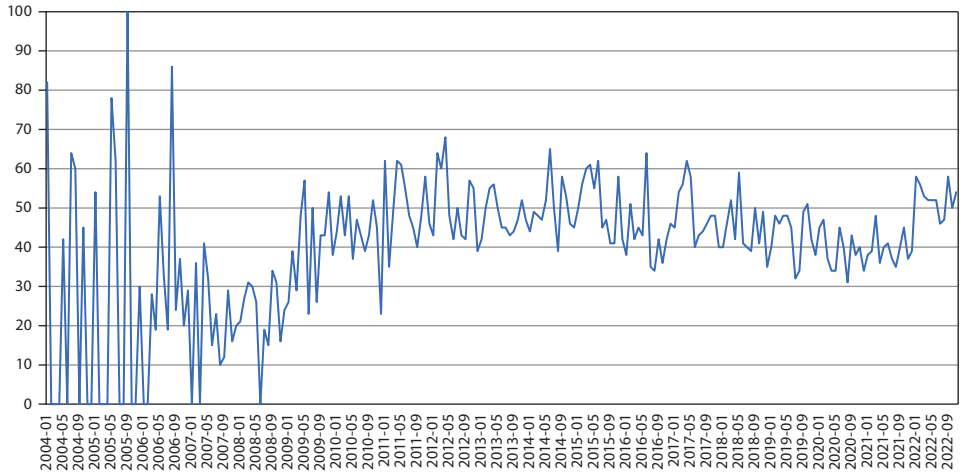
[1] Any changes or results that would have occurred anyhow, regardless of the organization's efforts and activities.



Values are presented on a scale from 0 to 100, where 100 is the location where the term was most searched for in that location, and 50 is the location that was twice as less popular. 0 refers to a location where there is not enough data for this password.

Figure 1. Popularity of the SROI slogan by regions of the world

Source: own study based on Google Trends.



The numbers represent individual search interests relative to the highest point on the graph. A value of 100 indicates the highest popularity of the keyword. A value of 50 indicates that the popularity of the keyword was twice as low. A value of 0 indicates that there is insufficient data for the keyword.

Figure 2. The worldwide popularity of SROI in the google search engine in 2004–2022

Source: own study based on Google Trends.

3. Popularity of SROI

When analysing the recent literature, we observe the use of SROI in areas such as health care (Banke-Thomas et al., 2015; Merino et al., 2020; Moral Torres et al., 2020), sport (Davies et al., 2019) or the evaluation of the functioning of public institutions (Purwohedi & Gurd, 2019; Vluggen et al., 2020). However, looking at the practical dimension of SROI, the implementation potential of this tool may reflect the popularity of "social return on investment" on Google. As can be seen in Figure 1, SROI was popular practically all over the world in the years 2004–2022. They were most often entered into the search engine in countries such as the Netherlands, Taiwan, Hong Kong, Ecuador and the United Kingdom.

World data show that the peak of popularity of this slogan took place in 2005, and the period 2004–2007 was characterized by a very high volatility of the indicator. It was only since 2009 that the slogan "social return on investment" began to be typed quite regularly into the browser, although it never gained the popularity it had in 2005.

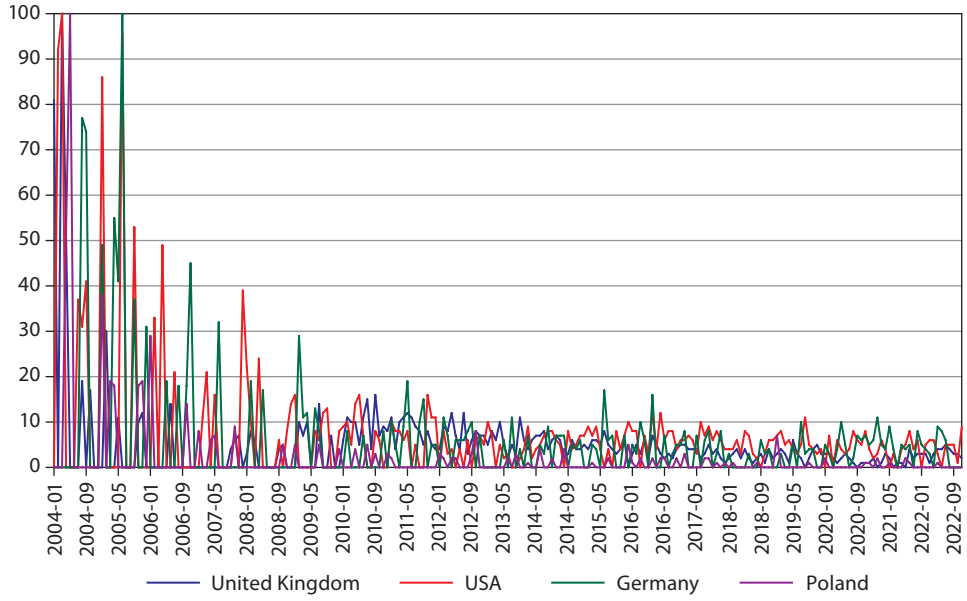


Figure 3. The popularity of SROI in the google search engine in different countries in 2004–2022

Source: own study based on Google Trends.

Data on the popularity of the SROI password for selected countries are slightly different. The time of greatest popularity of SROI was in the years 2004–2006. In the following years, the interest in this tool decreased systematically and this trend was quite similar in all the countries included. This may prove that the topic of measuring social impact by means of the SROI is somewhat exhausted.

4. ESometer – alternative approach to SROI

However, when looking at the wider issue of measuring social value, attention should be paid to many other tools that have been developed over the last dozen or so years (Clifford et al., 2013; Mulgan, 2010). One of the few Polish approaches is ESometr (Głowacki & Jelonek, 2013). The concept of this tool is based on an internet platform that allows you to independently assess the social added value created by social entities (SE) and at the same time creates a benchmarking base that can be used to make strategic decisions shaping the development of the social economy sector, both at the regional and national level. By definition, it is a tool open to methodology improvement, in which it is possible to add additional components (e.g. in a situation where there is a need to focus the activities of social economy entities on activities previously considered less important). The ESometer can also be useful for SEs in the process of building its credibility among stakeholders and donors and in self-evaluation of its own activities.

From the conceptual point of view, the ESometer tool consists of an extensive survey that collects information from the surveyed entity in 4 areas (professional and social integration, growth of social capital, strengthening local communities and the current financial condition), and then compares the achieved results with other entities. These comparisons can be made in various systems, e.g. in a group of entities with a specific legal form, size, business profile, etc.

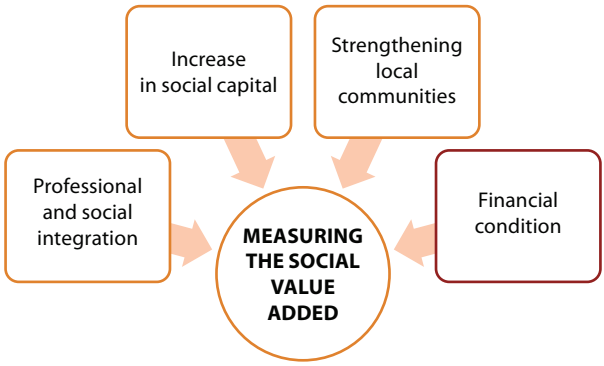


Figure 4. Measuring areas of social economy entities in ESometer

Source: own study.

The key factor determining the effectiveness and reliability of measurement with the ESometer is a sufficiently large number of different entities gathered in the database, which is a reference point for calculating the results of the surveyed organisation.

5. Conclusions

In summary, various schemes and tools for quantifying social effects are very necessary to create arguments for the functioning of entities with a social mission. Some of these tools are heavily operationalised (such as SROI), which, on the one hand, facilitates their implementation and should make it possible to compare the results between different organizations. The problem, however, in all these types of tools is that they are mainly used by large entities that have

sufficient resources to implement such solutions. Considering that social entities are relatively few organisations (compared to, for example, traditional enterprises), there are very few examples of the regular use of such tools as SROI. One solution would be support from public institutions aimed at implementing solutions of this type in smaller organisations. For this, it would be necessary to standardise the measurement steps that are most sensitive to the human factor, i.e. the monetisation of social effects. Perhaps it would be worth making such a tool used in one of the evaluation stages during application for public funds. Without such activities, the methods of measuring social value do not have a great chance of being put into practice.

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I declare that the research was conducted without any commercial or financial relationships that could be construed as a potential conflict of interest.

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Commentary on the Book *Poor, disabled and homeless people in the social welfare system* by M. Małecka-Łyszczek and R. Mędrzycki

Dominika Cendrowicz

Abstract: This paper discusses the book *Poor, disabled and homeless people in the social welfare system* by M. Małecka-Łyszczek and R. Mędrzycki. The Authors rightly point out that the division they adopted in the title cannot be isolated because poverty, disability and homelessness, are overlapping factors, deepening and perpetuating the social exclusion of individuals and families affected.
Keywords: social welfare, poverty, homeless, disabled.
JEL Codes: H53, H75, I38

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Cendrowicz, D. (2021). Commentary on the book Poor, disabled and homeless people in the social welfare system by M. Małecka-Łyszczek and R. Mędrzycki. *Social Entrepreneurship Review*, *2*, 41–44, https://doi.org/10.15678/SER.2021.2.04

In 2021, a monograph by M. Małecka-Łyszczek and R. Mędrzycki entitled "People who are poor, disabled and homeless in the social welfare system" was published by Wolters Kluwer Publishing House [in Polish] (Małecka-Łyszczek & Mędrzycki, 2021).

The monograph under discussion is aimed at the particularly significant and topical issue of social exclusion of the poor, the disabled and the homeless. The very idea of the subject of the monograph presents itself interestingly because, in the Polish publishing market, there is no title that would present in detail the subject of social exclusion understood as a specific administrative and legal situation of these three groups of people and the tasks of social welfare aimed at their social inclusion. The topic concerns a socially important issue, which is also essential for the science of administrative law and practice. The content is an extensive topic, so the Authors' selection of the content covered in the book deserves recognition. In singling out groups of people for legal analysis of their social exclusion and the possibility of social inclusion through the institution of social assistance and social economy, the Authors rightly point out that the division adopted by them cannot be isolated because poverty, disability and homelessness, are factors that can overlap, deepening and perpetuating the social exclusion of individuals and families affected (Małecka-Łyszczek & Mędrzycki, 2021, p. 13).

As can be seen from the introduction to the monograph and further reading of its contents, among its objectives was to analyze the institution of social assistance sensu stricto, regulated

by the provisions of the Act of March 12, 2004, on Social Welfare (Ustawa, 2004), in the face of social exclusion of poor, disabled and homeless people, and the impact of social economy on the social inclusion of these people (Małecka-Łyszczek & Mędrzycki, 2021, p. 11).

In the first chapter of the monograph, the Authors correctly presented the prevention of social exclusion as an objective facing the institution of social welfare to be implemented. It was rightly noted that social exclusion is one of the more complex social problems currently facing the countries of the European Union, including Poland. Presenting the concept of social exclusion against the background of the views of the doctrine, the analysis of it against the background of the provisions of EU law and national law was appropriately subjected, which leads to the obvious conclusion about the lack of a legal definition of this phenomenon in domestic law. However, this does not prejudge the absence of references to the phenomenon of social exclusion both in European Union law, mainly in soft law acts, and in national law. It has been rightly pointed out that social exclusion should be combined with axiology in administrative law, which should coincide with the axiology of helping people subjected to social exclusion. This axiology is determined by principles such as dignity, solidarity, subsidiarity, freedom and justice, for example. The Authors outline the most important concepts related to the indicated principles in this aspect.

The second chapter of the monograph contains interesting considerations of social assistance in the face of the phenomenon of poverty and the poor. Poverty remains inextricably linked with social exclusion, and it is multidimensional and diverse and can be a cause and effect of social exclusion. According to Article 7(1) of the Social Welfare Act, poverty is one of the prerequisites for providing social assistance benefits. It is also one of the oldest and most basic reasons justifying the provision of social assistance. Because the title of the chapter refers to the prevention of exclusion of the poor through the institution of social assistance, the chapter needed to consider social assistance benefits for the poor. The value of the considerations contained in the second chapter is not only the presentation of individual benefits but also the embedding of the issues raised against the background of the definition and classification of the concept of social exclusion.

The issues of disability as a cause of social exclusion and the place of disabled people in the social welfare system are the subject of the third chapter of the monograph. It should be mentioned that disability is of interest to sociology, pedagogy, and medical science. However, the legal perspective on disability and the legal situation of disabled people is also essential. The Authors rightly point out that in scientific discourse, legal acts and colloquial speech, the concept of a person with a disability is increasingly being used in place of the concept of a disabled person. The term 'person with a disability' appears in the English-language version of the United Nations Convention on the Rights of Persons with Disabilities instead of the term disabled person because "the noun form does not specify a characteristic, but only one of the circumstances of life" (Małecka-Łyszczek & Mędrzycki, 2021, p. 83). It should be considered particularly important to discuss the issue of persons with disabilities regarding the Social Welfare Act. The chapter then discusses the axiology of providing social assistance to persons with disabilities and analyzes the various benefits these persons can apply for under the provisions of the law.

The considerations in the fourth chapter of the monograph should be considered particularly valuable. They are devoted to the phenomenon of homelessness, which violates a person's dignity, threatens people's health and, often, life, and causes people in the crisis of homelessness to be socially excluded on an unprecedented scale. The Authors rightly point out the defi-

cits in the activating forms of social assistance for the homeless but emphasize the importance of such a form, which is an individual program for leaving homelessness (Ustawa…, 2004). However, the program itself does not solve a homeless person's problems, as it is necessary for him to be proactive in solving the problems behind finding himself in a homelessness crisis. The issue of a homeless person's failure to comply with the provisions of the program also remains problematic since, according to Article 11(2) of the Social Welfare Act (Ustawa…, 2004), a homeless person's failure to cooperate with a social worker may be grounds for limiting the amount or size of a benefit, refusing to grant a benefit, revoking a decision to grant a benefit or withholding cash social welfare benefits. This is not about the homelessness exit program itself but about the benefits accompanying it. For, as the Authors emphasize, the program of leaving homelessness is a plan, and each case of failure by a homeless person to comply with its provisions should be approached taking into account the complex and multifaceted life situation in which such a person finds himself (Małecka-Łyszczek & Mędrzycki, 2021, p. 189).

The monograph's fifth chapter presents the importance of social economy for the social inclusion of those most vulnerable to social exclusion. The social economy is an essential instrument for counteracting social exclusion, but the poor recognition of its concept and forms affect its effectiveness in the fight against social exclusion (Małecka-Łyszczek & Mędrzycki, 2021, p. 198). The Authors are correct in claiming that a gradual and permanent change in this approach is necessary, as social economy entities are the most sustainable and flexible form of social assistance sensu largo. Of particular interest in Chapter 5 are the examples of social economy entities in the sphere of counteracting social exclusion. This is because it is in social economy entities that one should see an effective and innovative tool for supporting social inclusion of people who, due to their difficult situation caused, for example, by poverty or the crisis of homelessness, cannot overcome it on their own. Hence, their reintegration function towards such people is crucial.

Through their importance, many of the themes discussed in the monograph constitute the importance of the issues taken up in work. The Authors undertook a complicated topic, while many of the issues presented in the book are still unjustifiably on the sidelines of considerations conducted by representatives of the science of administrative law (such as homelessness). An undoubted advantage of the monograph is that it is generally well embedded in the conceptual apparatus of the science of administrative law. The work was written based on properly selected and substantial literature. The work is also characterized by good style, and it formulates numerous conclusions de lege lata and postulates de lege ferenda.

In conclusion, the assessed monograph, due to the scientific values raised in the review, can be a valuable source of knowledge not only for representatives of the legal sciences dealing mainly with the issues of social exclusion, social assistance and social economy as well as practitioners, with particular emphasis on employees of organizational units of social assistance.

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Social Economy 2021. Social Entrepreneurship and Social Capital: Importance–Education–Development

Renata Śliwa, Dorota Murzyn

Abstract: This paper reviews the conference Social Economy 2021. Social entrepreneurship and social capital: importance – education – development. The event was around the issue of social entrepreneurship and its ability to mobilize social capital and expand the labour market by including previously excluded people in its participation.
Keywords: social economy, social capital, social entrepreneurship, education
JEL Codes: E24, I25, J24, L31

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On 18–19 November 2021, the next edition of the regular scientific conference on the social economy was held online under the title "*Social Economy 2021. Social entrepreneurship and social capital: importance-education-development*". The Institute of Law and Economics of the Pedagogical University of Cracow organised the conference.

The following thematic areas of the conference were outlined: Social economy and its development in Poland and around the world; Awareness of the importance of social economy in the economy; Changes and challenges for the social economy sector in COVID-19 and after the pandemic; Social innovation and its impact on the integration of people with fewer opportunities; Social entrepreneurship – its importance in the economy and society; Conditions and opportunities for the development of social entrepreneurship; Social entrepreneurship education – challenges and threats; Methods of developing pro-social attitudes; Importance of social capital and its impact on the community; Role of educational practices in the development of social capital; Methods and determinants of social capital development; Role of new technologies in the development of social entrepreneurship and social capital.

This year's proceedings were conducted around the issue of social entrepreneurship and its ability to mobilise social capital and expand the labour market by including previously excluded people in its participation.

The conference program included 28 papers in 7 sessions in Polish and English. The conference featured two keynote speakers, who were Thomas Gold, PhD of New York University (academician, consultant in developing continuous improvement processes for the work of

NGOs, advisor to companies marketing educational technologies) and Fred K. T. Ku, PhD of the Chinese University of Hong Kong Business School (academician, collaborator with domestic and international enterprises in introducing the idea of social good into business education, consultant to government projects). They presented inspiring examples of social entrepreneurship education, its importance and its development prospects.

The conference program also introduced a practical dimension as a workshop organised by the Statistical Office in Cracow. M. Walaszek presented the resources of public statistics with particular emphasis on data in the field of social economy (GUS, n.d.; OBGS, 2019).

Critical attention was paid to social enterprises as entities with significant capacity to respond innovatively to emerging economic, social and environmental challenges by creating sustainable jobs, promoting social inclusion and improving local social services (European Commission, 2020). An essential role in promoting the idea of social entrepreneurship or observing mechanisms and shaping pro-social attitudes fall to education. The deficit of social capital, manifested in such elements as low trust, weak ties and unstable norms of cooperation, is a fundamental constraint on developing social entrepreneurship (Kay, 2006). At the same time, to develop social economy entities Jimenez & Morales, 2011), it is necessary to professionalise their activities, especially in the business sphere, by strengthening human capital and institutional environment (Pacut, 2020).

The conference brought together a group of organisations and researchers interested in the issue of social entrepreneurship, as well as lecturers, practitioners, analysts and students. It created a platform for exchanging ideas on the importance of social entrepreneurship in the modern economy and education development in this area. It provided inspiring examples of teaching methods that shape pro-social attitudes, especially among young people. It gave a chance to present the role of new technologies in the development of social entrepreneurship and to share analyses of contemporary theoretical and empirical problems related to these issues. The conference proved to be an essential platform for the exchange of scientific views of researchers of economics and social entrepreneurship. It positively contributed to strengthening cooperation between the Institute of Law and Economics and partners – both academic and from the socio-economic environment. The issues covered in the papers delivered, modified by the discussion, have been published in the monograph "*Ekonomia Społeczna 2021. Przedsiębiorczość społeczna i kapitał społeczny: znaczenie – edukacja – rozwój*" (Pach, Lupa-Wójcik, Maciejewski, (in press)).

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10.15678/SER.2021.2.06

Social and Sustainable Entrepreneurship Track by the EURAM SIG Entrepreneurship

Marzena Starnawska

Abstract: This paper describes the key events of Standing Track Social and sustainable development, part of EURAM Strategic Interest Groups Entrepreneurship.
Keywords: entrepreneurship, social entrepreneurship, sustainability, EURAM
JEL Codes: E24, I25, J24, L31

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In 2021 European Academy of Management conference was organised in collaboration with UQAM-ESG (Canada, Montreal) in a virtual mode. This was another opportunity for EURAM to focus on today's grand challenges by highlighting the conference theme "Reshaping capitalism for a sustainable world".

Over here, I would like to introduce you to the key events of the conference from Standing Track (ST) Social and sustainable development, part of one of the largest and most numerous Strategic Interest Groups (SIGs) at EURAM, which is Entrepreneurship.

As part of the EURAM 2021 team, SIG Entrepreneurship organised a symposium "Anticipating future sustainability – Shifting the dance in the entrepreneurship, ownership, management and innovation fields" organised by Marcela Ramirez-Pasillas from Jonkoping International Business School, Sweden, with insights from Davide Bizjak, University of Naples Federico II, Italy; Ted Fuller, UNESCO Chair on Responsible Foresight for Sustainable Development at Lincoln International Business School, UK, and Claire Seaman, Chair in Enterprise and Family Business, Queen Margaret University, Scotland.

In response to the central EURAM 2021 conference theme, one of the key events of the SIG Entrepreneurship was the keynote speech delivered by Stefan Schaltegger from Leuphana University Lüneburg, Germany, titled "Pandemic paths and the necessity for sustainability transformations. How can sustainable entrepreneurship contribute?"

Our Social and sustainable entrepreneurship track has organised 5 paper presentation sessions, including Competitive and Development Paper sessions. This resulted in more than 15 papers being presented during the conference. Four sessions included Competitive Papers,

and 1 session hosted a special cohort of PhD/DBA students from the University of Strathclyde, Glasgow, Scotland, co-hosted by Katerina Nicolopoulou as part of Development Paper Sessions.

SIG Entrepreneurship and Social and sustainable entrepreneurship track have made every possible effort to align with the EURAM 2021 main conference theme. Also, EURAM organised many valuable events related to sustainability issues. Please follow the website link to familiarise yourself with the detailed conference programme: https://conferences.euram.academy/2021conference.

SIG Entrepreneurship and Social and sustainable entrepreneurship track community is very grateful to all the authors, paper discussants and paper reviewers for making the virtual EURAM event a very valuable and intellectually involving academic experience. Thank You!

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