

## **CONTENT (OBSAH)**

Jozsef Popp, Judit Olah, Veronika Machova, Agnieszka Jachowicz <b>PRIVATE EQUITY MARKET OF THE VISEGRAD GROUP.....</b>	<b>1</b>
Lucia Svabova, Katarina Kramarova, Marek Durica <b>PREDICTION MODEL OF FIRM'S FINANCIAL DISTRESS.....</b>	<b>16</b>
Tomasz Ciszewski, Waldemar Nowakowski <b>ECONOMIC ANALYSIS OF THE LIFE-CYCLE COST STRUCTURE FOR RAILWAY TRAFFIC CONTROL SYSTEMS.....</b>	<b>30</b>
Iveta Kmecova <b>THE PROCESSES OF MANAGING HUMAN RESOURCES AND USING MANAGEMENT METHODS AND TECHNIQUES IN MANAGEMENT PRACTICE.....</b>	<b>44</b>
Izabela Emerling, Magdalena Wojcik-Jurkiewicz <b>THE RISK ASSOCIATED WITH THE REPLACEMENT OF TRADITIONAL BUDGET WITH PERFORMANCE BUDGETING IN THE PUBLIC FINANCE SECTOR MANAGEMENT.....</b>	<b>55</b>
Denisa Mala, Dana Bencikova <b>INNOVATIONS OF A GREEN PRODUCT.....</b>	<b>64</b>
Vladimir G. Ignatyev, Ilgiz I. Nurtdinov <b>THE FEATURES OF REGIONAL INVESTMENT ANALYSIS IN RELATION TO THE CORPORATE SECTOR OF ECONOMY IN CONDITIONS OF GLOBALIZATION.....</b>	<b>75</b>
Vladimir Tretyak <b>ECONOMIC PERFORMANCE ASSESSMENT FOR AGRICULTURAL MARKET IN A REGION: EVIDENCE FROM RUSSIA.....</b>	<b>83</b>
Anna Zotova, Valentina Mantoulenko, Kirill Primaka <b>GLOBAL E-TRENDS IN RUSSIAN HIGH EDUCATION SYSTEM AS ESSENTIAL TOOLS OF ITS CHANGE MANAGEMENT.....</b>	<b>94</b>
Laima Okuneviciute Neverauskiene, Irena Pranskeviciute <b>OVERCOMING PARADOX FOR SOCIAL ENTERPRISE DEFINITION: CASE OF LITHUANIA.....</b>	<b>104</b>
<b>INSTRUCTION FOR AUTHORS.....</b>	<b>119</b>
<b>PUBLICATION ETHICS.....</b>	<b>121</b>

## OVERCOMING PARADOX FOR SOCIAL ENTERPRISE DEFINITION: CASE OF LITHUANIA

Laima Okuneviciute Neverauskiene<sup>1,a\*</sup> and Irena Pranskeviciute<sup>2,b</sup>

<sup>1</sup>Lithuanian Social Research Centre, Vilnius Gediminas Technical University, A. Gostauto 9, LT-01108, Vilnius, Lithuania

<sup>2</sup>Lithuanian Social Research Centre, A.Gostauto 9, LT-01108, Vilnius, Lithuania

<sup>a</sup>Laima.Okuneviciute@dsti.lt, <sup>b</sup>Irena.Pranskeviciute@gmail.com

\*Corresponding author

*Cite as:* Okuneviciute Neverauskiene, L. Pranskeviciute, I. (2018). Overcoming paradox for social enterprise definition: Case of Lithuania, *Ekonomicko-manazerske spektrum*, 12(1), 104-118.

---

**Abstract:** The study explores dilemma around *de jure* adopted social enterprise conception and social enterprise universe *de facto* developing through bottom-up initiatives. The presented analysis of Lithuania case presents situation, where conception on social enterprise was adopted following EU framing, and good practices of countries, having strong historical roots of social enterprise development, but bypassed evaluation of local context. The study shows, that narrow definition of social enterprises, applied to the legal framework of the state leads to deterioration of the social entrepreneurship concept and forms alternative area of various social enterprise models embedding global practices and broad definition of social enterprise. In Lithuania two contradictory domains of *de jure* and *de facto* social enterprises emerge and create dichotomous situation where some social enterprise forms are permanently supported and recognized by the state and others – not. Situation of Lithuania is especially referring to Central and Eastern Europe countries where natural development of social enterprises was historically interfered. The study elaborates hypothesis, that adoption of social enterprise conception to national legal framework shall be designed primarily corresponding to *de-facto* existing social enterprise universe and placing them along a continuum. It shows the need to pay attention to local and global evolutionary discourse and appreciate cross sectoral nature of social enterprises and their special place in the overall economy. It reveals that social entrepreneurship as main catalyst for social innovations go beyond conventional "bi-polar" representations of the economic landscape. The non-profit sector can no longer be viewed as separate to the business or state sector, instead, social enterprise models appear as intermediate actors. This view emphasizes the need for synergetic mixes of resources, cross-sectoral policies making and support means to social enterprise organizations, rather than clear-cut frontiers and divisions between sectors.

**Keywords:** Social Enterprise, non-governmental organization, rural community, public services, decentralisations

**JEL Classification:** D21, H23, J21, O15, D62, P43

- Ekonomines konsultacijos ir tyrimai (2017). *Survey on Non-governmental organization opportunities to provide public services and citizens involvement into volunteer activities.*
- European Commission (2015). *Directorate-General for Employment, Social Affairs and Inclusion (2015). A Map of Social Enterprises and their Eco - Systems in Europe.* Luxembourg: Publications Office of the European Union.
- Feasibility study on Social Enterprise Development in Lithuania (2017). *Lithuanian Innovation Center & Association Knowledge economy forum.*
- Gualera, G. & Borzaga, C. (2009). Social Enterprise: An International Overview of its Conceptual Evolution and Legal Implementation. *Social Enterprise Journal*, 5(3), 210-228.
- Kolosy, K. (2014). *The Law on Social and Solidarity Economy.* In European Commission. Growth. Social Innovation Europe.
- Kurapkaitiene, N. & Sadauskas, J. (2013). Volunteership in Social Work: Correlations and Strains. *Jaunuju Mokslininku Darbai*, 2 (40), 83-88.
- Nyssens, M. (2006). *Social Enterprise – at the Crossroads of Market. Public Policy and Civil Society.* London, Great Britain: Routledge.
- Norvila, J. (2007). Volunteership Lithuanian Way. *Collection of Articles about Volunteering*, Kaunas, Lithuania: A.C. Patria.
- Map of social enterprises and their eco-systems in Europe (2014). Country Report: Lithuania.
- Kania, J. & Kramer, M. (2013). Embracing Emergence: How Collective Impact Address Complexity. *Stanfords Social Innovations Review*, 1-8. Available at: <[https://ssir.org/articles/entry/collective\\_impact](https://ssir.org/articles/entry/collective_impact)>.
- O’Byrne, D., Lean, J., Moizer, J., Walsh, P., Dell’Aquila, E. & Friedrich, R. (2015). Social Enterprise in the European Union: A Review of Policy. *Social & Public Policy Review*, 9(1), 15-16.
- Okuneviciute Neverauskienė, L. & Moskvina, J. (2011). Social Enterprises: Aspect of Social Economy Development. *Philosophy & Sociology*, 22(4), 384-393.
- Order of the Minister of Social Security and Labour of the Republic of Lithuania (2012). *Strategic Guidelines for Deinstitutionalization of the Social Care Homes and Disabled Children Deprived of Parental Care and Adult Disabled Persons*, 16 November 2012, No A1-517.
- Order of the Ministry of Social Security and Labour of the Republic of Lithuania (2014). *Transition from Institutional Care to Community - Based Services for Disabled and Children Deprived of Parental Care 2014-2020 Year Action Plan*, 14 February 2014, No. A1-83.
- Order of Minister of Agriculture (2017). *Guidelines for Implementation of Social Business within the Program Means for Development of Rural Areas for 2014-2020*, 2017 November 9, No 3D-720, ID 2017-17669.
- Ostrom, E (2008). Polycentric Systems as One Approach for Solving Collective Action Problems, 1-22. Available at: <<https://ssrn.com/abstract=1304697>>.
- Phills, Jr. J.A., Deiglmeier, K. & Miller, T.D. (2008). Rediscovering Social Innovation. *Stanfords Social Innovations Review*, 6(4), 34-43.
- Presentation by the Ministry of Social Security and Labour of the Republic of Lithuania (2014). *Transition from institutional care to the family and community based social 2014-2020.* Available at: <[https://socmin.lrv.lt/uploads/socmin/documents/files/pdf/9817\\_pertvarkos-pristatymas-ek-anglu.pdf](https://socmin.lrv.lt/uploads/socmin/documents/files/pdf/9817_pertvarkos-pristatymas-ek-anglu.pdf)>
- Special Investigation Service of the Republic of Lithuania (2018). The Conclusion of the Anti-Corruption Assessment Regarding the Legal Regulation of the Activities of Social Enterprises, No. S-2017-10543.
- Staicu, D. (2017). Policy Framework and Legal Forms of Social Enterprise in Central and Eastern Europe. *Proceedings of the International Conference on Business Excellence*, 11(1), 875-883.
- The Republic of Lithuania (2013). *Law on the Development of Non-Governmental Organizations*, December 19, No. XII-717.
- The Republic of Lithuania (2016). *The Recommendations for Specification of Social Entrepreneurship Criteria.* The Ministry of Economy on 29 August 2016, Order No. 4-533.
- The Republic of Lithuania (2015). *Concept of the Social Entrepreneurship.* Adopted by the order of the Minister of Economy of the Republic of Lithuania, TAR 2015-04-03, No. 5148
- Urich, T.F. (2013). Business Organizations in the 21st Century: A Look at New Legal Forms for Business that Enhance Social Enterprise. *Southern Law Journal*, 23(2), 329-343.
- Young, D.R. (2012). The State of Theory and Research on Social Enterprises. *Social Enterprises: An Organisational Perspective*, 19-46.
- Westall, A. & Chalkley, D. (2007). *Social Enterprise Futures.* London: The Smith Institute.