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QUESTIONS ABOUT SOCIAL ENTREPRENEURSHIP

1. What is social entrepreneurship?

Social entrepreneurship means producing goods or providing services with the aim of solving a social problem or benefiting society rather than maximizing profits for business owners. Types of social entrepreneurship, formats, goods, services can be diverse, social enterprises can be large or small, international or local, but they are all united by the desire to create high added social value by applying business methods.



2. What does 'social' mean in the concept of social entrepreneurship?



The word 'social' in this context means 'something aimed at the wider society' - solving a problem or challenge important for society, generating value for society as a whole. Of course, the social aspect must be focused not only on the surrounding society, but must also be implemented inside the company, ensuring a responsible attitude towards the employees and careful treatment of the environment and nature.

3. Does social entrepreneurship mean grandmothers who knit socks?

The social enterprise does not necessarily have to employ representatives of a vulnerable group. This can be done, and it is one way of working in the field of social entrepreneurship, but not the only one! Social enterprises are also successfully working in the fields of education, environmental protection, cultural diversity, social and health services, civil society development and others.



4. What is the legal framework for social entrepreneurship in Latvia?

The activities of social enterprises in Latvia are regulated by the Commercial Law and the Law on Social Enterprise. The law on Social Enterprise states that a social enterprise is a company that has obtained the status of a social enterprise by fulfilling the established criteria. With the acquisition of the status, the social enterprise can use the statutory support instruments, such as corporate income tax reduction, the possibility to involve volunteers, and the possibility to apply for the Ministry of Welfare and ALTUM's financial support program for the development of social entrepreneurship. Social enterprises as limited liability companies are also subject to other laws that regulate specific business areas, sectors or aspects.

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5. Which legal form is the best for setting up a new social enterprise?

According to the Law on Social Enterprise, a social enterprise in Latvia is a limited liability company that has acquired the status of a social enterprise. If you are serious about promoting your idea within the framework of social entrepreneurship, attracting state support funding, using incubator or accelerator options, or other state or municipal business support services, you will need to establish a new Ltd or adjust the existing Ltd to the requirements of the Law on Social Enterprise.

