

26. Lithuania

This country profile benchmarks key self-employment and entrepreneurship data for women, youth, seniors and immigrants in Lithuania against the European Union average. It also highlights recent inclusive entrepreneurship policy developments and current policy issues.

Key trends

The self-employment rate was slightly lower than the European Union (EU) average in 2018 (10.9% vs. 13.7%). The self-employment rate has increased slightly over the past decade, notably among youth (4.3% vs. 6.9%). The proportion of people involved in starting a business in Lithuania was among the highest in the EU over the 2014-18 period (11.3% vs. 6.7%). Youth were very active in starting businesses and managing new businesses (15.6% vs. 6.8% for the EU). Moreover, youth were slightly less likely than the EU average to report that they started their business due to a lack of employment opportunities (14.2% vs. 15.6%) and were more likely to expect to create at least 19 jobs over the next five years (14.1% vs. 11.1%).

Hot issue

A key government priority is the promotion of an attractive investment environment and a business-friendly ecosystem for regional development and innovation. Municipalities have been supporting this priority, including through local inclusive entrepreneurship measures and initiatives. For example, Vilnius City Municipality reduced the fees for business certificates in 2016 by 70% for students and 50% for retired people, people with disabilities, registered unemployed and families with children.

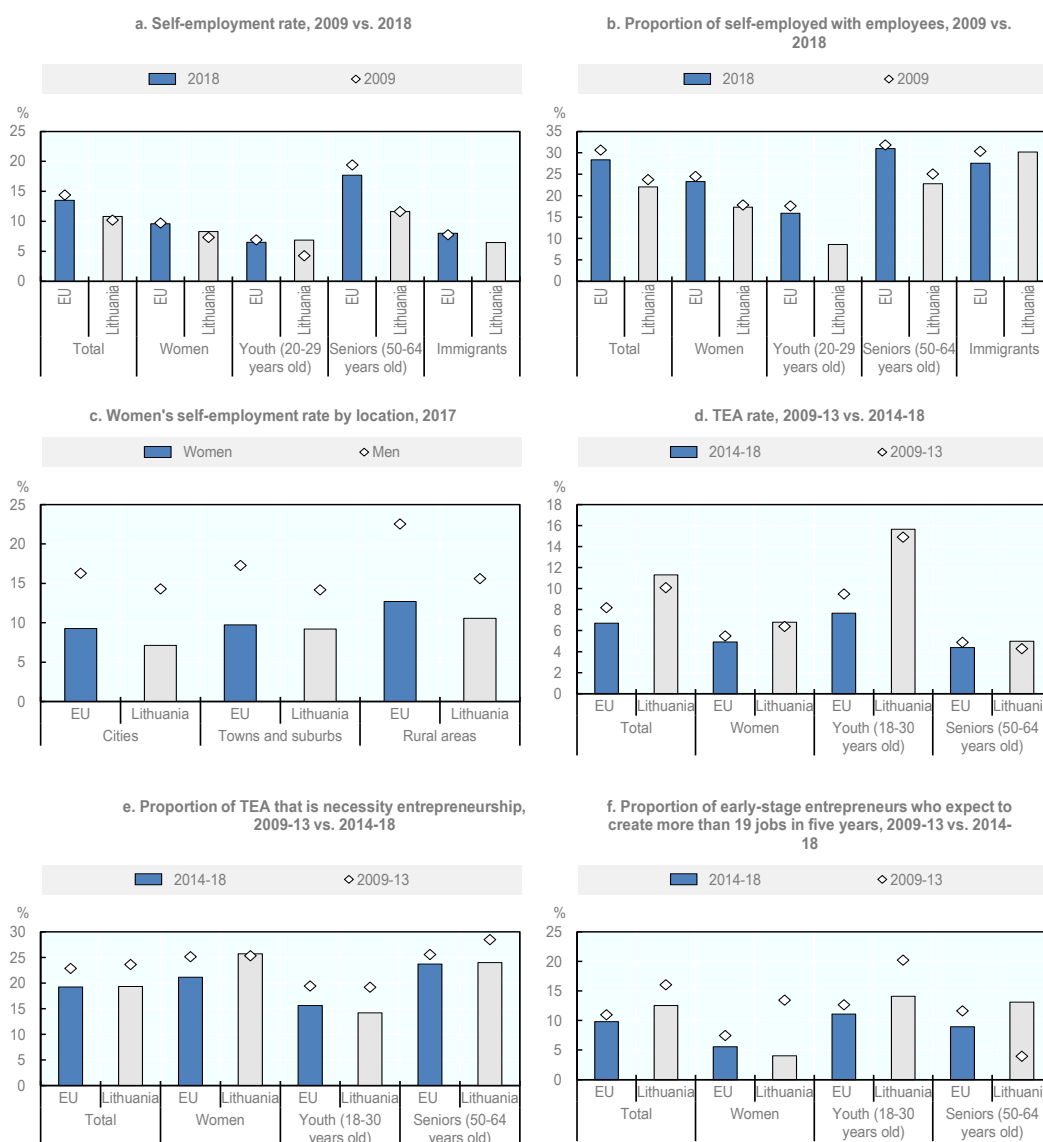
Recent policy developments

The Ministry of Social Security and Labour has prepared the Strategy for the Demographic, Migration and Integration Policy for 2018-30. One of the major goals of the Strategy is to ensure that seniors are integrated in society and have opportunities to contribute to social and political life, as well as in the labour market – both as employees and as entrepreneurs. The Strategy also aims to increase support for immigrants to improve their integration in the labour market, including through self-employment, and to increase life-long opportunities for Lithuanians to reduce emigration.

This profile is based on a recent country assessment report, which can be found at: www.oecd.org/cfe/leed/inclusive-entrepreneurship.htm.

Key inclusive entrepreneurship data

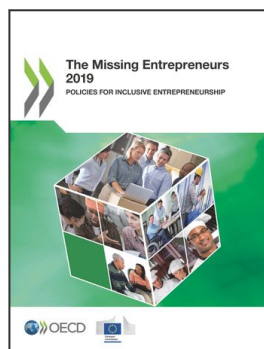
Figure 26.1. Entrepreneurship and self-employment data for Lithuania



Notes: The self-employment rate is defined as the number of self-employed people (15-64 years old) divided by the number of people in employment. The TEA rate is the proportion of adults (18-64 years old) involved in setting up a business or managing a business that is less than 42 months old. Necessity entrepreneurship is defined as entrepreneurship activities that were launched because there were no other options in the labour market. Early-stage entrepreneurs are those who are in the process of setting up a business or managing a business that is less than 42 months old. The EU average in Panels D-F excludes Czech Republic and Malta for the period 2014-18 and Malta for the period 2009-13.

Sources: Panels A and B: Eurostat (2019), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs/data/database>; Panel C: Eurostat (2018), Self-employment, Labour Force Survey ad-hoc module, <https://ec.europa.eu/eurostat/web/lfs/data/database>; Panels D-F: Global Entrepreneurship Monitor (2019), *Special tabulations of the GEM survey 2014-18*.

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