

# 26 Lithuania

This country profile presents recent trends in entrepreneurship by women, youth and seniors, including the self-employment rate. It also highlights current inclusive entrepreneurship policy issues and recent developments and reports on entrepreneurship conditions.

## Conditions for inclusive entrepreneurship

Some of the framework conditions for entrepreneurship are fairly strong, notably the level of administrative burden on new start-ups. However, there are low levels of reported entrepreneurship skills and access to finance for new start-ups often ranks below the European Union (EU) median. Entrepreneurship policy and programmes mostly promote competitiveness and innovation. Some progress has been made in implementing an integrated approach to the development of the country's human resources and designing measures for individual target groups. Some tailored measures for business creation and self-employment exist for youth, and to a lesser extent, for the unemployed and people with disabilities.

## Recent trends

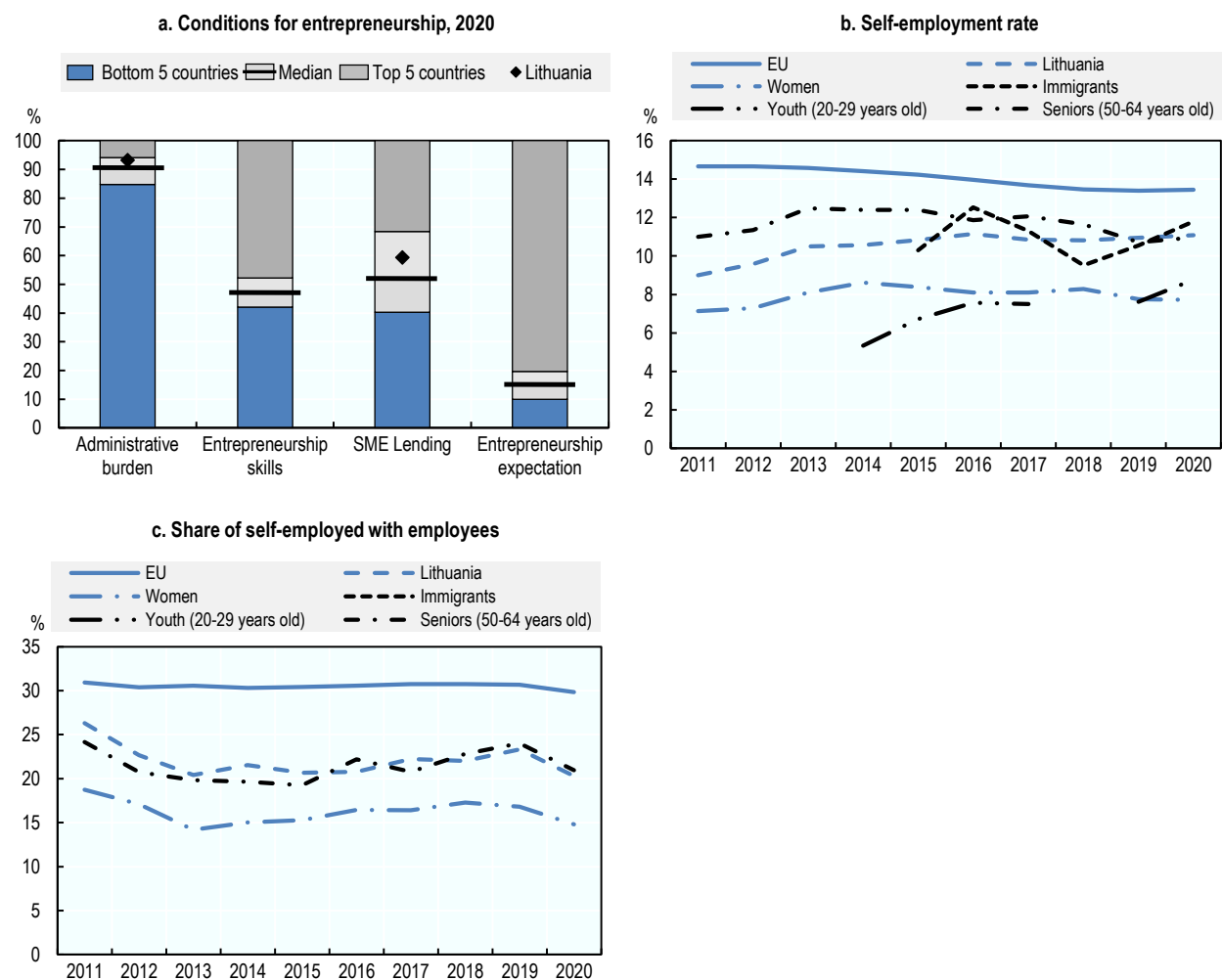
Over the last decade, the self-employment rate remained below than the EU average (11% vs. nearly 14% in 2020). The self-employed differ from the EU average in several ways, including higher shares of youth (20-29 years old) in self-employment (9% vs. 7%), but lower shares of women, seniors and immigrants. Overall, these population groups were each under-represented in self-employment. Eliminating these gaps (i.e. applying the self-employment rate of men who are 30-49 years old to the whole population), would result in another 45 000 self-employed people. These “missing” entrepreneurs are virtually all female while about one-third were between 20 and 30 years old and another one-third between 50 and 64 years old.

## Hot policy issue

In response to the COVID-19 crisis, several policy measures were introduced including tax and state social security deferrals, subsidies for small entrepreneurs and the self-employed and supports to ensure business liquidity. The Lithuanian Employment Service offered a flat rate benefit of EUR 257 per month to self-employed persons who did not have an employment relationship and did not receive income from work. By 1 July 2020, 93 049 self-employed workers had applied for the one-time grant, totalling to EUR 5.1 million. Qualifying self-employed workers also received a governmental subsidy for job creation of up to EUR 6 980. Moreover, marketplace vendors who had paid or committed to pay a market place fee received a EUR 300 compensation. Between July to September 2021, 5 500 applicants received grants. The programme was renewed in December 2020 through June 2021 with a EUR 2 million budget and a total of 2 600 applicants received aid from 5 March 2021 to 18 March 2021. In response to the continued crisis, the State Tax Inspectorate also provided lump sum payments to self-employed workers from March to June 2021.

## Inclusive entrepreneurship indicators

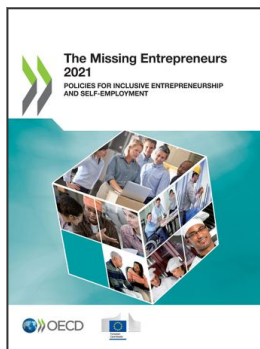
Figure 26.1. Entrepreneurship and self-employment in Lithuania



Note: Please see Chapter 9 for notes on the figures.

Source: Panel a: (World Bank, 2020<sup>[1]</sup>; Global Entrepreneurship Monitor (GEM), 2021<sup>[2]</sup>; OECD, forthcoming<sup>[3]</sup>); Panels b-c: (Eurostat, 2021<sup>[4]</sup>). Please see Chapter 9 for the full citations.

StatLink  <https://doi.org/10.1787/888934281581>



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