

26 Latvia

This country profile reports entrepreneurship and self-employment indicators for women, youth, seniors, immigrants and people with disabilities in Latvia against the European Union average. It also presents new policy developments and current policy issues related to inclusive entrepreneurship.

Recent trends in inclusive entrepreneurship activities

The conditions for business creation are generally favourable and as a result, there are high rates of business entry. The share of the population who are starting and managing new businesses (i.e. TEA rate) was more than double the European Union (EU) average between 2018 and 2022 (15% vs. 7%). The share was particularly high among young people (18-30 years old) (22%). This could be explained by a high level of necessity-based entrepreneurship, which was nearly double the EU average over this period (41% vs. 20%). The share was particularly high among senior entrepreneurs (50-64 years old) (60%). If everyone was as active as 30-49 year old men in starting and managing new businesses, there would be an additional 94 000 early-stage entrepreneurs and about 70% would women.

Recent policy developments

There have been some adjustments to the measures for supporting job seekers in business creation. These are outlined in amendments to the Regulations of the Cabinet of Ministers Nr.75 “On the procedures for organising and financing active employment measures and preventive unemployment reduction measures and the principles of selection of measures implementers”, which were introduced in November 2021. Some of the main revisions include:

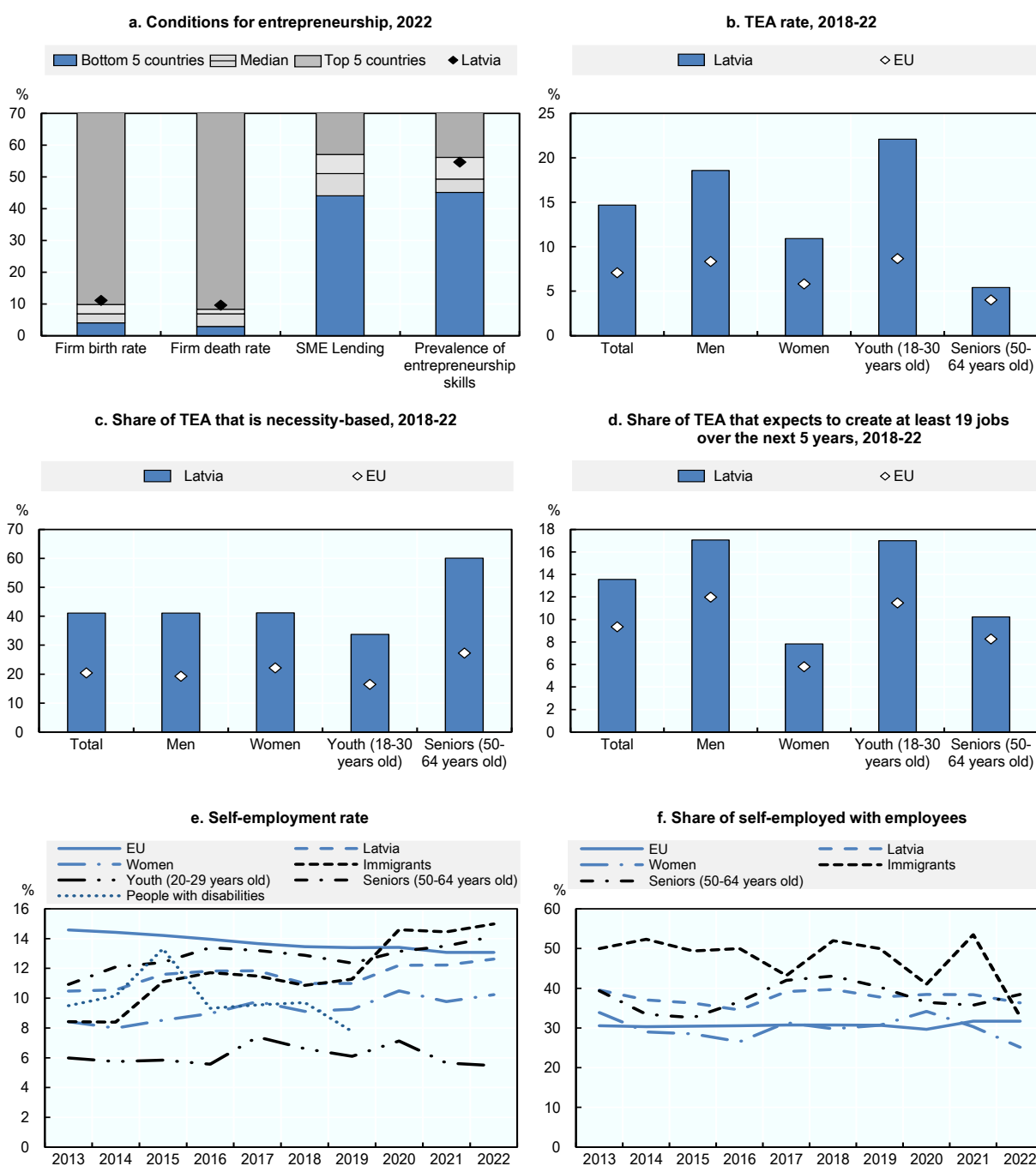
- An increase in the amount of a monthly grant (paid for 6 months) from EUR 500 to EUR 750;
- A new non-repayable grant of EUR 5 000 has been introduced for the implementation of the business plan after the first year of economic activity (provided certain criteria are met); and
- Requirements for compulsory training were removed.

Hot policy issue

Several public institutions (e.g. Ministry of Economics, Ministry of Welfare, Ministry of Education and Science, State Employment Agency) offer support programmes that seek to improve skills levels among workers and the self-employed as well as dedicated trainings for some target groups, particularly the unemployed. This includes training and skills development programmes for the self-employed and employees working in ICT fields to foster innovation, boost investor readiness and support technical skill development. In addition, the Ministry of Economics recently introduced five support programmes as part of the Recovery Fund, including EUR 140 million in investments for entrepreneurship support measures related to the digital transformation (i.e. skills development).

Inclusive entrepreneurship indicators

Figure 26.1. Entrepreneurship and self-employment data for Latvia



Note: In Panel a, the data for the EU median for SME lending excludes the following countries: Austria, Bulgaria, Croatia, Cyprus, Denmark, Finland, Germany, Luxembourg, Malta and Romania. The EU median for the entrepreneurship skills indicator excludes: Belgium, the Czech Republic, Denmark, Estonia and Malta. In Panels b-d, the data for the EU average refers to a population-weighted average and excludes Belgium, the Czech Republic, Denmark, Estonia and Malta. Please see Chapter 10 for detailed notes on the figures.

Source: (Eurostat, 2023; GEM, 2023; OECD, 2023). Please see Chapter 10 for full citations.



From:

The Missing Entrepreneurs 2023

Policies for Inclusive Entrepreneurship and Self-Employment

Access the complete publication at:

<https://doi.org/10.1787/230efc78-en>

Please cite this chapter as:

OECD/European Commission (2023), “Latvia”, in *The Missing Entrepreneurs 2023: Policies for Inclusive Entrepreneurship and Self-Employment*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/f6184073-en>

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