

# Enabling Social Innovation in Latvia

## Country Snapshot

**Social innovation: "the processes and outcomes of developing novel approaches to address societal challenges facing people and planet." <sup>1</sup>**

This snapshot represents a descriptive, non-exhaustive overview of key highlights from Latvia's social innovation ecosystem.

✓ Direct focus on social innovation    🔗 Connected but indirect focus on social innovation    ✗ No focus on social innovation

## INSTITUTIONAL FRAMEWORK

### Official Definition of Social Innovation

Social innovation is treated as an operational concept in EU-funded measures, including European Social Fund plus (ESF+) programmes that include the development of social innovation definitions, criteria, and methodologies. <sup>3</sup>

### Government Body for Social Innovation

- **Society Integration Foundation (SIF)** ensures functions of Latvia's Social Innovation Competence Centre (from 2024), supporting ecosystem development and coordination. <sup>2</sup>
- **The Ministry of Welfare of the Republic of Latvia** leads social entrepreneurship policy and administers the Social Enterprise Register. <sup>5 8</sup>
- **A Social Enterprise Commission** provides advisory input on granting status and reviewing compliance. <sup>8</sup>

### Government Strategy for Social Innovation

While there is no standalone national strategy dedicated exclusively to social innovation, relevant elements appear in government planning and implementation documents, including:

- The Government Action Plan for implementing declared priorities includes actions on the establishment and development of a Social Innovation Competence Centre and related functions such as ecosystem review, tools, materials, and consultations. <sup>2</sup>
- The National Development Plan 2021–2027 (NAP2027), in which social innovation-related themes are mentioned as part of broader development priorities. <sup>10</sup>
- National guidelines on a cohesive and civically active society (2021–2027), where social innovation is referenced in the context of societal development priorities <sup>11</sup>

### Policies, Laws & Regulations

- **Social entrepreneurship framework:** Latvia's Social Enterprise Law (Sociālā uzņēmuma likums) establishes the legal framework for social enterprise status and support arrangements including provisions enabling certain municipal support, such as immovable property tax relief. <sup>4</sup>
- **Social innovation in programme regulation:** Cabinet Regulation No. 820 (19 Dec 2023) sets implementation rules for an ESF+ measure whose specific objective explicitly references promoting social inclusion "using social innovations" through support for new approaches in community-based social services <sup>3</sup>
- **Public procurement:** While Latvia's procurement law is not specific to social innovation, national procurement guidance defines and explains socially responsible public procurement as a mechanism to address socially important problems through procurement practice. <sup>14 15</sup>

## Official Statistics

- **Social enterprise administrative statistics:** Latvia maintains an official Social Enterprise Register published by the welfare authority, with downloadable register files and statistics updates. <sup>5</sup>
- **Open data availability:** The Social Enterprise Register is also published through Latvia's national open data portal as a dataset. <sup>6</sup>
- **Social innovation statistics:** Public evidence of a dedicated official statistical series on “social innovation” specifically as a separate category was not identified; current official visibility is largely through programme monitoring and administrative datasets. <sup>3 5</sup>

## Government Programs

- **ESF-backed social entrepreneurship support:** The welfare authority reports implementing ESF support for social entrepreneurship from 2016, including support designed to test solutions for establishing/developing social enterprises and to promote labour-market integration for disadvantaged groups. <sup>16</sup>
- **Grant instrument with state development finance delivery:** ALTUM (the state owned development finance institution) provides social entrepreneurship grants (EUR 10,000–200,000) linked to a business plan and eligibility conditions tied to the social enterprise register/status (or defined pre-conditions for idea-stage applicants). <sup>7</sup>
- **ESF+ measure explicitly focused on social innovation in services:** An ESF+ measure to support new community-based social service approaches is budgeted at EUR 10,202,272 for the period 29.12.2023–30.06.2028, with a wide set of social inclusion target groups and a multi-stage process (including definition/criteria development, selection, implementation, and evaluation). <sup>3</sup>
- **Capacity building via support programmes:** The welfare authority has announced free acceleration and incubation support programmes for social entrepreneurship (targeting both social enterprises and social entrepreneurship idea authors). <sup>17</sup>

# ECOSYSTEM

## Stakeholders

Latvia's ecosystem is strongly shaped by public institutions implementing EU-funded measures, alongside organised social enterprise and civil society networks. Key actors evidenced in official and intergovernmental mapping include:

- **Public actors:** The welfare authority and SIF are central ecosystem coordinators. <sup>2 5</sup>
- **Financial actor:** ALTUM as the main public development finance (DFI) institution for social entrepreneurship grants. <sup>7</sup>
- **Network:** Social Entrepreneurship Association of Latvia (est. 2015). <sup>16 18</sup>
- **Foundations:** Reach for Change is identified in OECD country mapping as an ecosystem support actor <sup>8</sup>
- **Ecosystem mapping initiatives:** An EU-funded ecosystem mapping report (BuiCaSuS) documents Latvia's social innovation ecosystem structure and actors. <sup>12</sup>

## Support Initiatives

- **Social Innovation Competence Centre:** SIF describes a national competence-centre role to support ecosystem development and knowledge exchange, including resources, networking, and support to develop social innovation capacity. <sup>2</sup>
- **Acceleration and incubation programmes:** The welfare authority has run structured support programmes providing free acceleration/incubation opportunities for social entrepreneurship including idea-stage applicants as well as existing social enterprises. <sup>17</sup>
- **Programme-based capacity building:** The ESF+ community-based social services measure includes capacity strengthening and awareness-raising activities for potential applicants, alongside tools and methods development and evaluation. <sup>3</sup>

## Collaboration

- **Public awareness and ecosystem convening:** Social Entrepreneurship Week is positioned as a national event series aiming to increase understanding and visibility of social entrepreneurship <sup>20</sup>
- **Multi-actor collaboration formats:** SIF reports implementing partnership-based, challenge-driven events; e.g., hackathon-style co-creation linked to social inclusion themes. <sup>21</sup>

# FINANCE

## Financing Schemes

Latvia's financing environment for social innovation is closely linked to social entrepreneurship and EU-funded social inclusion/service innovation measures.

- **Scale of public investment (social entrepreneurship):** OECD mapping reports an investment of almost EUR 17 million (2016–2023) into social entrepreneurship, including 204 grant agreements totalling EUR 12.2 million.<sup>8</sup>
- **Current grant delivery:** ALTUM provides grants of EUR 10,000–200,000 (up to two years) for investments and working capital linked to a business plan.<sup>7</sup>
- **Recent grant-cycle figures:** EU funds reporting indicates the 2018–2023 programme concluded 204 agreements of EUR 12.2 million, and the 2024–2025 programme concluded 68 agreements (of EUR 4 million).<sup>22</sup>
- **Direct social innovation measure (services):** The ESF+ social services measure with “social innovations” in its objective totals EUR 10,202,272 for 2023–2028, implemented via SIF as beneficiary.<sup>3</sup>
- **Enabling levers beyond grants:** The Social Enterprise Law provides for certain municipal support options including immovable property tax relief, and socially responsible public procurement guidance supports demand-side consideration of social outcomes in procurement.<sup>4 15</sup>

## Financing Inclusivity

- **Social inclusion:** Major public measures explicitly target people at risk of poverty or social exclusion; e.g., persons with disabilities, mental disorders, older persons (including dementia), homelessness, addictions, long-term unemployment, and people leaving imprisonment particularly through community-based service innovation.<sup>3</sup>
- **Labour-market integration focus:** Government reporting frames ESF social entrepreneurship support as a channel for employment and inclusion of disadvantaged groups.<sup>16</sup>

# SOCIETY

## Public Awareness of Social Innovation

Latvia's public awareness landscape is shaped mainly through social entrepreneurship visibility and EU-funded programme communication. Social Entrepreneurship Week is explicitly framed as an awareness-raising mechanism, and national policy guidelines reference ongoing information and education activities linked to social entrepreneurship support.<sup>20 23</sup>

## Research

- **Programme evaluation:** The welfare authority commissioned an evaluation of the ESF “Support for social entrepreneurship” measure, providing structured evidence on implementation and mid-term outcomes.<sup>24</sup>
- **Ecosystem and conceptual research:** A Latvia-focused ecosystem mapping report (BuiCaSuS) documents social innovation ecosystem development; national research literature includes work positioning social innovation challenges and solutions within Latvia.<sup>19 25</sup>

## Education & Human Capital

It is seen that human capital” support is strongest in the country through programme-based training and ecosystem support rather than through a single nationally standardised academic pathway.

- Capacity building is mainly delivered through programmes, incubation, and training initiatives.<sup>3</sup>
- Incubation/acceleration programmes provide structured practical learning for social entrepreneurs and idea authors.<sup>17</sup>

## Entrepreneurship



### Business Environment

World Bank lists Latvia among economies newly covered in B-READY 2025; Doing Business 2020 provides a historical reference point (noting the Doing Business series is discontinued). <sup>28 29</sup>



### Innovation Capacity

World Intellectual Property Organization reports Latvia ranked 41st

Global Innovation Index 2025 <sup>26</sup>



### Entrepreneurship

Global Entrepreneurship Monitor reporting for 2024 indicates Total early-stage entrepreneurial activity (TEA) of 12.1% and established business ownership of 8.9% in Latvia (as presented in the 2024/2025 global report tables). <sup>27</sup>

Global Entrepreneurship Monitor reporting for 2024

## Social & Environmental Consciousness



Central Statistical Bureau of Latvia tracks national climate indicators via a dedicated dashboard. <sup>32</sup>



### Political participation

Economist Intelligence Unit reports Latvia's political participation score at 6.67/10 (Democracy Index 2024). <sup>30</sup>



### International Climate Index:

The Climate Change Performance Index ranks Latvia 34th (2026). <sup>33</sup>



### Sustainability

Yale University ranks Latvia 30th

Environmental Performance Index 2024 <sup>31</sup>