

SOCIAL ENTREPRENEURSHIP AND EMPLOYMENT CHALLENGES OF PERSONS WITH MENTAL DISABILITIES

Evija Anca, University of Latvia

Biruta Sloka, University of Latvia

Abstract. In developed countries there is a valuable experience how to include people with disabilities into society: involve in several activities and let them know as people valuable for the society. More and more academic research is devoted to those aspects as well as public policy is developed to create and support social entrepreneurship. Aim of the paper is to analyse findings and good practice of employment of people with mental disabilities in several countries and analyse the situation and possible developments on employment of people with mental disabilities in Latvia. Tasks of research: 1) analyse results of academic findings on good practice and challenges in employment of people with mental disabilities world-wide; 2) analyse the developments and trends on employment of people with mental disabilities in Latvia; 3) propose possible development scenarios on employment of people with mental disabilities in Latvia. Research methods used in research: scientific publications analysis; analysis of legislative documents on employment of people with mental disabilities, analysis of statistical data on employment of people with mental disabilities. Research results have shown that in recent years many important steps in employment of people with mental disabilities in Latvia has been reached but there are some difficulties in realise of sustainability in this aspect.

Keywords: *social entrepreneurship, disability, communities, job security, market integration, social exclusion.*

JEL code: I32, J14, J24

Introduction

In society there are several groups of people which need special attention from the society – they are persons with disabilities. In developed countries there is a valuable experience how to include people with disabilities into society: involve in several activities and let them know as people valuable for the society. More and more academic research is devoted to those aspects as well as public policy is developed to create and support social entrepreneurship.

Aim of the paper is to analyse findings and good practice of employment of people with mental disabilities in several countries and analyse the situation and possible developments on employment of people with mental disabilities in Latvia.

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Literature Review

There are many academic publications where it has been examined how employment and work environments promote mental health. Main conclusion in most of research findings state that employment is generally better for mental health than non-employment (Llena-Nozal, 2009) and can be a crucial influence on recovery from a mental health condition (Andren, 2014; Doroud et al., 2015). Employment appears to promote recovery via provision of routine and structure, social connectedness and belonging, hopefulness and purpose, sense of identity, and empowerment (Leamy et al., 2011). Other benefits include improved quality of life and well-being, providing (Woods, et al, 2019). Often important aspects of research are social entrepreneurship and ways how to integrate people with mental disabilities into the labour market. Social needs arise with each new era of human history, and these needs are

brought forth to public consciousness through social movements. Social movements provide external influence to which organizations adapt (Foo & Hall, 1997; Schein & Schein, 2017), or they drive the creation of new organizations that evolve to resolve unmet social needs. Social movements affect how employees develop in an organization committed to social action (Zielinska, Kowzan, & Prusinowska, 2011) and model how an organization can create greater impact with social responsibility (Ferrell, Fraedrich, & Ferrell, 2015), (Bennett, McWhorter, 2019).

The social entrepreneurship literature has been criticized for being overly preoccupied with definitional debates about who the social entrepreneur is or what elements constitute the boundaries of social entrepreneurship (Starnawska, 2016). In the last decade, the concept of development and promotion of the social economy and social entrepreneurship are part of EU policy to tackle the social exclusion of persons in a vulnerable position. Also, the model of social economy is one of the key tools for achieving social goals within the framework of sustainable and inclusive growth. The social benefits are measured by the integration and employment of disadvantaged people, the contribution to the process of social inclusion by other vulnerable people, and the economic indicator is expressed by the public funds spent on social welfare, on one hand, and the additional funds social costs of long-term unemployment. (Terziev, Venelin¹, Bencheva, Nelly², 2019). In its turn, the Latvian Association of Latvian Social Entrepreneurship has been established with the aim of promoting the development of social entrepreneurship in Latvia. (Social entrepreneurship support Network of the Baltic sea region, 2018). Social entrepreneurship in Latvia is implemented in several projects: "Social entrepreneurship development in the Baltic Sea region" and "Improvement of the social entrepreneurship networking and educational possibilities in the Baltic Sea region" are executed under the Erasmus+ program and co-financed by the European Union. This paper will serve as an opportunity to explore how entrepreneurship can be part of the solution for. Social entrepreneurship is a business model with a social impact as a priority above profit. Jones and Donmoyer (2015) articulated the relationship between social enterprises and non-profits in their paper on the multiple meanings of social entrepreneurship and 3 social enterprise, stating that society has three sectors — public, private, and non-profit.

Psychological functioning is of great importance. Psychological functioning is centered on positive life engagement where "purpose-seeking, realization of personal talents and capabilities, and enlightened self-knowledge" are central to the notion of living well (Ryff, 2014, p. 10). More specifically, psychological functioning involves pursuing life goals (e.g., accomplishing challenging tasks, maintaining meaningful relationships, persevering in the face of adversity, or engaging in purposeful activities) that are valuable for their own sake in the sense that they engender realization of one's full potential as a human being (Ryan & Deci, 2017); (Nikolaev, et al, 2019).

Competence—the ability to make effective decisions and perform well—is essential to human functioning as it focuses on how individuals use their personal strengths and abilities to take advantage of different opportunities in their lives (Harter, 1978; Ryan & Deci, 2000; White, 1963); (Nikolaev, et al, 2019).

Strong ties provide regular positive experiences and a sense of importance in one's close social community (Putnam, 2000) and are one of the strongest determinants of subjective well-being (Diener & Seligman, 2002; Diener & Biswas-Diener, 2008; Helliwell, 2006; Layard, 2011) as well as other scientific findings in this field.

Research results and discussion

Next aspects analysed on current situation in Latvia on

- Disability in Latvia;
- How many social enterprises have been established in Latvia?
- What industries are developing in social entrepreneurship?

Analysis of definitions of disability – there are several approaches in defining disability by different institutions. Disability is an umbrella term, covering impairments, activity limitations, and participation restrictions. An

impairment is a problem in body function or structure; an activity limitation is a difficulty encountered by an individual in executing a task or action; while a participation restriction is a problem experienced by an individual in involvement in life situations (World Health Organization, 2016). According to the World Health Organization disability is an umbrella term that has three components: (1) impairments, (2) activity limitations, and (3) participation restrictions. This is a broadly-based definition included for medical classification referenced to as International Classification of Functioning established by the World Health Organization (2011). Disability is thus not just a health problem. It is a complex phenomenon, reflecting the interaction between features of a person's body and features of the society in which he or she lives. Overcoming the difficulties faced by people with disabilities requires interventions to remove environmental and social barriers (World Health Organization, 2016).

People with disabilities have the same health needs as non-disabled people – for immunization, cancer screening etc. They also may experience a narrower margin of health, both because of poverty and social exclusion, and also because they may be vulnerable to secondary conditions, such as pressure sores or urinary tract infections. Evidence suggests that people with disabilities face barriers in accessing the health and rehabilitation services they need in many settings. Disability is a reality for many people globally and has been identified by the World Health Organisation to be a challenge faced by all nations, due to two primary reasons, an ageing global population and increasing rates of chronic disease (World Health Organisation, 2011).

Psychological functioning is of great importance. Psychological functioning is centred on positive life engagement where “purpose-seeking, realization of personal talents and capabilities, and enlightened self-knowledge” are central to the notion of living well (Ryff, 2014, p. 10). More specifically, psychological functioning involves pursuing life goals (e.g., accomplishing challenging tasks, maintaining meaningful relationships, persevering in the face of adversity, or engaging in purposeful activities) that are valuable for their own sake in the sense that they engender realization of one's full potential as a human being (Ryan & Deci, 2017); (Nikolaev, et al, 2019). Competence—the ability to make effective decisions and perform well—is essential to human functioning as it focuses on how individuals use their personal strengths and abilities to take advantage of different opportunities in their lives (Harter, 1978; Ryan & Deci, 2000; White, 1963); (Nikolaev, et al, 2019). This includes people with mental and physical disadvantages that are affected by society in which they live. Based on statistic data for 2017 of the European Union (EU) population aged 16 or over have been reported with long-standing disabilities in 2017. This means that they felt some, or severe limitations in performing everyday activities such as studying at school, work, housekeeping or in participating in leisure activities, for a period of six months or longer. According Eurostat data (Eurostat, 2017) Latvia has the highest indicators on long-standing disabilities which are one of the reasons for slow economic growth from one side but from other side society has to take care on persons with disabilities and involve them in everyday activities and realise social inclusion to feel the persons with disabilities as members of the society. Some activities are taken by the state by organising support for activities of the social enterprises including special legislative regulations. Main statistical data on support for persons with disabilities in subsidized workplaces are included in table 1.

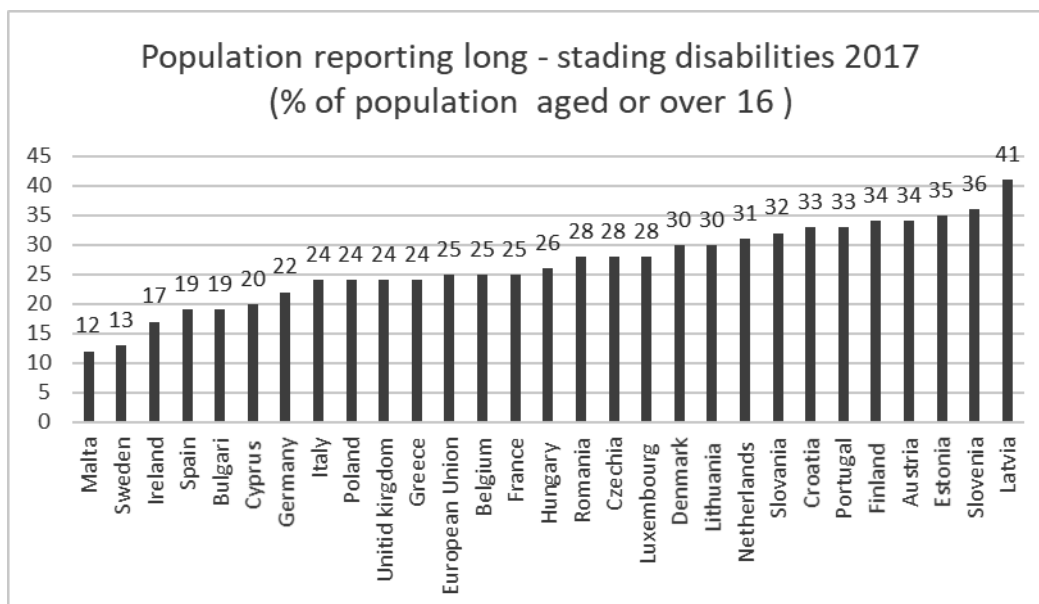
Table 1

Main indicators of persons with disabilities in Latvia in 2003-2018

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of disabled persons in subsidized jobs employed during the reference year															
755	462	432	409	459	494	168	837	745	497	289	520	305	522	481	840
Share of persons with disabilities who are employed by VSSA (% of all adults with disabilities)															
-	-	-	-	-	24	19	20	20	23	24	25	24	25	25	26,6

Source: Author's construction based on data from Ministry of Welfare of Republic of Latvia in 2019

Share of persons with disabilities in EU is included in figure 1.



Source: Author construction based on Eurostat data in 2018

Fig. 1. Population reporting long - standing disabilities in 2017 (% of population aged over 16)

In Latvia as a whole, in 2018, 191815 persons with mental uses were registered. None of these are 23,145 individuals who are mentally ill and 1st and 2nd and 3 disability groups. 1506 persons were with mental markings and 3rd disability groups. About 8,000 adults receive institutional care. There are 8251 children with functional applications related to 1268 children (Ministry of Welfare of Republic of Latvia, 2018). Statistics show that more people are being used each year as well as mental uses. That affects the socio-economic situation in the country. There is no denying the boom in the number of people, the more social cost of benefits. One of the most significant societal impacts due to disability is the impact on the economy; in particular the lower participation rates in the labour force. Based on statistic data in Latvia, every year there is growth for employed people with disabilities. In table 2 are included data on ESF project support for social entrepreneurship in Latvia.

Table 2

ESF project support for social entrepreneurship in Latvia (statistic data on 31.12. 2018.)

No.	Indicator	Number	Sum million EUR
Pilot project – enterprise (registered before 01.04.2018.)			
1.	The event has been granted participant status together	98	-
2.	incl. Ltd. is a limited liability society	48	-
3.	Non-governmental organizations (associations and foundations)	50	-
Social enterprise legislation documents			
1.	Assigned social enterprise status	27 (+5*)	-
2.	Social enterprise status disapproved	7	-
Altum grant			
1.	Grant applications have been submitted to Altum	99	-
2.	Been awarded grants by Altum	36	2,629
3.	Altum has rejected the grant or the applicant has not applied	31	
4.	Altum has concluded grant agreements	31	2,350
5.	incl. with social enterprise	6	0

Source: Ministry of Welfare of Republic of Latvia in 2019

Now in Latvia social enterprise is developing the most. Social enterprise goal is to make product, deal with social, financial well-being resolving issues in process so society are pleased. Social enterprise priority is to use business methods to make higher social value. However, according the author view social enterprise shouldn't be the only resources, where people with mental illness should work. Government must think long term regarding for making sure

that people with mental illness has long time employment, making sure workplace has environment regarding's to each individual capability.

The Social Enterprise Law was adopted by the Saeima (Parliament of Republic of Latvia) on 12 October, 2017 and came into force on 1 April, 2018. The purpose of the Social Enterprise Law is to improve the quality of life and to promote employment for groups at risk of social exclusion, through creation of an economic environment supportive to social enterprises (Līcīte, 2018). The Law creates the legal framework by providing both the criteria for obtaining the status of a social enterprise and the procedure for state support for this type of entrepreneurship.

A social enterprise as defined in the Social Enterprise Law is a limited liability company which has been granted the status of a social enterprise in accordance with the procedures laid down in the Law and which conducts an economic activity creating a positive social impact (e.g., provision of social services, formation of an inclusive civil society, promotion of education, support for science, protection and preservation of the environment, animal protection, or ensuring of cultural diversity). A decision to grant the status of a social enterprise is taken by the Ministry of Welfare. The Register of Social Enterprises is maintained and published on the website of the Ministry of Welfare.

The Commission for Social Enterprises is established to provide a motivated opinion to the Ministry of Welfare on the compliance of the applicant with the status of a social enterprise.

Meanwhile the ESF co-funded project “Support for Social Entrepreneurship” has been launched by the Ministry of Welfare in 2016. The purpose of the project is to identify and verify the optimal solutions for creation and development of social enterprises, including the support to work integration. The project includes such activities growth and society, as well as the development of a support system for social enterprises and the promotion of social start-ups. Financial grants for social enterprises, both start-ups and already operating companies, and wage subsidies for employing vulnerable groups are provided within the project (Ministry of Welfare of Republic of Latvia, 2018).

Social exclusion a situation in which some people who are poor or who do not have a job do not feel part of the rest of society (Cambridge Dictionary, 2019), by World Health Organisation “Exclusion consists of dynamic, multi-dimensional processes driven by unequal power relationships interacting across four main dimensions - economic, political, social and cultural - and at different levels including individual, household, group, community, country and global levels. It results in a continuum of inclusion/exclusion characterised by unequal access to resources, capabilities and rights which leads to health inequalities” (WHO, 2019). People with disabilities are those people, who suffer from a physical, mental or intellectual disability, are one of the main groups at risk by the lack of communication and adaptation to the rest of the society.

In Latvia, the Ministry of Welfare together with Latvian planning regions and municipalities throughout Latvia are achieving their project, which includes EU funds financial support (deinstitutionalization project received 98 million euro) instances will be able to make platform which will allow for children who are living in social care home to grow in family like environment as well as children with functional disability could get needed social care and rehabilitation in their community.

As well as grown people with mental disability based on their capability and with specialist help could choose to live independently and work in appropriate job based on their capability. In that way based on project in Latvia you'll be able to witness deinstitutionalization, that way the bigger social care homes will be replaced by environment which will be more social as well with more services for family like environment (Ministry of Welfare of Republic of Latvia, 2019).

Based on author's long-term experience as a (leader, manager, supervisor) in VSIA “slimnica Gintermuiza”, long term social care and social rehabilitation centre for people with mental handicap. There is still stereotype in society, for example, if person has gotten back ability and well-being has increased on the level that they are able to live in

shared flats or houses supervised by health care assistance. Everyone has to know their ability's; they have to train their ability and they have to be confident about their knowledge. It's important that society value individuals equally, so they can feel proud about achievements and it can boost their confidence. For this to work it's important to have mentoring with employed staff and people with mental handicap who are living in this home, flats. From author's experience working as (supervisor, manager) in rehabilitation facilities at VSAC "Zemgale" filiale "Lielberze" collaborating with The Ministry of Welfare of Republic of Latvia have made project. Later on, we achieved our goals in our project which was 140 owls (souvenir's) for European Union work and the Ministry of Welfare which we gave as a gift in informal meeting.

Owls (souvenirs) were made by people with mental handicap (E. Anča. 2016) People with mental handicap can be employed based on their ability. It is important to find job and suit the best possible job task for each individual. The biggest issue with people with mental handicap is to find the job. Poor health is one of the reasons for unemployment. Based on statistics in Europe as well as in Latvia, social enterprise goal is not only to get work vacancies but important recurs is also deinstitutionalization realization, so people with mental handicap can feel as a part of society. This is most important steps to make sure people with mental handicap are able to live independently (L.Vilka, 2017).

Social exclusion a situation in which some people who are poor or who do not have a job do not feel part of the rest of society. People with disabilities are those people, who suffer from a physical, mental or intellectual disability, are one of the main groups at risk by the lack of communication and adaptation to the rest of the society and as it was indicated in the figure above, Latvia has the biggest share of disabled people in the European Union. Latvia has many problems in this field and there it is on great importance to conduct deeper research to develop further recommendations for policy improvement.

Conclusions, proposals, recommendations

1. Social entrepreneurship in Latvia is lacking of legislation and regulation and very complicated available entrepreneurship models.
2. Social enterprises in Latvia are lacking corporate identity issues, lacking of public awareness, lacking of visibility, and social enterprises in Latvia have difficulties in access to investment markets
3. The social entrepreneurship of the respective social enterprise company is often mixed and misunderstood as the social cooperative responsibility in the company.
4. Social enterprises and municipalities often struggle to find common approach and the ways for effective and productive partnerships and approach. Often this co-operation of social enterprises and municipalities is more complex and time consuming than previous expected.
5. Creating meaningful, productive and lasting partnerships between social enterprises and partnerships with local authorities is at the same time a challenge and an opportunity in access to investment markets.
6. Social entrepreneurship is employment that is focusing on long-term results. People with mental disabilities often work in agriculture, crafts, industry, etc., and the work of people with mental disabilities often is successful and very important to them that improve their social and economic status.
7. The most important thing for people with mental disabilities in social entrepreneurship is to enable us to develop as skills are acquired, we can talk about employment in terms of labour supply, demand and payment for work.
8. Mentally disabled people develop a sense of belonging to the community, develop personal achievements and increase self-esteem through social entrepreneurship and such aspect is important for social inclusion.

9. Social entrepreneurship is essential for people with mental disabilities; it is an important part of their recovery process and get positive feelings on their contribution for the society as also most of persons with health problems want to be useful and important for society.
10. One of the most important negative factors affecting a person's mental health is downtime.
11. It is important to be sure and prepare conditions that social enterprises will be able to survive in the long term when the European co-financing ends.
12. It is important to be sure and prepare conditions that people with mental disabilities will be involved in further employment activities and develop further research for social inclusion also for persons with disabilities and especially with mental disabilities.

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The research was supported by the NATIONAL RESEARCH PROGRAMME “LATVIAN HERITAGE AND FUTURE CHALLENGES FOR THE SUSTAINABILITY OF THE STATE” project “CHALLENGES FOR THE LATVIAN STATE AND SOCIETY AND THE SOLUTIONS IN INTERNATIONAL CONTEXT (INTERFRAME-LV)”