

THE CONCEPT OF SOCIAL ECONOMY AND ITS CHALLENGES IN LATVIA

Lasma Licite-Kurbe¹, Dr.oec., associate professor

¹Latvia University of Life Sciences and Technologies

Abstract. The social economy is a significant component of any economy, which generates economic and social benefits. In Latvia, however, there is no common understanding of the concept of a social economy and the economic actors. The aim is to examine the nature and challenges of the social economy concept in Latvia by giving insight into the historical evolution and nature of a social economy, challenges of defining a social economy and description of the actors of the social economy in Latvia. The study used monographic and descriptive methods, synthesis and deduction for information gathering, logical systematization and classification, as well as statistical analysis to describe the actors of social economy in Latvia. To obtain in-depth information about concept of social economy in Latvia, expert interviews were conducted. The research specifies social economy actors in Latvia context: associations, foundations, cooperatives and social enterprises. Social economy is an important part of economy, yet it is not fully assessed. In 2023 in Latvia, 27305 organizations operated in the social economy, and their number tended to increase in recent years. Most of the social economy actors (88%) represented associations. The social economy actors operate in different fields, yet the main ones were arts, entertainment and recreation (5144), real estate operations (3593) and agriculture, forestry and fishing (1108). However, the classification of associations and foundations by kind of activity does not provide accurate information, as many organizations have not indicated their field of activity or have specified "other services".

Key words: social economy, social economy entities.

JEL code: L31, L26

Introduction

The social economy has attracted considerable academic and policy interest in recent years. The social economy is a term that the European legislator is using to define a model of economic development that seeks social and territorial cohesion, sustainability, social justice and the equitable distribution of wealth. In the EU, there are 2.8 million social economy entities, accounting for 6.3% of EU employment, but their impact goes far beyond those numbers (OECD, 2020). Social economy actors are found in most sectors of the economy – from health and education to banking and utilities. Some are small non-profits, but others are large enterprises with international outreach.

Social economy enterprises play vital roles in contributing to the United Nations Sustainable Development Goals by tackling global problems such as extreme poverty, social and economic inequalities and homelessness (OECD, 2020; Seelos C., Mair J., 2005). The role that social economy plays in the socio-economic system has been addressed by various authors (World Economic Forum, 2022; Okuneviciute Neverauskiene L., Pranskeviciute I., 2018), attributing to it the role of a repairer and an innovator in products, processes and forms of organisation (Catala B. et al., 2023) and of a generator of new jobs (World Economic Forum, 2022). The social economy plays an important role in generating employment (especially for the people belonging to vulnerable groups) (Arpinte D. et al., 2010), a productive fabric and social cohesion (Matei A., Dorobantu A. D., 2015), that is, in generating social added value. In addition, social economy entities are an instrument with which to develop participatory democracy (Chaves R., Monzon J. L., 2012), financial inclusion and reduction of income inequality (Cozarescu M., 2012), local development (Bouchard M. J., 2010; Matei A., Dorobantu A. D., 2015), resilience against crisis (Catala B. et al., 2023) and fight against social exclusion (Cace S. et al., 2011). It can be concluded that the social economy plays strategic economic, political and social roles (European Economic and Social Committee, 2017). In recent crises, it has been particularly resilient and has responded to major social issues (Cancelo M. et al., 2022).

¹ E-mail: lasma.licite@lbtu.lv

However, the progress achieved by the social economy differs within the EU member states because the critical situations, the actions, the institutional and legal framework, the overall context of the social economy are different in each individual EU country (Cace S., Stanescu S. M., 2013). Examples of this are the many terms encompassing the concept (social economy, non-profit sector, social enterprises, third sector and volunteer sector). Another critical issue that also makes conceptual analysis difficult is its diversity depending on the territorial areas being studied and their different nuances and contexts (Ruano A. J. M. et al., 2021).

In promoting enabling policy, understanding and regulatory frameworks in the EU member states on 13 June 2023, the Commission submitted to the Council a proposal for a Council Recommendation on developing social economy framework conditions. The proposal for a Council Recommendation on developing social economy framework conditions was announced in the Action plan for the social economy presented by the European Commission in 2021. The action plan outlined measures to enhance social innovation, strengthen the social economy and its organizational models, and further develop its capacity to drive economic and societal transformation. Such activity is relevant because the new action plan is an important step for the further development of the social economy, which will help create awareness of its potential, as well as the importance of a fair and sustainable economic model.

In the context of Latvia, this action plan provides a significant stimulus for action, as there is currently no common understanding of the social economy concept, nor is there a strategy dedicated to the development of the social economy. Current issues of the social economy are temporarily mentioned only in the strategic documents – Guidelines for Social Protection and Labour Market Policy for 2021 – 2027 and Guidelines for the Development of a Cohesive and Civically Active Society for 2021 – 2027. However, taking into account that on October 9, the Council of Europe adopted the Council Recommendation on the development of basic conditions for the social economy, the member states are advised, taking into account the conditions in the country, either to adopt or update their social economy strategies, or to integrate the social economy into the relevant strategies or other policies initiatives within 24 months of the adoption of this recommendation. In order to do this, it is important to define the concept of social economy in the context of Latvia and identify its potential participants. Promoting common understanding is essential not only to formally meet the EU requirements, but also because the lack of a clear definition for the social economy results in the absence of a common set of metrics with which to measure it. This in turn limits the sector's visibility. Yet visibility is a key for social economy actors to promote their business practices and inform policy-makers on appropriate regulatory frameworks. Enhanced visibility also advances a wider understanding of the relevance of the social economy approach and inspires other entrepreneurs to build similar business models (World Economic Forum, Schwab Foundation for Social Entrepreneurship, 2022). In addition, it is also stated that development of a national strategy for social economy represents a key condition for promoting it as an efficient tool of social inclusion. Envisaged adoption of a social economy law could represent one step towards further development and support (Cace S., Stanescu S. M., 2013).

So far, the social economy is not defined in any legal or official text in Latvia. As a result, there are different perceptions of what could be understood by term "social economy" and what legal entities may be associated with the social economy. Overall, there is little understanding of the concept of a social economy at the policy-making level and among the public and academia. In academia, there are some research studies in social economy context, e.g. V. Dolacis (2014) and V. Dolacis and I. Jespere (2016) have researched the incorporation of social economy principles into the activities of community initiatives in Latvia, yet the research data were based on statistics for 2004-2005, thus not providing the most current information about the situation in the social economy in Latvia. L. Paula and A. Grinfelde (2017) have

described the case of charity shops within the social economy; however, the description covers only one social enterprise. K. Casno et al. (2021) gives practical recommendations for closing informational gaps and driving the social economy; however, their perspective is quite narrow and mostly focuses on social enterprises. In total, several research studies on social enterprises (Gintere D., Licite-Kurbe L., 2022; Kalkis H. et al., 2021) as well as associations and foundations (Civic Alliance-Latvia, 2023; Bite D., Kruzmetra Z., 2017) have been conducted in Latvia, while relatively few research studies are available on cooperatives societies (some research studies have been conducted on agricultural cooperatives) (Feldmane L., Zvirbule A., 2020; Mistris J. et al., 2020), yet there is a lack of research on the social economy as a whole. An insufficient understanding of the social economy has been emphasized by the researchers stating that in Latvia, the concept of a social economy enjoys a medium level of acceptance (Monzon J.L., Chaves R., 2008).

Hypothesis: The concept of social economy in Latvia is understood differently, which is influenced by the lack of a unified approach at the national level. The research **aim** is to examine the nature and challenges of the social economy concept in Latvia. The following specific research **tasks** were set: 1) to give insight into the historical evolution of a social economy; 2) to define the principles and nature of social economy; 3) to identify the challenges of defining a social economy in Latvia; 4) to describe the potential actors of the social economy in Latvia.

To achieve the aim and perform the tasks, the research employed several **methods**: monographic and descriptive for theoretical discussion; analysis, synthesis and deduction for information gathering, logical systematization and classification, as well as statistical analysis. To obtain in-depth information, in July 2023 interviews were conducted with the head of the Social Entrepreneurship Association of Latvia, an official of the Ministry of Welfare responsible for social entrepreneurship and the general director of the Latvian Agricultural Cooperatives Association. The research used statistical data from the State Revenue Service (on request for research purposes) and the Ministry of Welfare. The scientific databases Scopus, Web of Science, EBSCO and ScienceDirect were used to collect information about the historical evolution and nature of a social economy. **Delimitations of research:** Data on the social economy are limited and not publicly available. Also, there is lack of clear understanding of social economy concept in Latvia.

1. Historical evolution of a term "social economy"

Theoretical and empirical references to the social economy date back to the 19th century, but the concept did not gain currency again until the last third of the 20th century (Levesque B., Mendell M., 2005). Identification of the social economy as it is known today began in France, in the 1970s, when the organisations representing the cooperatives, mutual societies and associations created the National Liaison Committee for Mutual, Cooperative and Associative Activities (CNLAMCA). Since the end of the Second World War until 1977, the term "social economy" had fallen out of everyday use. In June 1980, CNLAMCA published the Social Economy Charter, which defines the social economy as the set of organisations that do not belong to the public sector, operate democratically with the members having equal rights and duties and practise a particular regime of ownership and distribution of profits, employing the surpluses to expand the organisation and improve its services to its members and to society (European Economic and Social Committee, 2017). It could be stated that at the policy-making level, the social economy gained wider recognition from the year 2000, as evidenced by the fact that the European Economic and Social Committee has published numerous reports (e.g. studies entitled "The Social Economy in the European Union", carried out by CIRIEC and published in 2008 and 2012, and "Recent Evolutions of Social Economy in the European Union" published in 2017 by the European Economic and Social Committee) and opinions

on the social economy's contribution to achieving different public policy objectives. Besides, six European countries have already passed social economy laws: Belgium, Spain, Greece, Portugal, France and Romania.

In the scientific literature, the first research studies appeared relatively long ago, yet the social economy has aroused wider interest only since 2000. The first author to use this term was Dunoyer, who in 1830 published his work "Nouveau traite´ d'e´conomie sociale" (Dunoyer B. C., 1830). But the first article registered in the Scopus database can be identified as E. Cummings' research paper entitled "Social Economy at the Paris Exposition" (1890). In the case of Web of Science, the first research study was that by M. Maree and M. Saive (1984) entitled "Social Economy and Cooperative Renewal – Definition, Financing, Issues". Since 2004, there has been an increase in the number of research studies on this topic, with some researchers focusing on the historical evolution of the social economy (Ruano A. J. M. et al., 2021; Grigore A. A., 2013), giving insight into similar and different features between the social economy and the third sector, the solidarity economy (Moulaert F., Ailenei O., 2005; Lewis M., Swinney D., 2007; Villalba-Eguiluz U. et al., 2023; Arthur L. et al., 2003) and the circular economy (Villalba-Eguiluz U. et al., 2023), as well as emphasizing the role of the social economy in an economy (Evans M., Syrett S., 2007; Asiminei R., Soitu C. T., 2014; Marsden T., 1999; Peck J., Theodore N., 2000).

The term "social and solidarity economy" is also very often used among academia and policy makers. Some research studies refer to it as a synonym for "social economy" (Restakis J., Mendell M., 2014), while others emphasize the key differences. It is emphasized that the most important difference is that the solidarity economy is conceptually located at the intersection of the private, public and social economy sectors. It explicitly assumes engagement of all the three sectors. In contrast, the social economy is often referred to as the third sector, occupying the societal space between the public and private sectors (Lewis M., Swinney D., 2007). The social economy includes the voluntary sector; a range of associations, including trade unions; and the family economy. In broad terms, they share certain features and principles that are common to all entities of social economy.

2. Principles and nature of a social economy

Almost two centuries have passed since the first work related to the social economy by Charles Dunoyer. Despite this, there is still no agreed definition either internationally or within the EU itself to this day (Ruano A. J. M. et al., 2021). As a result, there are many terms to define the social economy (Espasandin-Bustelo F. et al., 2023). F. Espasandin-Bustelo et al. (2023) view the concept of social economy through such a prism: combination of economic, social, entrepreneurial, and academic motivations. From a social point of view, many stakeholders have cast their eyes on the social economy, due to its potential to address social matters, such as inequality, unemployment and poverty. Moreover, the social economy was a potential contributor or counterbalance to the reduction of the welfare state that neoliberalism has cut back. From an academic point of view, it is widely recognized that research on the matter is advancing and immense interest has been aroused in the academic community over the past decade. Academic production is growing 15% each year. From a business point of view, social economy enterprises have the following characteristics: they are regulated by specific laws; they favor equitable distribution of profits; they prioritize social needs over profit maximization; they promote local development; and they must also compete, gain competitive advantages, improve their organization and productivity, win over new customers, attract new sources of finance etc. (Espasandin-Bustelo F. et al., 2023).

A. A. Grigore (2013) offers a broader view of the definition of social economy and the classification of its participants, characterizing social economy models existing worldwide and their mechanism of operation, with a focus on European social economy models.

In general, the scientific literature refers to several indications or principles for identifying the social economy. The principles of the social economy were defined by J. L. Monzon and R. Chaves (2008), which were later referred to by other researchers, thereby creating a unified perception of the concept of a social economy.

Objective – creation of social value. The creation of social value is one of the main characteristics of the social economy (Matei A., Dorobantu A. D., 2015). It must combine a dual objective of economic performance and social value creation. (Chaves R., Monzon J. L., 2012; European Commission, 2021). Social economy generate employment, productive fabric and social cohesion, that is, to generate social added value. This social value creation function goes beyond the individual level and reaches meso and macro levels, such as in its ability to reinforce place-based dynamics, empower people-driven resilience and growth, and bring value to local economies and societies by fostering their inclusiveness, resilience and sustainability (European Commission, 2022). At the core of the social value creation process are elements such as the reciprocity, social justice, social capital, collective responsibility, commitment and solidarity. Also, in other researches it is stated that the social economy places social and environmental challenges and opportunities at the centre of economic activity. What marks out the social economy as unique is that it puts "purpose before profit". Social economy actors carry out activities in the interests of their members and beneficiaries ("collective interest") or society at large ("general interest") (World Economic Forum, Schwab Foundation for Social Entrepreneurship, 2022). The activities could include cultural production, the provision of health or social care, as well as the supply of food, shelter or other necessities to people in need. In its essence, the social economy is a space and practice where economics is at the service of social ends, not the other way round (Restakis J., 2015).

Economic performance and resources. Social value should be combined with economic performance. However, the primary aim is not the profit making but the stakeholders' welfare and socio-economic inclusion (Matei A., Dorobantu A. D., 2015). This means that organizations can use different resources for their existence. Social economy entities seek to satisfy social needs not addressed or underaddressed by governments and mainstream businesses or to solve social issues in innovative manners, such as the mobilisation of monetary and non-monetary resources (such as donations and commitment, respectively) both in market and non-market fields (Chaves R., Monzon J. L., 2012).

Governance. The governance should be based on the democratic and/or participatory governance (Chaves R., Monzon J. L., 2012; European Commission, 2021; Moulaert F., Nussbaumer J., 2005) which means 'one member, one vote' (Grigore A. A., 2013). Because of the democratic nature of social economy entities in the way they make decisions, these entities are presented as an instrument with which to develop participatory democracy (Chaves R., Monzon J. L., 2012), financial inclusion and reduction of income inequality (Albert J. F., Chaves R., 2021), local development and resilience against crises (Alvarez J. F. et al. 2022; Cancelo M. et al., 2022). Besides, whether through substantial union involvement in decision-making or through electing their own representatives to the board, or through direct democracy of all members of a small cooperative business, employees in a social economy enterprise must have genuine power to influence management decisions (Arthur L. et al., 2003). Also, it is important that a significant proportion of the value of the organization needs to be owned by its own employees (Arthur L. et al., 2003).

Distribution of profits. The distribution of profit should be limited (Grigore A. A., 2013), it should be based on the primacy of people as well as social and/or environmental purpose over profit, the reinvestment of most of the profits and surpluses (Grigore A. A., 2013) to carry out activities in the interest of members/users ("collective interest") or society at large ("general interest") (Chaves R., Monzon J. L., 2012; European Commission, 2021).

According to the scientific literature, the main features of the social economy are as follows: 1) objective – carrying out activities in the interest of members/users or society at large; 2) economic performance and resources – a resource mix depending on whether an organization is market-oriented or not; 3) the distribution of profit should be limited, it should be based on the primacy of people as well as social and/or environmental purpose over profit; the reinvestment of most of the profits and surpluses to carry out activities in the interest of members/users ("collective interest") or society at large ("general interest"); 4) democratic and/or participatory governance. It can be concluded that these defining features have been widely referred to in the economics literature and outline a social economy sphere that includes cooperatives, mutual societies, associations, foundations and social enterprises.

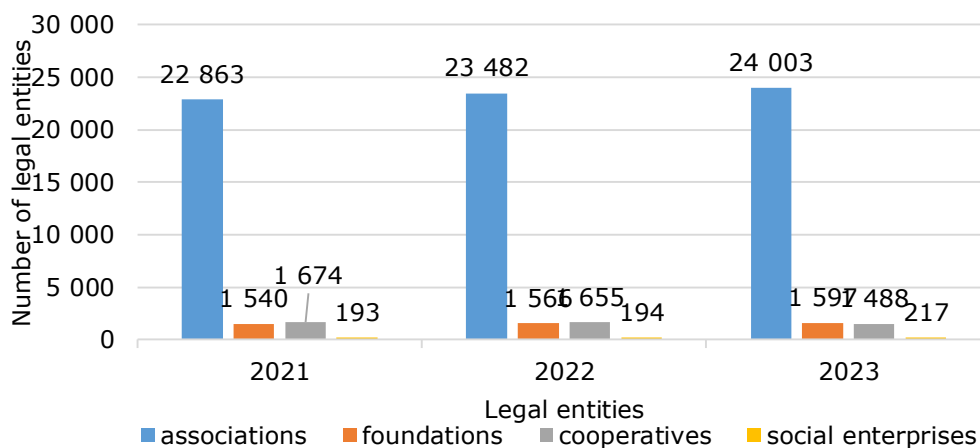
3. Understanding the concept of social economy and its challenges in Latvia

In order to quantify the aggregate data on the social economy in an internationally consistent and harmonised fashion and give them visibility, the definition of the social economy that is used needs to fit in with the national accounts systems. Such a definition needs to disregard legal and administrative criteria and to centre on analysing the behaviour of social economy actors, identifying the resemblances and differences between them and between these and other economic agents (European Economic and Social Committee, 2017). However, in Latvia there is no common understanding of the social economy. According to the opinion of the Ministry of Welfare stated in the interview, social enterprises and only the associations and foundations that have the status of public benefit organization are considered to be social economy actors. However, such a perspective is rather narrow and does not reveal the overall situation in the social economy in Latvia, nor is it consistent with the EU approach to the definition of a social economy. Therefore, cooperatives and other associations and foundations that benefit society but do not have the status of public benefit organization are disregarded. However, cooperatives represent an essential component of the social economy, as pointed out also by the head of the Social Entrepreneurship Association of Latvia in the interview. The social economy and the cooperative movement are two realities that arose simultaneously and fed off each other, and hence, the social economy cannot be understood without its primary reference to cooperative societies (Ruano A. J. M. et al., 2021). It is also not correct to distinguish "ordinary" associations and foundations from associations and foundations with the status of public benefit organization because the associations and foundations, by their very nature, fit the concept of a social economy. According to the Associations and Foundations Law (in force since 01/04/2004), an association is a voluntary union of persons founded to achieve the goal specified in the statute of the association, which shall not have a profit-making nature. A foundation, also a fund, is an aggregate of property that has been set aside for the achievement of a goal specified by the founder, which shall not have a profit-making nature.

As regards cooperatives, there are different opinions on whether all cooperative societies should be considered part of the social economy. The general director of the Latvian Agricultural Cooperatives Association has stated in the interview in relation to agricultural cooperatives that only eligible cooperatives are identified, which means that such cooperatives meet all the criteria for an entity of the social economy. However, the proportion of such cooperatives in the total number of cooperatives was relatively low

(in 2023, there were 52 such agricultural cooperatives), and such a breakdown was available only for agricultural cooperatives. Therefore, the research used the total number of cooperatives in Latvia to analyse the statistical data.

In Latvia, according to the scientific literature, social economy actors represent associations, foundations, cooperatives and social enterprises, which made up a total of 27305 entities in 2023 (Figure 1), of which the majority were associations (88%). In recent years, there has been an increasing trend in the number of social economy actors (except cooperatives). From 2021 to 2023, the number of associations has increased by 5%, foundations – by 4% and social enterprises – by 12%. Given the fact that social enterprises represent a relatively new legal form of business in Latvia (the Social Enterprise Law came into force in 2018), the fact that their number tends to increase could be viewed positively, as this indicates an increase in the recognition of social enterprises and public interest in establishing social enterprises. As regards associations, it is important to note that the large number of associations does not mean that all of them are active and actually operate. Only half of the total associations and foundations registered were active and functioned (



Source: State Revenue Service, Ministry of Welfare (2023)

Fig. 1. Number of social economy actors in Latvia in 2021-2023

An analysis of the economic activities of social economy actors, based on the data collected by the State Revenue Service (NACE Rev. 2, level 1), revealed that they operated in various economic fields, yet the most represented fields of economic activity were arts, entertainment and recreation (5144), real estate operations (3593) and agriculture, forestry and fishing (1108). The largest number of social economy actors performed "other services" (10279), and it should also be noted that very many did not indicate their field of economic activity (2107), which was a particularly significant problem for associations (1972 associations did not indicate their field of economic activity).

Overall, the most common kind of economic activity for societies was "other services" (9167), arts, entertainment and recreation (4930), real estate operations (2904) and education (1432). The situation was similar for foundations, as the most common kind of economic activity was "other services" (838), arts, entertainment and recreation (186), health and social care (145) and education (141). In contrast, social enterprises operated mainly in the fields of education (52) and health and social care (48), while cooperatives performed real estate operations (676) and provided "other services" (266).

Overall, the situation regarding the fields of economic activity of associations and foundations was quite unclear in Latvia, as different classification rules were in place for such organizations. Associations and foundations must indicate their kinds of economic activity in the Register of Enterprises of the Republic of Latvia according to the classification of NGO activities (in accordance with Cabinet Regulation No.799

Classification Rules for Associations and Foundations), yet a large number of associations and foundations have indicated their economic activity by declaring the NACE code of their economic activity with the State Revenue Service. A NACE code specifies the main economic activity of the taxpayer, as specified in the Law on Taxes and Duties. The main economic activity is the kind of activity of the taxpayer, which represents the highest proportion in the total turnover in the tax year. However, such data do not provide a clear picture of the kind of economic activity an organization performs, as organizations are often unable neither to indicate their economic activity nor register their kind of activity with the Register of Enterprises the Republic of Latvia (Civic Alliance-Latvia, 2021). Data on the NACE codes of associations and foundations from the State Revenue Service showed that 2091 associations and foundations had registered no NACE code. A similar situation could be observed regarding the data collected by the Lursoft company (economic activity (NACE) codes of associations and foundations reported to the Register of Enterprises of the Republic of Latvia), as more than 30% of organizations that had registered their economic activities had indicated NACE code 94.99 "Activities of other membership organisations n.e.c." (Civic Alliance-Latvia, 2021). Only 10% of NGOs had indicated their fields of economic activity.

It could be concluded that in Latvia, there are various tools for obtaining and aggregating information on the economic activities of associations and foundations, yet none of them gives a clear picture of the organizations because no comprehensive information on the kind of activity and economic activities of the organizations could be obtained. Consequently, the NACE codes specified by organizations create misconception about NGO activities. There are many associations and foundations that cannot attribute their economic activity to a NACE code or do not understand the NACE classification and therefore are unable to indicate their real activity (Civic Alliance-Latvia, 2021). Besides, there is no single website where all information about NGOs analysed by national authorities could be available.

There are also different data on social enterprises. Based on the data from the State Revenue Service, it could be established that social enterprises mainly operated in the fields of education and health and social care. However, based on the data from the Ministry of Welfare, the picture was different, as most of the social enterprises were engaged in work integration (23%), education (21%), sports, health promotion and medicine (19%) and dealt with an inclusive civic society and cultural diversity (11%).

It can be concluded that there is no common definition of social economy in Latvia, as well as statistical data on the types of activities of social economy participants are unclear. After fulfillment of EU requirement regarding strategy of social economy in the EU member states the more clarity may be seen regarding concept of social economy. Besides, a unified strategy for the development of the social economy is necessary, because currently the social economy is not directed in a targeted manner, there is a lack of a unified view of its development and the responsible institutions that would jointly form a long-term vision and also support mechanisms for the long-term development of the social economy in Latvia. Currently, different institutions are responsible for each of the legal forms, while in general, there is no single responsible ministry for the non-governmental sector, which would promote the growth of the sector.

Conclusions, proposals, recommendations

- 1) The social economy is a model of economic development that seeks social and territorial cohesion, sustainability, social justice and the equitable distribution of wealth. It includes associations, cooperatives, foundations, mutual organisations and social enterprises that operate in most sectors of the economy. Although the historical evolution of a social economy began already in the 19th century, it gained wider recognition among policy makers and academia after the year 2000, incl. six European countries have passed social economy laws.

2) In Latvia, however, the social economy still is not defined in any legal or official text in Latvia. As a result, there are different perceptions of what could be understood by term "social economy" and what legal entities may be associated with the social economy. The present research specifies the following social economy actors in accordance with the EU guidelines, scientific researches and in the context of Latvia: associations, foundations, cooperatives and social enterprises. In order to promote understanding of the social economy, the Ministry of Welfare, in cooperation with stakeholders have to develop a strategy for the social economy at the national level.

3) In 2023 in Latvia, 27305 organizations operated in the social economy, and their number tended to increase in recent years. Most of the social economy actors (88%) represented associations. Social enterprises represent a relatively new legal form of business in Latvia that began actively emerging in 2018 when the Social Enterprise Law came into force but the number of social enterprises tend to increase. However, in general, data on social economy actors is not available in a single way. In order to facilitate the collection of data on social economy participants, it is necessary to create a "one-stop agency".

4) The social economy actors were engaged in a variety of fields of economic activity, yet the main ones were arts, entertainment and recreation (5144), real estate operations (3593) and agriculture, forestry and fishing (1108). Most of the social economy actors performed "other services" (10279). However, the classification of associations and foundations by kind of activity does not provide accurate information, as many organizations have not indicated their field of activity or have specified "other services"; therefore, the data on their economic activity are not complete.

5) The paper is original and contributes to the discussion of the concept of social economy in Latvia and its role and significance in economy.

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