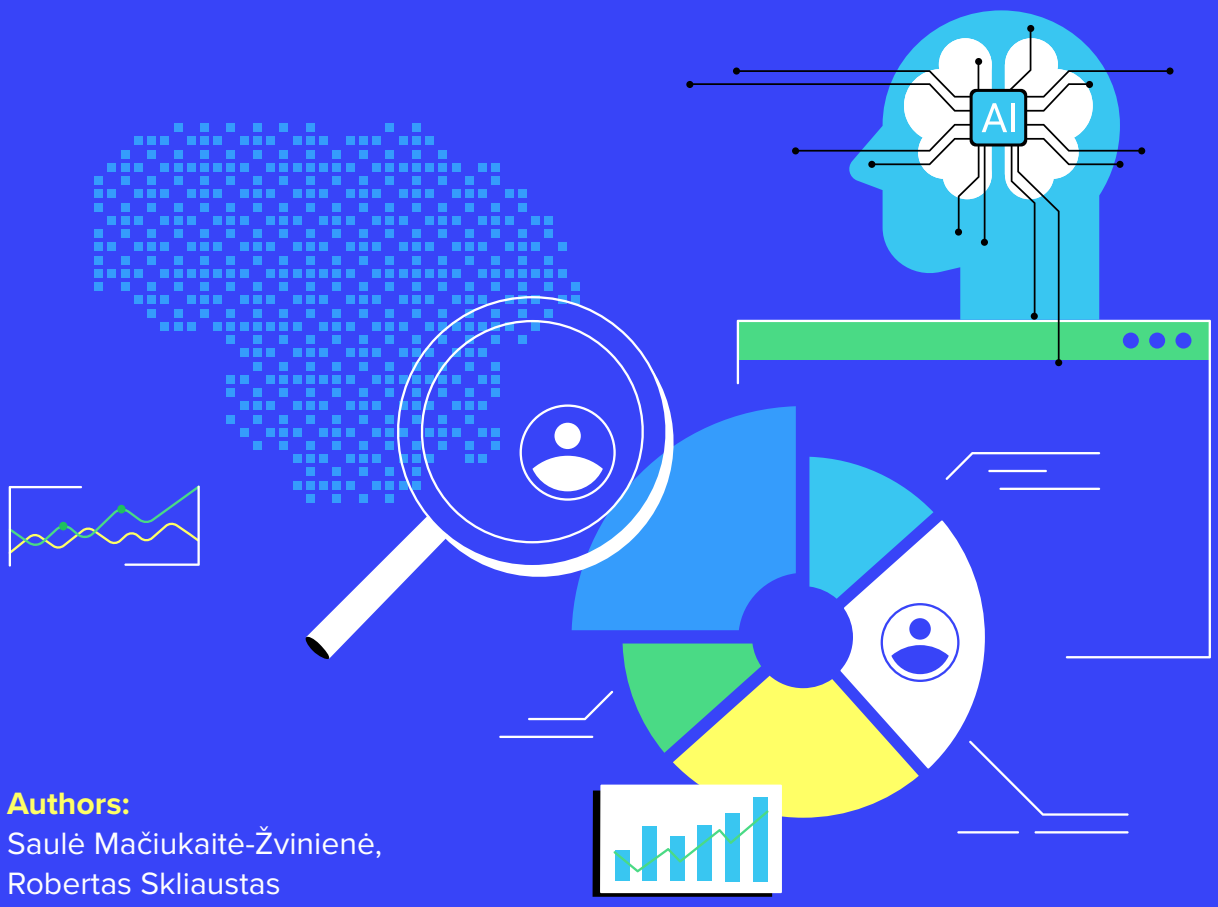
Global Entrepreneurship Monitor

GEM 2024/2025

National Entrepreneurship Assessment for Lithuania



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VILNIUS UNIVERSITY BUSINESS SCHOOL

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2024/2025 Lithuania
Global Entrepreneurship Monitor
National Entrepreneurship Assessment for Lithuania

Lithuania Team Leading Organisation:

VILNIUS UNIVERSITY BUSINESS SCHOOL

National Sponsors:

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Disclaimer

This report is based on data collected by the GEM consortium and the GEM Lithuania team; all responsibility for the analysis and interpretation of the data is the authors' sole responsibility.

Saulė Mačiukaitė-Žvinienė, Robertas Skliaustas

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Unless otherwise noted, GEM data were used in the preparation of this report. The interpretation and use of the data is the sole responsibility of the authors.

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Foreword

Lukas Savickas,
Minister of the Economy and Innovation of the Republic of Lithuania

Entrepreneurship is not just an economic activity—it is a national mindset. In Lithuania, this mindset is shifting. We are no longer a country that waits for opportunity. We are a country that creates it.

Over the past decade, Lithuania has undergone a remarkable transformation. We have moved from a traditional, capital-centric business model to a diversified, innovation-driven economy. Today, entrepreneurship is no longer linked only to Vilnius or one generation. It lives in regions, schools, research labs, and the ideas of young people, women, and experienced professionals.
This change did not happen by accident. It is the result of efforts. We have strengthened our infrastructure, expanded digital capabilities, advanced research and education, and empowered the systems that support innovation and entrepreneurship across the country. We've become one of the world's leading countries for entrepreneurship—ranked second globally.

But the most important achievement is not in our rankings—it is in the ambition of our society. Lithuanian entrepreneurs are no longer satisfied with surviving. They want to scale, to innovate, and to lead. Still, we know that ambition alone is not enough. We must continue reducing barriers, strengthening regional ecosystems, and making innovation accessible to all. As we look ahead to Lithuania 2050, entrepreneurship is not just part of our strategy—it is the engine that will drive our transformation into a smart, green, and inclusive economy.

In this effort, knowledge is power. That is why the Global Entrepreneurship Monitor matters. GEM is not just a data project—it is a mirror. It shows us where we are strong and where we must do better. It validates the progress we've made, and it reminds us of the work still to come. Entrepreneurs are builders. As a government, our job is to clear the path, not to walk it for them. With the right environment, mindset, and partnerships, Lithuania will continue to be a country where entrepreneurship is not the exception—it is the expectation.

Prof. Rimvydas Petrauskas
Rector of Vilnius University

Rooted in centuries of academic tradition, Vilnius University has long recognized its responsibility to preserve knowledge and generate it—especially where it can shape the future of our society and economy.

Entrepreneurship today is not just about starting businesses. It is about how societies respond to uncertainty and how innovation reshapes industries. It demands more than observation for universities—it requires rigorous, long-term, comparative research that connects academic insight with real-world impact.

This is why we are proud to coordinate Lithuania's participation in the Global Entrepreneurship Monitor (GEM)—the world's leading research initiative on entrepreneurship.

For Vilnius University, GEM is not a project. It is a platform for interdisciplinary research, international collaboration, and evidence-based dialogue with decision-makers.

It allows us to study entrepreneurship as an economic indicator and a profoundly human phenomenon shaped by culture, education, opportunity, fear, motivation, and trust.

GEM also speaks to the heart of our institutional mission. It supports local development and highlights challenges—from regional disparities to gender gaps—that cannot be addressed without serious academic engagement. At a time when public trust in knowledge is being tested, the value of independent, transparent, and accessible research has never been clearer.
As a university, we will continue supporting research that serves excellence and relevancy. We are proud that GEM Lithuania reflects this vision and is a part of our university. I thank everyone and reaffirm our commitment to ensuring that Lithuania's entrepreneurial landscape is understood and made visible to the world.

Executive Summary

In 2024, the *Global Entrepreneurship Monitor* (GEM) conducted its 26th annual survey. Academic research teams in 56 economies collected and analyzed data on rates of participation across phases of business startup and ownership, characteristics of entrepreneurs and their businesses, and the entrepreneurial attitudes, affiliations, and self-perceptions of people in society.

Research teams in over 120 economies have participated in GEM since its first survey in 1999. The 2024–2025 Lithuania national report includes several new insights: findings from the global survey on the special topic of digital technology and *Artificial Intelligence* (AI), and results unique to Lithuania, such as regional analyses, as well as expanded demographic profiles and an examination of the impact on the core national strategy *Lithuania 2050*. Below are presented select findings detailed in this report.

Entrepreneurial Activity is up – but so are Exits

In 2024, Lithuania's Total Early-Stage Entrepreneurial Activity (TEA) rebounded to 11.7%, up from a dip in 2023 (7.1%), showing renewed energy among new entrepreneurs. Intentions to start a business also surged to 20.4%, which is a record high over the past decade. However, this momentum comes alongside challenges: established business ownership (EBO) declined to 3.2%, and business discontinuation rose to 7%, which is the highest level observed in recent years. Together, these trends highlight a dynamic but fragile entrepreneurial landscape, where many initiatives are launched, but fewer transitions into long-term, sustained businesses are observed.

Demographics: More Inclusive, more Diverse

Young adults (25–34) remain the most active founders, accounting for 25.3% of all early-stage entrepreneurs in 2024. At the same time, there is a notable rise in older age groups: entrepreneurs aged 45–54 now make up 22.7%, and those aged 55–64 represent 16.7% - with both age groups showing steady growth over recent years. This shift suggests an increasingly intergenerational entrepreneurial landscape, where mid- and late-career individuals are playing a growing role in new business creation. Lithuania also achieved near gender parity in early-stage entrepreneurship in 2024: women now represent 50% of all TEA participants, driven largely by a sharp increase in nascent activity. However, gaps remain. Women account for just 2.0% of established business ownership compared to 4.4% among men, and they are significantly underrepresented in capital- and tech-intensive sectors, such as ICT, where male founders make up the entire 100% of reported businesses. While some progress is evident, the data still point to ongoing structural imbalances in scaling and sector participation.

Motivation: From Necessity to Ambition

Necessity remains a strong motivator as 71% of founders in 2024 reported starting their business "to earn a living because jobs are scarce." Yet the picture is evolving. Aspirational drivers are gaining ground: 57% of entrepreneurs cited the desire to build wealth, while 47% pointed to making a difference in the world. Even the traditionally modest motive of continuing a family tradition rose to 32%, thus reaching its highest share in recent years. These motivations also differ sharply between Vilnius and the rest of Lithuania, which hints at deeper regional contrasts in the entrepreneurial purpose.

Product Innovation Advances, but Gaps Remain

Few Lithuanian entrepreneurs are launching globally novel products as only 2.7% of women and 1.7% of men reported offering products that are "new to the world" in 2024. However, there is steady growth in offerings that are new to the national market: 13.6% of entrepreneurs say their product is "new to people in the country," which goes up from 12.2% in 2023. Most Lithuanian entrepreneurs still focus on refining some already existing ideas, with over 70% reporting that their products or services are not new. Notably, product innovation (e.g., 13.6% nationally new) continues to outpace technological innovation (11.1% nationally new), suggesting a stronger emphasis on consumer-facing improvements than on backend or process-driven innovation. While Lithuania still lags behind other high-income economies in breakthrough innovation, the gradual rise in novel offerings points to a strengthening foundation for future innovation growth.

Technology and AI: Digitalizing, but Slowly

More Lithuanian entrepreneurs are starting to embrace digital tools in their businesses. In 2024, 27% of early-stage entrepreneurs planned to use more digital tools to sell their products or services, which is more than double the share established in 2023 (13%). Reluctance to adopt is also falling: only 14% now say they do not plan to use digital sales technologies, down from 22% last year. Despite this momentum, integration of artificial intelligence (AI) remains modest. As little as 14% of early-stage entrepreneurs consider AI 'very important' to their current business strategy, and projections for the next three years rise only slightly to 18%. This cautious uptake stands in contrast to leading high-income economies where AI is already central to many businesses. The gap suggests that Lithuania's digital infrastructure and talent are improving, but the leap toward AI-driven business models is still in its early stages.

Regional Shifts: Beyond Vilnius

Vilnius remains a key hub for startups, but entrepreneurship is becoming more geographically diverse. In 2024, the capital of Lithuania accounted for just 29% of early-stage entrepreneurial activity, which is way down from 38% in 2023 and 37% in 2014. Meanwhile, the rest of Lithuania now generates over 70% of new businesses. For the first time, a majority of high-growth projections now originate outside Vilnius: in 2024, 68% of early-stage entrepreneurs expecting to grow their businesses by at least 10 employees and 50% turnover were located outside the capital, compared to just 29% in 2023. This shift signals rising confidence in regional ecosystems, where such factors as access to talent, lower costs, and stronger local support are helping more people start and grow their own businesses.

Job Creation: Optimism Meets Caution

Lithuanian entrepreneurs remain hopeful about expanding their teams, but expectations are more reserved compared to other high-income economies. In 2024, just 10% of early-stage entrepreneurs projected creating 10 or more jobs within five years, while nearly half (47%) anticipated hiring between 1 and 4 people. Encouragingly, the share expecting no job growth at all fell to 7%, down from 13% in 2023. Among established business owners, hiring plans are even more conservative: only 6% expect to create six or more jobs, while 58% anticipate no change in staff. This cautious outlook reflects persistent uncertainty which is driven by rising costs, geopolitical pressures, and uneven market recovery.

Social and Environmental Priorities on the Rise

Sustainability is becoming a stronger focus for Lithuanian entrepreneurs. In 2024, 55% of early-stage entrepreneurs and 54% of established business owners reported taking active steps to reduce the environmental impact of their businesses.

At the same time, 45% of early-stage businesses and 48% of established firms stated that they prioritized social or environmental impact over growth or profit, demonstrating a significant rise compared to 2022. These trends are strongest among younger and more innovative founders. Despite ongoing economic pressures, sustainability is increasingly seen not as a cost, but rather as a core part of business success.

Entrepreneurship in Society: Still Valued, but not always Easy

Public support for entrepreneurship in Lithuania remains high, though slightly below last year's record levels. In 2024, 71% of adults viewed entrepreneurship as a desirable career choice, which, despite going down from 79% in 2023, is still well above the level of 69% measured in 2014. Perceptions of a high status linked to entrepreneurship also dipped slightly to 59%, while media visibility continued to rise: 75% of adults reported seeing frequent coverage of successful new businesses. Although 51% of adults believe that there are good opportunities to start a business, fear of failure rose significantly – from 35% in 2023 to 48% in 2024 – thus suggesting that external pressures are weighing more heavily on aspiring entrepreneurs, even as optimism and awareness stay strong.

About the Global Entrepreneurship Monitor (GEM)

The ***Global Entrepreneurship Monitor*** (GEM) is the world's largest entrepreneurship-related research instrument, focusing on early-stage entrepreneurship and its essential role in driving societal health, wealth, and economic growth. The global GEM research consortium has been measuring the entrepreneurial activity of working-age adults across a wide range of countries in a comparable way since 1999.

GEM's three primary objectives are to measure differences in entrepreneurial attitudes, activities, and aspirations across countries, to identify factors determining the nature and level of entrepreneurial activity, and to formulate conclusions relevant to socio-economic policy, including support for entrepreneurship.

GEM has been instrumental in addressing some of society's greatest challenges, such as the United Nations ***Sustainable Development Goals*** (SDGs) and the economic shockwave after both the turmoil of the pandemic and, subsequently, the effects of the Russian invasion of Ukraine. GEM employs a uniform data collection methodology, by conducting quantitative surveys on representative samples of adult populations and qualitative surveys involving entrepreneurship experts annually in each participating country. National Teams, primarily composed of representatives of higher education institutions, closely supervise the data collection process, whereas the central methodology team strictly monitors data collection and processing.

With a highly credible track record, in numbers, GEM represents:

- 25 years of data;
- 3,700,000+ GEM Adult Population Survey interviews since 1999;
- 170,000+ interviews annually with experts and adult populations including entrepreneurs of all ages;
- 2,000+ expert interviews for the 2024 GEM National Expert Survey;
- 120+ economies since 1999;
- 370+ specialists in entrepreneurship research (GEM National Team members);
- 150+ academic and research institutions;
- 150+ funding institutions;
- 1,000+ publications in peer-reviewed journals.

The consortium publishes the GEM Global Report annually, along with various national and special topic reports providing policymakers with valuable insights on fostering entrepreneurship and promoting healthy entrepreneurial ecosystems worldwide. By becoming involved with GEM, academics, educational institutions, policymakers, entrepreneurs, investors, and international organizations benefit from unique methodological approaches, better informed decisions, access to robust data, and opportunities for collaboration with a highly networked organization. Lithuania's first attempts to participate in GEM began in 2011, and, after almost a decade, Lithuania started contributing again since 2021. Lithuania has been represented in GEM by the Vilnius University Business School research team.

Introduction

As in previous years, the 2024 Global Entrepreneurship Monitor Adult Population Survey (GEM APS) was conducted in May and June across Lithuania and other participating economies. The survey measures entrepreneurial intentions, activities, and outcomes, all of which can be influenced by the prevailing economic conditions in the 12 months leading up to the data collection. Moreover, forward-looking indicators – such as intentions to start a business – may also be shaped by expectations about future economic developments at the time of the survey.

Accordingly, this section provides an overview of Lithuania's economic environment in the year preceding the survey, along with a brief outlook on the months that followed. This context is essential for interpreting the entrepreneurial trends observed in the GEM Lithuania 2024/2025 data.

The year 2024 continued to challenge Europe's economic climate, influencing Lithuania's economy through shifts in foreign demand, regional uncertainties, and ongoing adjustments to global inflationary pressures.

Despite these headwinds, Lithuania has demonstrated resilience in many key economic indicators. The banking sector reported stronger capital buffers, while post-pandemic consumer confidence has remained relatively stable. However, economic recovery has been uneven: different regions and industries exhibit varying levels of recovery and expansion.

Since 2020, the onset of the COVID-19 pandemic and the subsequent global economic and political instabilities have shaped Lithuania's GDP, which fluctuated modestly throughout 2023 and into early 2024, with each quarter revealing the lingering effects of wider economic and geopolitical tensions. Although the annual GDP growth remained positive by reaching 2.7% in 2024, its quarter-to-quarter progression underscores the caution with which businesses and consumers are engaging in the market. This followed a period of high inflation that peaked at 18.9% in 2022, before steadily declining throughout the year 2023.

Figure 0.1. Quarterly Real GDP Growth in Lithuania, 2013–2024 (seasonally adjusted)
Source: Bank of Lithuania

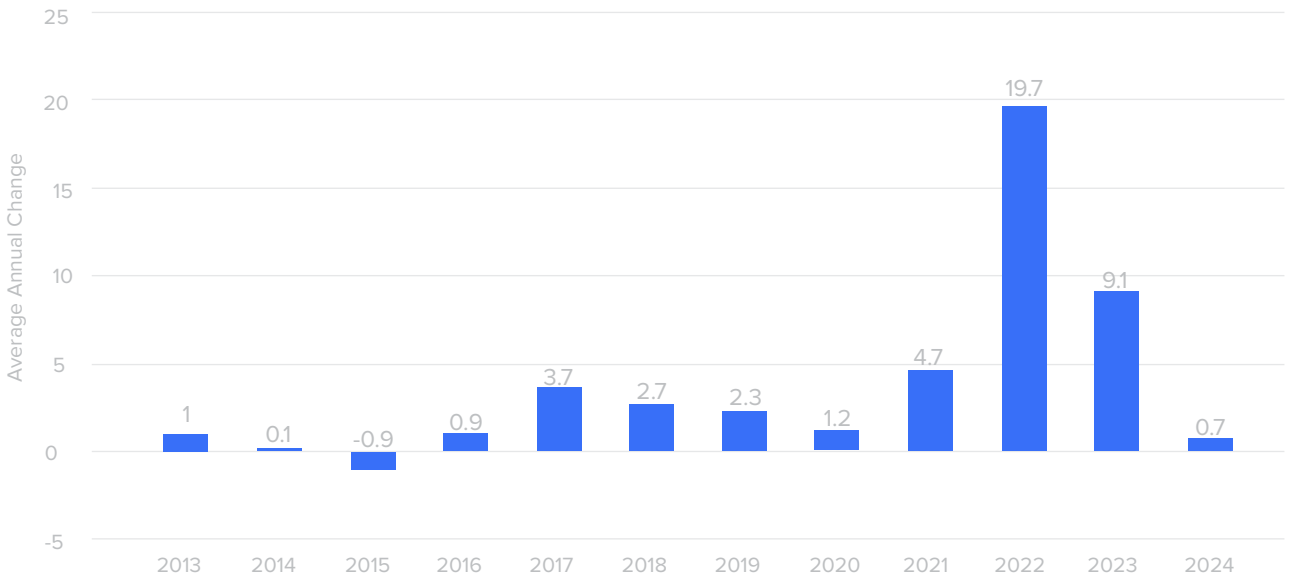


Figure 0.2. Annual Inflation Rate in Lithuania, 2014–2024 (year-on-year %)
Source: State Data Agency, Lithuania, 2014-2024.

Over the past decade, Lithuania's macroeconomic indicators have demonstrated resilience despite external shocks. After significant volatility during the COVID-19 years, quarterly GDP growth stabilized in 2024, closing the year with an annual growth rate of 2.7%. Meanwhile, the inflation rate fell sharply from its 2022 peak of 18.9% to 1.8% by late 2024, easing pressure on consumers and businesses alike.

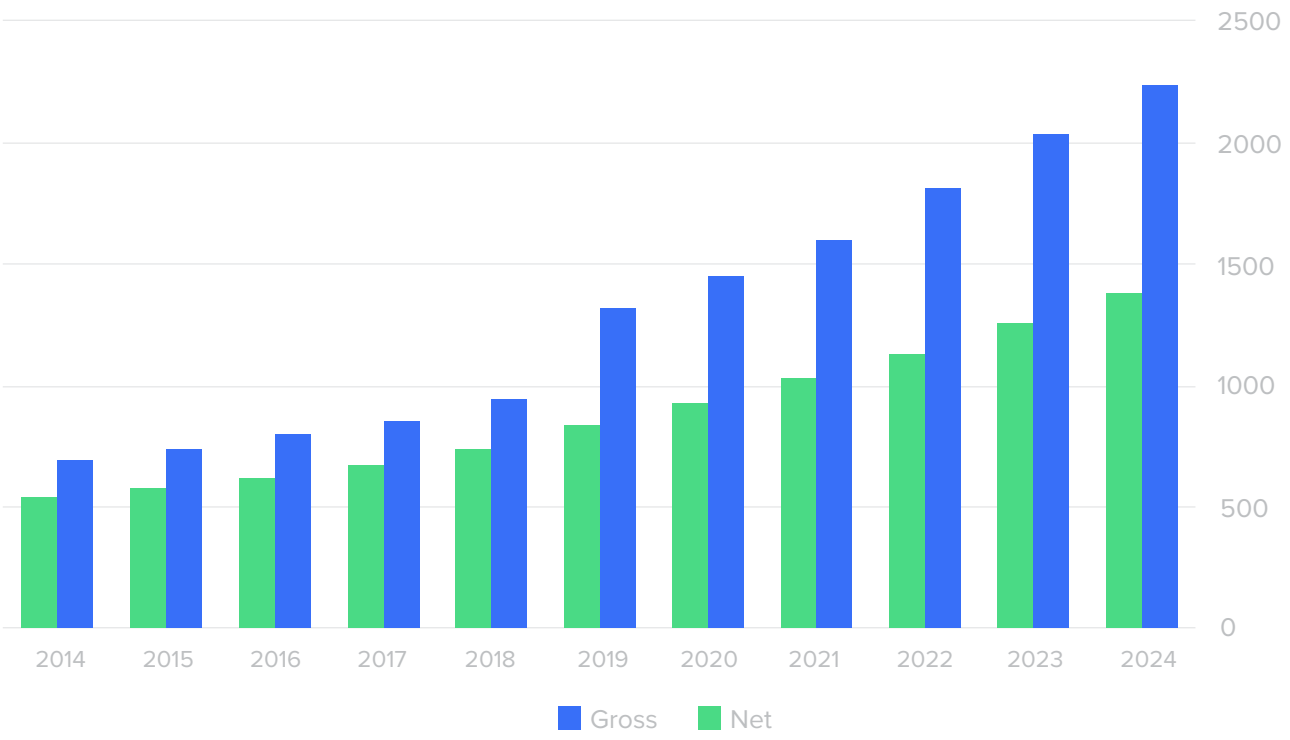


Figure 0.3. Average Monthly Gross and Net Wages in Lithuania, 2014–2024 (€)
Source: State Data Agency, Lithuania, 2014–2024.

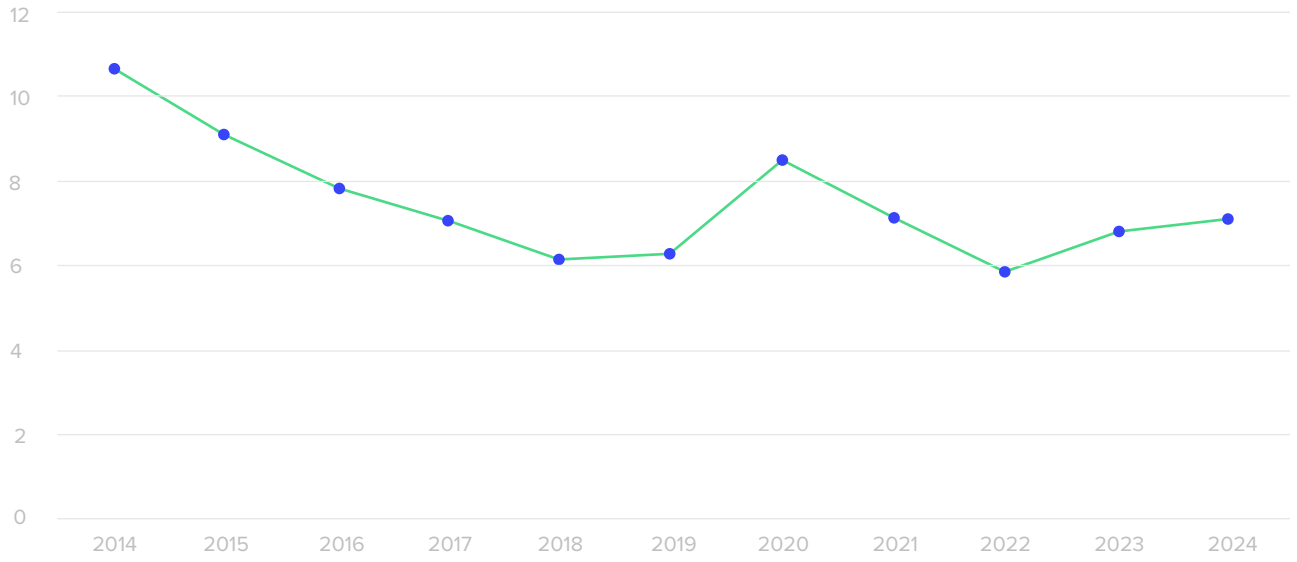


Figure 0.4. Unemployment Rate in Lithuania, 2014–2024 (% of labor force)
Source: State Data Agency, Lithuania, 2014–2024

In 2024, Lithuania experienced a notable wage growth, with the average gross monthly salary rising by approximately 10% year-on-year to €2,218. This increase was driven by several factors, including a higher minimum wage, adjustments to non-taxable income thresholds, and a stronger public sector compensation. With the inflation at 2.1%, real wages grew by 8.5%, thus boosting the household purchasing power. Within the GEM framework, rising wages play a dual role: they can reduce the need for necessity-driven entrepreneurship, while also creating more favorable conditions for opportunity-driven businesses by strengthening domestic demand conditions and enhancing the financial readiness of individuals to pursue new businesses.

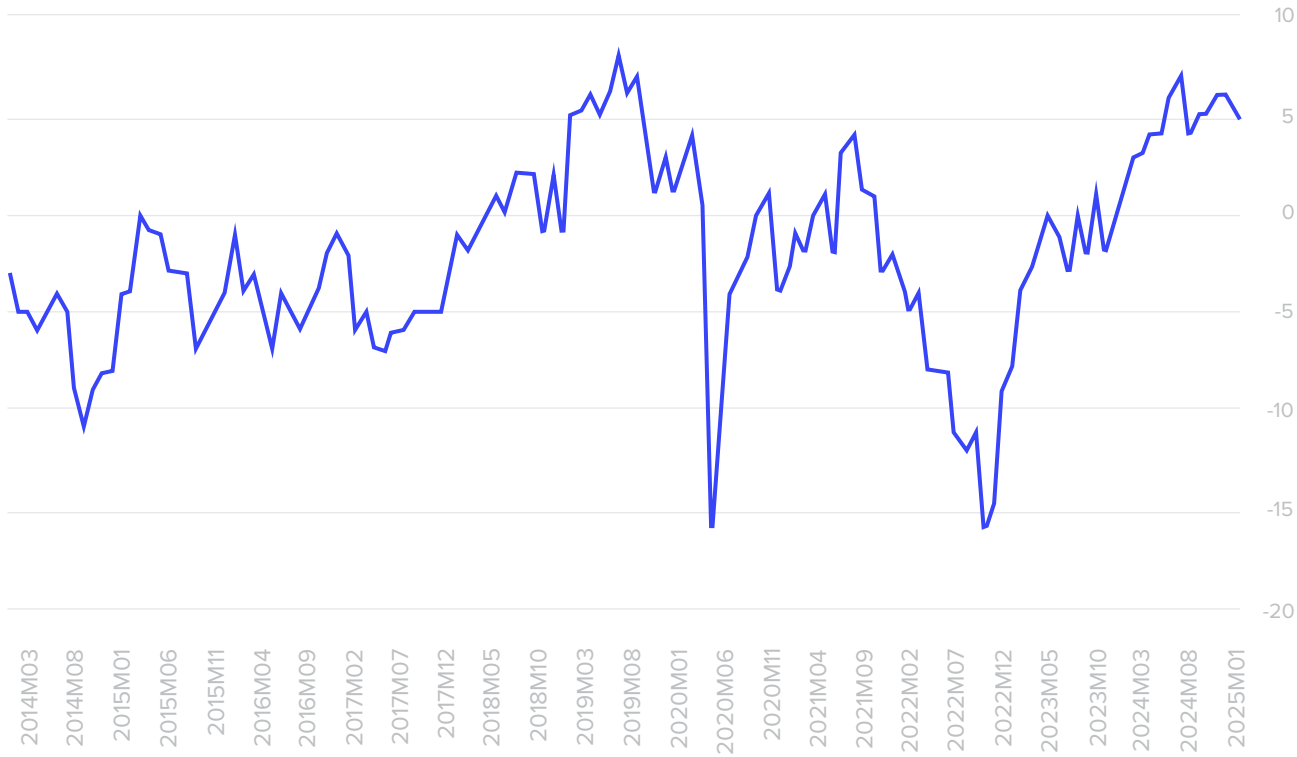


Figure 0.5. Consumer Confidence Index of Lithuania, 2014 April – 2024 December
Source: https://tradingeconomics.com/lithuania/consumer-confidence

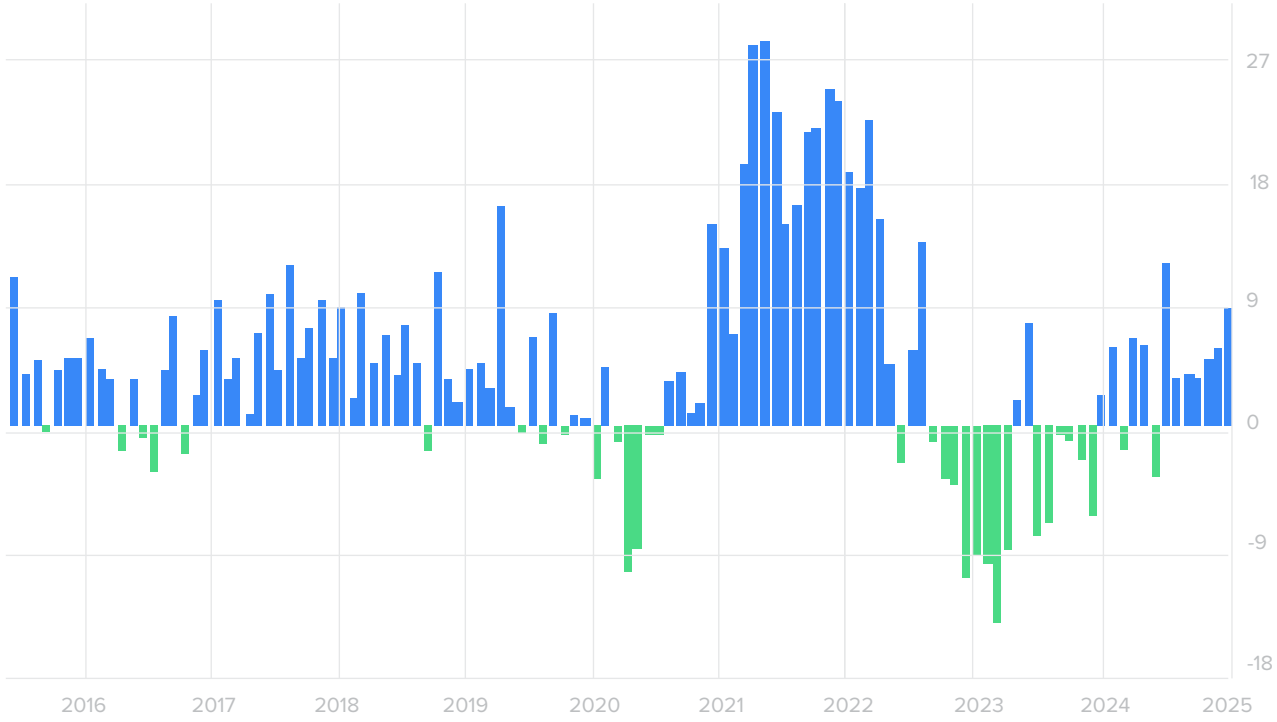


Figure 0.6. Lithuania's Industrial Production Percentage, 2014–2024
Source: https://tradingeconomics.com/lithuania/industrial-production

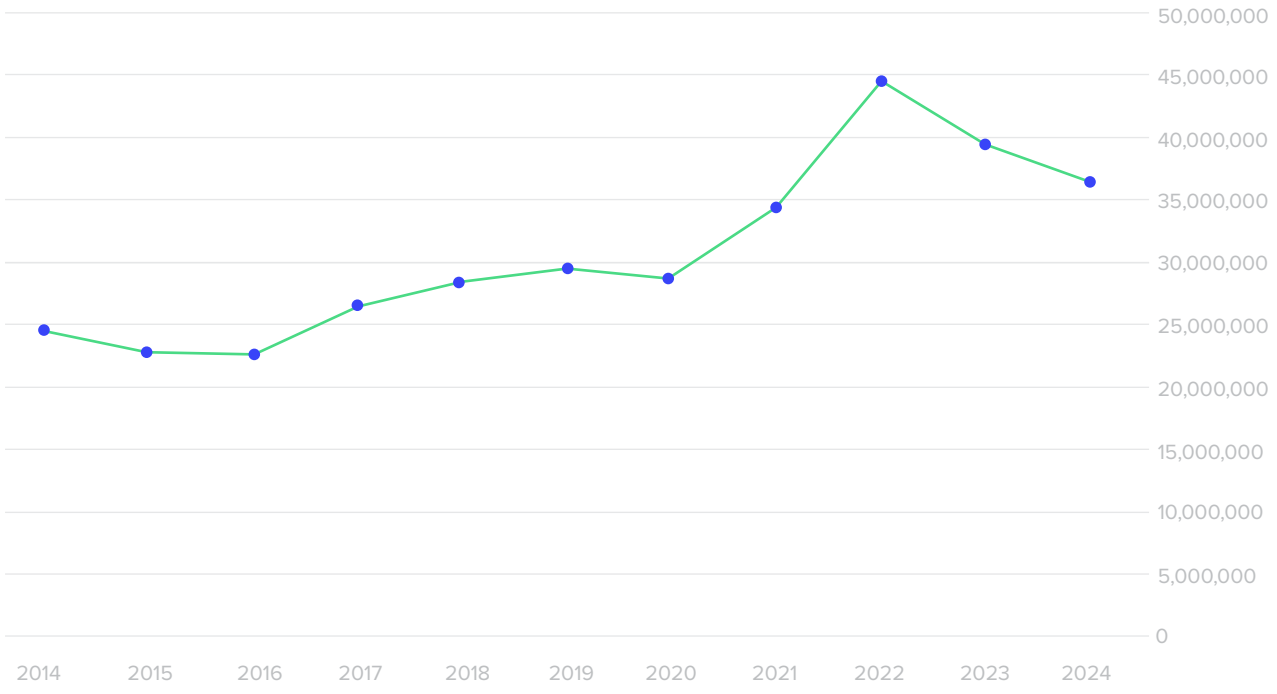


Figure 0.7. Lithuania's Export in Euros, 2014–2024
Source: State Data Agency, Lithuania, 2014–2024.

These developments provide a critical context for interpreting the entrepreneurial landscape captured by the GEM Adult Population Survey. In particular, an improved consumer sentiment, which is reflected in a Consumer Confidence Index reading of 6 in late 2024, suggests a cautiously optimistic environment for business creation. The rising industrial production, with an 8.8% year-over-year increase in January 2025, points to strengthening domestic supply capabilities that may support business scaling and innovation. Additionally, total exports reaching €3.1 billion in growing integration into global markets is an important backdrop for internationally oriented entrepreneurs. Taken together, these macroeconomic signals help explain the rise in entrepreneurial intention and activity observed in 2024, while also highlighting the structural conditions that could shape future business growth and resilience.

GEM data collection involves two primary research tools: the APS, which involves a random sample of at least 2,000 individuals in each participating economy, and the National Expert Survey (NES), which includes at least 36 national experts who rate conditions for entrepreneurship in the economy.

A more detailed background on GEM can be found in the Appendix to this report.

In each participating economy, the APS and NES are overseen by a GEM national team, which comprises researchers from major academic institutions and, in some cases, other types of organizations with research interests in entrepreneurship. The GEM Lithuania national team is based at Vilnius University Business School, a co-founding institution of GEM Lithuania and a longtime supporter of GEM Lithuania. In 2024, the team collected responses from more than 2000 adults for its APS and from 41 experts for its NES.

This report focuses on results from the APS, while the NES data is primarily used for the Global Report. Since the NES has a smaller sample size, only general comparisons are presented in this report. The NES data for Lithuania highlight several notable trends and changes in conditions affecting entrepreneurship, with various underlying reasons potentially contributing to these shifts (see Chapter 8).

Lithuania GEM Report 2024/2025

In 2024, the Global Entrepreneurship Monitor (GEM) Adult Population Survey (APS) was conducted in 56 economies worldwide. Lithuania has participated in GEM since 2011 (with a break of 7 years, which ended with a return in 2022), with national data collected annually through a representative sample of the adult population. The GEM Lithuania National Team, hosted at Vilnius University Business School, leads the national implementation of the APS and the accompanying National Expert Survey (NES). Together, these instruments capture a rich, data-driven picture of Lithuania's entrepreneurial landscape.

The GEM 2024/2025 Lithuania National Report offers a comprehensive overview of entrepreneurship in Lithuania, by examining the full range of the business activity nationally, from entrepreneurial intentions and nascent startups to established businesses and discontinuations. It presents detailed demographic breakdowns of entrepreneurs, including the full outline by gender, age, and region, and compares Lithuania's results to those of other high-income economies participating in the global GEM survey.

New in this year's report is an expanded analysis of regional entrepreneurship patterns, with a focus on the evolving role of cities/towns outside of Vilnius. The report also examines the national progress on digitalization and artificial intelligence (AI), aligned with Lithuania's strategic goals and the broader EU digital agenda. Additional insights explore social and environmental sustainability priorities among entrepreneurs and established business owners, and how these values are integrated into business strategies.

This year's analysis is organized as follows. Chapter 1 reviews entrepreneurship rates across business phases – including intentions, early-stage activity, established business ownership, and discontinuation – along with a breakdown of key demographic groups. Chapter 2 offers a regional comparison of entrepreneurial activity and motivations, including the role of necessity- and opportunity-driven entrepreneurship. Chapter 3 assesses the impact of entrepreneurship through sectoral participation, innovation, job creation, and market scope. Chapter 4 explores gender dynamics in entrepreneurship. Chapter 5 presents societal attitudes, perceptions of opportunity and capability, and informal investment patterns. Chapter 6 links the findings pertaining to the national strategy, particularly the long-term goals of Lithuania 2050. Chapter 7 focuses on the use of digital tools and AI among Lithuanian entrepreneurs. Chapter 8 features results from the National Expert Survey, highlighting entrepreneurial framework conditions and Lithuania's global standing in the ecosystem strength.

Together, the findings offer a comprehensive and up-to-date view of Lithuania's entrepreneurial ecosystem, reflecting both the opportunities and constraints shaping the entrepreneurial behavior in a changing economic and technological environment.

CHAPTER 1

ENTREPRENEURIAL ACTIVITY AND BUSINESS PHASES

Entrepreneurial Activity

Entrepreneurial activity provides a vital indicator of the dynamism and resilience of an economy. This section presents an overview of Lithuania's entrepreneurial landscape in 2024, including early-stage activity, established business ownership, and business discontinuation patterns. Comparisons with previous years and other high-income economies help frame Lithuania's current position and highlight the emerging trends in entrepreneurial behavior.

Entrepreneurial dynamics in Lithuania in 2024 reflected a landscape of both opportunity and instability. The latest GEM data show a strong resurgence in early-stage entrepreneurship while at the same time highlighting challenges in business sustainability. The Total Early-Stage Entrepreneurial Activity (TEA) rose sharply to 11.7%, rebounding from 7.1% in 2023. However, this renewed startup enthusiasm was accompanied with a rise in business closures and a drop in the number of established businesses.

These patterns suggest a highly dynamic entrepreneurial ecosystem where new businesses are being created, but relatively few startups are transitioning successfully into mature enterprises.

Lithuania's entrepreneurial performance in 2024 places the country at number 7 among 15 high-income economies surveyed by GEM in terms of TEA (Figure 1.1). While Lithuania slightly exceeds the high-income average in early-stage activity, it continues to lag behind many peers in EBO. This gap between an early-stage enthusiasm and business maturity suggests a core structural challenge: although many Lithuanians are motivated to launch new businesses, fewer succeed in scaling up and sustaining their businesses over time. (Note: Lithuania also ranked 2nd globally in 2024 on the ***National Entrepreneurship Context Index*** (NECI), reflecting very favorable overall conditions for entrepreneurship.)

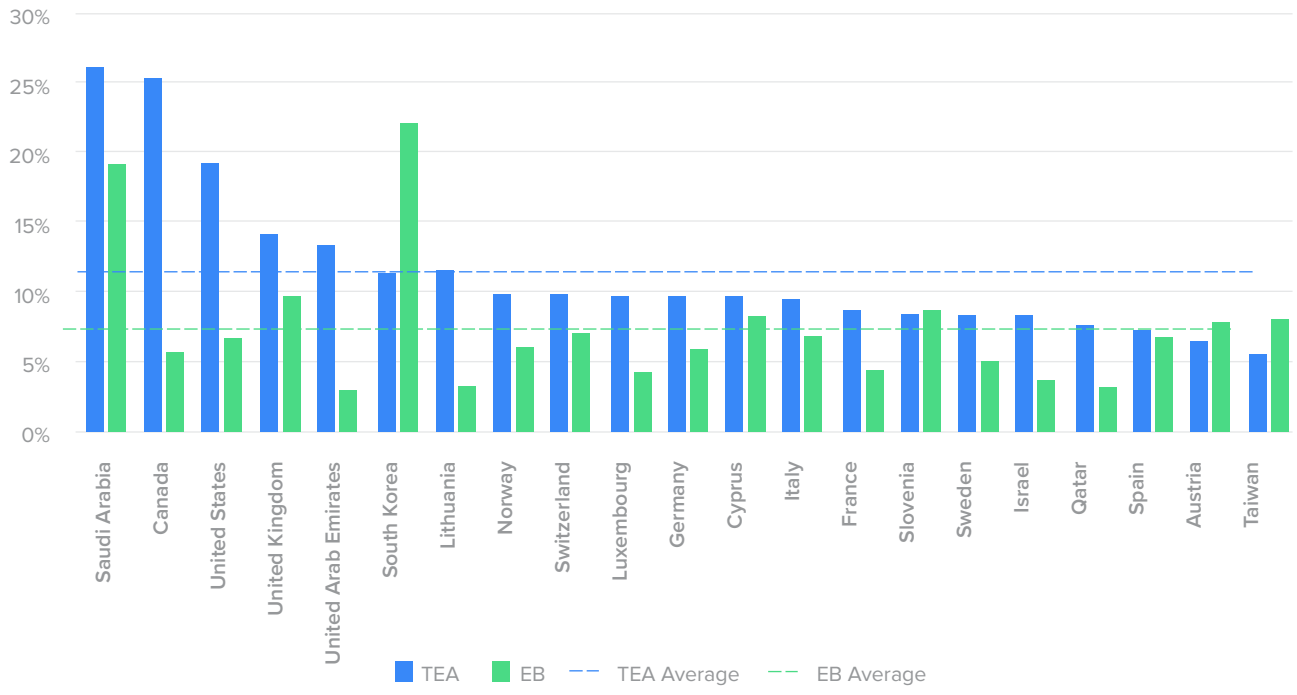


Figure 1.1. TEA and EBO Rates among 15 High-Income Economies (2024) Percentage of population aged 18–64
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2024.

In 2024, Lithuania recorded its highest levels of entrepreneurial intention and nascent entrepreneurial activity over the past decade. The share of adults expressing an intention to start a business rose sharply to 20.4%, which is well above the levels observed in 2022 and 2023. Nascent entrepreneurship also rebounded strongly, signaling a renewed momentum at the earliest stages of business creation. However, this rise was not mirrored in the progression to established business ownership. The share of established businesses declined compared to the previous year, while business discontinuation rates reached a new peak. Rather than being unique to Lithuania, this reflects a broader pattern among high-income economies, where vibrant startup activity does not always translate into business longevity.

Factors such as limited access to growth capital, regulatory complexities, and evolving market dynamics contribute to this disconnect, thus underscoring the need for targeted policies aimed at supporting business scalability and longevity.

Phases of Business Activity

Entrepreneurial activity typically follows a progression: from intentions to nascent startups, to newer ('baby') businesses, and eventually to established businesses. Along this journey, some businesses succeed in growing, while others exit the market (Figure 1.2). This section examines how Lithuania's population has moved through these phases over time, highlighting the key shifts in entrepreneurial behavior from 2014 to 2024.

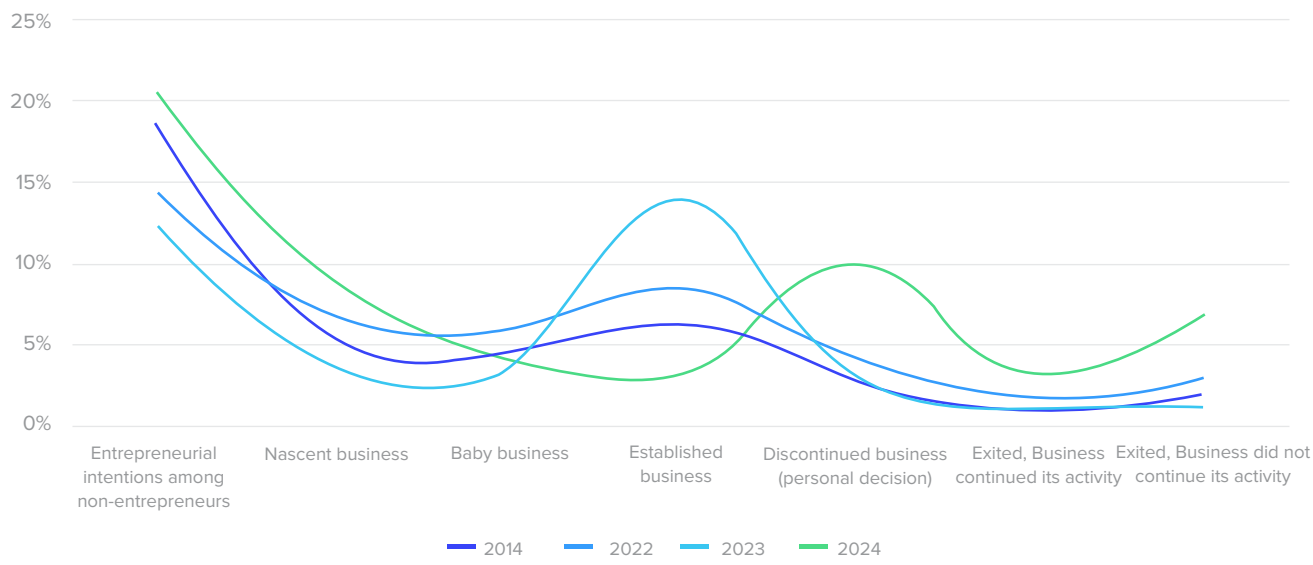


Figure 1.2. Phases of Business Activity in Lithuania, 2014, 2022–2024 Percentage of population aged 18–64
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2024.

Lithuania's entrepreneurial journey through different business phases reveals important shifts in 2024. Following a sharp decrease in 2023, TEA recovered strongly, rising from 7.1% to 11.7%, although it still remains below its 2022 level of 12.4%. Entrepreneurial intentions among non-entrepreneurs showed an even more pronounced increase, climbing from 12.4% in 2023 to 20.4% in 2024 – and thus surpassing the levels observed a decade earlier. In contrast, EBO experienced a steep decline, dramatically falling from 14.2% to as little as 3.2%. Business discontinuations also surged, with 7% of adults reporting a closure or exit, compared to only 1.2% the previous year. Taken together, these changes suggest a renewed appetite for entrepreneurship, but also a challenging environment for sustaining businesses beyond the startup phase.

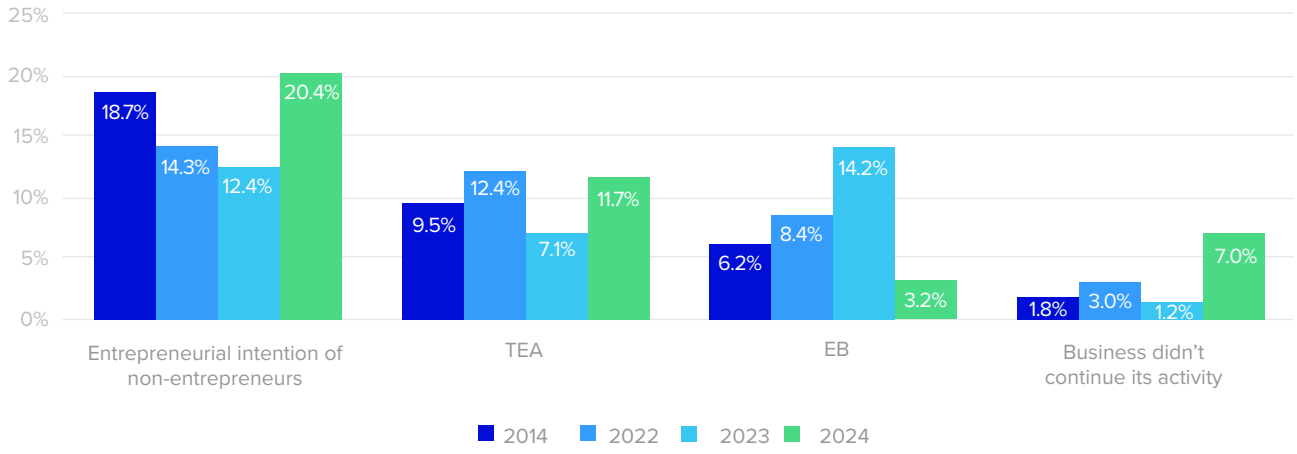


Figure1.3. Phases of Entrepreneurial Activity in Lithuania, 2014, 2022–2024 Percentage of population aged 18–64
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2024.

The long-term trends captured in Figure 1.3 reveal important shifts in Lithuania's entrepreneurial landscape. Entrepreneurial intentions have gradually strengthened over the past decade, with a sharp upswing in 2024. TEA closely tracks intention patterns but shows greater sensitivity to external shocks, notably during the COVID-19 period, and again in 2023. Meanwhile, established business ownership remained relatively stable until 2022 but collapsed sharply in 2023–2024. Business discontinuations, historically low, spiked significantly in 2024, underscoring a more volatile and fragile environment for sustaining businesses over time.

In 2024, nascent entrepreneurial activity surged to 9.1%, thus more than doubling from 3.9% in 2023, and notably surpassing the levels recorded in both 2022 (6.6%) and 2014 (5.2%) (Figure 1.4). This rebound reflects a renewed momentum among individuals entering the earliest phase of business creation. In contrast, the share of baby businesses – aged between three and 42 months – rose more modestly, from 3.4% in 2023 to 4.5% in 2024, but still remained below the 5.8% level recorded in 2022. These dynamics indicate a substantial influx of new entrepreneurs at the idea and startup stage, while growth among slightly more mature businesses remains comparatively subdued, suggesting challenges in scaling beyond the initial launch.

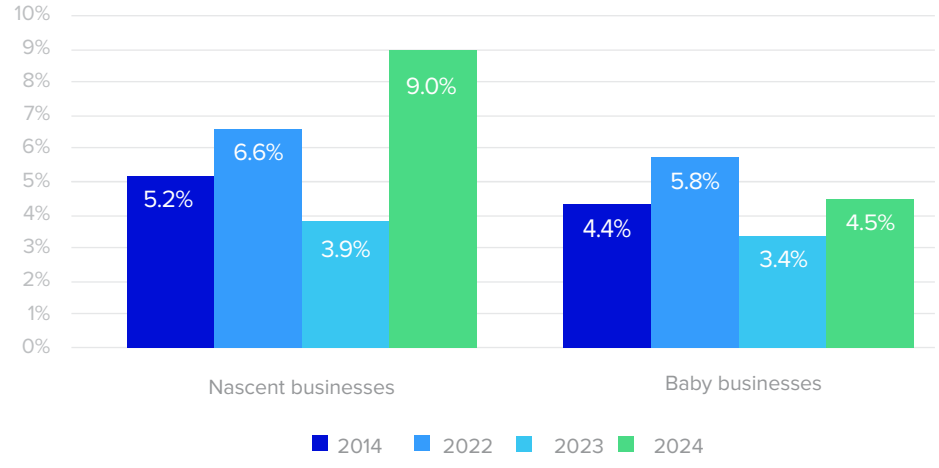


Figure 1.4. Breakdown of TEA in Lithuania, 2014, 2022–2024 TEA includes nascent entrepreneurs who have been running a business for less than 3 months, alongside new entrepreneurs who have been running a business for between 3 and 42 months

Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2024.

The composition of early-stage entrepreneurship in Lithuania shifted sharply in 2024. Nascent entrepreneurs – namely, those in the earliest stages of starting a business – now account for a significantly larger share of TEA compared to previous years. In contrast, the proportion of baby businesses remains relatively modest. This widening gap suggests that while more individuals are entering entrepreneurship, sustaining growth beyond the initial startup phase remains a challenge.

The ratio of nascent to baby businesses in Lithuania rose sharply in 2024, reaching 2.01 (Figure 1.5), which is nearly double the 2023 level of 1.13, and which rises well above the historical benchmarks of 1.20 in 2014 and 1.15 in 2022. A ratio above 1.0 typically signals a strong entry dynamic, with more individuals actively launching businesses than moving into the next stage of business development. Lithuania's surge to 2.01 reflects a vibrant influx of new startups but also highlights a growing gap in business progression. While the high nascent activity points to entrepreneurial optimism and initiative, the comparatively slower growth in baby businesses suggests that sustaining and scaling a business remains a challenge within the current ecosystem.

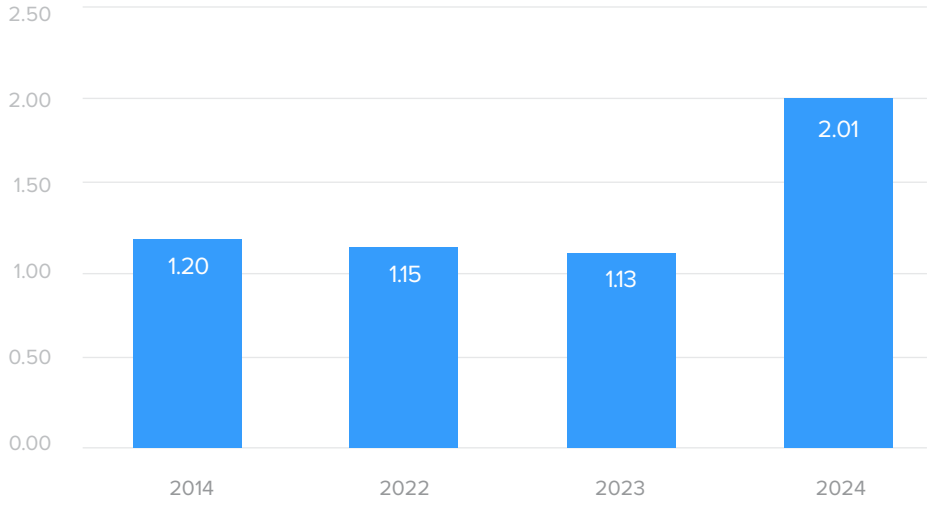


Figure 1.5. Ratio of Nascent to Baby Businesses in Lithuania, 2014, 2022–2024 A higher ratio indicates stronger startup formation relative to business maturation

Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2024.

Overall, Lithuania's 2024 entrepreneurial landscape shows a strong pipeline of individuals starting new businesses, but significant challenges remain in sustaining these businesses beyond the initial launch phase. These dynamics underscore the importance of understanding not just when businesses are created, but also the motivations driving entrepreneurs to start them; this issue shall be explored in the next section.

Entrepreneurial Motives

Understanding the motivations behind entrepreneurship provides key insights into the nature and sustainability of new business undertakings. Entrepreneurs may be driven by necessity, opportunity, personal aspirations, or broader social goals. This section examines how the balance of motives among Lithuanian entrepreneurs has shifted over time, with particular focus on the period from 2022 to 2024.

Across the three most recent survey years, the dominant motivation for entrepreneurship in Lithuania has been the need to earn a living due to scarce job opportunities. This necessity-driven motive peaked at 84% in 2023 before easing to 71% in 2024 – yet it still is significantly higher than a score of 66% reported in 2022. Meanwhile, opportunity-driven motivations have gained ground. The share of entrepreneurs seeking to build a great wealth or achieve a very high income has continued its steady rise, while the proportion motivated 'to make a difference in the world' has also increased. Finally, although this was historically the least-cited reason, the wish to continue a family tradition rose notably from 22% in 2023 to 32% in 2024. Together, these shifts suggest a gradually broadening range of entrepreneurial aspirations beyond the immediate economic necessity.

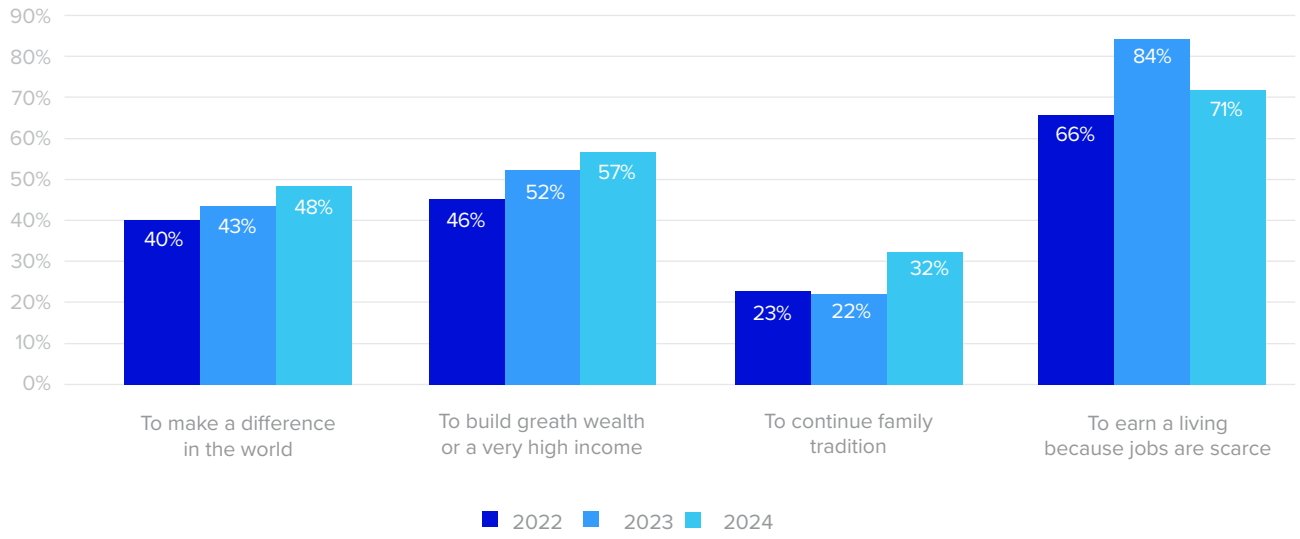


Figure 1.6. Entrepreneurial Motives in Lithuania, 2022–2024 Percentage citing each primary motivation
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2024.

Figure 1.6 shows that while the aspiration to earn a living remains the dominant motivation for Lithuanian entrepreneurs, motives such as building wealth, making a difference, and continuing family traditions have all increased in importance between 2022 and 2024.

In 2024, the 25–34-year-old group continued to represent the largest share of entrepreneurs in Lithuania, accounting for 25.3% of all early-stage activity (Figure 1.7). However, their participation fell slightly from the peak observed in 2023, suggesting a modest cooling among younger adult founders.

The 35–44 age group also declined steadily since 2022, reaching 23.6% in 2024. By contrast, two older groups showed notable gains. Entrepreneurs aged 45–54 rose to 22.7%, rebounding after a dip in 2023, while participation among the 55–64 age group climbed to 16.7% – thus even surpassing the youngest (18–24) cohort, which accounted for as little as 11.6%. These shifts point to a more intergenerational entrepreneurial landscape, with mid- and late-career individuals increasingly contributing to new business creation alongside the younger founders.

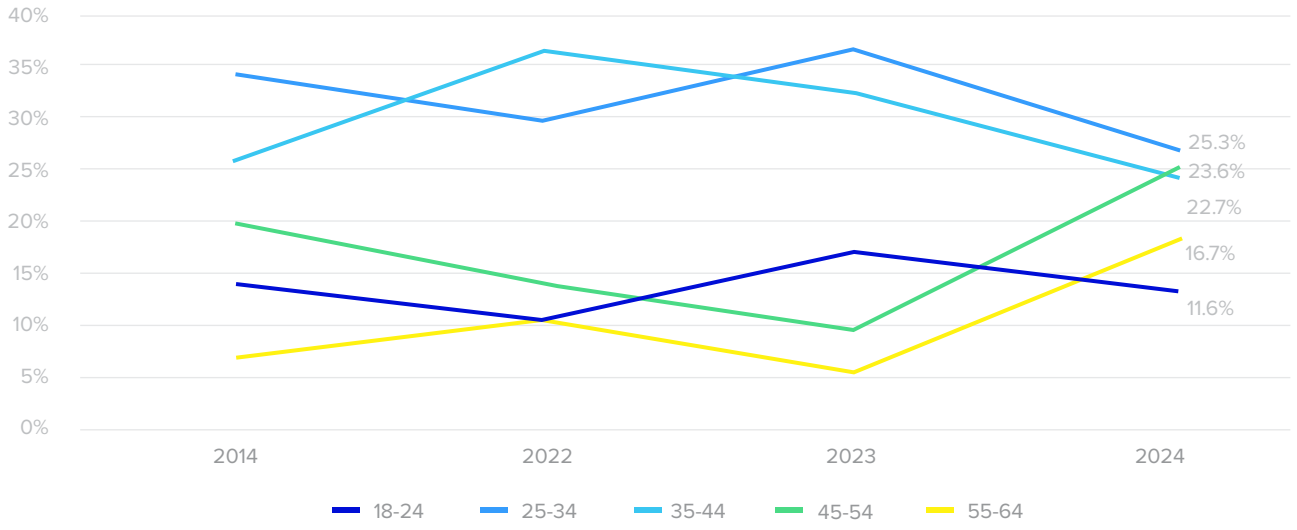


Figure 1.7. Entrepreneurial Participation by Age Group in Lithuania, 2014, 2022–2024 Share of TEA
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2024.

The broadening age profile of Lithuania's entrepreneurs suggests an increasing participation across life stages, with mid-career and older individuals playing a growing role in startup activity – which is a pattern also seen in other high-income economies experiencing demographic shifts.

While 25–34-year-olds continue to represent the largest share of Lithuania's entrepreneurial population, entrepreneurship rates within age groups reveal other important trends of interest (Figure 1.8). In 2024, the highest incidence of entrepreneurship relative to the population size remained among the 18–24 and 25–34 age groups. However, participation among mid- and late-career adults also increased sharply. In particular, the 45–54 and 55–64 cohorts showed rising entrepreneurship rates compared to 2023, suggesting that starting a business is becoming an increasingly attractive option not only for young adults, but also for those later in their careers. This widening age engagement reflects broader shifts toward more flexible and extended working lives in Lithuania.

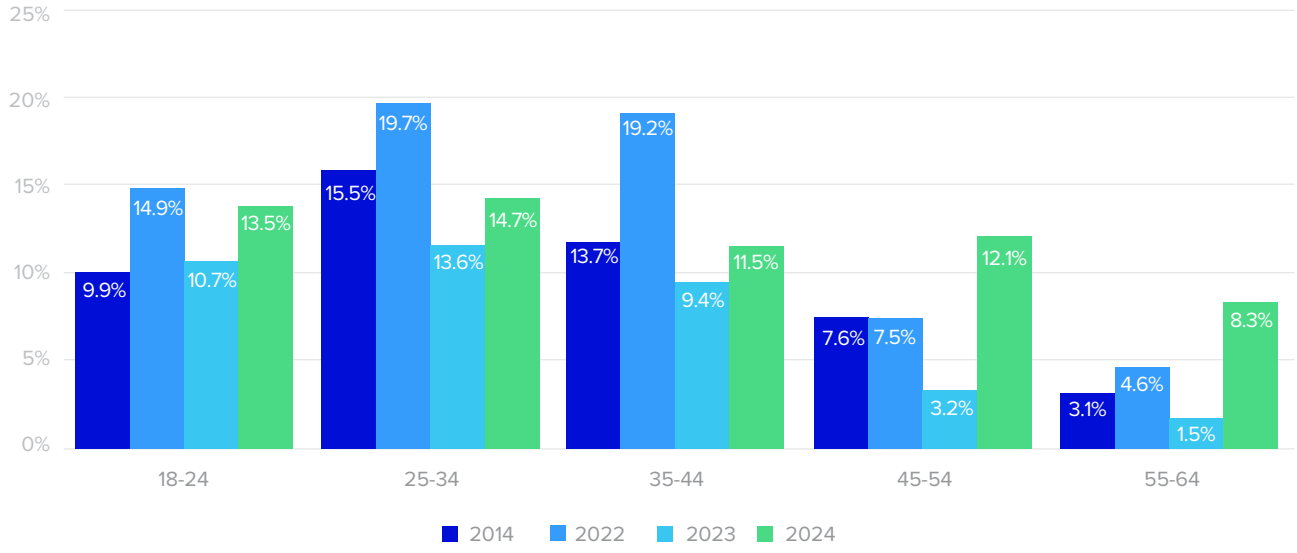


Figure 1.8. Entrepreneurship Participation Rates within Age Groups in Lithuania Percentage of adults in each group involved in TEA in 2014, 2022–2024
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2024.

While younger adults still lead in entrepreneurship participation rates, the data for 2024 show that the growth momentum is now stronger among older age groups, thus hinting at more profound structural changes in Lithuania's entrepreneurial demographics.

In 2024, entrepreneurial intention remains strongest among 25–34-year-olds, while the 55–64 cohort shows the lowest propensity to start new businesses. This gap narrows, however, when examining the actual entrepreneurial activity: while the 25–34 group leads TEA, mid-career adults aged 45–54 and 35–44 follow closely, thus highlighting the growing entrepreneurial engagement of more experienced individuals. Established business ownership presents a different profile, with the 55–64 age group now dominating, suggesting that sustaining a business over the long term is more common among older entrepreneurs. Exit patterns further emphasize the lifecycle dynamics of entrepreneurship: younger cohorts (25–34 and 35–44) account for the largest shares of both business continuations and closures, reflecting both the experimental drive and higher volatility of youth and midlife entrepreneurship. These patterns collectively illustrate that entrepreneurship in Lithuania increasingly spans the entire adult lifespan, with different phases of the business journey associated with distinct stages of life.

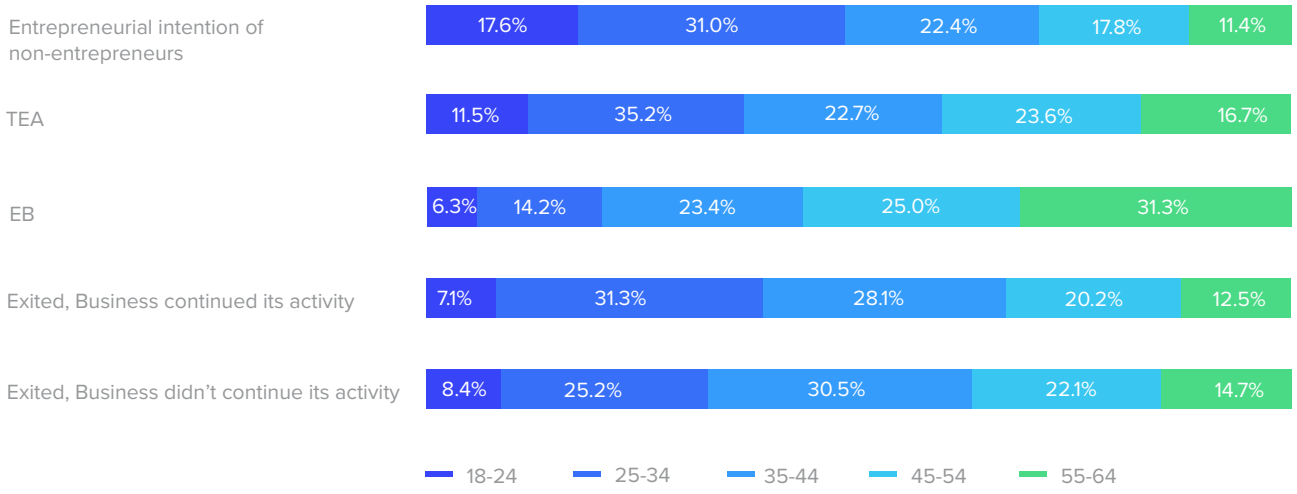


Figure 1.9. Entrepreneurship across Business Phases by Age Group in Lithuania, 2024
Intentions, Early-Stage Activity, Established Ownership, and Discontinuation
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2024.

Entrepreneurship intentions peak among younger adults, but established business ownership is concentrated among older groups. Discontinuation patterns reveal that business exits are most common among mid-career entrepreneurs, which reflects both scaling challenges and a higher business turnover at these life stages.

Although entrepreneurship discontinuation rates increased in 2024 compared to the previous year, it is important to note that not all discontinuations represent business closures (Figure 1.10).

In fact, two-thirds of discontinued businesses continued their activities either under new ownership, or with significant changes to their business model. Only one-third of discontinuations resulted in a complete business shutdown. This breakdown underscores that, from the entrepreneur's perspective, 'discontinuation' often signals transformation rather than termination. It suggests that entrepreneurial exits can catalyze new ownership structures, fresh market approaches, and broader ecosystem adaptations.

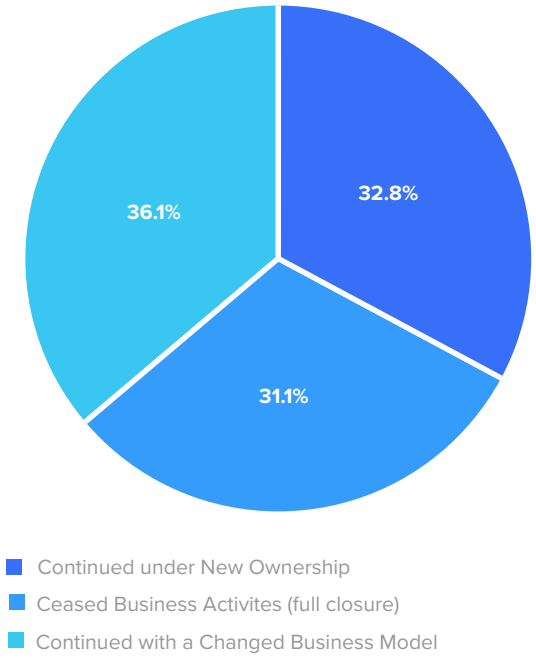


Figure 1.10. Outcomes of Business Discontinuations in Lithuania, 2024
Continuation under New Ownership, Business Model Changes, and Closures

Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2024.

In 2024, profitability challenges remained the leading cause of business discontinuation in Lithuania, while the opportunity to sell businesses grew as a more frequent – and a more positive – reason for exit.

In 2024, business profitability issues remained the primary reason for business discontinuation in Lithuania, cited by 27% of entrepreneurs. While reflecting negative business outcomes, profitability challenges are a normal part of dynamic entrepreneurial ecosystems. Encouragingly, 19% of entrepreneurs discontinued their businesses due to the opportunity to sell, highlighting exit pathways that may lead to wealth creation and re-entry into entrepreneurship. Problems obtaining financing were the third most common reason, cited by 16%, and thus underscoring the continued challenges which entrepreneurs face in accessing sufficient capital required to sustain and grow their businesses. Other less frequent reasons included career shifts (such as accepting another job) and pursuit of new business opportunities, each accounting for 12% of discontinuations.

Reasons for Discontinuing Entrepreneurship

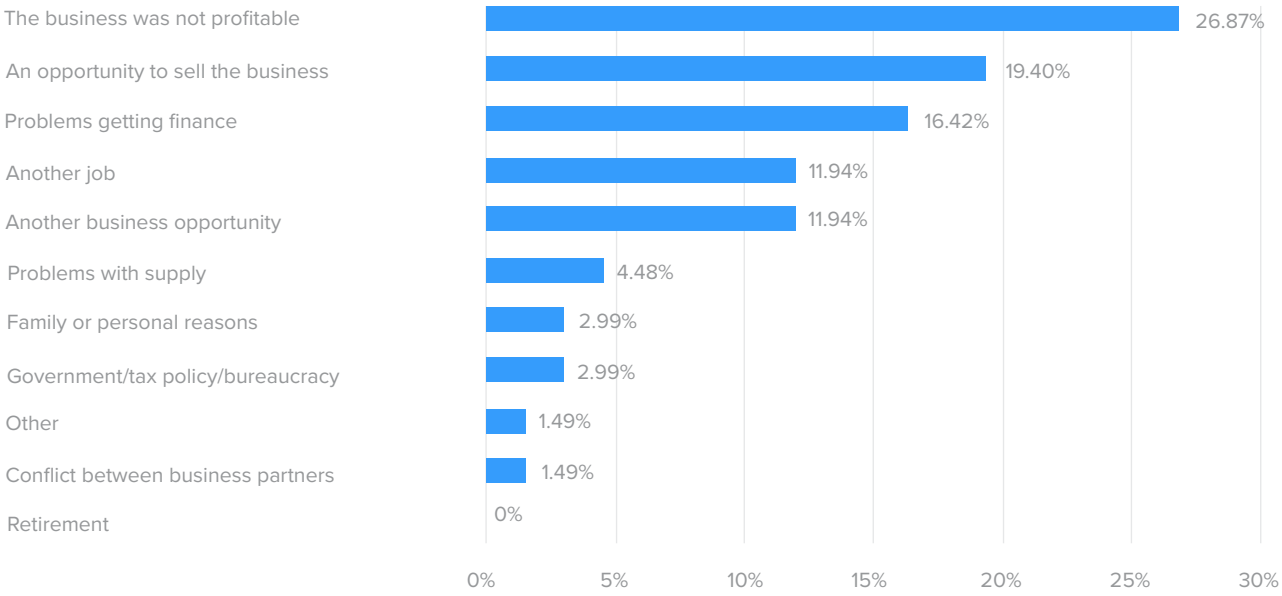


Figure 1.11. Main Reasons for Business Discontinuation in Lithuania, 2024
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2024.

The data for 2024 presented in Figure 1.11 suggest that while financial viability remains a critical pressure point for entrepreneurs in Lithuania, the growing share of opportunity-driven exits, such as business sales, points to a maturing entrepreneurial ecosystem where planned and strategic exits are becoming a more common part of the business lifecycle.

Concluding Remark: A Dynamic but Fragile Entrepreneurial Landscape

The 2024 GEM Lithuania findings reveal an entrepreneurial landscape marked by vibrant early-stage activity, shifting demographic patterns, and evolving motivations – but also by significant challenges in achieving long-term sustainability. TEA rebounded strongly, driven by a surge in nascent entrepreneurs, particularly among younger and mid-career individuals. Yet the sharp decline in EBO and the rise in business discontinuations underscore a fragile transition from startup creation to business maturity.

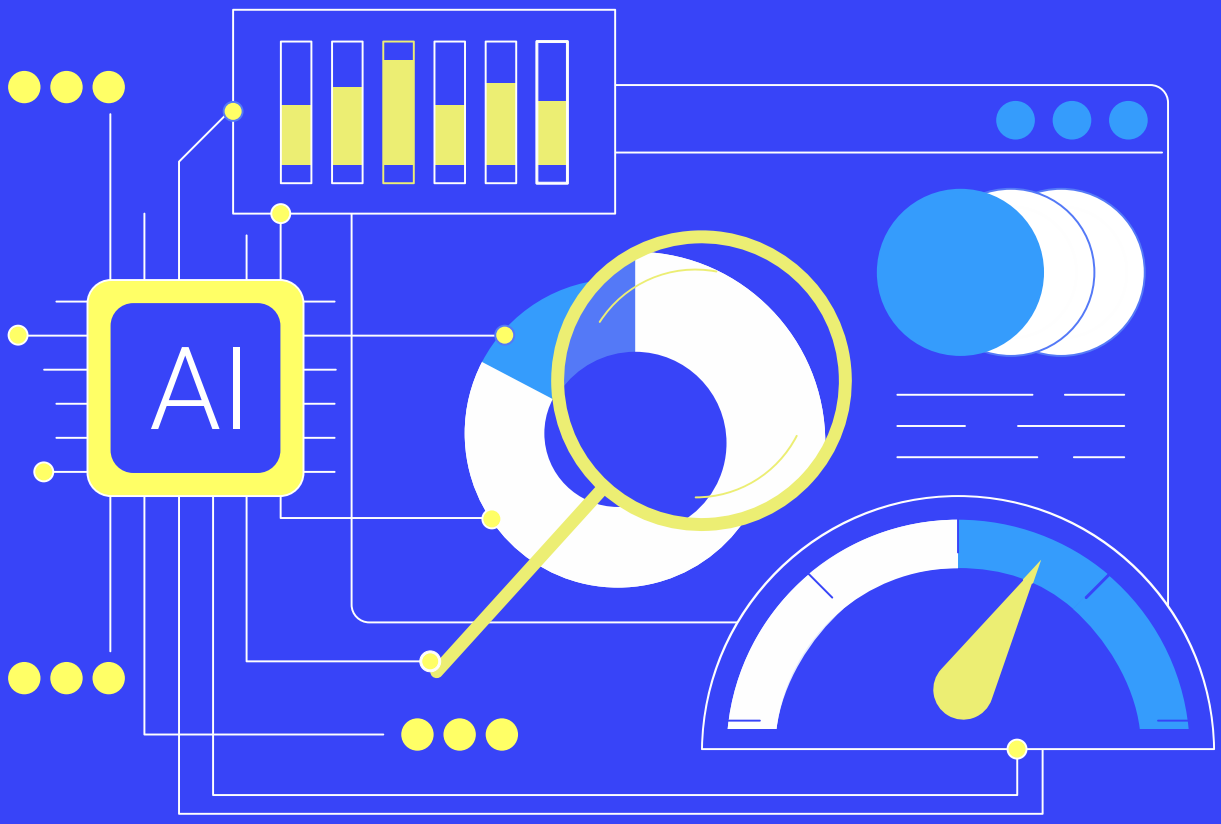
Entrepreneurial motivations are gradually diversifying. While necessity remains a dominant driver, opportunity-oriented motives, such as building wealth, making a difference, and continuing family traditions, are gaining prominence, which indicates a maturing entrepreneurial culture. At the same time, the broadening age profile of entrepreneurs suggests that new business creation is increasingly seen as a viable career path not only for the youth, but also for mid- and late-career individuals.

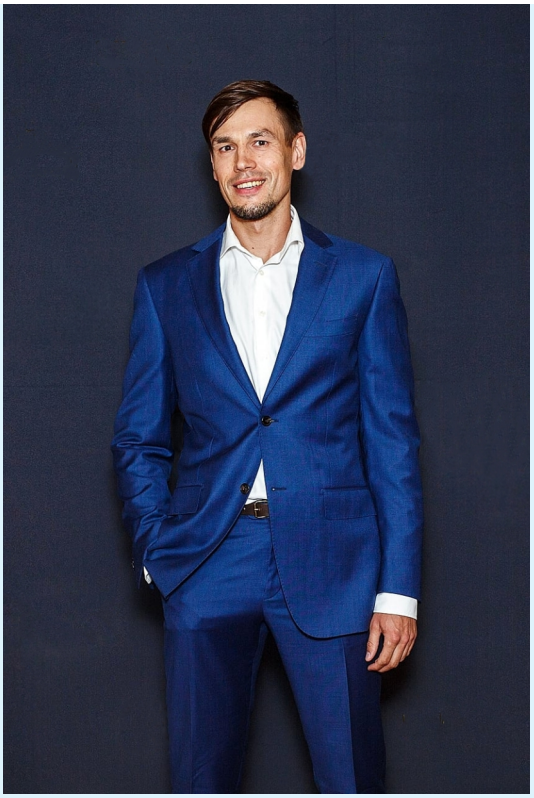
Patterns of discontinuation add a further nuance to the entrepreneurial narrative. Although profitability challenges remain the leading reason for exit, the rising share of opportunity-driven discontinuations, particularly through business sales, points to the emergence of more strategic exit behaviors, which is a hallmark of a developing entrepreneurial ecosystem.

Taken together, these trends reflect an ecosystem full of energy and intent but still grappling with the structural barriers to growth and sustainability. Lithuania's next entrepreneurial challenge lies not merely in encouraging new business creation, but rather in building the support systems, financial frameworks, and market opportunities necessary to transform early enthusiasm into a lasting economic impact.

CHAPTER 2

ENTREPRENEURIAL IMPACT





Povilas Klusaitis

Back in 2009, Povilas Klusaitis noticed that Lithuania had no open, trustworthy space for intimate-wellness products. Determined to change this, he launched **Fantazijos.lt**, now the largest e-commerce platform and store chain of its kind in the Baltics. From the first day, the mission was as much about public education as it was about retail.
The journey was far from smooth. Banks were unwilling to work with him, ad networks refused his requests, and logistics partners called the category “too bold.” Each rejection forced Povilas to defend the business’s right to exist, proving time and again that intimate wellness deserves the same conditions as any other sector. Those hard-won partnerships laid the groundwork for his company’s future success.

The turning point came with COVID-19. Locked down at home, people looked for new ways to stay close and curious—and they chose Fantazijos.lt. Years of patient brand-building paid off almost overnight, showing that businesses dismissed as “niche” can surge when the market shifts. Since then, Povilas has expanded beyond the label of an erotic-goods shop. Fantazijos.lt has grown into a cult pop-culture brand, outselling its nearest competitors by multiples, and has been voted Lithuania’s Most Loved Online Store two years in a row. The company now plays a pivotal role in shaping conversations about health, pleasure, and relationships across the region.

Advice for 2025’s first-time founders:

“If you’re entering a category, don’t just do it better—do it differently, even oppositely. You won’t win by playing under the existing rules; write your own.”

Povilas continues to run the company as CEO of Fantazijos.lt, proving that bold ideas and relentless persistence can transform taboo topics into mainstream success.

Industry Sector Participation

Understanding the impact of entrepreneurship requires looking beyond participation rates. This chapter evaluates the economic footprint of Lithuanian entrepreneurs through several dimensions: industry sector participation, innovation intensity, market scope, and job creation potential. Drawing from the GEM 2024 survey data, the analysis explores how early-stage and established businesses contribute to Lithuania's broader development goals, including diversification of the economy, technology adoption, and regional resilience.

The consumer-oriented service sector remains the dominant area of early-stage entrepreneurial activity in Lithuania, accounting for 53.7% of TEA in 2024, and it still is the only sector to show consistent growth over the past decade. This category – encompassing retail, hospitality, personal services, and education and healthcare – continues to attract a majority of new entrepreneurs due to its accessibility and strong domestic demand. In contrast, both the business services (18.5%) and transforming sectors (26.2%) – including finance, manufacturing, construction, and transport – have each seen periods of decline and growth, shaped by broader economic cycles and external shocks. The extractive sector remains the least represented at just 1.7%, reflecting its limited scale in the national economy and the absence of significant new resource-based opportunities. National strategies and business priorities are focused on sectors that can generate economic value without heavy dependence on natural resources and shifting to digitalization.

Since 2022, the transforming sector has experienced a downturn due to macroeconomic uncertainty, supply chain disruptions, and geopolitical pressures. These conditions contributed to a decline in new entrepreneurial activity within industries such as construction, manufacturing, and transport. However, data from 2024 indicate signs of recovery, particularly in the energy sub-sector. Lithuania has seen record-high energy production, with more than two-thirds derived from renewable sources, and has made substantial progress in its disconnection from the BREL energy network. These developments signal not only a rebound in entrepreneurship but also reflect broader national efforts toward sustainability, energy independence, and modernization of infrastructure, notably, toward areas that may support a more resilient base for entrepreneurial growth.

Within sectoral categories, the retail trade and hospitality industries have shown a marked resurgence in 2024. These segments, which include hotels, restaurants, and related services, were among the hardest-hit during the COVID-19 pandemic. Following several years of decline, the GEM 2024 data indicate a strong rebound, with entrepreneurial activity in these industries surpassing the pre-pandemic levels. The recovery reflects increased consumer mobility, improved domestic demand, and improvements of service delivery models – i.e., factors that appear to have restored viability and growth potential across much of the consumer-facing economy.

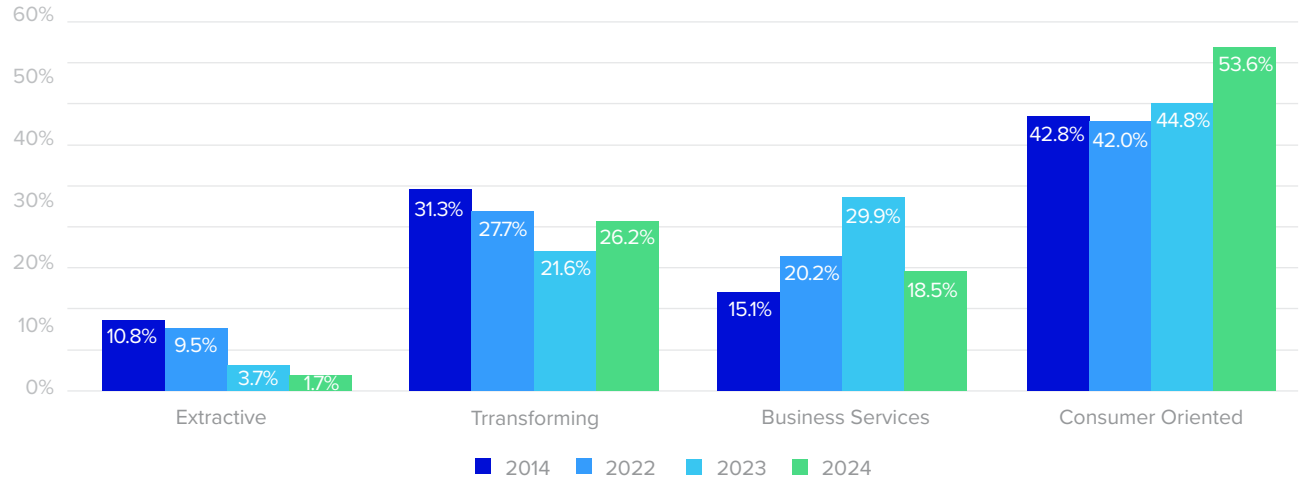


Figure 2.1. Sectoral Composition of Early-Stage Entrepreneurial Activity in Lithuania, 2014, 2022–2024
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2024.

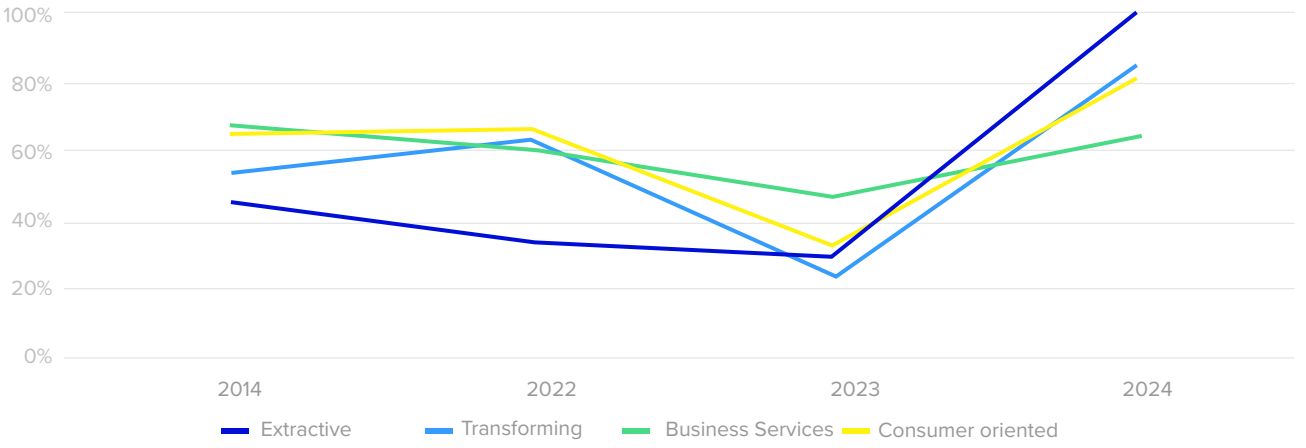


Figure 2.2. Change in Share of TEA by Sector Group between 2014, 2022–2024
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2024.

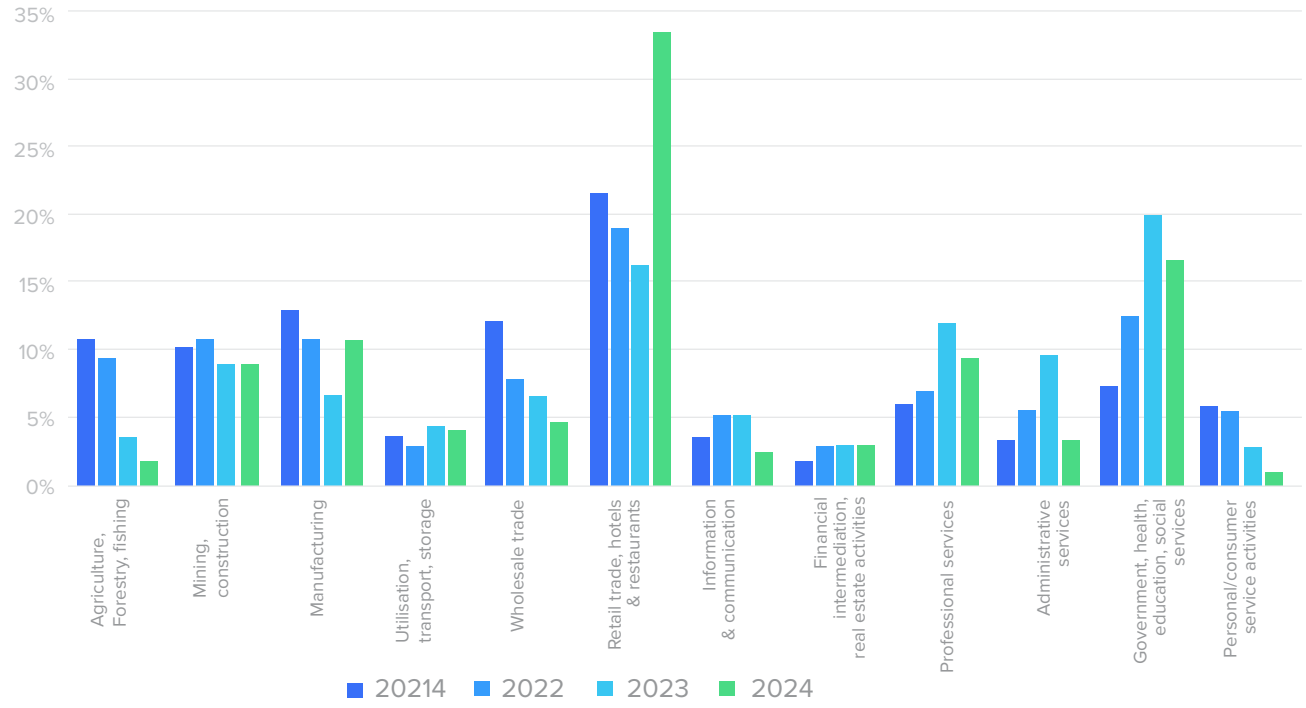


Figure 2.3. Industry Breakdown of Early-Stage Entrepreneurs in Lithuania, 2014, 2022–2024
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2024.

The data presented across Figures 2.1 to 2.3 confirm the predominance of consumer services in Lithuania's entrepreneurial ecosystem, as well as the relative underrepresentation of extractive and capital-intensive sectors, such as agriculture, construction, and manufacturing. While the sectoral balance has remained largely consistent over the past decade, the results for 2024 show a clear rebound in industries hit hardest by the pandemic, including hospitality and retail. Business services and transformative sectors continue to show cyclical variation, often reflecting broader shifts in economic confidence. Meanwhile, the extractive sector remains structurally limited, reinforcing the country's shift toward innovation-driven entrepreneurship.

Innovation

Innovation shapes the broader impact of entrepreneurship by introducing new products, technologies and services to the market. In Lithuania, most early-stage businesses continue to emphasize incremental improvement over radical novelty. However, the 2024 data show a modest increase in the share of businesses introducing offerings that are new to the national market.

This subsection examines the extent and nature of innovation among early-stage entrepreneurs in Lithuania, focusing on the perceived novelty of their products, services, and technologies.

Most early-stage entrepreneurs in Lithuania continue to focus on refinement of existing ideas rather than on launching fundamentally novel offerings. This is reflected in the consistently high share of respondents reporting that their products or services, as well as the technologies or procedures they use, are 'not new'; this pattern held steady across 2022, 2023, and 2024. Nevertheless, a modest but gradually increasing share of entrepreneurs report creating offerings that are 'new to the people in the area where [they] live', and, by 2024, more also identified their innovations as 'new to [their] country' or, in fewer cases, 'new to the world'. Product and service innovation remains slightly more prevalent than technological innovations, suggesting a stronger focus on consumer-facing novelty over back-end or process-oriented change. While breakthrough innovation remains rare, the data indicate steady progress toward a more innovation-active entrepreneurial base.

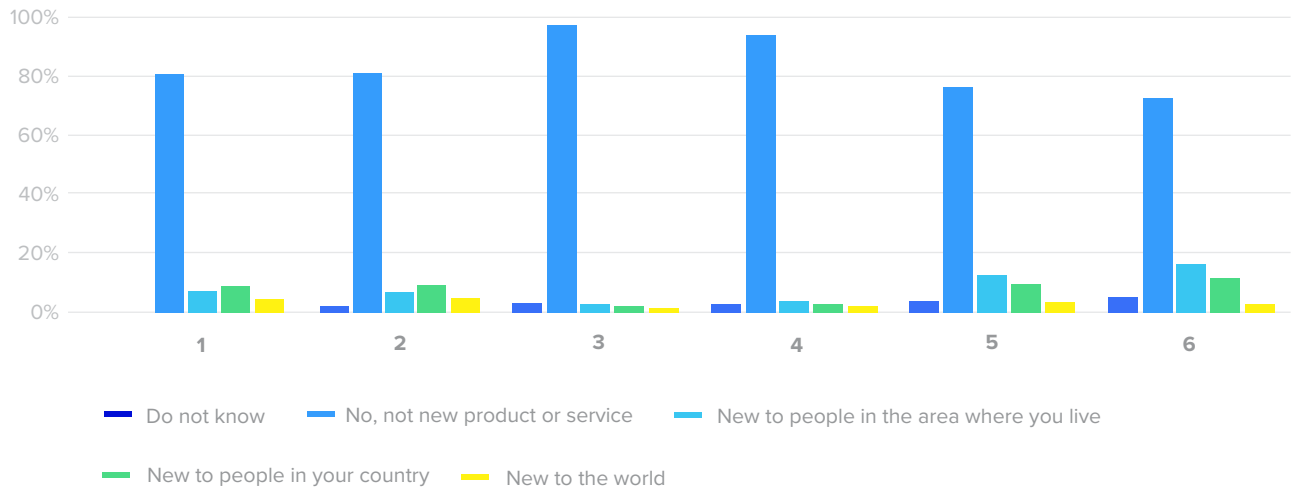


Figure 2.4. Innovation Profile of Early-Stage Entrepreneurs in Lithuania, 2022–2024 Distribution of perceived novelty in products or services and technologies or procedures among early-stage entrepreneurs
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2024.

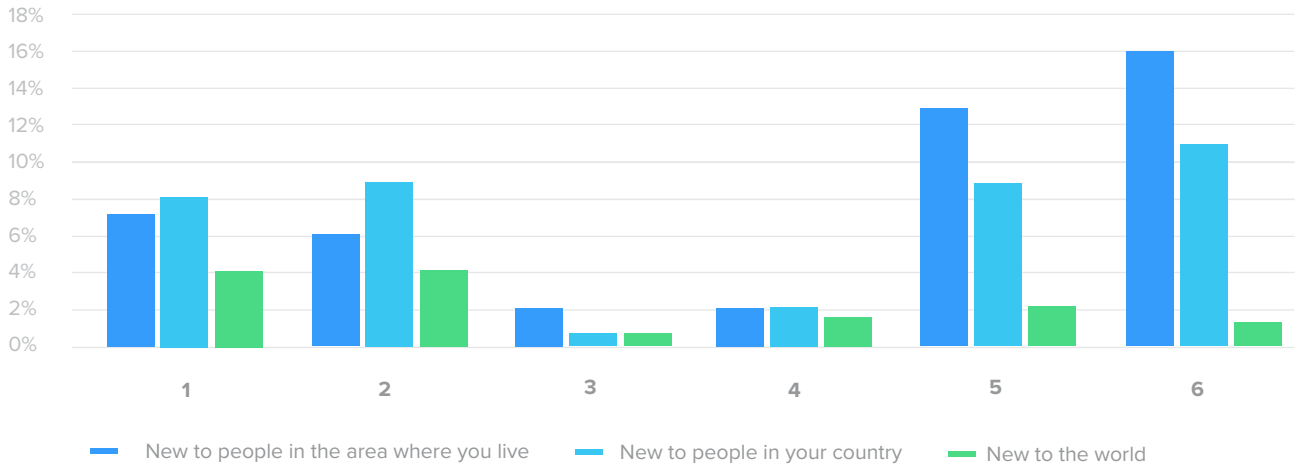


Figure 2.5. Percentage of Respondents Indicating that their Products or Technologies are New to Their Local Area, to the National Market, or to the World
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2024.

Figures 2.4 and 2.5 illustrate the distribution and origin of innovation among early-stage entrepreneurs in Lithuania between 2022 and 2024. The vast majority of respondents continue to report offering products or technologies that are not new, reflecting a business landscape oriented toward adaptation rather than breakthrough change. Nonetheless, a gradual increase is visible in the share of entrepreneurs introducing offerings that are new to their local area or to Lithuania, particularly in terms of products and services. Product innovation consistently outpaces technological innovation across all years, indicating a stronger focus on consumer-facing novelty rather than tech-transformation.

The share of businesses claiming global novelty remains low but has held steady, suggesting a small but persistent subset of entrepreneurs aiming at international differentiation.

While product and service innovation in Lithuania shows signs of gradual progress, the underlying technological capabilities supporting these innovations remain uneven. The next subsection explores how early-stage entrepreneurs are integrating digital tools, artificial intelligence (AI), and mid- to high-tech solutions into their business strategies, highlighting both areas of advancement and persistent adoption gaps.

Ieva Vaitkevičiūtė

In early 2020, as COVID-19 emptied offices and stretched nerves, psychologist-turned-founder Ieva Vaitkevičiūtė launched **Mindletic**, a science-backed, AI-powered "digital EQ gym." Her aim was clear: give teams and individuals a proactive way to train emotional awareness, regulation, and empathy—skills whose absence was already costing companies in burnout and lost efficiency.
The first major turning point came when early users, initially drawn in by crisis-level stress, asked for something beyond short-term relief. Listening closely, the team expanded Mindletic from an emergency support tool into a full-scale gym for continual EQ training, now serving B2B, B2G, and B2C clients at various levels of emotional fitness.

Raising capital, however, proved to be a significant challenge. Investors wanted proof that emotional-intelligence training could deliver hard returns. Ieva responded with evidence: robust user data showing improved stress resilience, case studies from well-known international companies, and academic partnerships with **MIT, KU Leuven, and Vilnius University**. The same fact-driven approach helped Mindletic take 2nd place in a 15 000-participant Global Hackathon and land a feature on Euronews—milestones that validated both mission and model.

Today, the company has reached a new milestone: monthly recurring revenue from its SaaS offering now exceeds the less predictable income from its marketplace. This shift makes scaling far more sustainable. Ieva regularly shares insights with founders across Lithuania, Latvia, and Estonia; she sees cooperation growing, though she'd like stronger cross-border mentorship and funding ties. Advice for Lithuania's 2025 first-time entrepreneurs:

"Don't wait for perfection—start small, test fast, and listen deeply to your users. Your resilience and ability to learn from failure matter more than the initial idea. And yes, keep up both reflection-based learning and sports."

Technology Use in Entrepreneurship

Digital technologies increasingly shape how entrepreneurs operate and scale their businesses. This subsection examines the extent to which Lithuanian early-stage entrepreneurs are adopting tools such as e-commerce platforms, cloud infrastructure, data analytics, and artificial intelligence (AI). The focus is on both current usage patterns and forward-looking intentions, offering insight into the evolving role of technology in Lithuania's entrepreneurial landscape.

Despite active policy support and a growing digital infrastructure in Lithuania, the integration of advanced technologies into entrepreneurial practice remains limited in scale. While some businesses have begun leveraging digital platforms and tools to improve operations or reach customers, the adoption of high-end technologies – particularly AI – is still in early stages. The GEM 2024 data show encouraging signs of development, especially in terms of an increased use of digital sales technologies and planning for cloud-based solutions, but the gap between Lithuania and leading high-income economies remains notable. The trajectory points toward gradual evolution rather than rapid transformation.

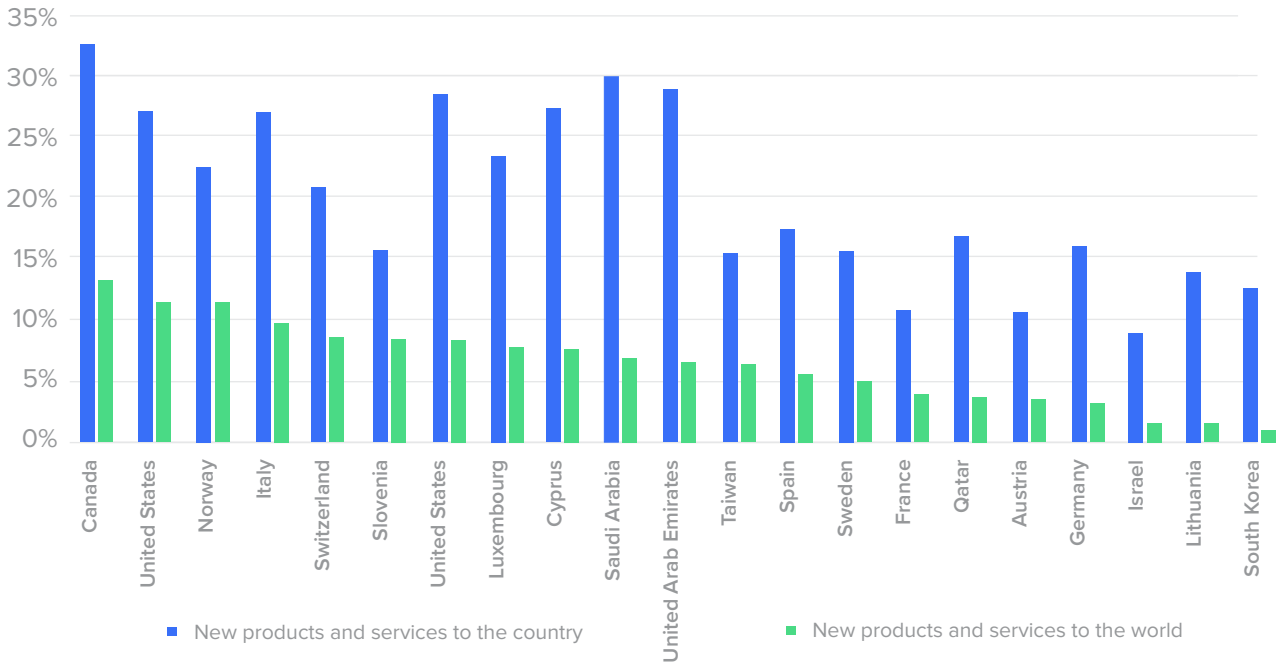


Figure 2.6. Newness of Technologies or Procedures Used by Early-Stage Entrepreneurs in High-Income Economies, 2024 Comparison across Countries of the Perceived Novelty of Technologies or Procedures in Use
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2024.

Technology adoption among early-stage entrepreneurs in Lithuania remains relatively conservative compared to peers in other high-income economies. As Figure 2.6 illustrates, most businesses report using technologies that are already established, with only a small proportion engaging with tools considered new at the national or international level. This positions Lithuania at the lower end of the technological innovation spectrum, reflecting a focus on familiar systems rather than frontier products.

The data indicate that medium–-high-tech activity is increasingly concentrated among established businesses in Lithuania, which have reported a steady growth in this area since 2022. Early-stage entrepreneurs, by comparison, remain less engaged in technology-intensive domains.

Figure 2.7. Participation in Medium–-High-Tech Sectors by Early-Stage and Established Entrepreneurs in Lithuania, 2014, 2022–2024
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2024.

Since 2022, a clear divergence has emerged in Lithuania's engagement with medium–high-tech sectors. As shown in Figure 2.7, participation by early-stage entrepreneurs has declined to 3.4%, while established businesses now lead in this area, reaching 7.8% in 2024. This trend suggests that tech-intensive activity is increasingly concentrated among mature firms, potentially due to a greater access to capital, talent pool, or the infrastructure required for scaling up in these sectors.

The role of technology in Lithuanian entrepreneurship has been expanding, but not uniformly. Digital tools are gradually being integrated, particularly by established businesses. In contrast, many early-stage businesses continue to operate with a limited technological ambition. This divergence points to different growth trajectories: while established businesses appear better-positioned to leverage technology for expansion, early-stage businesses may face greater limitations. These patterns have direct implications for the environment where entrepreneurs aim to compete – either locally, nationally, or beyond.

Market Scope of Entrepreneurial Activity

The scale at which entrepreneurs aim to operate – whether local, national, or international – certainly reveals their strategic orientation and access to resources. This subsection explores the market scope of early-stage businesses in Lithuania and compares it to patterns observed across other high-income economies. The data highlight a continued emphasis on domestic markets, with relatively few Lithuanian entrepreneurs reporting international development.

Compared to other high-income economies, Lithuania's early-stage businesses tend to operate with a more limited geographic scope. As shown in Figure 2.8, countries such as Canada, the United Kingdom, and Saudi Arabia show a significantly higher share of businesses targeting international markets. In contrast, Lithuanian startups appear more likely to focus on local or regional opportunities. This pattern may reflect a combination of factors, including limited international networks, the relatively smaller scale of the domestic market for testing new products, and also resource constraints that may hinder cross-border expansion.

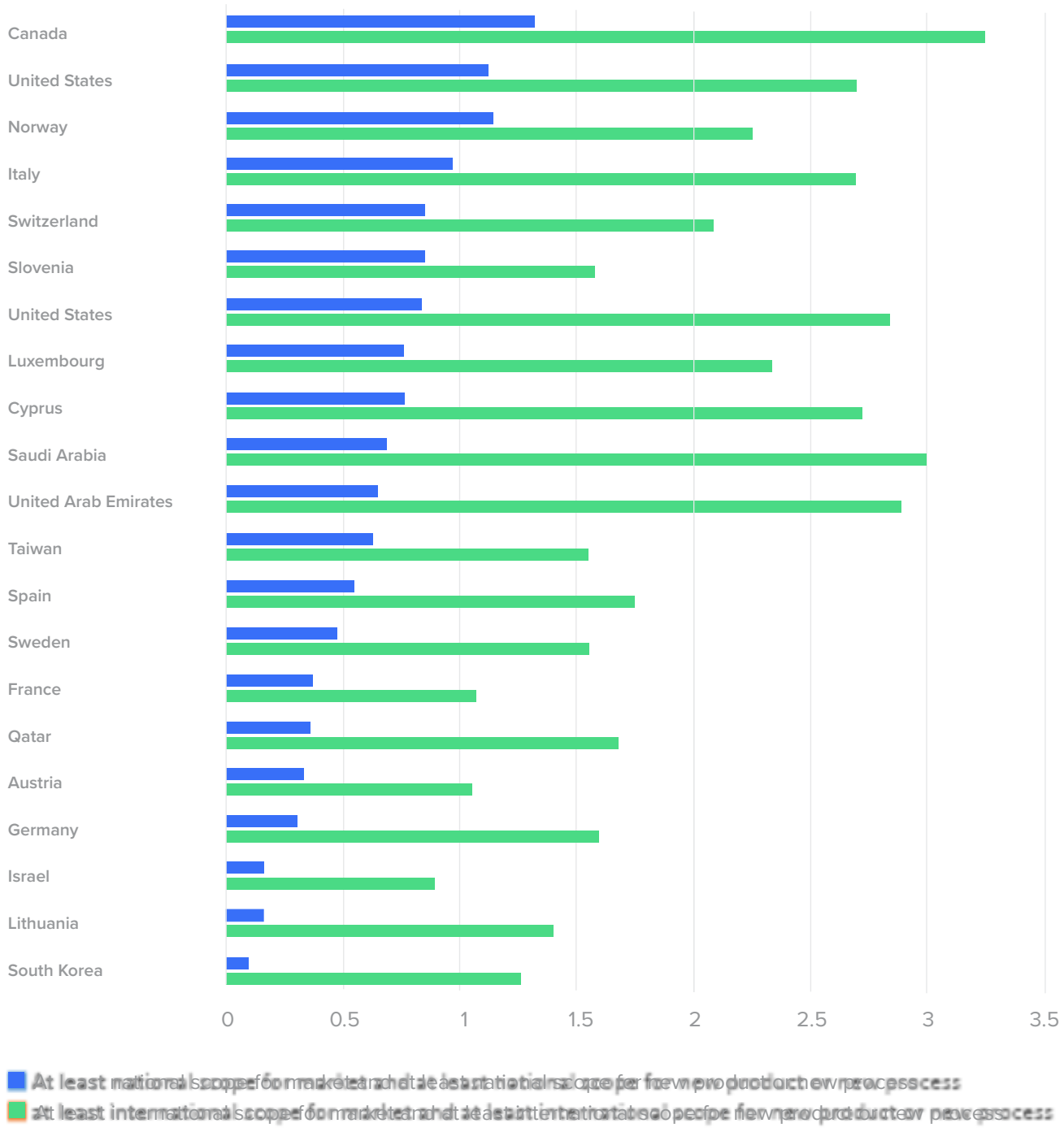


Figure 2.8. Geographic Scope of Early-Stage Entrepreneurs in 15 High-Income Economies, 2024
Share of TEA reporting whether their primary market is local, national, or international. Lithuanian entrepreneurs report a more limited market reach relative to peers in other high-income economies.
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2024.

Lithuania's early-stage entrepreneurs continue to operate primarily within domestic boundaries, but the data also point to an opportunity gap. Strengthening mechanisms for cross-border learning, market access, and international scaling could help unlock broader growth potential, particularly for businesses with competitive offerings in tech or innovation-led sectors.

Entrepreneurial Impact on Employment

The potential for entrepreneurship to generate employment is a central aspect of its broader economic impact. This subsection analyzes how many jobs early-stage and established entrepreneurs in Lithuania expect to create over the next five years, and how these expectations compare to trends across other high-income economies. The data help clarify whether new businesses are positioned primarily as small-scale operations or as potential drivers of larger-scale employment growth.

Job creation remains a core measure of entrepreneurial impact, capturing both the growth of new businesses and the resilience of previously established ones. In Lithuania, TEA continues to express intent to expand, although the actual outcomes are often tempered by discontinuation rates and a broader market uncertainty. However, in comparative terms, Lithuania ranks toward the lower end among high-income economies. This suggests that while many Lithuanian founders express an ambition to scale up, their hiring expectations remain more conservative than those of their counterparts in top-performing economies.

Established business owners, by contrast, demonstrate even greater caution in their employment expectations. When facing ongoing cost pressures and external uncertainties – including geopolitical factors and inflationary dynamics – many prefer to maintain the current staffing levels rather than expand. This conservative outlook has become more pronounced since 2023, reflecting a preference for stability amid a persistently uncertain global environment Taken together, these findings highlight a disconnect between Lithuania's elevated early-stage entrepreneurial activity and the relatively modest job creation it generates. Bridging this gap will require reducing businesses discontinuation rates and supporting startups as they mature into stable, job-generating firms. Strengthening the entrepreneurial ecosystem through improved access to talent, capital, and support infrastructure will be critical to converting entrepreneurial ambition into a lasting employment impact.
Ambition to create jobs is a key signal of an entrepreneur's orientation toward growth. While national data suggest rising confidence among Lithuanian early-stage entrepreneurs, it is useful to assess how these expectations compare internationally. The following Figure 2.9 presents Lithuania's position relative to other high-income economies on a standard GEM high-growth benchmark.

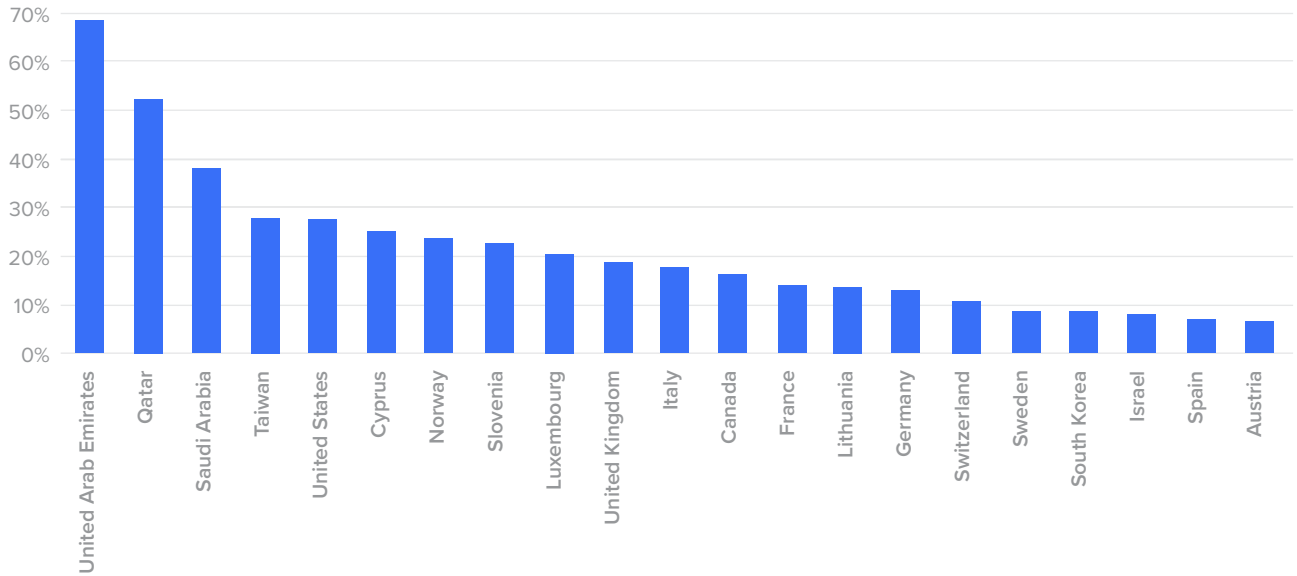


Figure 2.9. High-Growth Job Expectations among Early-Stage Entrepreneurs in High-Income Economies, 2024
International comparison of the percentage of early-stage entrepreneurs expecting to create at least 10 jobs and increase the turnover by 50% + within five years. Lithuania ranks in the lower tier
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2024.

As shown in Figure 2.9, Lithuania ranks in the lower-middle range among high-income economies in terms of high-growth job expectations. While top performers such as the United Arab Emirates, Qatar, and Saudi Arabia report more than 30% of entrepreneurs targeting significant job creation and turnover growth, ambitions in Lithuania remain modest by comparison. This highlights the ongoing gap in scaling up ambition, despite some positive movement in recent years.

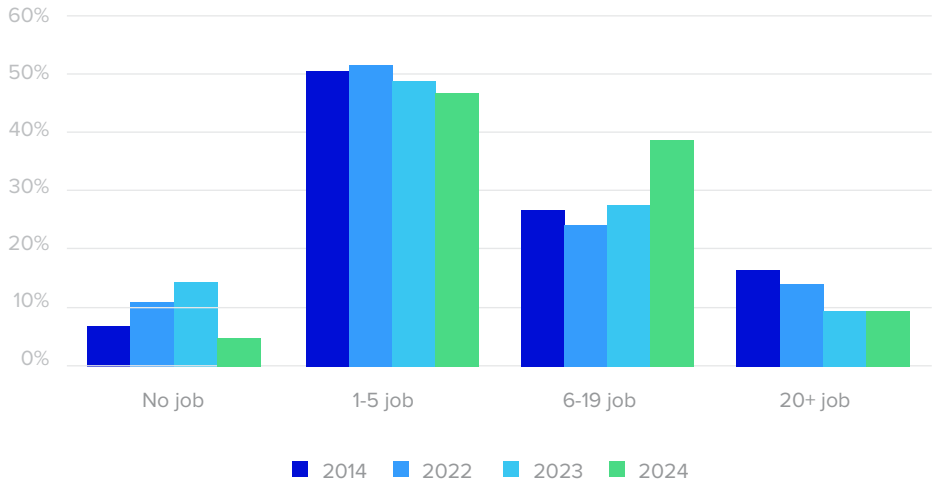


Figure 2.10. Expected Job Creation among Early-Stage Entrepreneurs in Lithuania, 2022–2024 Share of Early-Stage Entrepreneurs projecting to create no jobs, 1–5 jobs, 6–19 jobs, or 20+ jobs over the next five years

Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2024.

Figure 2.10 reveals a shift in the job creation outlook among Lithuania's early-stage entrepreneurs. While the share of founders expecting to hire no employees has declined, the proportion anticipating the creation of 6–19 jobs has risen sharply, reaching over 38% in 2024. This makes it the only increasing job growth category. The trend points to growing confidence and stronger scaling intentions among a significant segment of the early-stage entrepreneurial population.

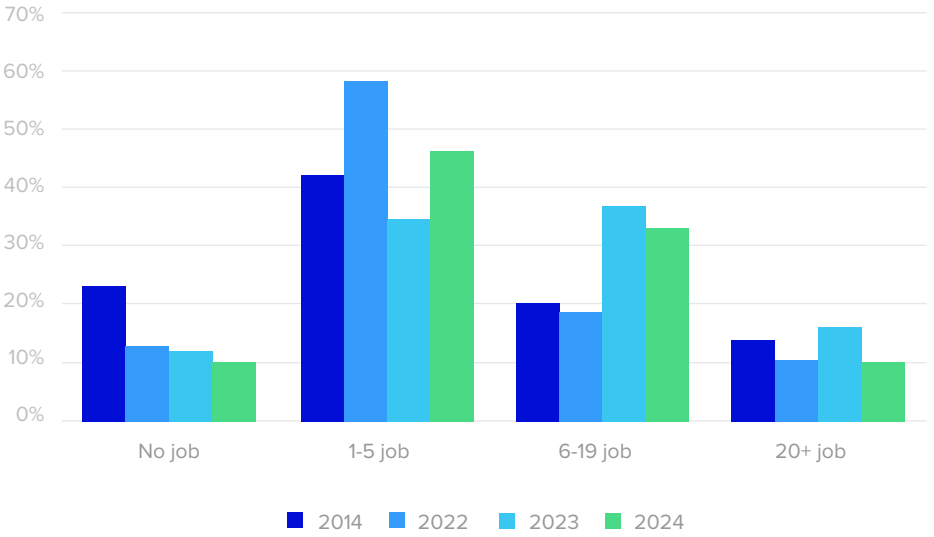


Figure 2.11. Expected Job Creation among Established Business Owners in Lithuania, 2014, 2022–2024 Share of Established Business Owners projecting to create no jobs, 1–5 jobs, 6–19 jobs, or 20+ jobs over the next five years

Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014, 2022–2024.

Employment expectations among established businesses reflect some tempered optimism. While large-scale expansion remains rare, the rising share anticipating moderate job growth signals a shift from pure risk aversion toward measured ambition. This trend suggests that, even in a landscape shaped by stability, there is a quiet reactivation of growth intent – likely driven by adaptive strategies rather than aggressive scaling.

Taken together, the data on job creation reveal an entrepreneurial ecosystem marked by measured ambition rather than bold expansion. While early-stage entrepreneurs in Lithuania are increasingly signaling a growth intent, particularly in the higher job bands, established businesses remain cautious, by favoring stability over scale. The evolving distribution of expectations points to gradual progress, but realization of a more substantial employment impact will depend on reducing business discontinuation and enabling more businesses to move beyond the initial survival toward sustainable, scalable growth.

Summary

Lithuania's entrepreneurial footprint in 2024 reveals a service-led and domestically oriented ecosystem, gradually shifting toward greater innovation and technological adoption. Consumer-facing sectors remain dominant, with 57% of early-stage entrepreneurs active in retail, hospitality, healthcare, or education. In contrast, capital- and resource-intensive sectors – including agriculture, manufacturing, and construction – account for only a small share of activity, underscoring structural asymmetries in market entry. Nevertheless, selective rebounds in energy and logistics signal early signs of renewal, aligned with broader sustainability and infrastructure priorities. Innovation patterns suggest cautious progress. The majority of entrepreneurs continue to focus on refining the already existing ideas, but the share introducing products or services new to the national market has increased to 13.6%, up from 12.2% in 2023. Still, only 2–3% of the offerings are considered 'new to the world', and technological innovation consistently trails behind product innovation. This indicates a stronger emphasis on customer-facing differentiation than on backend transformation.

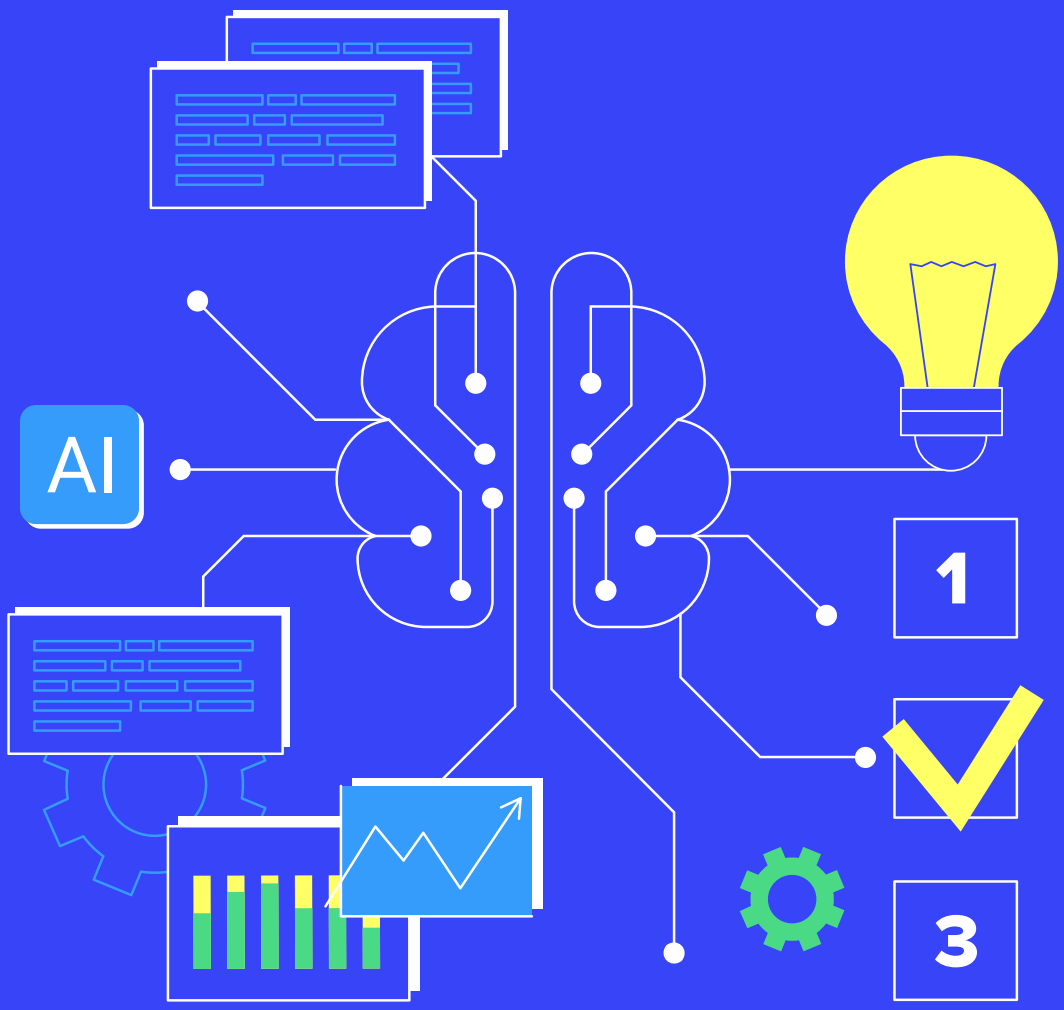
Technology adoption among entrepreneurs continues to evolve unevenly. While 27% of early-stage businesses planned to increase their use of digital tools in 2024, the adoption of artificial intelligence remains limited, with just 14% rating it as very important to their strategy. Medium–high-tech engagement is increasingly concentrated among established firms, which are now outpacing early-stage businesses in this area. These divergences suggest differing growth trajectories and also reflect persistent barriers to advanced technology uptake among the newer firms.

Lithuanian targeted market scope remains modest. Compared to other high-income economies, Lithuanian entrepreneurs are less likely to target international markets, by focusing predominantly on local or national customer bases. However, job creation ambitions are rising: in 2024, over 30% of early-stage entrepreneurs projected hiring 10 or more employees, which is the highest share recorded in the past decade. Established business owners, by contrast, maintain a more conservative stance, with most expecting minimal or no staff growth.

Together, these trends portray an entrepreneurial ecosystem in gradual transition – active, increasingly digital, and cautiously innovative, yet still facing barriers to global reach and a transformative scale. Closing these gaps will be key to ensuring that Lithuania's entrepreneurial potential delivers durable economic value.

CHAPTER 3

ENTREPRENEURIAL ATTITUDES, ASPIRATIONS, AND CAPABILITIES



Sandra Gabrielė Vileito

Sandra spends her days at Vilnius University Business School as Chief Marketing Officer, planning and running the school's marketing. In **2024** she launched **Alter Ego**, a podcast built to help listeners navigate career choices with clearer intent.
Each episode rewinds the guest's story to childhood, follows the pivots and mindset shifts that forged their journeys, and lands on the principles that guide them today.
This approach resonated well in Lithuania's competitive podcasts market, Alter Ego averaged 18 000 YouTube views per episode during its first year. It became evident that the straightforward and courageous storytelling appeals to a broader audience beyond just the university's alumni community.

Dozens of interviews have revealed twin truths. First, entrepreneurial potential in Lithuania is high, but fear of failure and thin mentoring networks still hold fresh ideas in check. Second, a new flavour of enterprise is forming—purpose-driven, emotionally intelligent, and openly collaborative.

Sandra calls it "bold authenticity," and Alter Ego captures its emergence in real time. Listeners write to say a conversation made them feel understood, rethink a stalled plan, or finally step into action—the reflective space she set out to build.
One guest's confession that Sandra will always remember is:

"The only mistake I made was thinking too much. Spend less time perfecting the plan and more time doing."

Across every story, Sandra consistently hears the same message: disciplined action, powered by a quiet faith in the journey, beats overthinking every time.

Entrepreneurship is not only shaped by institutions and markets but also by how individuals perceive the risks and rewards of starting a business. Societal attitudes toward entrepreneurship can significantly influence entrepreneurial activity. Equally critical is the degree to which individuals perceive themselves as capable of identifying entrepreneurial opportunities and having the capability to turn those opportunities into viable businesses. This chapter explores these foundational elements of Lithuania's entrepreneurial ecosystem, drawing on GEM survey indicators of public sentiment, entrepreneurial confidence, and perceived capabilities.

Societal attitudes toward entrepreneurship in Lithuania remain broadly positive, though the results for 2024 point to a mild retreat from the peak optimism observed in the previous year (see Figure 3.1). 70.8% of Lithuanian adults viewed entrepreneurship as a desirable career – which is way down from the 78.8% score in 2023, but still above the 68.5% mark reported a decade earlier.

Perceptions of the entrepreneurial status followed a similar trajectory, peaking at 65.2% in 2023 before settling at 59.0% this year. In contrast, media attention continues to rise: 75.1% of respondents report frequent exposure to success stories about entrepreneurs, which marks a 20-percentage-point increase since 2014. These trends suggest that although the public sentiment toward entrepreneurship remains favorable, it has moderated from the high levels recorded in 2023.

Perceptions of the ease of starting a business in Lithuania have improved in recent years, though challenges remain. The share of adults who believe it is easy to start a business rose from 36.2% in 2022 to 42.3% in 2023, before stabilizing at 40.9% in 2024. Still, a majority (59.1%) continue to view startup procedures as difficult. Taken together, these results suggest a gradually improving – but still ambivalent – public view of the regulatory and procedural environment. Compared to a decade ago, however, the societal context for entrepreneurship appears significantly more supportive.

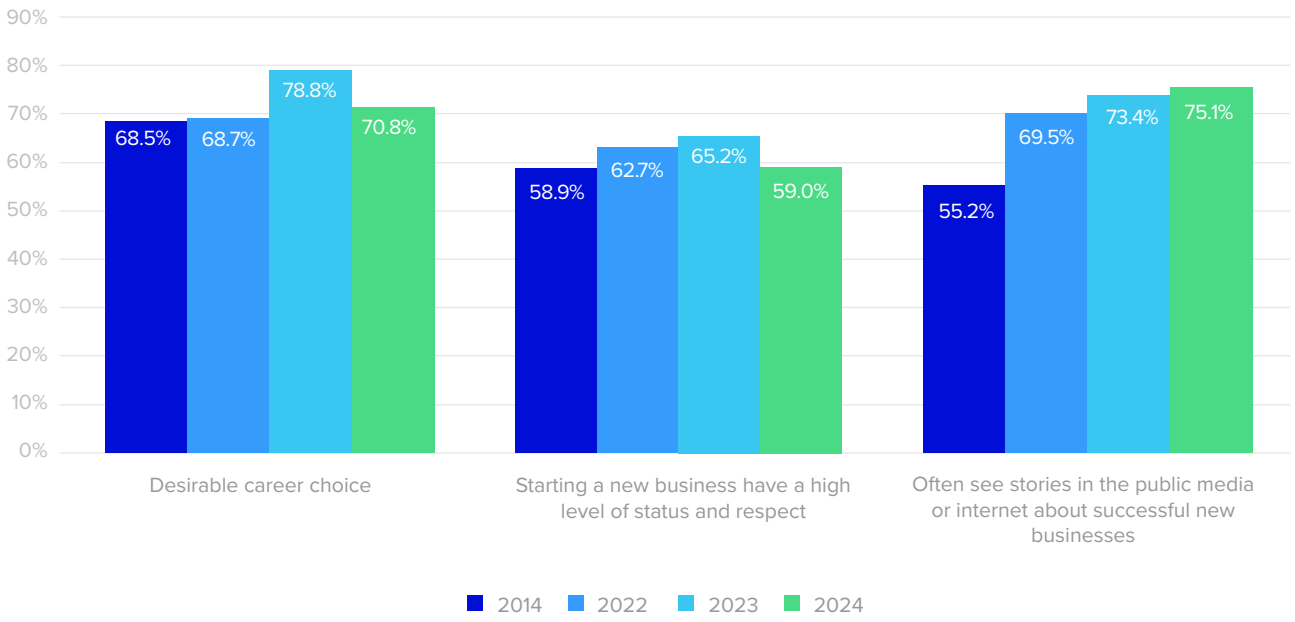


Figure 3.1. Societal Attitudes toward Entrepreneurship in Lithuania, 2014–2024
Share of adults who view entrepreneurship as a desirable career, associate it with high status, or frequently encounter media coverage of entrepreneurial success
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014–2024.

While desirability and the perceived status have fluctuated, the steady rise in media coverage shown in Figure 3.1 suggests that entrepreneurship is becoming more embedded in the cultural narrative – which is a factor that may help stabilize broader public attitudes in the years ahead.

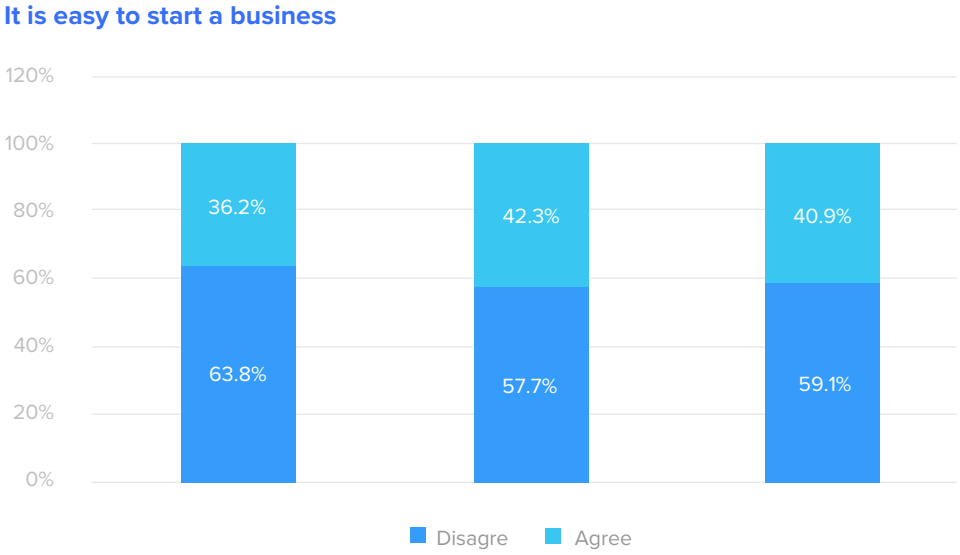


Figure 3.2. Perceived Ease of Starting a Business in Lithuania, 2022–2024 Share of adults who agree or disagree that it is easy to start a business

Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2022–2024.

While perceptions of startup ease have improved, the persistence of negative responses points to deeper structural challenges. Shifts in the public sentiment often trail behind policy reforms, suggesting that an improvement of the visibility and accessibility of support systems may be as important as the reforms themselves. Addressing the perceived barriers will require not only institutional change, but also more tangible signals that entrepreneurship is accessible in practice, and not just theoretically, in principle.

Self-perceptions of the entrepreneurial potential in 2024 reflect a blend of confidence and caution. Following a record high in 2023, the share of adults who perceive good opportunities in starting a business within the next six months declined to 50.8%, down from 62.1%. Despite this drop, the indicator remains well above both the level of 2022 (40.2%) and the baseline of 2014 (30.2%), suggesting a lasting structural improvement in opportunity recognition (Figure 3.3).

Perceived entrepreneurial capability has remained comparatively stable. In 2024, 55.7% of adults reported having the knowledge, skills, and experience to start a business, which is just below the high point recorded in 2023 (57.8%), and which is significantly above the previous years, including 2022 (49.6%) and 2014 (31.6%).

The sharpest shift in 2024 appears in the segment of a fear of failure among opportunity recognizers, which rose to 48.0%, and which went up from an all-time low of 34.7% in 2023 and exceeded the earlier benchmarks set up in 2014 (46.4%) and 2022 (46.6%). This rebound may reflect rising uncertainty linked to geopolitical pressures, cost inflation, or the visibility of business closures. Taken together, these findings portray a population that continues to identify entrepreneurial openings and feels increasingly equipped to act on them, and yet is more restrained by risk-related concerns than in the previous year.

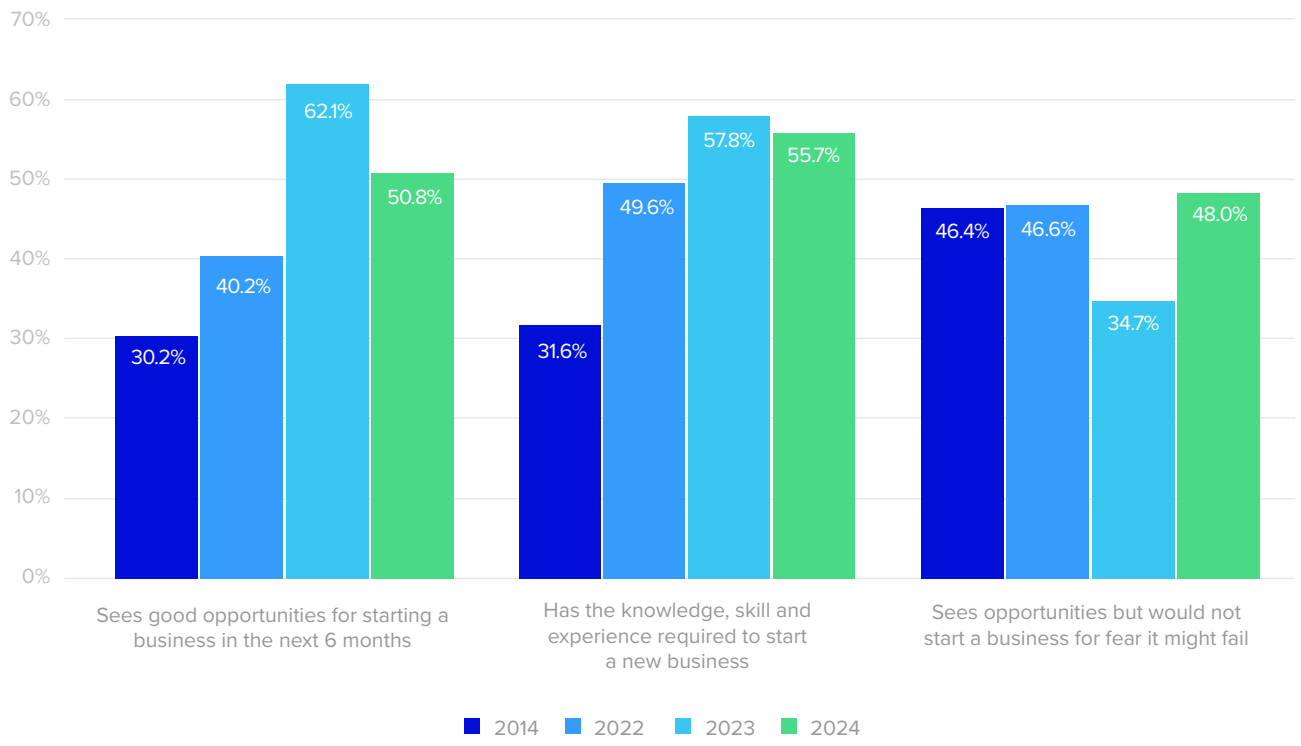


Figure 3.3. Entrepreneurial Opportunity Perception, Capability, and Fear of Failure in Lithuania, 2014–2024
Share of adults who (1) see good opportunities to start a business in the next six months, (2) believe they have the knowledge and skills to do so, or who (3) would not start a business due to fear of failure
Source: Global Entrepreneurship Monitor (GEM) Adult Population Survey, Lithuania, 2014–2024.

Summary

In 2024, Lithuania's entrepreneurial landscape is marked by strong societal support and sustained belief in personal startup potential. While perceptions of opportunity have eased from the last year's high point, most indicators remain well above the pre-2020 levels, suggesting long-term shifts in the mindset.

Notably, perceived capability remains stable, yet a fear of failure has risen sharply, and it is now exceeding pre-pandemic benchmarks. This contrast points to a growing awareness of external risk(s), even among those who feel prepared to act. Going forward, entrepreneurial engagement may depend less on confidence alone and more on the perceived feasibility of navigating an increasingly uncertain environment.

Taurimas Valys

Thirteen years ago, brothers Taurimas and Žygimantas Valys identified a gap in Lithuania's retail-banking market, believing that traditional players had become disconnected from their customers. In response, the family launched Šeimos kredito unija, a mutual bank that now offers the full suite—deposits, loans, mortgages, cards and e-banking—while keeping member ownership at its core.

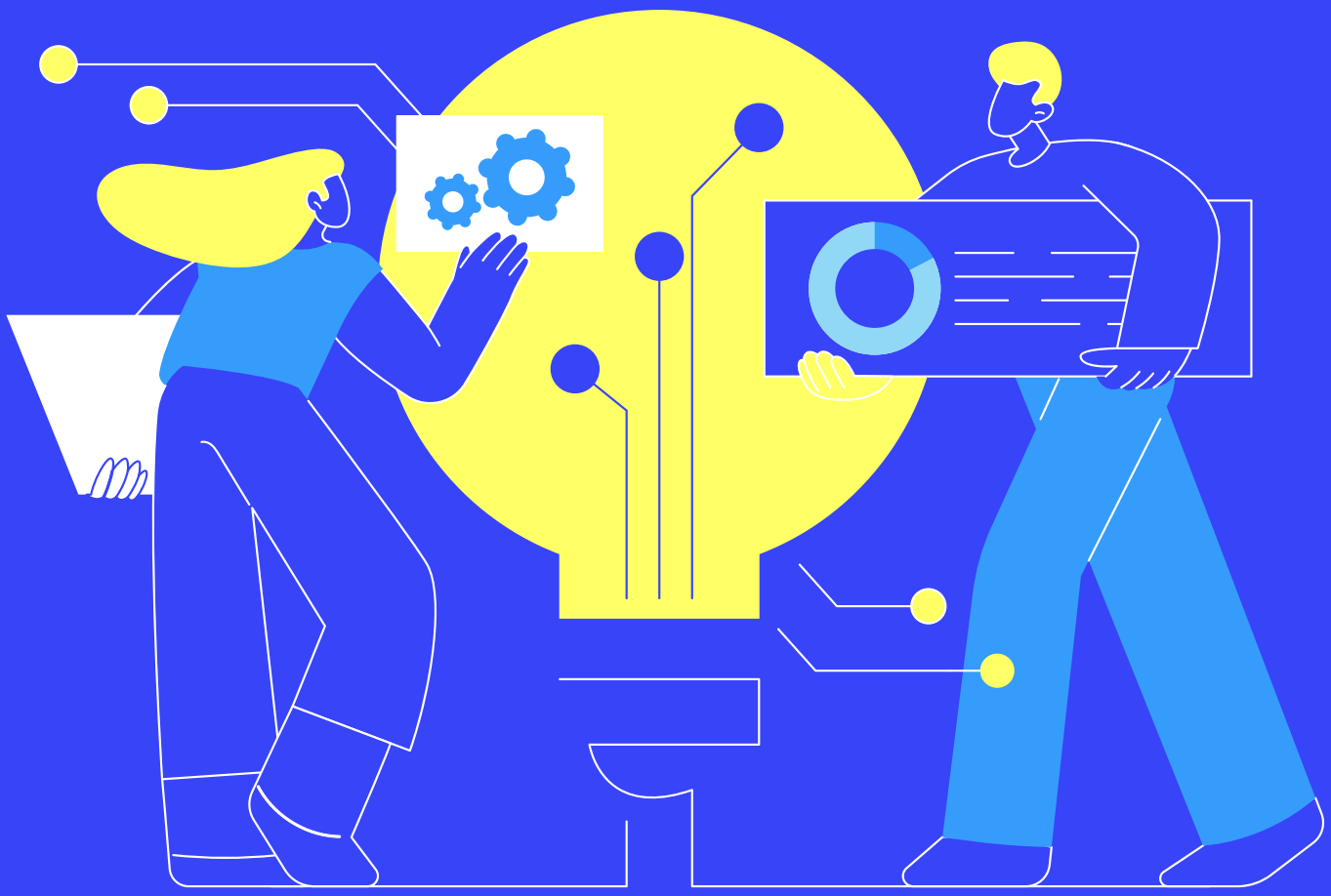
The first major pivot came when the credit union joined Lithuania's Central Credit Union network, which allowed it to achieve greater scale and liquidity. The most challenging period came with the onset of COVID-19, but the bigger test arrived right after—hyper-inflation risk. Careful asset-liability balancing kept the institution solid.

A major milestone was reached when Šeimos Kredito Unija surpassed €100 million in assets, propelling it into the top five credit unions in Lithuania. Today Žygimantas Valys serves as Chairman and CEO, while Taurimas, Executive Board Member and CBO.

Advice for 2025 founders:
"The only person who never makes mistakes is the one who never does anything."

CHAPTER 4

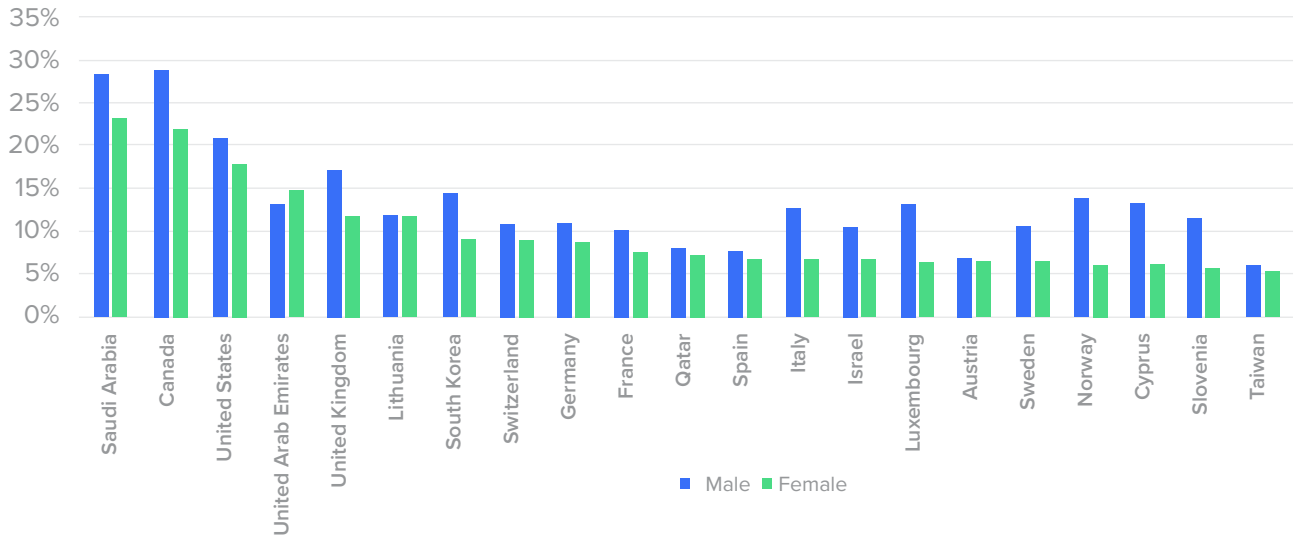
GENDER DYNAMICS IN ENTREPRENEURSHIP



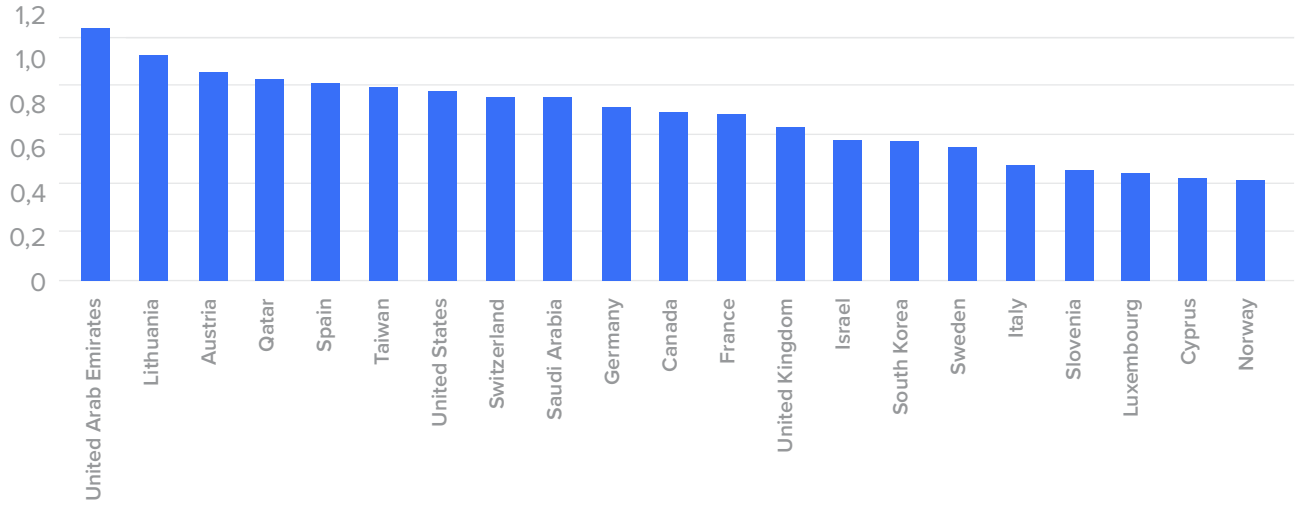
Globally, women are continuing to play a critical but uneven role in entrepreneurship. Although progress has been made in many high-income economies, systemic disparities persist in both opportunity and outcome. Lithuania stands out with one of the highest female-to-male entrepreneurship ratios among its income group, and ranks second only to the United Arab Emirates. Yet, this headline achievement masks a more complex reality: women in Lithuania are increasingly active at the nascent stage of business creation, but their representation drops sharply as businesses mature. This chapter examines the structural, perceptual, and motivational factors shaping gender dynamics across the entrepreneurial life cycle in Lithuania, and situates these trends within the global patterns of entrepreneurial engagement.

Gender parity in early-stage entrepreneurship represents a notable and encouraging trend in Lithuania. In 2024, the TEA rate among women reached 11.7%, which is virtually equal to the male rate of 11.6%. This degree of parity is rare among high-income economies, where women typically remain significantly underrepresented. Lithuania's TEA gender ratio at 1.01 is among the highest in its income group and places the country alongside only a few others, such as the United Arab Emirates and Austria (see Figure 4.1B) in terms of approaching a balanced engagement. While this suggests that systemic barriers to entry may be receding, it also invites careful interpretation.

Numerical equality in entry rates does not necessarily imply equality in opportunity, entrepreneurial conditions, and/or long-term outcomes. A sharp year-on-year rise in female nascent entrepreneurship (from 5.1% to 10.5%) may reflect both an increased access and a heightened necessity – such as a response to the labor market precarity. In contrast to the broader global patterns where male-led businesses dominate early-stage dynamics, Lithuania appears to have reached a threshold of numerical equality at the point of entry. However, as comparative figures in the following section illustrate, this balance rarely holds as businesses go down the lane of maturation. Situating Lithuania within this international landscape is critical: it highlights both the distinctiveness of its current achievement and the structural vulnerabilities it shares with peer economies. In this light, the data not only underscore the national progress but also raise important questions about the long-term inclusion and entrepreneurial sustainability for women.



A. Total Early-stage Entrepreneurial Activity (TEA) by gender (% of adult population)

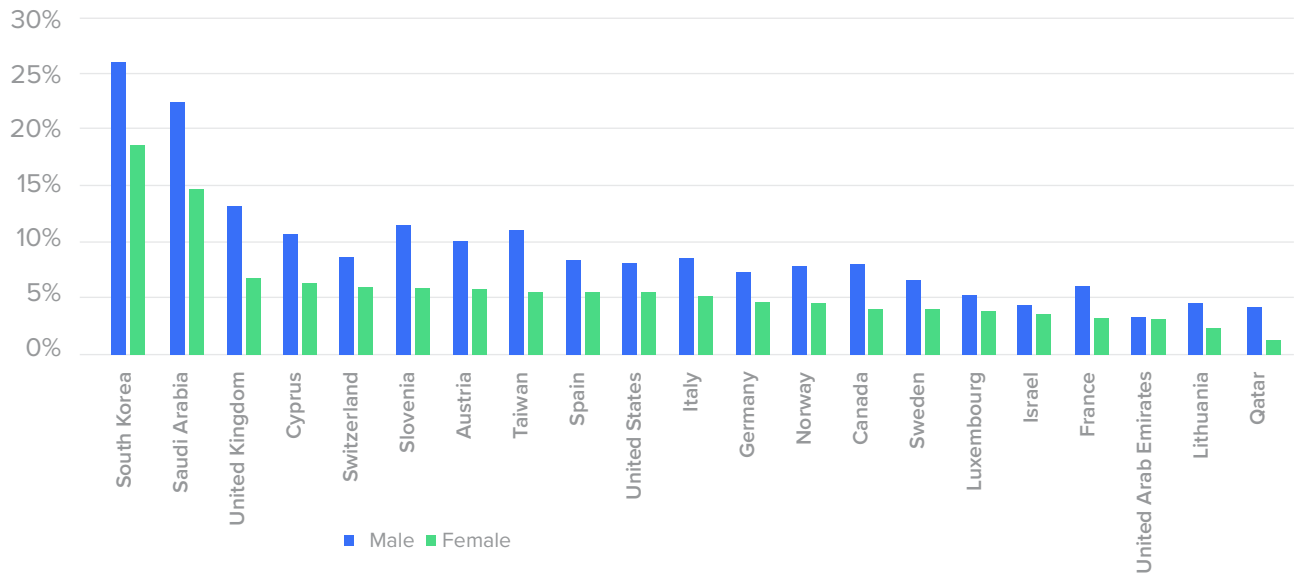


B. TEA Gender Ratio (Female/Male)

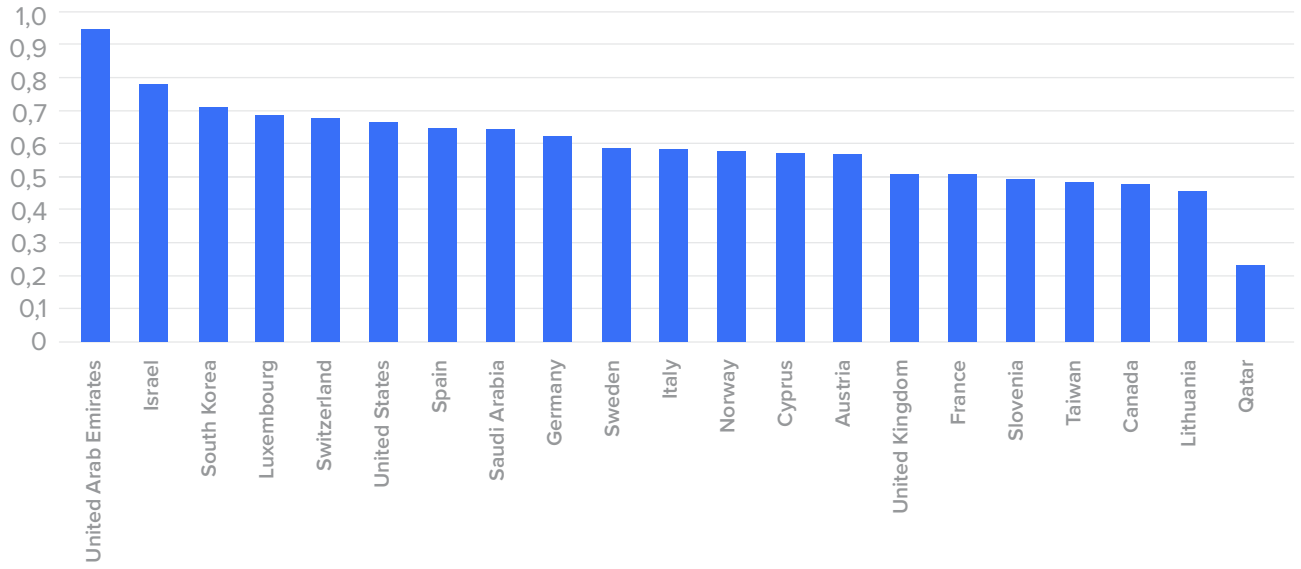
Figure 4.1. Gender Gaps in Early-Stage Entrepreneurial Activity in High-Income Economies, 2024
Source: Global Entrepreneurship Monitor (GEM), 2024

A closer look at EBO in Lithuania reveals a narrowing of the entrepreneurial pipeline that disproportionately affects women (see Figure 4.2). In 2024, just 2.0% of women were owners of established businesses, compared to 4.4% of men. This shift is not simply a continuation of earlier patterns, but it rather marks a distinct point of attrition, where gender gaps widen rather than close. The EBO gender ratio, at 0.45, reflects a substantial imbalance: for every two male owners of mature businesses, there is only one woman. This divergence highlights the structural dynamics that shape entrepreneurial endurance.

While early-stage participation may benefit from visibility and targeted support, the mechanisms that enable firms to consolidate – such as an access to long-term capital, industry networks, and advisory infrastructures – are often less transparent and less accessible to women. In Lithuania, as in many high-income economies, early engagement does not yet guarantee continued presence. As shown in Figure 4.2, the challenge is not only to broaden entry but to strengthen the conditions that support lasting and scalable entrepreneurial activity for all.



Panel A: Established Business Ownership (EBO) by gender (% of adult population)



Panel B: EBO Gender Ratio (Female/Male)

Figure 4.2. Gender Gaps in Established Business Ownership in High-Income Economies, 2024
Source: Global Entrepreneurship Monitor (GEM), 2024

Public attitudes toward entrepreneurship in Lithuania remain broadly positive and stable across gender lines (see Figure 4.2). In 2024, 71% of men and 70% of women view entrepreneurship as a desirable career choice, and 75% of both genders report frequently encountering stories of entrepreneurial success in the media, which serves as an indicator of cultural visibility and social validation. However, perceptions of prestige associated with entrepreneurship have declined slightly from their peak recorded in 2023, with 60% of men and 58% of women agreeing that starting a business brings an elevated status and respect.

Beneath this general optimism, however, a subtler form of gender disparity persists, particularly in perceptions of the administrative burden. The belief that 'it is easy to start a business' has continued to rise among men, reaching 45% in 2024, while falling among women to 36.8%.

This reversal of the last year's narrowing gap suggests that policy efforts or media narratives aimed at streamlining entrepreneurship may be resonating unevenly. While legal or regulatory barriers may be formally identical, women's lower perceived ease could reflect a disproportionate exposure to hidden frictions, such as gendered interactions with bureaucracy, competing domestic and caregiving responsibilities, or a weaker access to informal support networks. As such, while interest in entrepreneurship appears to be equitably distributed, the perceived feasibility remains gendered, pointing to deeper experiential asymmetries which shape the way how opportunity is internalized. These trends are visualized in Figure 4.3, which shows the widening gap in the perceived ease of starting a business by gender from 2022 to 2024.

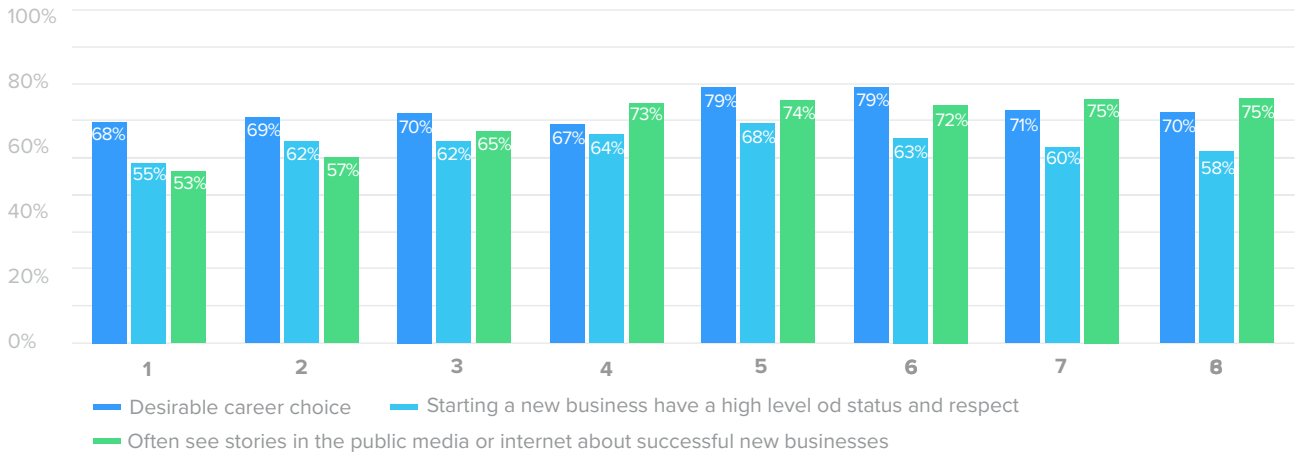


Figure 4.3. Societal Attitudes toward Entrepreneurship by Gender in Lithuania, 2014–2024
Percentage of population aged 18–64 who agree with each statement
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2014–2024.

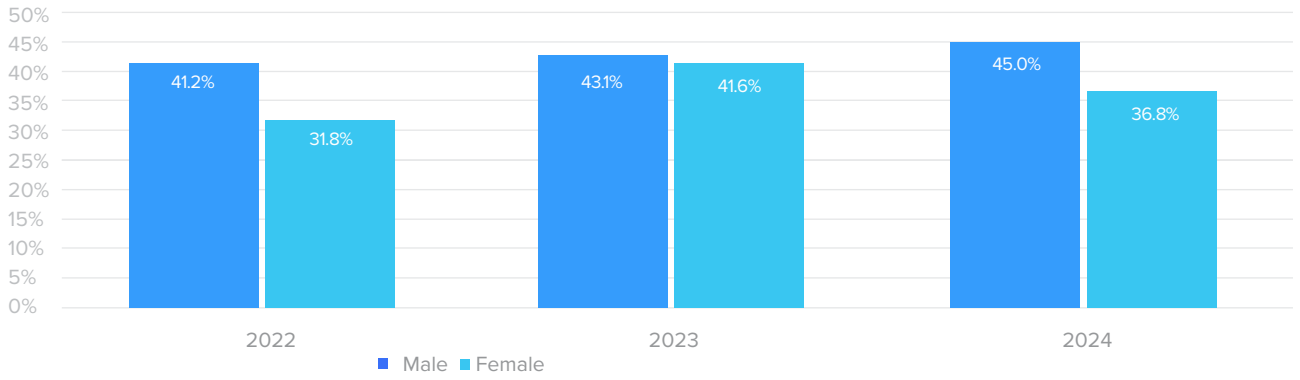


Figure 4.4. Perceptions of Ease of Starting a Business by Gender in Lithuania, 2022–2024
Percentage of population aged 18–64 who agree that it is easy to start a business
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2014–2024.

Lithuanian adults continue to exhibit high levels of entrepreneurial self-confidence, though the 2024 data suggest a more complex picture of shifting perceptions (see Figures 4.5 and 4.6. In terms of opportunity recognition, 54% of men and 48% of women report seeing good prospects for starting a business in the next six months; these are levels that remain robust but slightly below the post-pandemic highs of 2023. Similarly, 59% of men and 52% of women believe that they possess the necessary knowledge, skills, and experience to launch a business, and these figures have remained largely stable over the past year.

The most notable change appears in the segment of perceived risk. The fear of failure, which had fallen to multi-year lows in 2023, rose sharply in 2024 to 49% among men and to 47% among women. Although still below the peak levels seen a decade earlier, this rebound likely reflects the return of macroeconomic uncertainty, including inflationary pressures and geopolitical tensions, which weigh heavily on early-stage decision-making.

Despite this increased caution, entrepreneurial intention has strengthened. Among the non-entrepreneurial population, 22.0% of men and 18.8% of women express an intention to start a business within the next three years. This recovery reverses the decline seen in 2023 and brings Lithuania closer to its 2014 benchmarks. Taken together, these indicators point to a population that remains motivated to pursue entrepreneurial opportunities, while becoming more cautious and attuned to the structural risks and uncertainties involved.

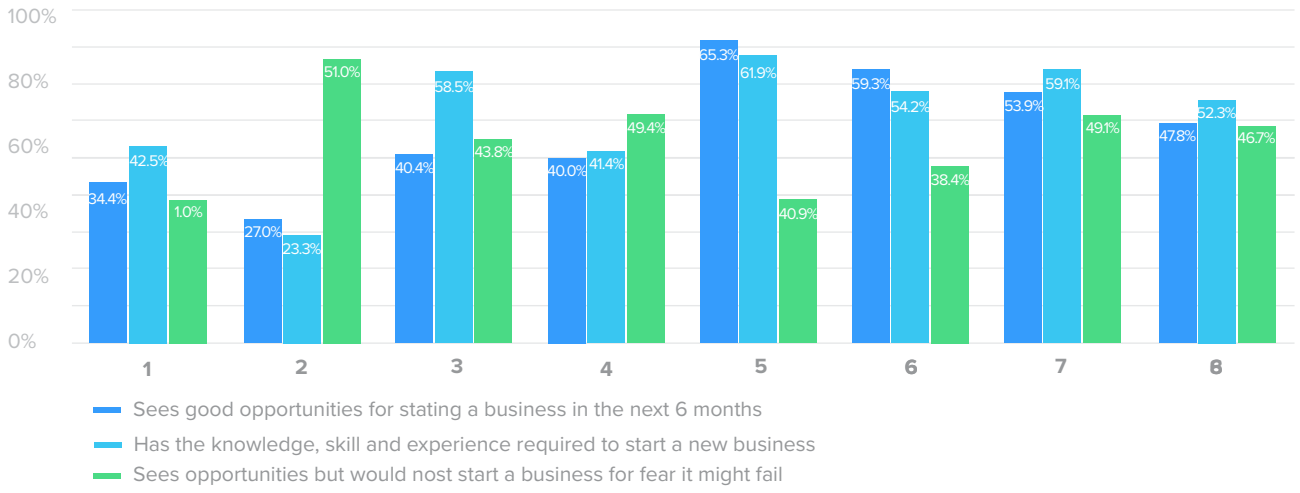


Figure 4.5 Entrepreneurial Self-Perceptions by Gender in Lithuania, 2014–2024
Share of population aged 18–64 who report: seeing good business opportunities, having the capabilities to start a business, or fear of failure preventing them from starting a business
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2014–2024.

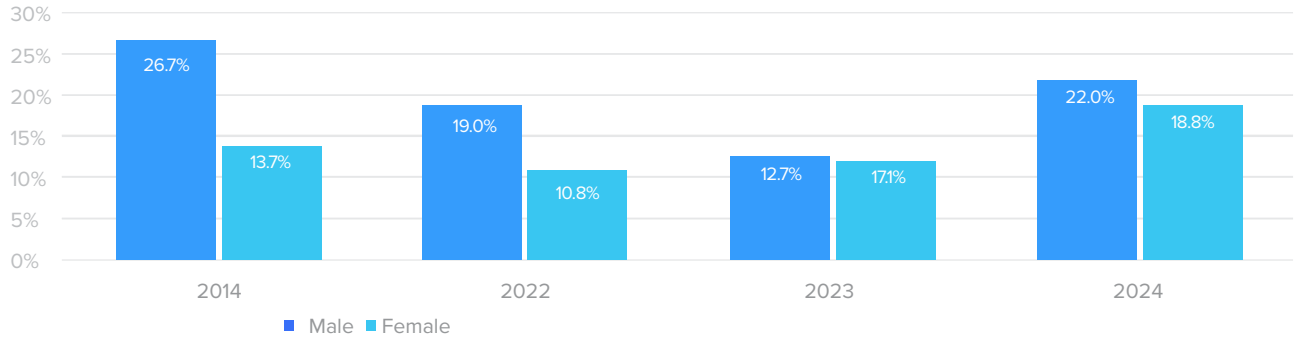
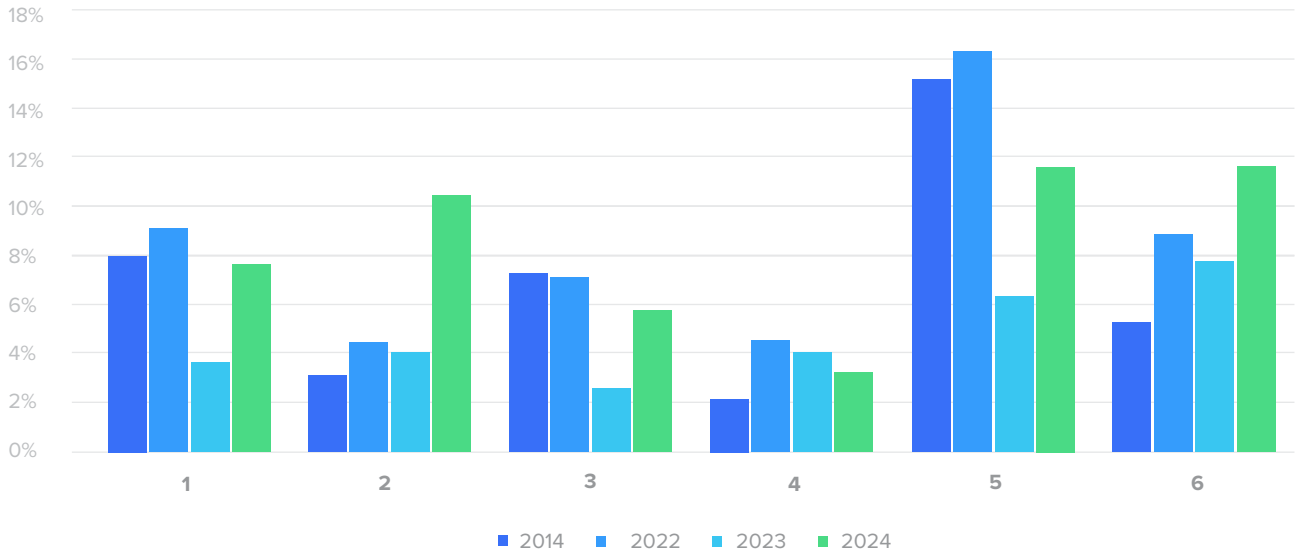


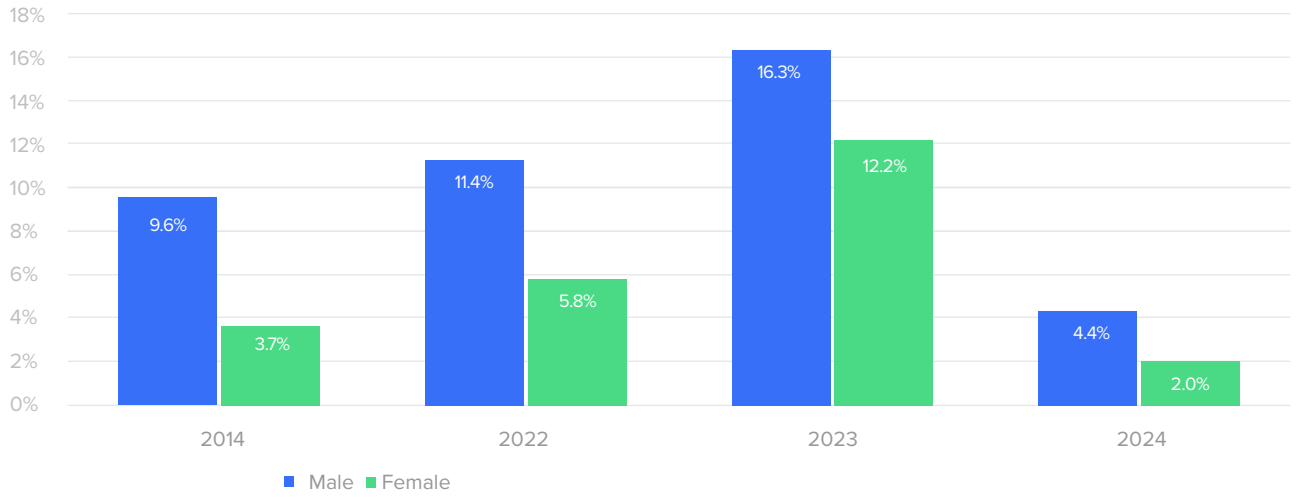
Figure 4.6 Entrepreneurial Intentions by Gender in Lithuania, 2014–2024
Share of non-entrepreneurial population aged 18–64 who intend to start a business within the next three years
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2014–2024.

This momentum, largely driven by the recent surge in female nascent entrepreneurship, reveals how gender inclusivity at entry continues to improve. This shift is largely attributable to a marked increase in female nascent activity, which now exceeds that of men (10.5% vs. 7.7%), suggesting a growing momentum in early-stage engagement (see Figure 4.7A1). However, this momentum diminishes as businesses mature. The share of women operating baby businesses (3–42 months old) remains considerably lower than the share of their male counterparts (3.2% vs. 5.8%), and the gap widens further at the stage of established ownership.

These trends point not only to gender-based attrition but also to possible cohort effects, suggesting that the recent gains in female entrepreneurial entry may not yet have had time to translate into sustained ownership at later stages. Nonetheless, the data also raise questions about institutional durability: whether the current ecosystem offers sufficient structural supports – such as mentorship, reinvestment capital, or network access – to ensure that the recent gains are retained over time. As the entrepreneurial landscape evolves, tracking the movement of nascent and baby businesses across gender lines will be key to understanding whether today's early-stage inclusivity can become tomorrow's sustained equity.



Panel A1: TEA rates by gender, disaggregated into nascent and baby businesses (2014, 2022–2024)



Panel A2: EBO rates by gender (2014, 2022–2024)

Figure 4.7. Gender Distribution across Early-Stage and Established Business Ownership in Lithuania, 2014–2024
Share of adult population (18–64) by gender participating in nascent, baby, and established businesses
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2014–2024.

The divergence in TEA and EBO ownership illustrates a critical transition gap in the entrepreneurial lifecycle. It suggests that, although inclusion at the point of entry has improved, women face greater structural and institutional obstacles as their businesses are going toward maturity. Challenges such as a limited access to scale up the finance, overrepresentation in lower-growth sectors, and fewer strategic growth networks disproportionately affect female-led businesses. Moreover, women are more likely than men to exit businesses voluntarily, for instance, due to employment shifts or personal obligations, thus highlighting how entrepreneurial continuation is shaped not only by market forces, but also by gendered opportunity costs and support environments. This widening gap between early-stage engagement and established ownership underscores the need for ecosystem strategies that extend beyond the entry support and address the specific barriers which women face in sustaining and growing their businesses.

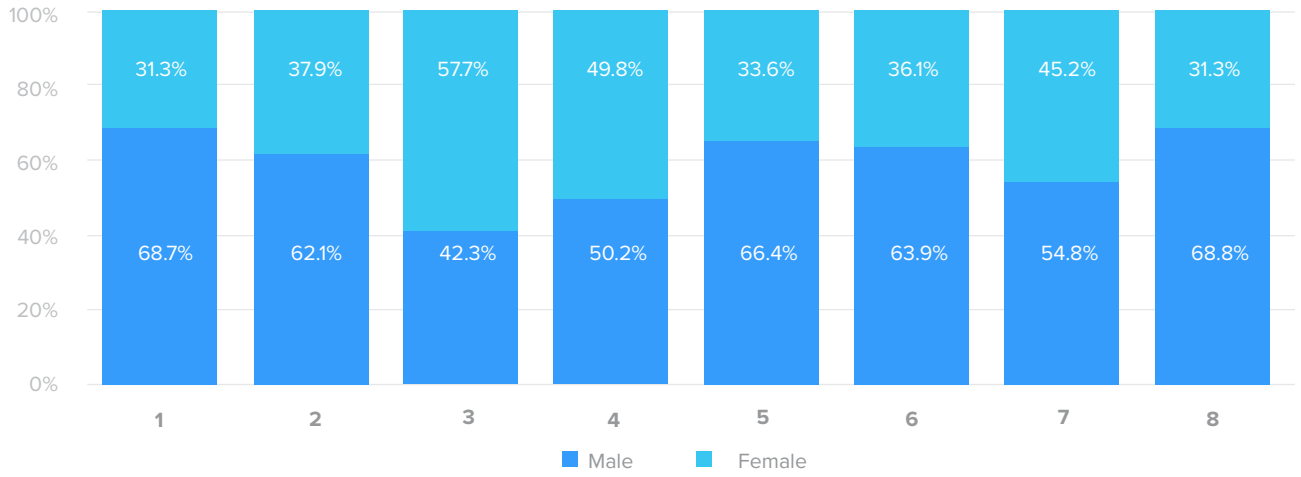


Figure 4.8. Gender Share in Early-Stage and Established Business Ownership in Lithuania, 2014–2024
Percentage of TEA and EBO participants by gender. Data reflect the shifting distribution of male and female entrepreneurs across the business lifecycle
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2014–2024.

Some of the divergence between early-stage engagement and business consolidation may be rooted in different motivations for pursuing entrepreneurship. Motivational patterns among early-stage entrepreneurs in Lithuania reveal persistent gender asymmetries in the rationale for business creation In 2024, the leading driver for both men and women were necessity: 79.8% of women and 62.6% of men reported starting a business to earn a living due to scarce job opportunities (see Figure 4.9). This points to a labor market context in which entrepreneurship serves as a buffer against employment insecurity. Yet, beyond this shared constraint, divergent aspirational profiles emerge. More than half of male entrepreneurs (51.3%) reported seeking to build great wealth or high income, compared to just 63.2% of women, which is a sharp increase from the previous year. In contrast, value-driven motives have gained ground among women: 49.5% now cite the desire to 'make a difference in the world' as a key reason for starting a business, which attests to a steadily rising trend since 2022. These patterns suggest that, while both economic and expressive motives coexist, women in Lithuania may be pursuing entrepreneurship not only to secure livelihoods, but increasingly as a platform for social contribution and purpose. The tension between necessity and aspiration may partly explain why female-led businesses, though abundant at the entry stage, face distinct barriers to consolidation and long-term sustainability.

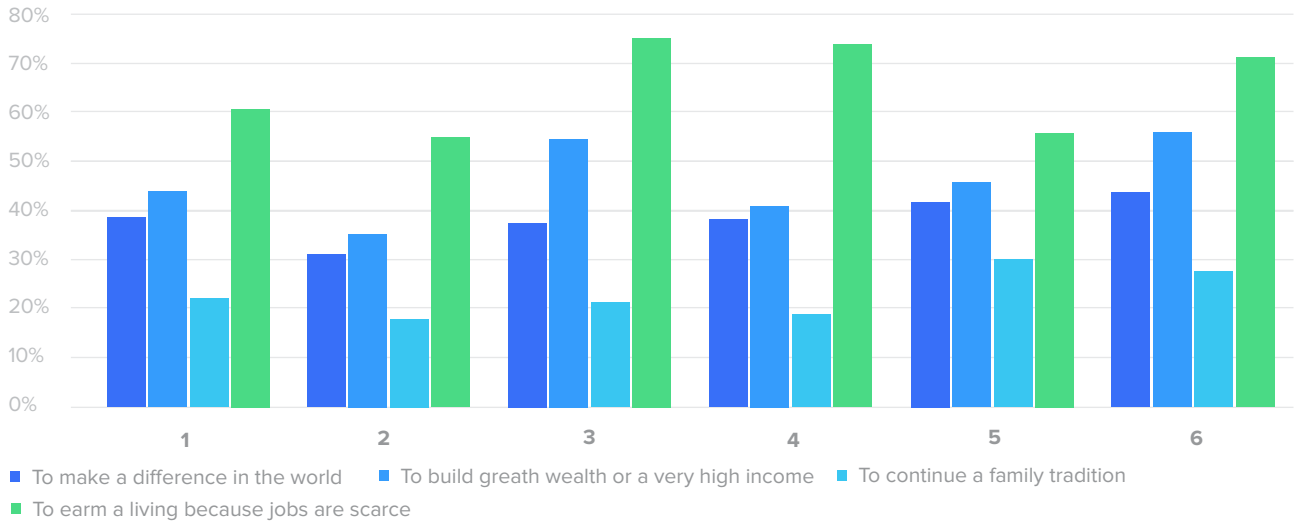


Figure 4.9. Motivational Drivers for Starting a Business by Gender in Lithuania, 2022–2024
Share of early-stage entrepreneurs (TEA) aged 18–64 who cited specific motivations for business creation. Multiple responses allowed
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

Business discontinuation in Lithuania surged in 2024, reaching the highest level recorded over the past decade. A total of 7.3% of men and 7.0% of women reported having closed or transferred a business in the preceding 12 months, which is more than triple the levels reported in 2023 (see Figures 4.10 and 4.11. While headline rates are now nearly identical across genders, the underlying reasons for exit diverge significantly, pointing to distinct structural and behavioral patterns.

Among men, the dominant reason for discontinuation was the financial aspect: nearly 30% cited lack of profitability as the primary cause. By contrast, only around 18% of women pointed to profitability concerns. Instead, women were more likely to exit voluntarily, often citing the pursuit of alternative employment or the intention to start a different business.

This suggests that, while men tend to exit under financial stress, women demonstrate comparatively greater labor market and entrepreneurial mobility – by responding to external opportunities or strategically reorienting their entrepreneurial goals. Additionally, funding constraints were cited by 11% of men but only by 8% of women, reinforcing the idea that financial pressure weighs more heavily on male-owned businesses, at least at the point of closure.

Together, these findings indicate that, although discontinuation is increasing across the board, the gendered pathways into and out of entrepreneurship remain distinct, and they are shaped not only by business outcomes, but also by broader differences in employment flexibility, financial exposure, and strategic intent.

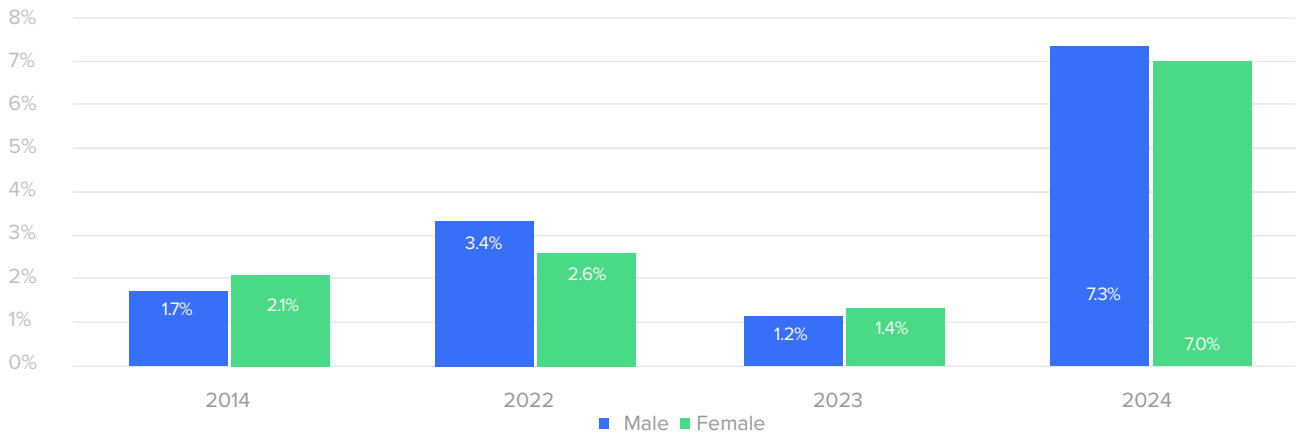


Figure 4.10. Business Discontinuation Rates by Gender in Lithuania, 2014–2024
Share of adult population (18–64) who reported discontinuing a business in the past 12 months
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2014–2024.

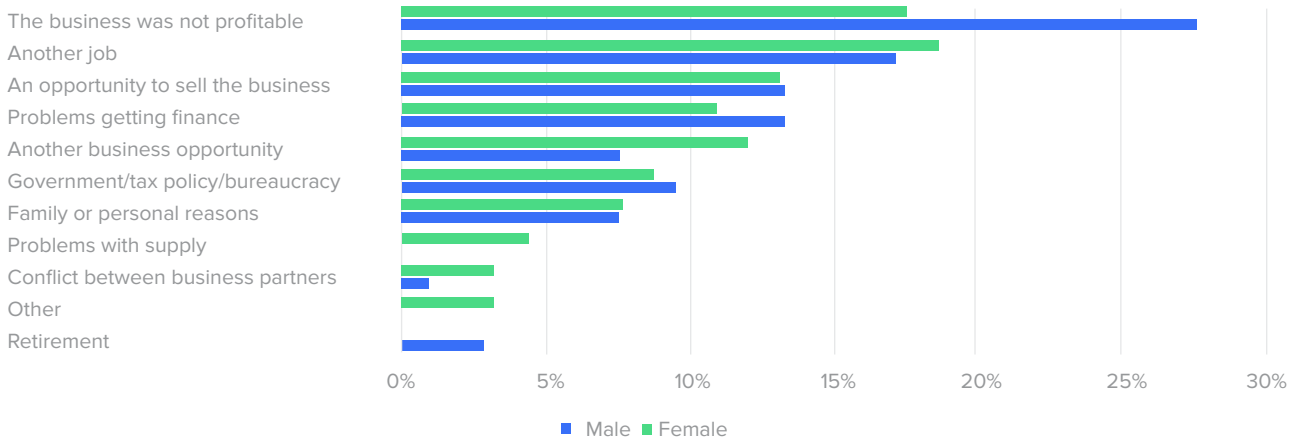


Figure 4.11. Reasons for Business Discontinuation by Gender in Lithuania, 2024
Share of respondents aged 18–64 who reported specific reasons for discontinuing business activity in the past 12 months. Multiple responses allowed
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2024.

Rapolas Sausaitis

Rapolas Sausaitis never planned to run three hospitality brands, but a weekend side-job behind a pop-up bar changed his path. What began as “Trendy bar,” a portable bar service for hire at private and corporate events, soon felt bigger than a Saturday hustle. The real turning point came when Rapolas and his co-founder decided to quit their day jobs and fully dedicate themselves to the project, transforming casual bookings into a steady stream of events.

Expansion followed the same hands-on logic. Observing growth in the neighborhood where Trendy Bar's prep kitchen was located, Rapolas opened "Trendy Pizza" three years ago, leveraging his previous experience as a pizzeria employee. He then added Baroprekes.lt, an online shop for bar equipment, completing a simple mission: to serve drinks, provide food, and supply the necessary tools.

The toughest period hit during Covid-19 pandemic. Corporate parties—Trendy bar’s main revenue line—were the first budget item clients cut. Event volumes plummeted, and it took “several years” to return to pre-pandemic levels. Rapolas credits survival to tight cost control and the fact that the team had already learned to operate lean.

the fact that the team had already learned to operate lean.

According to Rapolas, there is no single “rocket-ship” milestone. Every positive client review—a wedding party praising the custom cocktail menu, an office thanking them for seamless service—is the moment that keeps the team sure they are on track. The results speak for themselves: today the company caters 400–450 events per year, more than one every day.
Advice for first-time Lithuanian founders (2025):

“Don’t be afraid to fully commit and believe in the success of your project.”

Rapolas now leads the portfolio under UAB Bar Advisor, proving that steady execution can turn a weekend idea into one of Lithuania’s busiest hospitality engines.

Sectoral segmentation among early-stage entrepreneurs in Lithuania remains distinctly gendered, reflecting deeper structural and cultural patterns in the national economy. Male entrepreneurs continue to dominate capital- and technology-intensive industries, accounting for 71% of new businesses in mining and construction, 70% in transport and storage, and 100% of all new firms in information and communication technologies (ICT), which serves as a striking indicator of women's continued exclusion from the country's most innovation-driven sector. Men also hold the majority in wholesale trade (55%) and finance and real estate (57%) startup sectors (see Figure 4.12).

In contrast, women are disproportionately overrepresented in socially oriented and consumer-facing fields. They lead 75% of new businesses in agriculture, and form majorities in education, health, and social services (64%), as well as retail and hospitality (55%). Even in professional and administrative services, women hold a slim majority (55%).

Personal service sectors show gender parity, while manufacturing is nearly balanced (52% male, 48% female).

This pattern underscores a persistent structural divide: while female founders have expanded their presence in service-oriented domains, they remain underrepresented in sectors denoted by a high growth potential, export orientation, and innovation intensity. The near-total absence of women in ICT is particularly notable, suggesting barriers not only to entry but also to early-stage ecosystem inclusion. Addressing this imbalance is essential, and not only for reasons of equity, but also for ensuring that the full talent pool contributes to Lithuania's future competitiveness in the knowledge economy.

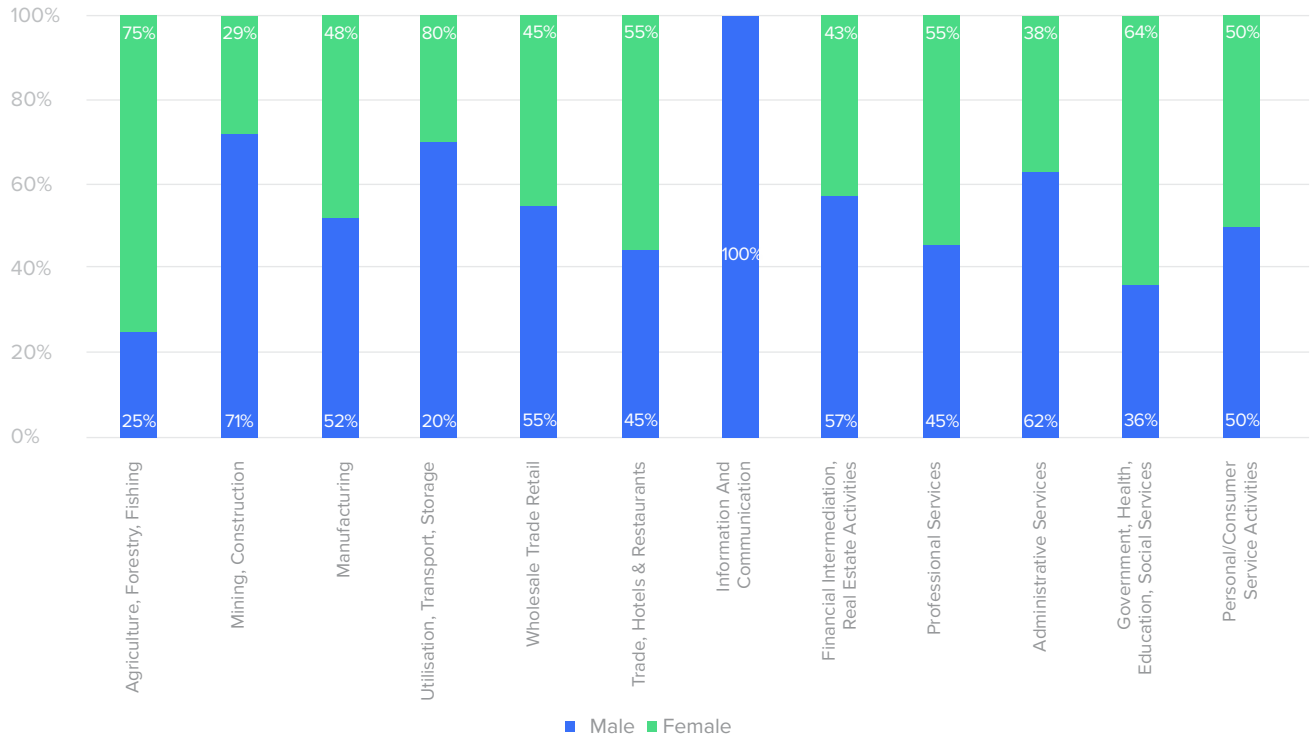


Figure 4.12. Sectoral Distribution of Early-Stage Entrepreneurs (TEA) by Gender in Lithuania, 2024
Share of male and female entrepreneurs (aged 18–64) by sector of activity. Sectors include agriculture, manufacturing, ICT, retail, professional services, education, and others
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2024.

The data for 2024 indicate that most Lithuanian startups – regardless of the founder's gender – anticipate expanding their workforce, yet the scale and ambition of the planned job creation differ notably by gender. Only 3% of male-led and 7% of female-led businesses expect to remain at their current staffing levels, thus suggesting broad confidence in growth (see Figure 4.13). However, women entrepreneurs are more concentrated in moderate expansion categories: 38.6% plan to hire 1–4 employees over the next five years, compared to 26.9% of their male counterparts. By contrast, male founders believe that they are more likely to pursue larger-scale hiring: 31.3% intend to recruit 5–9 workers, and 38.8% project the creation of 10 or more jobs, relative to 21.1% and 33.3% of female founders, respectively. These differences align with sectoral participation patterns discussed earlier. Male entrepreneurs, by contrast, are more active in capital-intensive and technology-driven fields, such as ICT, logistics, and construction, where rapid team scaling is more common. The data suggest that gendered opportunity structures not only shape where entrepreneurs are operating, but also how they scale up, reinforcing differentiated growth trajectories even in similarly motivated businesses.

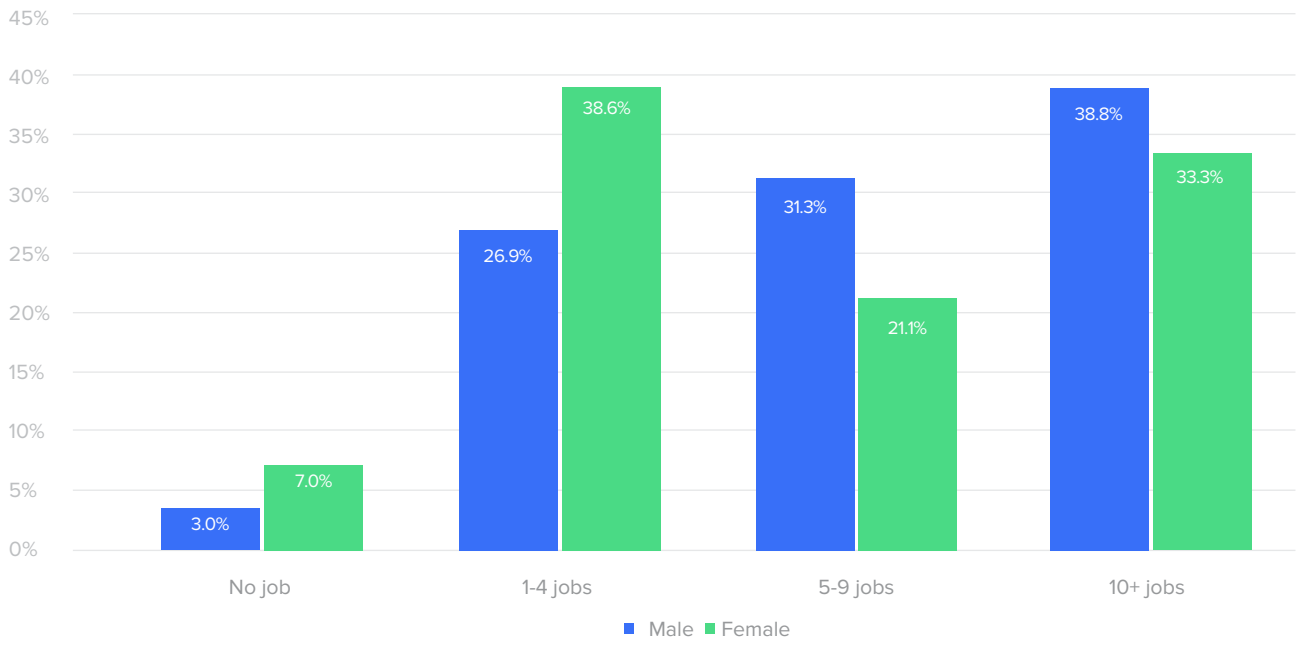


Figure 4.13. Job Creation Expectations among Entrepreneurs by Gender in Lithuania, 2024
Projected number of jobs to be created by early-stage entrepreneurs (TEA) in the next five years, by gender
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2024.

Catherine (Kotryna) Kurt

A young Lithuanian entrepreneur, Kotryna Kurt, launched **Linkedist** ***six years ago*** after spotting a gap for highly focused LinkedIn marketing. When a business partner later walked away, she overhauled the agency's structure yet managed to retain every customer—a first reminder that survival often hinges on fast, uncomfortable change.

Seeking a tougher problem, Kotryna co-founded **AQ22** ***one year ago*** as advances in AI made near-real-time financial analysis possible. The learning curve was steep: product–market-fit questions drove three separate pivots, and a three-month relocation to the United States gave the team the data they needed to pick the right direction.

Across her career, she has heard "no" from 250 investors and consciously shelved 10–12 projects that proved unviable. Yet the persistence paid off; one of her clear highs was winning clients in the United States, tangible proof that Lithuanian know-how can compete globally.

Today, she is "reshaping AQ22 into a product the industry needs", using lessons from every pivot and every rejection to tighten the roadmap. Her distilled advice for first-time founders in Lithuania is both ruthless and liberating:

"Dream big, build and break in one month—if 100 strangers don't sign up, move on."

Differences in the market orientation between male and female early-stage entrepreneurs in Lithuania reflect divergent growth strategies and sectoral positioning. In 2024, half of female entrepreneurs reported targeting the national market, which is slightly higher than the rate of 46.2% of men (see Figure 4.14). However, men remain more outward-facing: 29.1% aim for international markets, compared to as little as 22.4% of women. Conversely, women are more concentrated in purely local markets (25.0% vs. 21.4%). These disparities also align with earlier findings on sectoral distribution. Sectoral patterns may partly explain these market orientations, as some industries naturally operate within local or national boundaries. Male entrepreneurs, operating more frequently in capital-intensive or tradable sectors, such as ICT and logistics, are better positioned to scale up across borders. These patterns suggest that the gendered market scope is not simply a matter of ambition, but it is a phenomenon of structural pathways shaped by industry norms, resource access, and value chain embeddedness. Support for women entrepreneurs to internationalize may thus require targeted interventions that would address both sectoral constraints and strategic capacity-building.

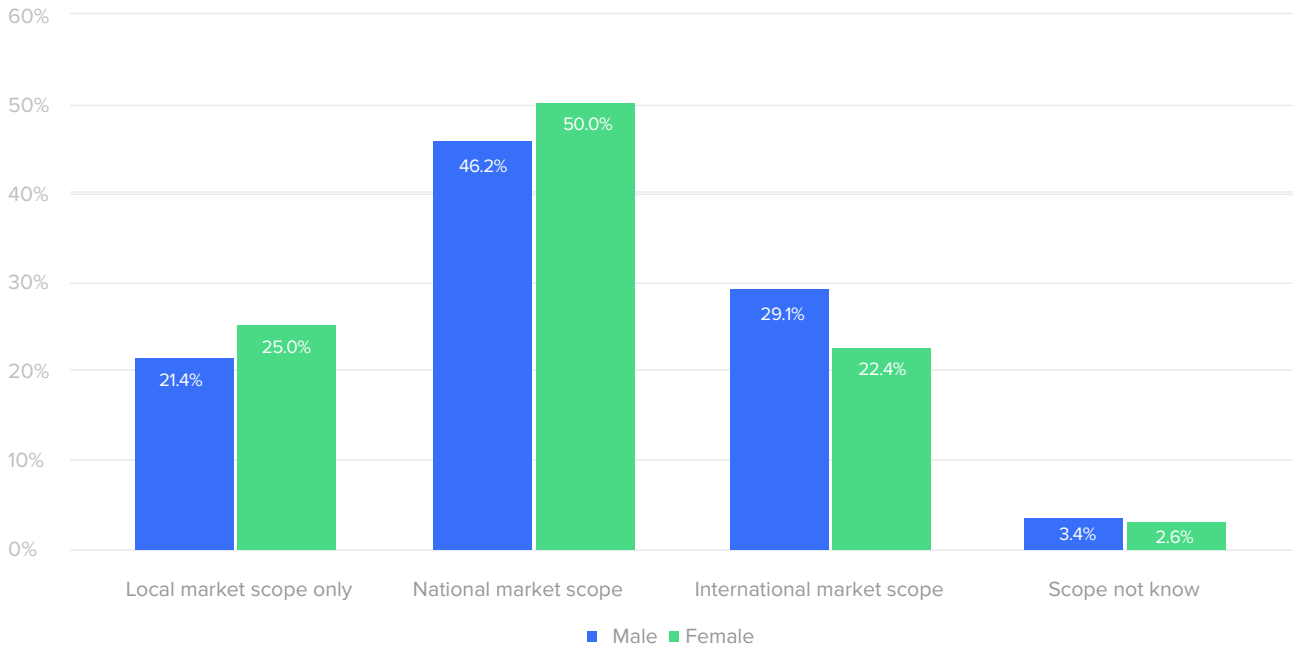


Figure 4.14. Market Scope of Early-Stage Entrepreneurial Activity (TEA) by Gender in Lithuania, 2024
Distribution of entrepreneurs aged 18–64 by intended market reach (local, national, or international)
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2024.

Innovation patterns among early-stage entrepreneurs in Lithuania remain modest overall, with notable gendered nuances in both ambition and reach. In 2024, over 75% of male and female entrepreneurs reported offering products or services that are not new to their market, which suggests that most businesses operate within familiar, and often already saturated domains (see Figure 4.15). However, women display a slight edge in breakthrough innovation: 2.7% of female founders described their offerings as 'new to the world', compared to 1.7% of men. A similar pattern emerges in technological or procedural innovation, where 1.9% of women introduced globally novel solutions, which is the double of the male rate. While these absolute differences are small, they suggest that some women-led businesses are positioning themselves at the frontier of novelty, even within an ecosystem where incremental innovation dominates. Yet, this data also highlights a broader trend: most innovations remain locally oriented. Male entrepreneurs more frequently reported offerings 'new to people in the area where they live', particularly in technologies or processes (18.2% vs. 13.9%). This localized novelty, paired with high rates of 'not new' responses, underscores the limited diffusion of cutting-edge innovation across the early-stage population. As the following figures show, these patterns may be reinforced by disparities in access to and usage of enabling technologies, thus pointing to a more profound digital divide in how innovation is realized and scaled up across the gender lines.

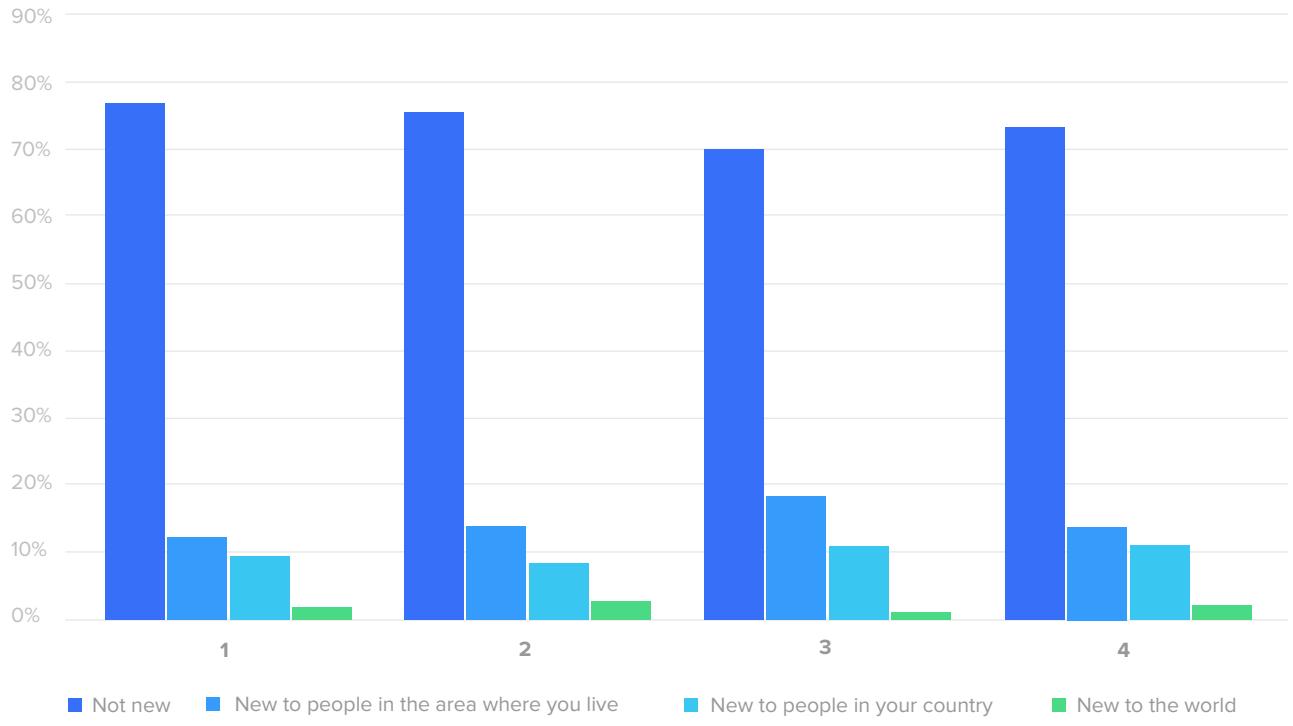


Figure 4.15. Innovation Orientation of Early-Stage Entrepreneurs by Gender in Lithuania, 2024
Share of entrepreneurs aged 18–64 reporting the novelty of their products, services, or technologies by geographic scope (local, national, global)
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2024.

The digitalization landscape among Lithuanian entrepreneurs is evolving rapidly, with a growing ambition tempered by disparities in implementation. Between 2022 and 2024, the share of entrepreneurs planning to expand their use of digital sales technologies rose from 21% to 27%, while the proportion expressing outright reluctance fell from 26% to just 14%. These shifts suggest that digital transformation is becoming less aspirational and more integral to a competitive strategy. Yet, the path forward is not evenly distributed. While 30% of male entrepreneurs already report using mid- to high-tech tools, only 24% of women do so. More strikingly, 35% of women selected 'maybe' when asked about their current use – compared to 26% of men – thus signaling a gendered confidence or capability gap.

This pattern points to a form of digital hesitation rooted not in resistance but in conditional readiness. Female entrepreneurs are clearly attuned to the relevance of digital tools, but they remain more likely to operate at the edge of adoption, while expressing interest without full integration. This suggests structural and experiential barriers: uneven access to training, lack of tailored digital support, or differences in how digital transformation is approached within the sectors where women are concentrated. Closing this gap requires more than infrastructure: it demands intentional, targeted investment in digital confidence, know-how, and sector-specific application. Without such efforts, digitalization risks becoming yet another axis along which gendered entrepreneurial disparities are reproduced.

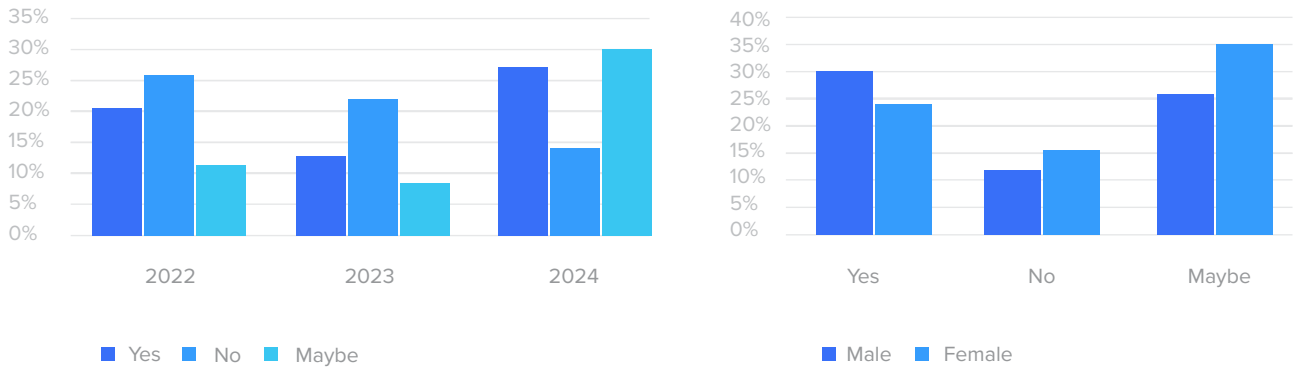


Figure 4.16. Digital Technology Intentions and Usage among Entrepreneurs by Gender in Lithuania, 2022–2024
Panel A: Entrepreneurs' expectations to increase digital technology use for sales over the next six months (2022–2024)
Panel B: Current use of mid- and high-tech technologies among entrepreneurs by gender (2024)
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

Lithuania has made real progress in supporting women's participation in early-stage entrepreneurship. However, the path forward is uneven. Many women start businesses, yet fewer remain in the ecosystem as businesses grow. To build a more inclusive and resilient entrepreneurial landscape, it will be essential to understand how the gender influences business choices, opportunities, and long-term outcomes.

Summary

This part examined the gender dynamics shaping the entrepreneurial activity in Lithuania, revealing both promising developments and persistent disparities. Women now participate in early-stage entrepreneurship at rates nearly equal to men, thus placing Lithuania among the leaders in gender-balanced entry into business creation. However, this parity does not extend across the entrepreneurial lifecycle. As businesses mature, women's representation declines sharply, thus reflecting structural barriers in access to finance, sectoral concentration, and continuity support.

The chapter has also highlighted the different motivations and expectations shaping entrepreneurial decisions. For many women, entrepreneurship is still rooted in necessity, though purpose-driven ambitions – such as making a social impact – are gaining ground. These motivational differences intersect with broader trends: men are more likely to pursue businesses with the international scope, a higher job creation potential, and integration of advanced technologies, while women tend to navigate locally embedded, service-oriented pathways.

Digitalization and innovation offer new opportunities – while also introducing new divides. Although interest in digital tools is rising among both men and women, female entrepreneurs remain more hesitant in adoption, which points to gaps not in intent, but rather in training, exposure, and practical support.

Together, the findings underscore that gender equity in entrepreneurship is not only a matter of access, but also of progression. Policies that support women to start businesses must be matched by strategies that help them sustain, grow, and innovate – across sectors, stages, and markets.

CHAPTER 5

SOCIAL AND ENVIRONMENTAL SUSTAINABILITY

Jurgita Jaruševičienė
CEO of EdTech Lithuania and founder of Edumetrio & Mokosi.lt

With over two decades of experience in education, Jurgita now leads EdTech Lithuania—a national association uniting startups, researchers, and policymakers to modernize learning as a lifelong learning process.

In 2024, Lithuanian entrepreneurs are playing a growing role in transforming how we learn. We see startups developing AI tools to support teachers, gamified apps that foster student wellbeing, and scalable platforms for personalised learning from kindergartens to corporate learning. Importantly, these innovations aren't just local—many are built with international ambition and backed by research.

Notably, more private-sector players are stepping beyond profit—offering free tools to schools, scholarships to university students, and targeted support for critical study fields. This signals a mature, forward-thinking business culture that invests in long-term societal progress and actively strengthens the public education system. Real, lasting change will come when government, business, and education leaders work in true partnership—and we're beginning to see those steps take shape.

Across high-income economies, the role of entrepreneurship is evolving beyond economic value creation. Increasingly, entrepreneurs are embracing missions that align with environmental responsibility, social justice, and community resilience. This shift reflects broader societal expectations and policy pressures, but also the growing recognition that businesses can, and must, be agents of positive change. In Lithuania, this global momentum is visible in the rising number of entrepreneurs who embed sustainability into their business models. From early-stage founders to established business owners, more are prioritizing environmental and social goals over (or alongside) the traditional profit metrics. Yet, the intensity and consistency of this commitment vary by demographic group, business maturity, and the level of innovation. This chapter examines how Lithuanian entrepreneurs navigate the intersection of enterprise and impact, and how the gender, age, and product novelty shape the pathways toward sustainable entrepreneurship.

Prioritizing Social and Environmental Impact and the Role of Entrepreneurs

In Lithuania, the prioritization of social and environmental goals within entrepreneurship has gained steady traction, particularly among early-stage entrepreneurs.In 2024, 50.7% of TEA respondents reported placing social and/or environmental impact above profitability or growth – which is up from 40.7% in 2023, but still slightly less than 52.9% in 2022 (see Figure 5.1). Among EBO, the trend has been decreasing: while 58.1% expressed the same priority in 2022, this score dropped to 54.8% in 2023 and to 34.4% in 2024. This widening divergence suggests that impact-oriented values are more deeply embedded in newer entrepreneurial cohorts, while mature businesses may be facing stronger trade-offs between the mission and the margin. The data imply that sustainability is increasingly seen as a foundational element of entrepreneurial identity – especially at the entry point. Early-stage businesses, unburdened by legacy systems or profit expectations, may be more open to integrating the impact into their core models. In contrast, the already established firms often operate within more rigid financial frameworks, which can constrain their ability to maintain social or environmental priorities over time. Whether these new, impact-focused businesses will retain their values as they scale up remains an open question – but one that will shape the future of purpose-driven entrepreneurship in Lithuania.

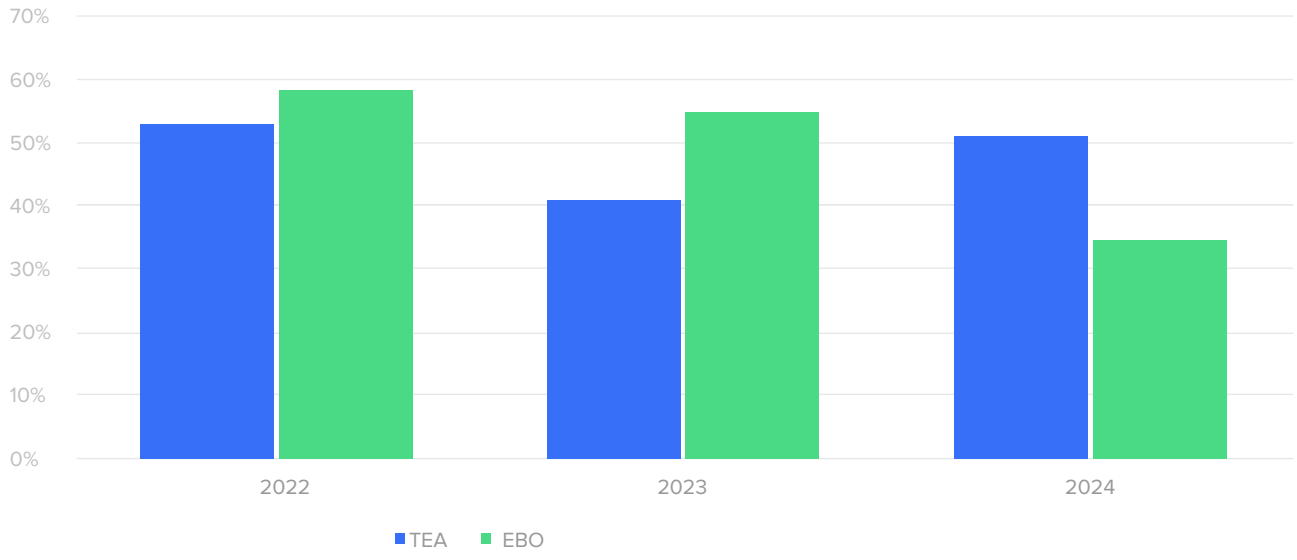


Figure 5.1. Share of Entrepreneurs and Established Business Owners in Lithuania Who Prioritize Social and/or Environmental Impact over Profitability or Growth, 2022–2024 Percentage of TEA and EBO respondents aged 18–64
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

The data for 2024 reveal persistent gender differences in how entrepreneurs in Lithuania are approaching social and environmental goals. Among TEA, 54.1% of women prioritize impact over profit, compared to 47.4% of men, and this gap has not been consistent over the past three years (see Figure 5.1). However, the emerging trend suggests that women are not only more likely to enter entrepreneurship with non-financial objectives, but also more likely to articulate these objectives explicitly as central to their business models. In contrast, among EBO, the gender gap has narrowed – while still remaining significant: 35.0% of women versus 34.1% of men reported prioritizing impact over growth in 2024. While both figures are lower than in the early-stage businesses, the relative closeness may reflect a convergence of business pressures at later stages, where mission-oriented intentions are more likely to be moderated by operational and financial demands. Still, the consistently higher rates among women in both cohorts suggest that the gender plays an important role in shaping the perceived purpose of entrepreneurship – one that extends beyond the traditional economic metrics.

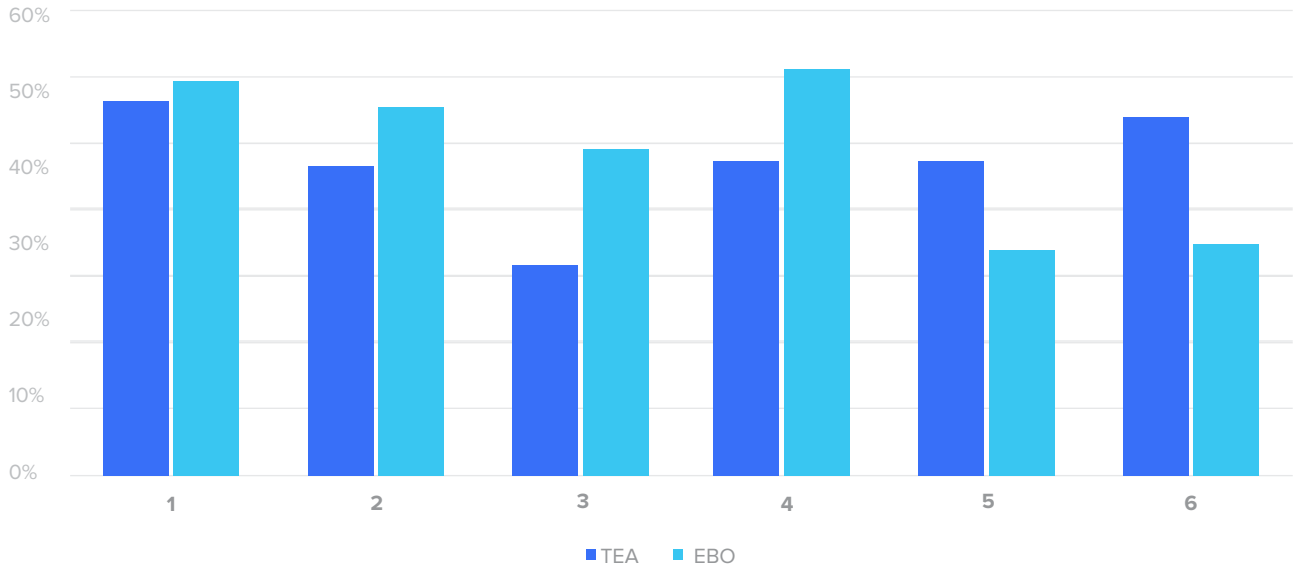


Figure 5.2. Share of Entrepreneurs and Established Business Owners in Lithuania Who Prioritize Social and/or Environmental Impact over Profitability or Growth, by Gender, 2022–2024 Percentage of male and female TEA and EBO respondents aged 18–64
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

Prioritization of the social and environmental impact over profitability varies noticeably by age, with younger entrepreneurs being consistently more likely to lead with mission-oriented goals. In 2024, 78% of TEA respondents aged 18–24 reported prioritizing impact, which is the highest score among all age groups (see Figure 5.2). This contrasts with only 41% of TEA entrepreneurs aged 55–64, marking a sharp generational divide. The same pattern appears among established business owners: 75% of EBO aged 18–24 stated that they prioritize impact, compared to 35% of those aged 55–64. These gaps suggest that younger entrepreneurs are not only more likely to engage with the sustainability discourse, but they are also more willing to integrate the sustainability discourse into their business objectives from the outset. The generational gradient may reflect differences in values, as well as external influences. Younger founders tend to enter the world of entrepreneurship with stronger exposure to sustainability as a social norm and market expectation, while the older cohorts may be more embedded in the traditional growth paradigms. For policy and support systems, this indicates an opportunity to harness youth-driven sustainability momentum, while also considering how to enable the older entrepreneurs to reframe or expand their business missions so that to include environmental and social dimensions.

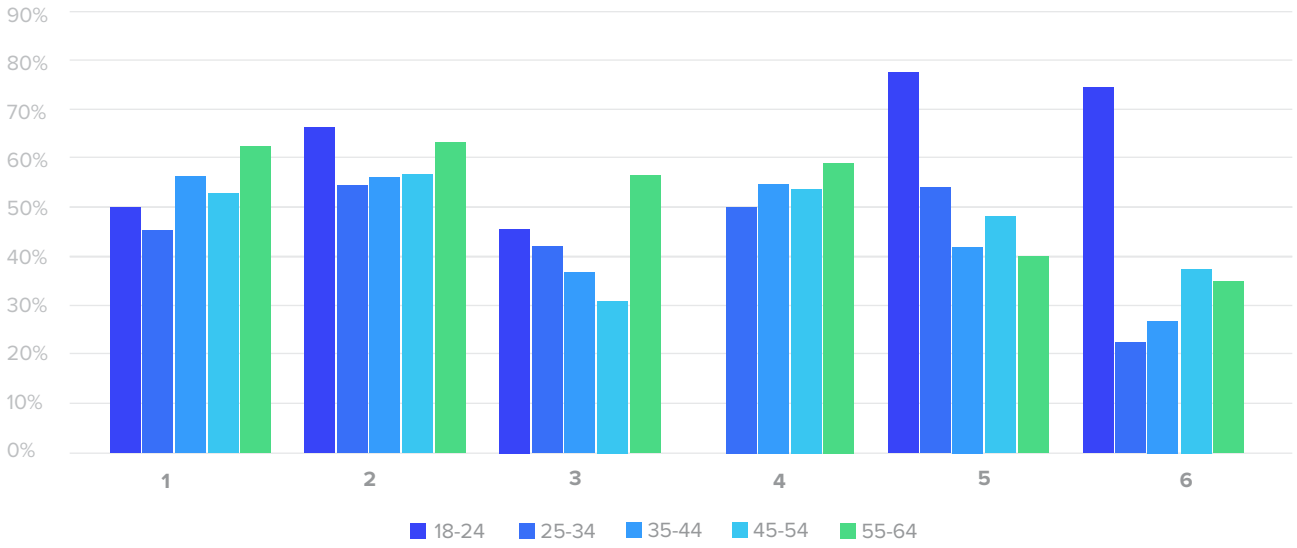


Figure 5.3. Share of Entrepreneurs and Established Business Owners in Lithuania Who Prioritize Social and/or Environmental Impact over Profitability or Growth, by Age Group, 2022–2024 Percentage of TEA and EBO respondents aged 18–64, grouped by age cohort
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024).

Entrepreneurs offering novel products or services are significantly more likely to prioritize the social and environmental impact, which suggests a strong link between the innovation and purpose-driven business models. In 2024, 80% of TEA entrepreneurs whose offerings were 'new to the world' and 65% of those 'new to their country' reported prioritizing the impact over profit (see Figure 5.4). This contrasts with a mere 49% of TEA entrepreneurs whose products or services were not considered new. Among the established business owners, the same pattern holds: impact prioritization was reported by 50% of those introducing nationally new products, compared to 33% of non-innovative counterparts. This relationship suggests that innovation and sustainability are often mutually reinforcing. Those founders who push boundaries in terms of the product or the process tend to be more mission-driven, potentially because they are already positioned outside the mainstream and are more attuned toward social or environmental needs. Conversely, businesses operating within familiar market spaces may be more anchored in the traditional profit logic. These insights highlight the value of fostering innovation ecosystems not only with the objective to drive competitiveness, but also to catalyze a sustainable impact across the entrepreneurial landscape.

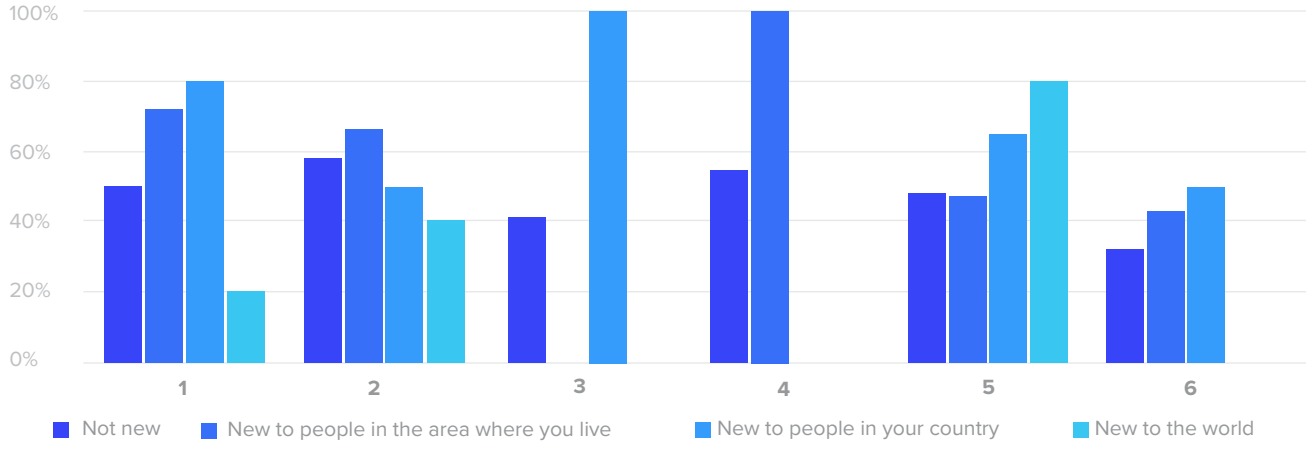


Figure 5.4. Share of Entrepreneurs and Established Business Owners in Lithuania Who Prioritize Social and/or Environmental Impact over Profitability or Growth, by Product or Service Novelty, 2022–2024 Percentage of TEA and EBO respondents classified by product or service novelty (not new, locally new, nationally new, or globally new)
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024).

The growing commitment to impact over profit – particularly among early-stage entrepreneurs – signals a cultural shift in Lithuania's entrepreneurial landscape. Whether these intentions endure through the lifecycle of a business remains a critical question for the future of sustainable enterprise.

Minimizing Environmental Impact: From Values to Action

While many entrepreneurs in Lithuania express a commitment to sustainability, the translation of values into concrete environmental action remains uneven across the business stages. In 2024, 54.2% of TEA reported having taken steps in the past year to minimize the environmental impact their business, which went up from 31.5% in 2023 and 47.1% in 2022. Among EBO, this figure reached 54.2%, marking a rise from 51.5% in 2022. These trends suggest a growing awareness of environmental responsibility, but also point to a lag between the early-stage intent and the mature-stage implementation that is only now beginning to get narrowed. The steady increase among both groups indicates that sustainability is being operationalized more broadly across the entrepreneurial landscape. However, the data also highlight a timing gap: while early-stage entrepreneurs may prioritize environmental goals rhetorically, they often lack the resources, infrastructure, or incentives to act decisively. Well-established firms, facing greater scrutiny and perhaps more robust operational capacity, appear to be catching up – if not leading – in the implementation of greener practices. Understanding how this alignment between values and action varies over time will be essential for developing targeted interventions that would encourage early adoption, and long-term commitment alike.

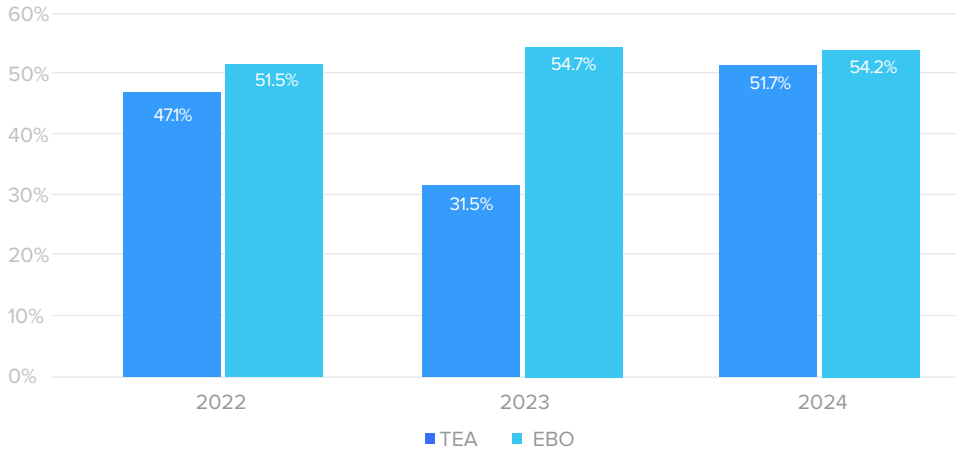


Figure 5.5. Entrepreneurs and Established Business Owners in Lithuania Who Took Steps to Minimize Environmental Impact, 2022–2024 Percentage of TEA and EBO respondents who reported taking environmental action within the past year

Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

Gender continues to shape how entrepreneurs engage with environmental responsibility, not just in values but also in action. In 2024, 47% of female TEA reported having taken steps to reduce their environmental impact, which is slightly below a share of 56% of male entrepreneurs (see Figure 5.6). Among EBO, the gap widened further: 53% of women implemented some environmentally focused actions in the past year, compared to 55% of men. The small but consistent male lead may be partially explained by sectoral composition as male founders remain over-represented in the energy-, transport- and production-oriented fields where carbon-reduction initiatives are more visible, and often mandatory. For their part, female-led businesses are still active adopters: almost one in two early-stage firms and over a half of already established businesses headed by women introduced at least one environmental measure in the past year. The data therefore point to a broadly shared sustainability agenda, with only modest gender differences. Policy support aimed at closing that residual gap – particularly by helping women-run companies in consumer services and micro-enterprise niches access green-technology advice and finance – could lift the national performance without the need for large, sector-specific interventions.

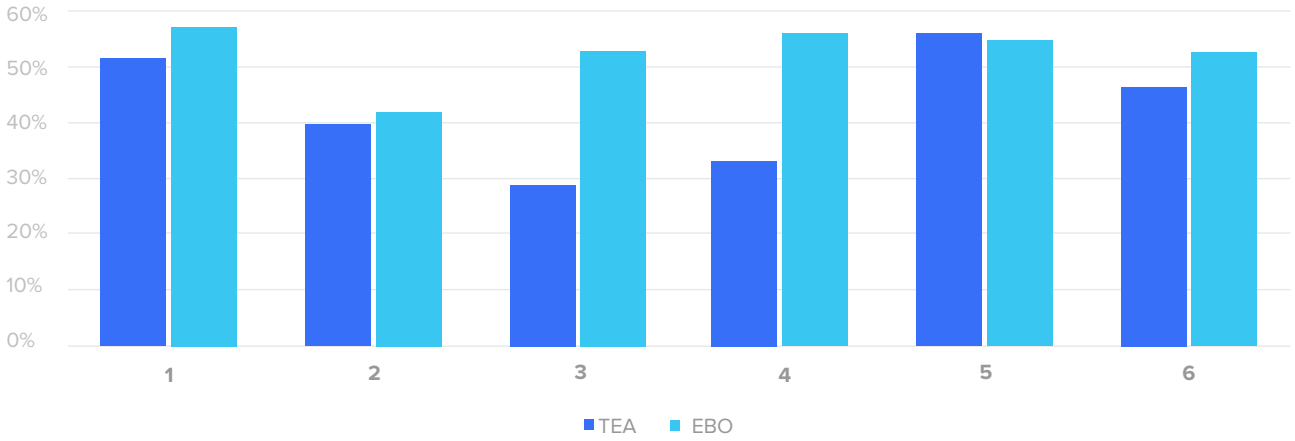


Figure 5.6. Entrepreneurs and Established Business Owners in Lithuania Who Took Steps to Minimize Environmental Impact, by Gender, 2022–2024
Percentage of male and female TEA and EBO respondents reporting environmental actions in the past year
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

Environmental engagement among Lithuanian entrepreneurs also varies across the age groups, with the younger founders being consistently more likely to take proactive steps. In 2024, 50% of early-stage entrepreneurs aged 18–24 reported having implemented environmentally conscious practices, compared to just 44% of those aged 55–64 (see Figure 5.7). The same generational divide appears among the established business owners: 100% of 18–24-year-olds took some action, while 50% of those in the oldest cohort reported to have done so. These patterns suggest that younger entrepreneurs are more responsive to environmental concerns, and that they are more likely to treat sustainability as a core operational principle rather than a secondary goal. This generational effect likely reflects a combination of cultural values, educational exposure, and market positioning. Younger entrepreneurs tend to be more embedded in the sustainability discourse, often launching businesses in sectors where the environmental performance is increasingly non-negotiable. Older entrepreneurs, by contrast, may be operating legacy models or navigating around tighter financial margins, which can deprioritize non-essential investments. These insights point to the importance of generationally targeted support – helping older entrepreneurs adapt and modernize while ensuring that the younger ones are equipped to sustain their early commitments as their businesses are growing.

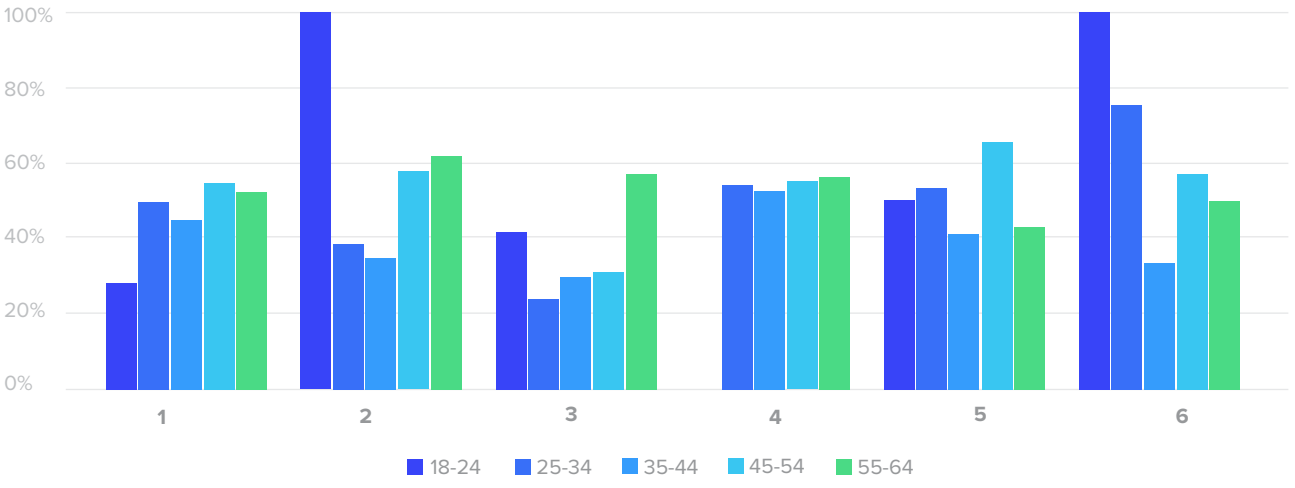


Figure 5.7. Entrepreneurs and Established Business Owners in Lithuania Who Took Steps to Minimize Environmental Impact, by Age Group, 2022–2024
Percentage of TEA and EBO respondents reporting environmental actions in the past year, grouped by age
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

Entrepreneurs engaged in more innovative businesses are consistently more likely to implement environmentally responsible practices. In 2024, 80% TEA whose offerings were 'new to the world' reported taking steps to minimize their environmental impact, compared to 50% among those with non-innovative products (see Figure 5.8). Similarly, among EBO, 80% of globally innovative businesses reported such actions, while only 43% of those with non-novel offerings did so. The trend is clear: the more innovative is the business, the stronger is its alignment with environmental responsibility. This relationship may be partly structural.

Entrepreneurs introducing novel products are often operating in emerging or reform-oriented markets where environmental standards are not just expected – they actually are strategic advantages. In contrast, businesses with the (more) conventional offerings may be less exposed to such pressures, or else they may lack the flexibility to implement green practices. These findings suggest that innovation ecosystems play a critical role in advancing the environmental goals. Supporting those entrepreneurs who are both disruptive and sustainability-focused can accelerate the diffusion of green practices across the broader economy.

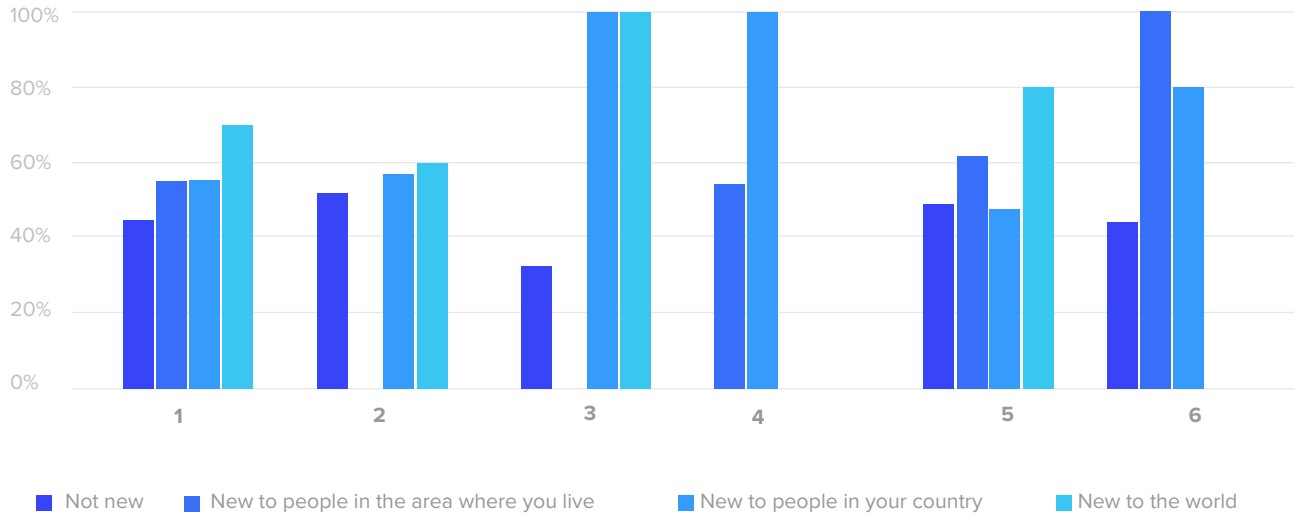


Figure 5.8. Entrepreneurs and Established Business Owners in Lithuania Who Took Steps to Minimize Environmental Impact, by Product or Service Novelty, 2022–2024 Percentage of TEA and EBO respondents reporting environmental actions in the past year, grouped by innovativeness of offering
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

Lithuanian entrepreneurs are increasingly aligning their values with action, yet differences across business stages highlight the importance of tailored support. Strengthening early-stage implementation capacity and reinforcing mature-stage sustainability systems will be key to closing the execution gap.

Ernestas Konopliovas

Ernestas Konopliovas has built two e-commerce companies from the ground up and today holds equity stakes in three more. Every venture began the same way: he spotted an operational gap and felt driven to fix it.

One early hands-on milestone came when a two-person warehouse team—Ernestas included—successfully dispatched 400 orders per day on processes they had designed and coded themselves. A pivotal earlier step was far less visible yet decisive: signing the first office lease. “The commitment felt huge and terrifying,” Ernestas recalls, “but that signature turned a hobby into a real business.”

Validation arrived when a client’s online sales jumped 40–50 % after adopting the internal systems perfected in Ernestas’ own ventures. Since then, he and his team have helped more than 50 enterprises scale through tailor-made e-commerce and process-optimisation tools.

Most recently, Ernestas, with co-founders, launched Shipstar, a standalone SaaS platform conceived during his master’s studies at Vilnius University Business School.

Advice for first-time founders in 2025:
“Beyond building a great product, your critical focus from day one must be on distribution. Figure out how your product will reach millions – that's what will truly drive your success.”

Maximizing Social Impact: Moving from Intention to Implementation

While environmental responsibility has gained ground in Lithuanian entrepreneurship, actions aimed at maximizing the social impact remain more varied, particularly across stages of business development. In 2024, 44.9% of TEA reported taking steps to enhance the social impact of their business, which is a modest rise from 37.0% in 2023. Among EBO, however, the change is less prominent: from 62.1% in 2023 to 48.3% in 2024. This suggests a shifting dynamic in how social value is understood and pursued, i.e., not only as a founding ideal, but increasingly as a mature business strategy.

This reversal of stage-based patterns, with EBO surpassing TEA in reported social impact actions, may reflect the growing institutionalization of corporate social responsibility among mature firms. While early-stage businesses often begin with strong mission statements, established businesses may have the infrastructure and networks, while also facing stakeholder pressure to implement social initiatives more systematically. The data indicate that social impact is not just a matter of entrepreneurial intent, but rather one that becomes operationally meaningful as businesses evolve.

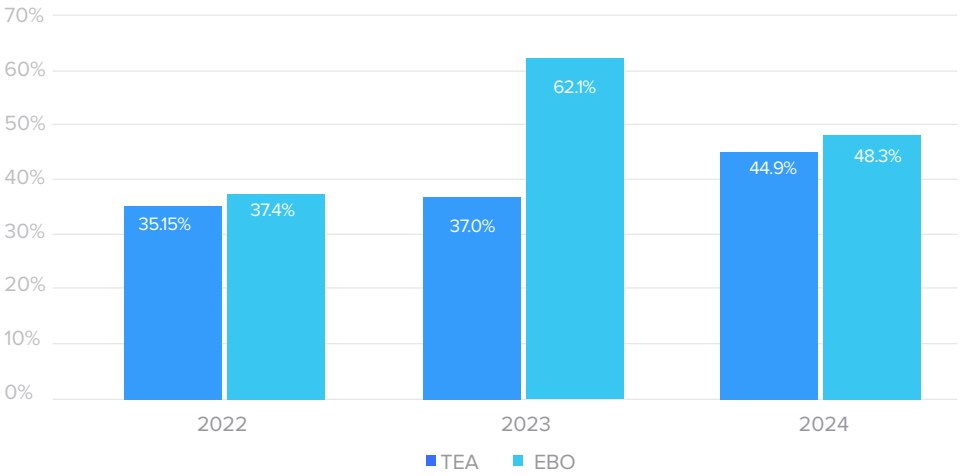


Figure 5.9. Entrepreneurs and Established Business Owners in Lithuania Who Took Steps to Maximize Social Impact, 2022–2024 Percentage of TEA and EBPO respondents who reported implementing socially impactful business actions in the past year

Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

Gender remains a key differentiator in the way how entrepreneurs approach social impact implementation. In 2024, 49.1% of men TEA stated they had taken steps to maximize social impact in 2024, outpacing the 40.4% of women who reported the same (see Figure 5.10). The pattern reverses among established business owners: 50% of women EBO had implemented socially focused measures, edging out the share of 47.5% share among men. Men are currently leading on the social-impact uptake at the startup phase, while women are pulling slightly ahead once businesses have matured.

The consistency of these gender gaps across both TEA and EBO suggests that social impact is not simply a startup-phase aspiration for women, but rather a sustained orientation. It may also reflect differences in the leadership style, sectoral focus, and relational priorities. For policy-makers and ecosystem builders, these patterns present a clear opportunity: support for women-led businesses may not only promote gender equity in entrepreneurship, but also accelerate the diffusion of socially responsible practices throughout the economy.

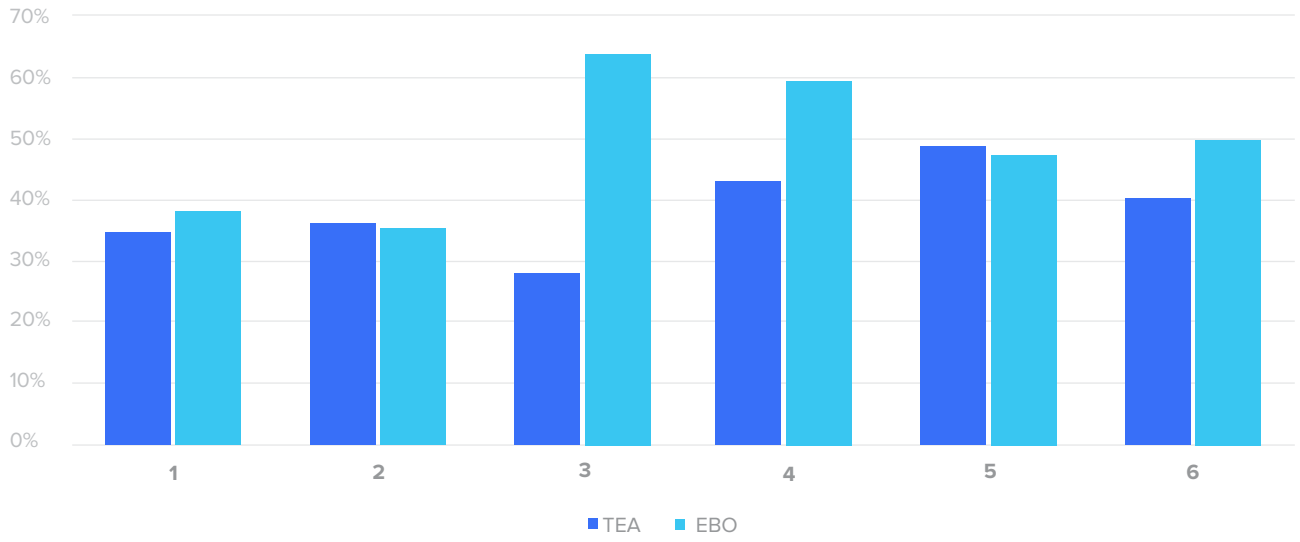


Figure 5.10. Entrepreneurs and Established Business Owners in Lithuania Who Took Steps to Maximize Social Impact, by Gender, 2022–2024
Percentage of male and female TEA and EBPO respondents reporting social impact actions in the past year
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

Age-related differences in the social impact action are less pronounced than in environmental areas, but younger entrepreneurs still emerge as more consistent adopters of socially driven practices. In 2024, 63% of early-stage entrepreneurs aged 18–24 reported taking steps to maximizes their social impact, compared to 31% of those aged 55–64. Among established business owners, the trend is similar but narrower: 50% of those aged 18–24 versus 29% of their older counterparts reported implementing socially-oriented business strategies. This generational tilt aligns with broader cultural trends.

Younger entrepreneurs are more likely to have been exposed to values of inclusion, sustainability, and stakeholder responsibility through education and media, and to view entrepreneurship as a platform for advancing societal change. Older entrepreneurs, while not disengaged, may be more embedded in the traditional business models or focused on maintaining profitability and stability. These findings point to a need for differentiated support – for one that reinforces youth-driven impact entrepreneurship while also encouraging mature businesses to evolve socially responsible dimensions within their existing models.

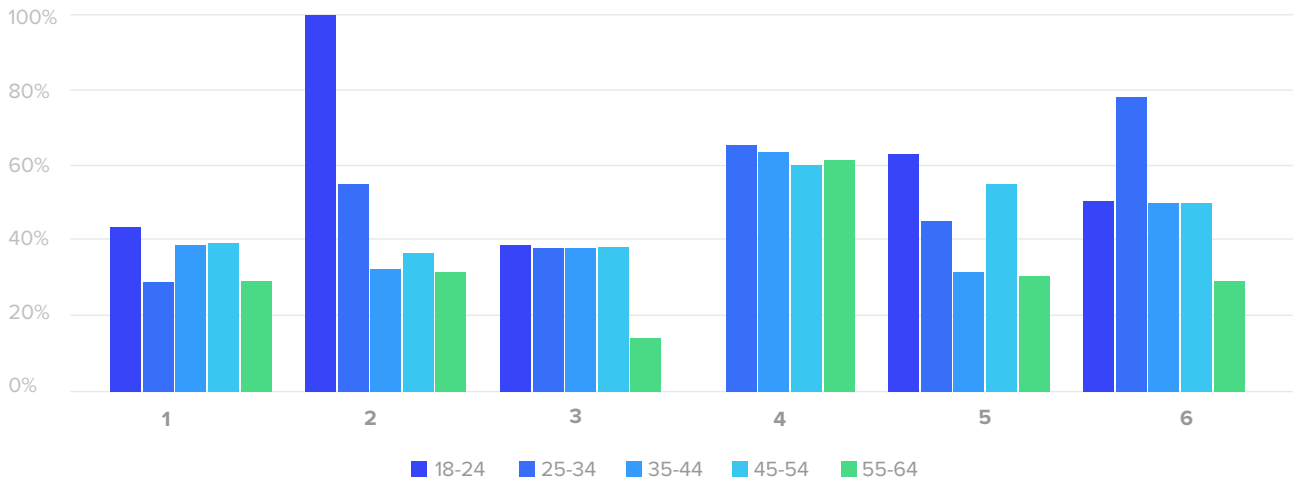


Figure 5.11 Entrepreneurs and Established Business Owners in Lithuania Who Took Steps to Maximize Social Impact, by Age Group, 2022–2024
Percentage of TEA and EBO respondents who reported social impact actions in the past year, grouped by age
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

Those entrepreneurs who introduce novel products or services are also more likely to implement actions that maximize the social impact, thus highlighting a strong alignment between innovation and broader societal engagement. In 2024, 63% of TEA with nationally new offerings reported taking social impact steps, compared to 42% of those whose products were not considered new (see Figure 5.12). Among EBO, 100% of the innovators reported social actions, compared to 40% of their non-innovative peers. This correlation suggests that innovation is not only about technological advancement or market disruption; it can also serve as a pathway to address unmet social needs. Entrepreneurs breaking new ground are often closer to community-level change agents, or they are actively seeking alternative value propositions beyond sheer profit. These results underline the importance of fostering innovation ecosystems that are impact-aware thus supporting not only high-growth businesses but also those that aim to tackle social problems through creative business models.

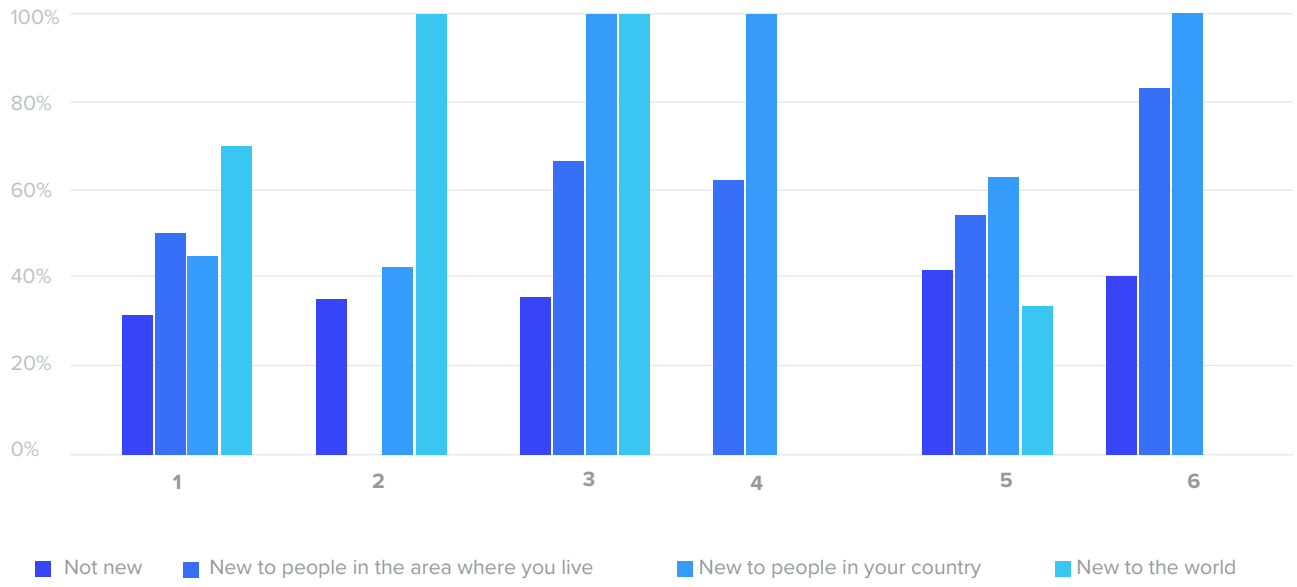


Figure 5.12. Entrepreneurs and Established Business Owners in Lithuania Who Took Steps to Maximize Social Impact, by Product or Service Novelty, 2022–2024 Percentage of TEA and EBO respondents who reported social impact actions in the past year, grouped by innovativeness of offering
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

Social impact is no longer confined to the aspirations of startups; it is becoming embedded in the operational strategy of long-established firms. This transition marks a turning point for how social responsibility is understood – in the sense that it serves not only as a purpose, but also as a practice.

Vytautas Ulozas

Ten years ago, after living in France, Australia, Canada and the U.S., Vytautas Ulozas and his future wife Austėja agreed on two things: they wanted to settle in Lithuania, and they did not want traditional jobs. Property was their answer. They spent a year abroad working double shifts, saving half of their down payment, and borrowing the rest to buy their first rundown flat in Vilnius, which they planned to renovate and sell. What started as a single property flip evolved into a family business that has now refurbished more than 140 apartments—some sold, many retained as rentals.

At the beginning, the couple handled everything themselves, from knocking down walls and hauling debris to staging the units. Growth accelerated only after they found a reliable contracting team, allowing multiple projects to run in parallel. Their biggest pivot was also their boldest risk. From day one they had set a five-year goal: convert an entire building into 24 rental units. After nearly twelve months of stop-and-start negotiations, they secured a building and remodelled it into 21 apartments—not close enough to declare the goal met but a great foundation to their long-term rental portfolio.

Today, Vytautas and Austėja manage over 50 rental units, continiously work on business development and raise three daughters. They like to say they are “making Vilnius more beautiful from the inside”.

Advice for first-time founders 2025:
“Done is better than perfect. Don't wait until you are 100% sure about something. Just start now and learn everyday”

Comparing Lithuania to High-Income Economies: A Sustainability Perspective

Among early-stage entrepreneurs across high-income economies, Lithuania ranks near the middle tier in the share of founders who reported taking action to minimize the environmental impact and/or maximize the social impact in 2024 (see Figure 5.13). Approximately **52% of Lithuanian TEA respondents** indicated such actions, thus placing the country ahead of peers like Spain, UAE, and Norway, but below the leaders such as Saudi Arabia, Taiwan, and Canada. This strong performance suggests that Lithuania's early-stage ecosystem is increasingly aligned with the global sustainability norms, particularly among mission-driven younger founders and innovators. Lithuania's position reflects broader trends discussed above in this chapter: a growing integration of sustainability into entrepreneurial identity, especially at the point of entry. The data indicate that Lithuania is not an outlier, but it is rather a maturing case of value-driven entrepreneurship in a European context, increasingly competitive in both environmental responsiveness and social orientation.

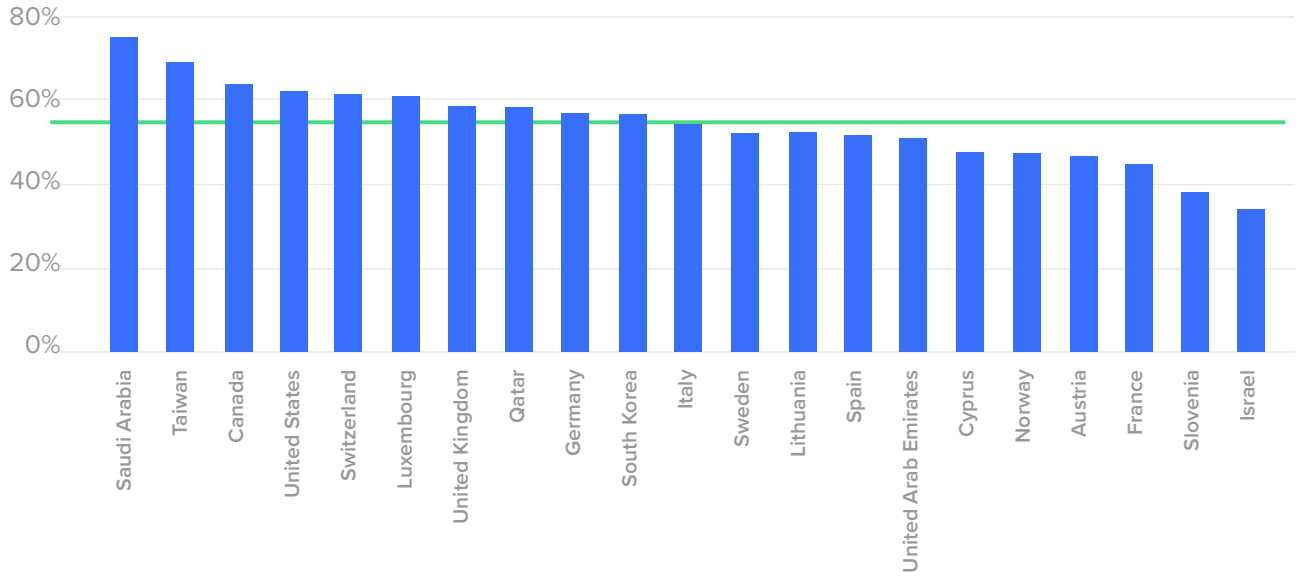


Figure 5.13. Entrepreneurs in High-Income Economies Who Took Steps to Minimize Environmental and/or Maximize Social Impact, 2024
Share of early-stage entrepreneurs (TEA) reporting actions related to sustainability in the past year
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

Among established business owners, Lithuania also performs solidly but with greater variation relative to global peers (see Figure 5.14). In 2024, around 54% of EBO respondents in Lithuania reported taking sustainability-related action, thus placing the country close to the high-income average. However, it lags behind the leading nations, such as Saudi Arabia, Taiwan, and Switzerland, where over 70% of established firms report such actions. This suggests that, while Lithuanian entrepreneurs are increasingly impact-driven at the entry level, sustaining that orientation through business maturity remains a challenge. As highlighted throughout the chapter, maintaining social and environmental commitment in established businesses often depends on more than the founder's intent – it requires enabling infrastructure, external incentives, and sector-specific supports. Lithuania's comparative performance signals some progress, while also revealing space for policy innovation aimed at retaining the impact focus over the long term.

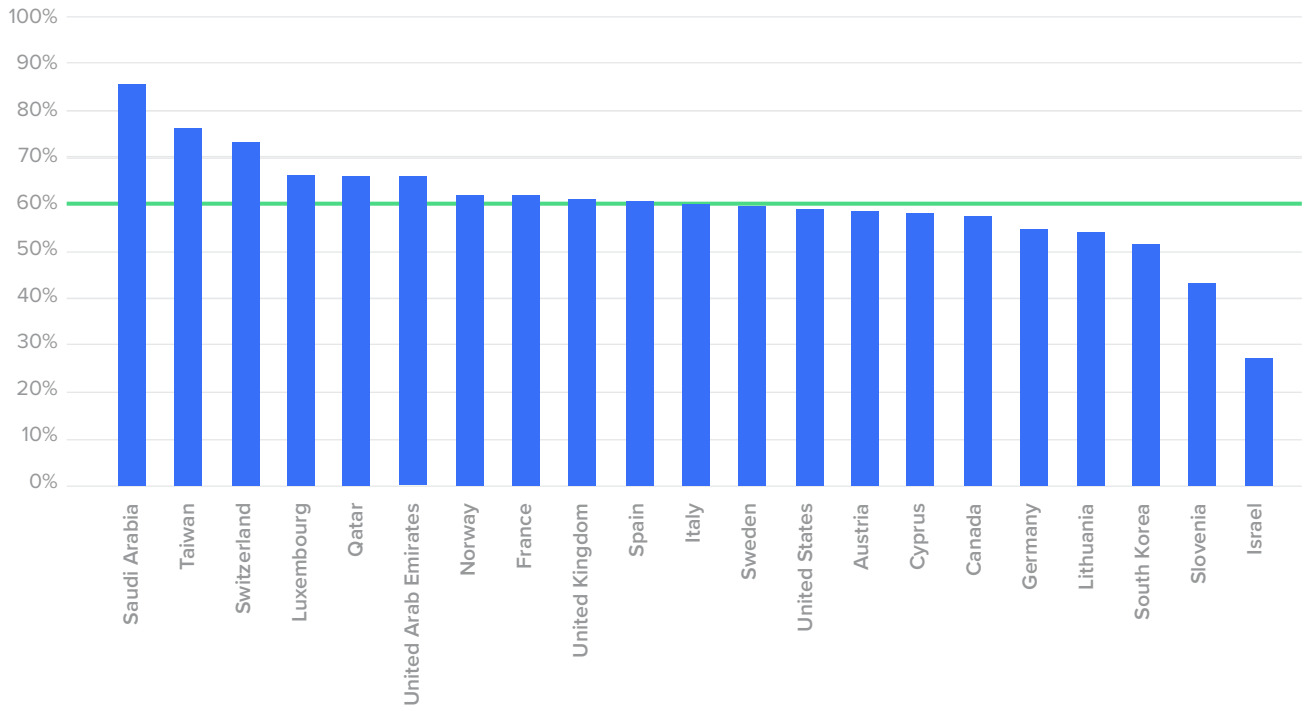


Figure 5.14. Established Business Owners in High-Income Economies Who Took Steps to Minimize Environmental and/or Maximize Social Impact, 2024
Share of EBO respondents reporting actions related to sustainability in the past year
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

Lithuania's performance among its high-income peers shows encouraging progress, especially at the early stage. The next step lies in converting this momentum into a more consistent, scalable, and sustained commitment across the entrepreneurial spectrum.

Summary

This chapter has examined how Lithuanian entrepreneurs engage with the evolving imperatives of social and environmental sustainability. The data reveal a decisive generational and cultural shift: values once seen as peripheral to business are increasingly becoming integral to entrepreneurial identity – particularly at the entry stage. Yet, the findings also highlight a crucial asymmetry between prioritization and execution. While intentions to deliver impact are widespread, their realization varies significantly across the gender, age, business maturity, and innovation profile.

Female entrepreneurs, younger founders, and innovators consistently emerge as the primary drivers of sustainability-oriented action. Their leadership challenges assumptions about who carries the mandate for change, and signals where ecosystem interventions may have the greatest leverage. Meanwhile, established business owners are showing signs of institutionalizing social and environmental objectives, but require more robust structural support to sustain these commitments beyond individual motivation.

Perhaps, most critically, Lithuania's performance within the high-income context illustrates that progress is not linear – and that impact is not merely declared, but, actually, continuously negotiated through practice, incentives, and external pressures. As entrepreneurship becomes increasingly tied to societal outcomes, the real test lies ahead: whether today's emerging commitments will mature into durable frameworks capable of navigating complexity, scale, and competing demands.

CHAPTER 6

ENTREPRENEURSHIP AND LITHUANIA 2050

As Lithuania is advancing toward its long-term national vision outlined in Lithuania 2050, entrepreneurship is being increasingly seen as a catalyst for balanced growth, regional vitality, and innovation-led transformation. The strategy highlights the importance of reducing territorial disparities, strengthening economic ecosystems beyond the capital city, and fostering a sustainable, future-oriented economy. In this context, tracking where and how entrepreneurial activity is evolving offers valuable insights into whether these ambitions are taking root. This chapter draws on GEM data to explore spatial and structural shifts in entrepreneurship – notably, from where businesses are being started, to the kinds of businesses being built, and the growth expectations they carry. It asks whether Lithuania's entrepreneurial landscape is beginning to reflect the inclusive, regionally grounded future to which the country aspires.

Geographic Shifts in Entrepreneurship

One of the central aspirations of Lithuania 2050 is to reduce spatial inequalities, and to ensure that all regions – and not just the capital city – benefit from innovation, investment, and economic opportunity. Recent GEM data suggest that this ambition is gradually materializing. In 2014, Vilnius accounted for 37% of all TEA, a figure that rose slightly to 38% in 2023 but then fell to as low as 29% in 2024 (see Figure 6.1). While the capital city still plays a critical role in the entrepreneurial ecosystem, the observed trend points to an emerging geographic rebalancing, with more early-stage activity now originating in the rest of the country.

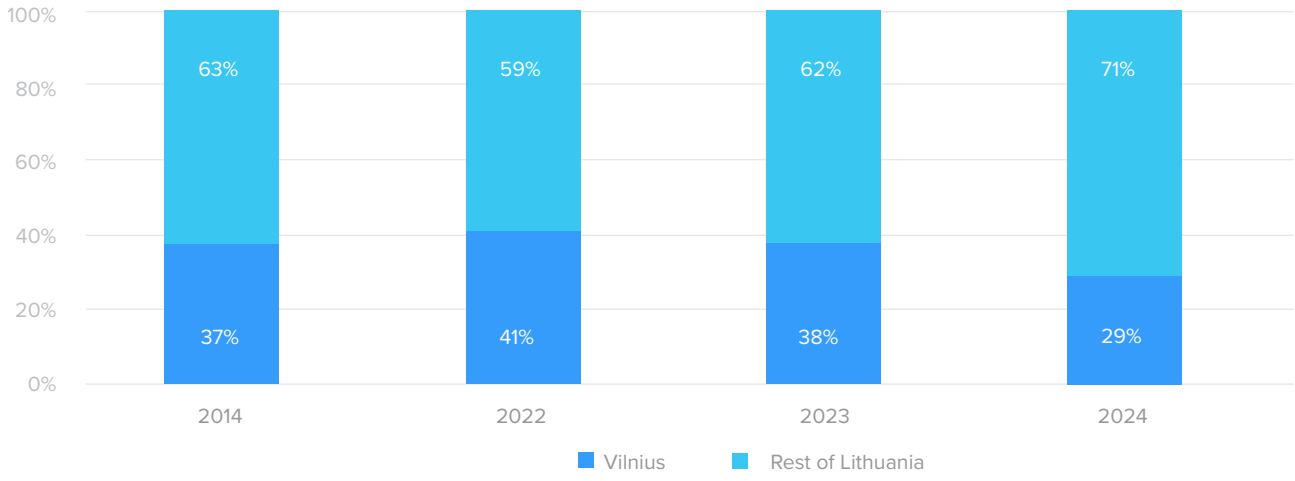


Figure 6.1. Total Early-Stage Entrepreneurial Activity (TEA) in Lithuania, by Region, 2014–2024
Share of TEA respondents based in Vilnius vs. the rest of Lithuania
Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

A similar trend is evident in established business ownership (EBO), which has become more geographically dispersed over time. In 2022, 67% of established businesses were located outside Vilnius; by 2024, this value increased to 75% (see Figure 6.2). This shift likely reflects the gradual maturation of businesses launched outside the capital city, many of which are now firmly embedded in regional economies.

At the same time, Vilnius continues to host a substantial share of long-standing businesses, reinforcing its role as a center of accumulated business experience and network infrastructure. Together, these patterns suggest a dual structure: a growing regional base of established businesses, alongside the enduring influence of the capital's entrepreneurial legacy.

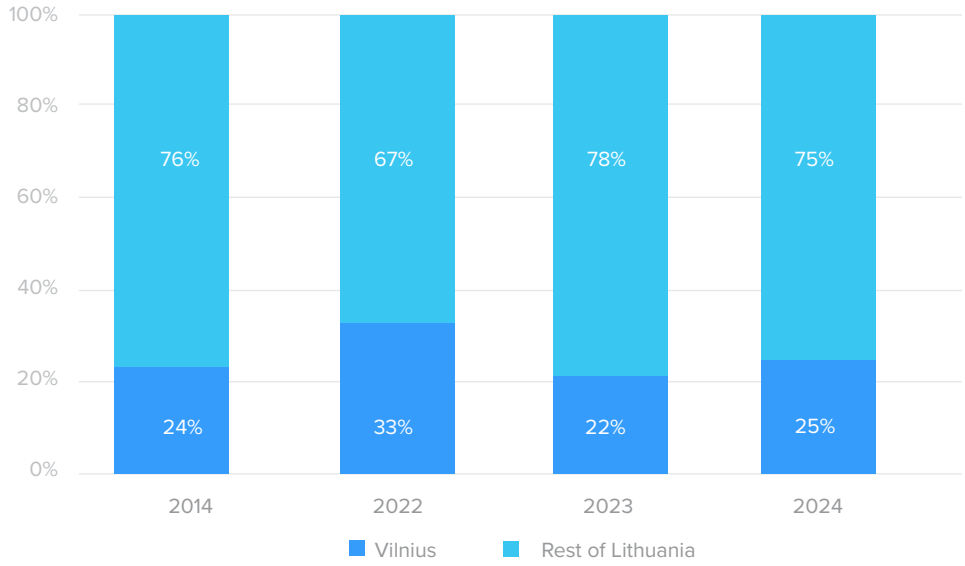


Figure 6.2. Established Business Ownership (EBO) in Lithuania, by Region, 2014–2024 Share of EBO respondents based in Vilnius vs. the rest of Lithuania

Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2014–2024.

The growing presence of both emerging and established businesses beyond Vilnius is signalingt more than a demographic shift; it reflects a gradual restructuring of entrepreneurial geography. This trend appears to be supported not only by an improved infrastructure, but also by favorable cost dynamics, access to skilled labor force, and sector-specific strengths, such as advanced manufacturing. If sustained, this regional emergence could form the foundation of a more territorially balanced economy. Realization of this vision will depend on continued investment in ecosystem development that would align with the local strengths and the national strategic goals.

Entrepreneurial Resilience across Regions

A frequent concern in decentralized development strategies is whether businesses outside capital cities can survive long enough to create a sustained local impact. However, the GEM data suggest that Lithuania's entrepreneurial landscape demonstrates notable regional resilience. In both 2023 and 2024, approximately 26–28% of business discontinuations occurred in Vilnius, with the remaining 72–74% distributed across the rest of the country, closely matching the geographic distribution of the entrepreneurial activity itself (see Figure 6.3). This proportionality suggests that while entrepreneurial activity has shifted modestly toward the regions, it has not been accompanied by disproportionately higher failure rates. The distribution of business exits closely mirrors the distribution of active businesses, indicating that regional businesses are surviving at rates broadly comparable to those in the capital city.

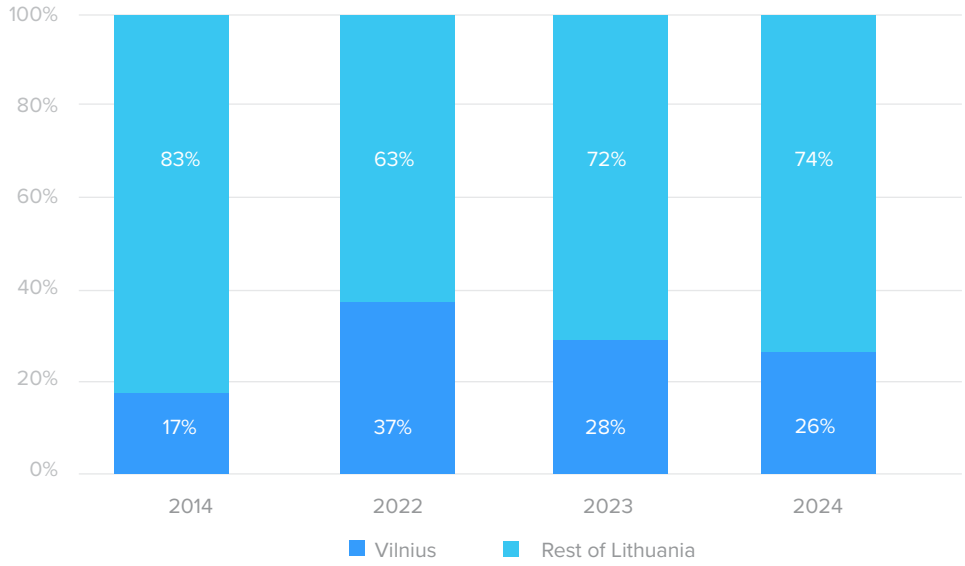


Figure 6.3. Business Discontinuation in Lithuania by Region, 2014–2024 Percentage of business closures reported in Vilnius and the rest of Lithuania

Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2014–2024.

This relative stability is an important signal. If decentralized entrepreneurship were associated with fragility or failure, that would pose a challenge to Lithuania 2050's regional development goals. Instead, the data offer early evidence that entrepreneurial capacity can take root – and endure – well beyond the capital city, particularly when paired with the right ecosystem support.

Entrepreneurial Purpose across Regions

Understanding why people start businesses is central to shaping the future which Lithuania is envisioning. The Lithuania 2050 strategy calls for an entrepreneurial ecosystem grounded not in economic necessity alone, but also in purpose, aspiration, and innovation. The GEM data offer a detailed picture of how entrepreneurial motivations differ between Vilnius and the rest of the country – and how they are slowly evolving.

Outside the capital, the dominant motive remains necessity. In 2024, 74.8% of early-stage entrepreneurs outside Vilnius stated they started their businesses to earn a living because jobs were scarce – compared to as little as 25.1% in the capital city (see Figure 6.4, Panel A). These figures have held remarkably steady over three years, thus underscoring a fundamental regional disparity: entrepreneurship beyond Vilnius City is still largely driven by the absence of alternatives. In contrast, in Vilnius, 29.5% of entrepreneurs in 2024 cited the desire to build a great wealth or a high income, compared to 70.5% outside the capital city (Figure 6.4, Panel B). While a gap persists, the share of economically ambitious founders outside Vilnius City has steadily grown.

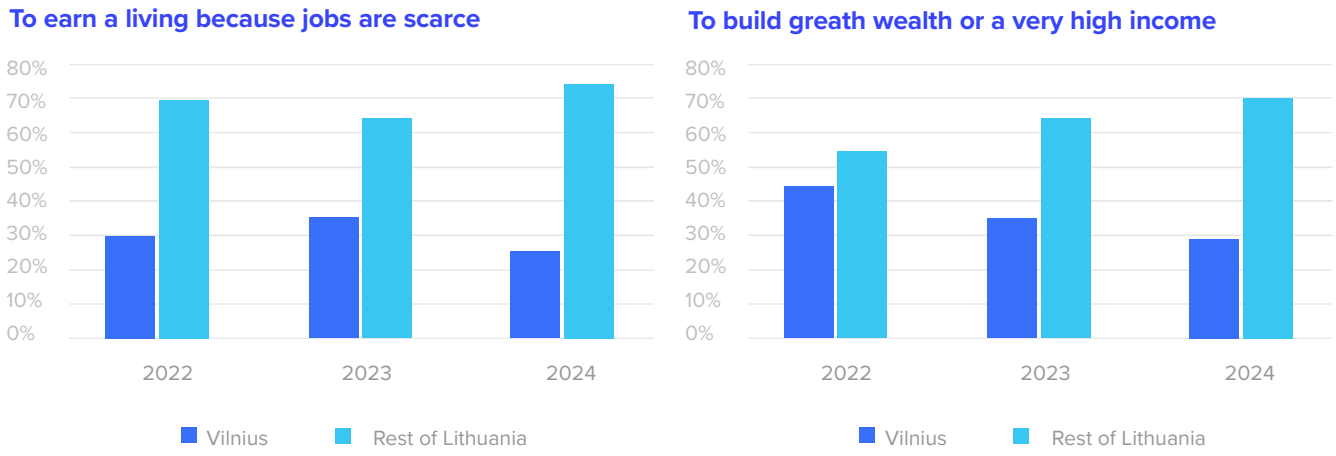


Figure 6.4. Core Entrepreneurial Motivations in Lithuania by Region, 2022–2024
Panel A: To earn a living because jobs are scarce
Panel B: To build great wealth or very high income
Source: GEM, Lithuania, 2022–2024.

Signs of more extensive change are also appearing in more aspirational motivations. The proportion of entrepreneurs citing the desire 'to make a difference in the world' has increased modestly in both Vilnius City and the rest of the country, with 71% of those reporting this motive based outside the capital city, and 29.0% within Vilnius City in 2024 (see Figure 6.5, Panel A). These patterns suggest that the personal and societal impact is beginning to enter the entrepreneurial vocabulary across regions, though its expression still remains uneven.

By contrast, 'continuing a family tradition' remains the least-cited motivation overall. While it is consistently more common outside the capital – as around 75% of those selecting this motive were from the rest of Lithuania in 2024 – the share has shown little change over time (Figure 6.5, Panel B). This stable, limited uptake reinforces the idea that Lithuania's emerging entrepreneurial culture is being shaped less by inheritance, and more by individual agency, immediate opportunity, and future-oriented ambitions.

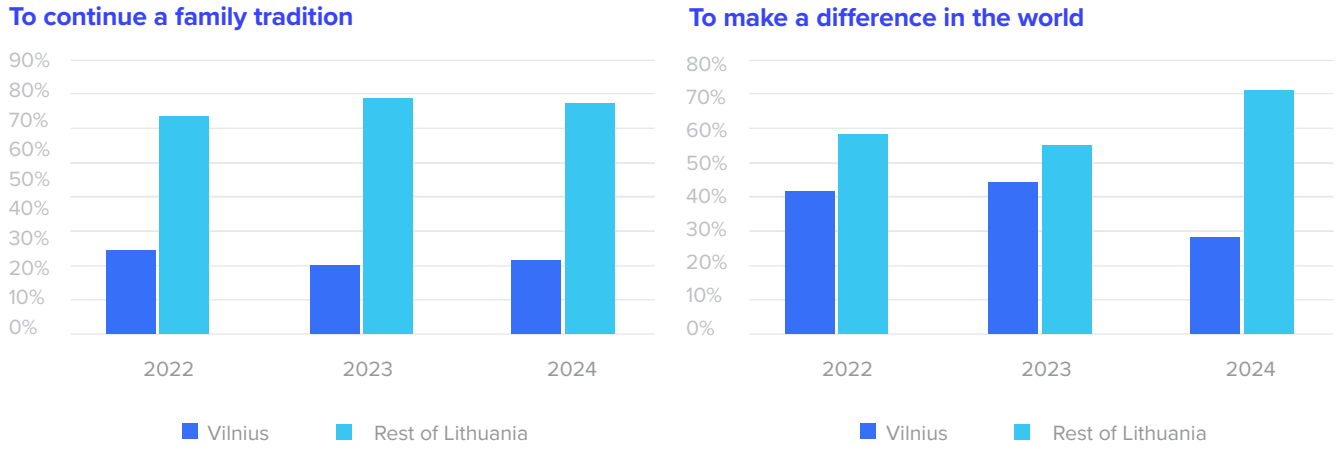


Figure 6.5. Aspirational Entrepreneurial Motivations in Lithuania by Region, 2022–2024
Panel A: To make a difference in the world
Panel B: To continue a family tradition
Source: GEM, Lithuania, 2022–2024.

These patterns reveal an entrepreneurial culture in transition – which is still rooted in economic necessity, but is getting increasingly shaped by personal ambition and social intent. While opportunity-driven motives are gaining ground, especially outside Vilnius City, legacy-based entrepreneurship plays a minimal role. This suggests that Lithuania's next generation of entrepreneurs is not building on inherited paths, but is actually forging new ones – anchored in responsiveness to the present-day challenges and aligned with the forward-looking ethos embedded in the national strategy. In this sense, regional entrepreneurship is not only growing in quantity, but is also slowly redefining its quality and purpose.

Innovation and Technology Capacity across Regions

Innovation lies at the heart of Lithuania 2050's vision for a competitive and forward-looking economy. A dynamic innovation ecosystem depends not only on cutting-edge ideas but also on the capacity to scale them up, and apply them across different sectors and regions. The recent GEM data reveal signs of progress in both dimensions, with an increasingly distributed pattern of entrepreneurial innovation across the country.

In 2024, 40% of 'new-to-the-world' innovations in early-stage entrepreneurship were reported by founders based in Vilnius City (see Figure 6.6). While the capital city continues to dominate in digital and frontier innovation, its share has declined over time, thereby suggesting that other regions are playing a growing role in generating novel solutions.

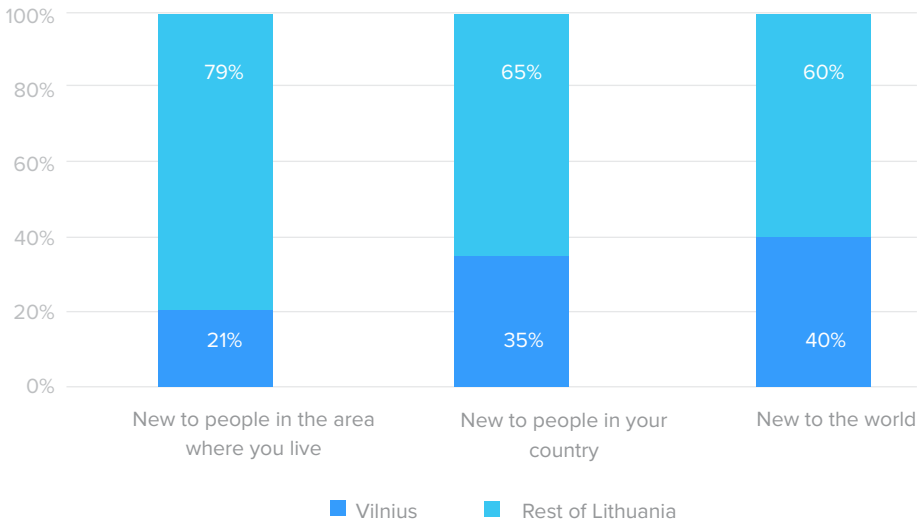


Figure 6.6. Early-Stage Entrepreneurs in Lithuania Reporting 'New-to-the-World' Product or Service Innovations, 2024 Share of TEA innovations classified as globally novel, by region

Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2024.

At the same time, the rest of Lithuania accounted for 63% of medium- and high-tech entrepreneurial activity in 2024, up from 42% just two years earlier (see Figure 6.7). These developments point to a bifurcated but complementary innovation landscape, in which Vilnius City remains a hub for disruptive technologies, while regional areas are gaining strength in applied industrial innovation. Rather than signaling a shift away from the capital city, this trend reflects a maturing national ecosystem, one where innovation capacity is becoming more territorially balanced and diverse. The alignment of emerging novelty with technical capability beyond Vilnius City suggests that Lithuania is building a more resilient and decentralized foundation for knowledge-based growth, which is in line with its long-term strategic priorities.

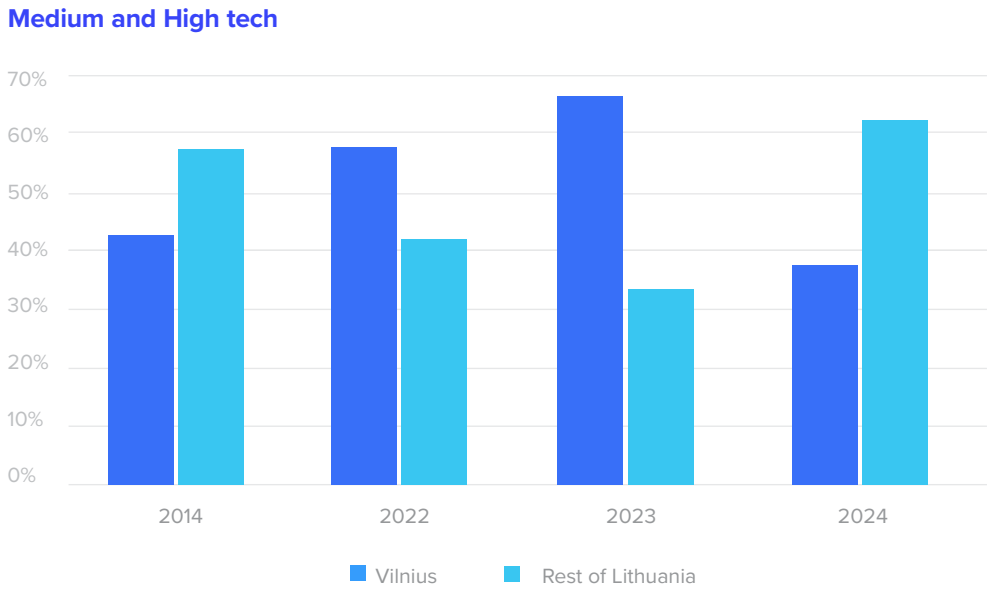


Figure 6.7. Medium- and High-Tech Business Activity in Lithuania, by Region, 2014–2024 Share of medium- and high-tech businesses by location (Vilnius vs. rest of Lithuania)

Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2014–2024

The evolving geography of innovation in Lithuania suggests a system gradually moving beyond centralization – toward a system where novelty, technology, and industrial strength are no longer confined to the capital city. This shift opens the door for new regional specializations, smarter resource allocation, and a broader base of innovation contributors. For Lithuania 2050, this emerging territorial balance is not just an economic asset – it is a foundation for long-term resilience and global competitiveness.

Growth Ambitions and Job Creation Potential across Regions

One of the most striking developments in Lithuania's recent entrepreneurial data is the regional shift in high-growth expectations. In 2023, nearly three-quarters of TEA projecting significant job creation – defined as those planning to hire 10 or more employees with at least 50% growth – were located in Vilnius City. Just one year later, these dynamics were reversed: in 2024, more than two-thirds of high-growth projections now originate from the 'rest of Lithuania' (see Figure 6.8). The shift is substantial enough to suggest more than statistical fluctuation; it reflects a growing confidence in the regional capacity to scale.

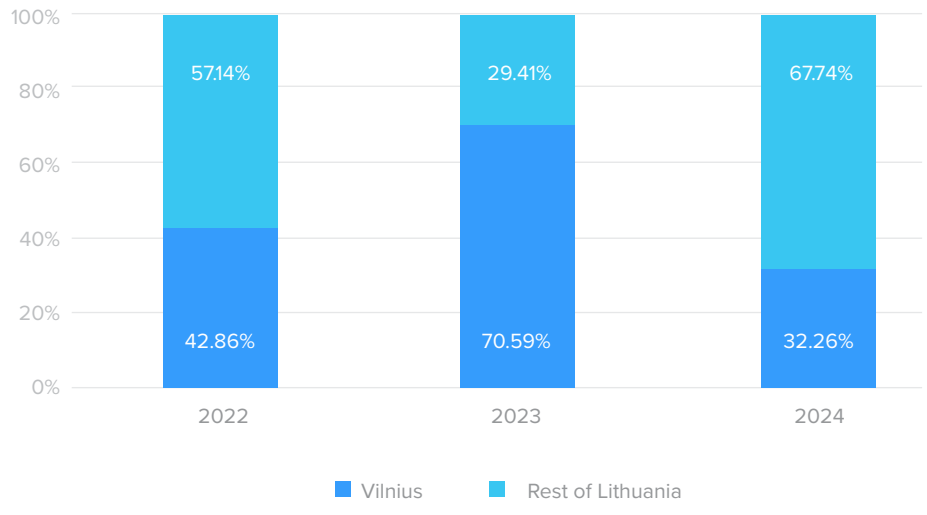


Figure 6.8. Early-Stage Entrepreneurs in Lithuania Expecting High Growth (≥10 New Jobs and ≥50% Growth), by Region, 2022–2024 Share of TEA respondents with high-growth projections, by location

Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

Among EBO, the pattern is less dramatic but still notable. While Vilnius City has traditionally housed most growth-oriented mature firms, 60% of those with high-growth expectations in 2024 were based outside the capital (see Figure 6.9). These parallel movements in both new and established businesses point to an emerging decentralization of scale potential – one in which founders across Lithuania are increasingly seeing pathways to grow businesses with a significant employment impact.

This shift matters deeply for Lithuania 2050, which positions inclusive regional development as a strategic priority. The data indicate that entrepreneurs beyond Vilnius City are not only starting businesses – they are actually beginning to view their regions as viable places to build ambitious, scalable enterprises. Whether this confidence can be translated into realized outcomes will depend on the continued expansion of talent pipelines, the infrastructure, and ecosystem supports outside the capital city.

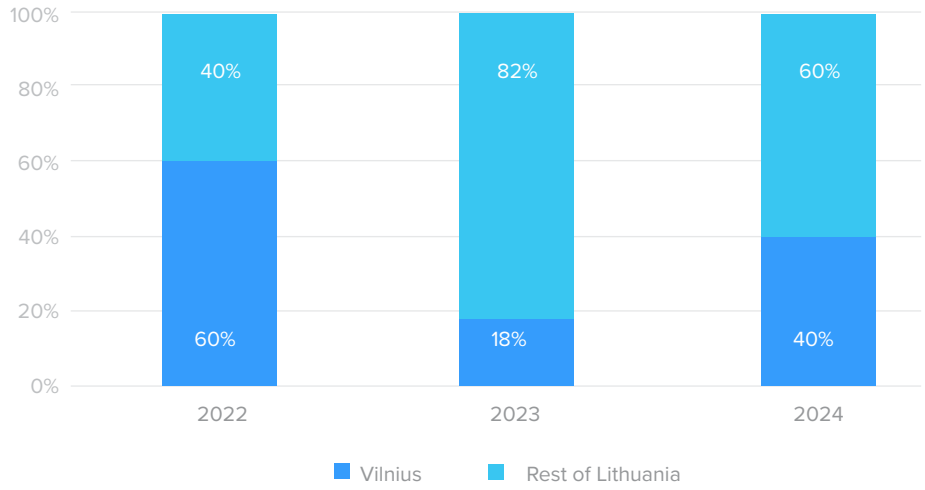


Figure 6.9. Established Business Owners in Lithuania Expecting High Growth (≥10 New Jobs and ≥50% Growth), by Region, 2022–2024 Share of EBPO respondents with high-growth projections, by location

Source: Global Entrepreneurship Monitor (GEM), Lithuania, 2022–2024.

The emergence of growth ambitions beyond the capital city marks a pivotal moment for Lithuania's regional economic development. If this shift is sustained – and matched by the right policy and ecosystem responses – it could redefine where the future economic dynamism resides. For a national strategy seeking territorial cohesion and smart specialization, these signals suggest that the country's capacity to scale up is no longer confined to its center, but, actually, increasingly radiating outward.

The geography of entrepreneurship in Lithuania is shifting, and not through rapid decentralization, but through a steady redistribution of ambition, capacity, and innovation. As regional ecosystems are maturing, they are not only absorbing more entrepreneurial activity, but are also generating it with an increasing confidence and complexity. This is not a reversal of Vilnius City centrality, but evidently the emergence of a more pluralistic entrepreneurial map – one that reflects the aspirations of Lithuania 2050 to build a territorially balanced and future-ready economy.

Summary

This chapter has examined how spatial patterns in entrepreneurship intersect with Lithuania's long-term strategic vision. The evidence points to a gradual but meaningful rebalancing: early-stage activity, business continuity, technological capacity, and even high-growth ambition are increasingly found outside the capital city. Regional entrepreneurship remains shaped by structural disparities – especially in motivation and resource access – but is beginning to acquire the features once largely concentrated in Vilnius City: innovation, scalability, and purpose.

These findings reinforce the view that achieving territorial cohesion will require not only supporting more businesses in more places, but also ensuring that the quality and orientation of entrepreneurial activity should align with the national goals. In this sense, entrepreneurship is not just a barometer of local economic health – it is a strategic lever for realizing the long-term transformation envisioned in ***Lithuania 2050***.

CHAPTER 7

AI AND DIGITAL READINESS IN LITHUANIA

Artificial intelligence is rapidly reshaping the global economy, redefining competitive advantage, productivity, and even the nature of entrepreneurial decision-making. For Lithuania, as well as for many other small high-income economies, the challenge is not only to adapt to this disruption – but rather to seize it as a catalyst for digital transformation. This chapter explores how Lithuanian entrepreneurs are responding to the opportunities and constraints of artificial intelligence and related digital technologies. Drawing on the new data introduced in ***GEM 2025***, it assesses both current adoption patterns and anticipated future use, while comparing Lithuania's position with peer economies. It also highlights a core paradox: while national policy frameworks and digital infrastructure are broadly in place, the actual implementation – especially of advanced AI tools – still remains limited. Understanding this gap between strategic readiness and operational uptake will be crucial as Lithuania is attempting to position itself within the next wave of digital-led growth.

Strategic Awareness vs. Operational Uptake

Lithuania has taken visible steps to prepare for the age of artificial intelligence. Strategic frameworks, public sector support, and investment in digital education all signal a national orientation toward digital transformation. These efforts are reflected in GEM's ***2024 National Expert Survey*** (NES), where Lithuania scores above the EU average across multiple dimensions of AI preparedness, including institutional support, ethical confidence, education, and employee capability (see Figure 7.1). Expert assessments suggest that the formal conditions for AI adoption are not only in place, but are also comparatively strong.

Figure 7.1. National Expert Survey (NES) Assessment of AI Environment in Lithuania vs. EU Average, 2024
Expert perceptions of AI-related awareness, institutional support, education and training, employee competence and ethical safeguards
Source: GEM National Expert Survey, Lithuania, 2024..

In 2024, Lithuania reported one of the lowest levels of AI prioritization among all high-income economies surveyed: as little as 14% of early-stage entrepreneurs (TEA) rated artificial intelligence as 'very important' to their business model (see Figure 7.2). This places Lithuania well below the high-income average and underscores a significant gap between institutional preparedness and on-the-ground adoption. In contrast, countries such as Saudi Arabia and the UAE report figures exceeding 50%, reflecting a far more assertive integration of AI into their entrepreneurial strategy. For Lithuania, the challenge is not awareness, but, evidently, application: while frameworks do exist, the translation into the startup practice remains minimal.

This disconnection between the strategic readiness and entrepreneurial behavior highlights a central challenge in Lithuania's digital evolution. While the national policy frameworks signal a forward momentum, the actual uptake among new businesses remains limited. Bridging this gap will require more than infrastructure or regulatory clarity; it will demand more extensive investments in technical confidence, founder education, and proof of commercial value. For now, artificial intelligence in Lithuania is broadly recognized – but rarely embedded in the entrepreneurial practice at scale.

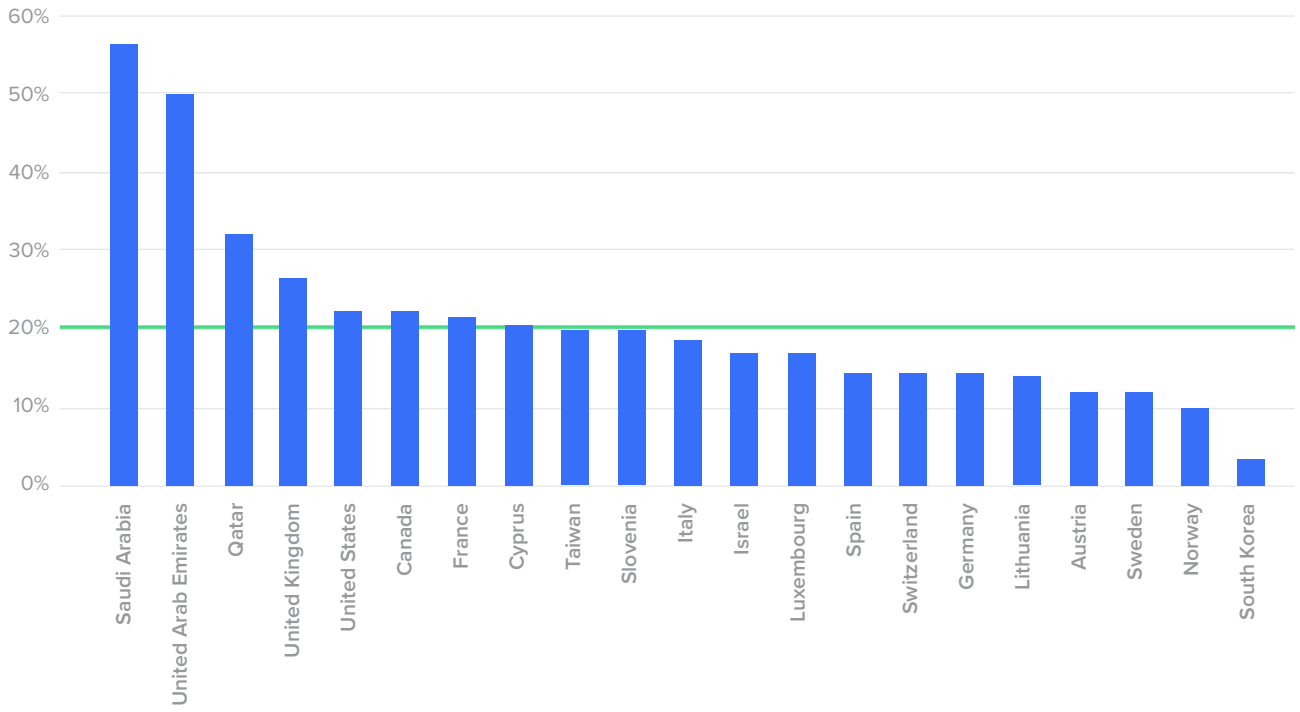


Figure 7.2. Percentage of Early-Stage Entrepreneurs (TEA) Considering AI 'Very Important' to Business Strategy, 2024
Comparison across selected high-income economies
Source: GEM Adult Population Survey, Lithuania, 2024

The divergence between institutional preparedness and entrepreneurial uptake suggests that AI adoption in Lithuania is no longer primarily a question of awareness or infrastructure. Instead, it reflects a more nuanced readiness gap, where, even though entrepreneurs recognize the significance of AI, but have yet to internalize it as strategically necessary or commercially urgent. Addressing this disconnect will be key to turning the national digital ambition into meaningful entrepreneurial transformation.

Patterns of Digital Tool Adoption among Entrepreneurs

While artificial intelligence may still be on the periphery of most business strategies in Lithuania, more established forms of digitalization – such as websites, email, and social media – are widely adopted. These tools form the foundation of digital operations and provide a useful lens for understanding how entrepreneurs engage with technology in practice. The GEM 2024 data show that nearly all entrepreneurs use at least one basic digital tool, but the type, intensity, and purpose of usage differ significantly between TEA and EBO.

Email remains the most widely used digital tool, with 54.8% of TEA and 53.4% of EBO respondents identifying it as essential for communicating with their customers or internal teams (see Figure 7.3). This consistency across business stages underscores the email's continuing utility as a reliable, low-cost infrastructure for operations. However, usage patterns begin to diverge when looking at more outward-facing channels.

Social media is used by half of early-stage entrepreneurs (50.3%), compared to as little as 32.3% of EBO, suggesting a generational divide or differing engagement strategies. Younger businesses appear to rely more heavily on platform-based communication, seeing it as faster and less formal tool, which better suited to real-time market testing.

Other tools, such as corporate websites and email marketing platforms, are being used by about one third of all entrepreneurs, but are not yet universally adopted. Their moderate uptake suggests that while digital identity and customer outreach are perceived as priorities, they may be secondary to the more immediate operational needs. Together, the data suggest a digital landscape that is broad in reach but shallow in integration: digital tools are present, but not yet deeply embedded in the business models of most Lithuanian entrepreneurs.

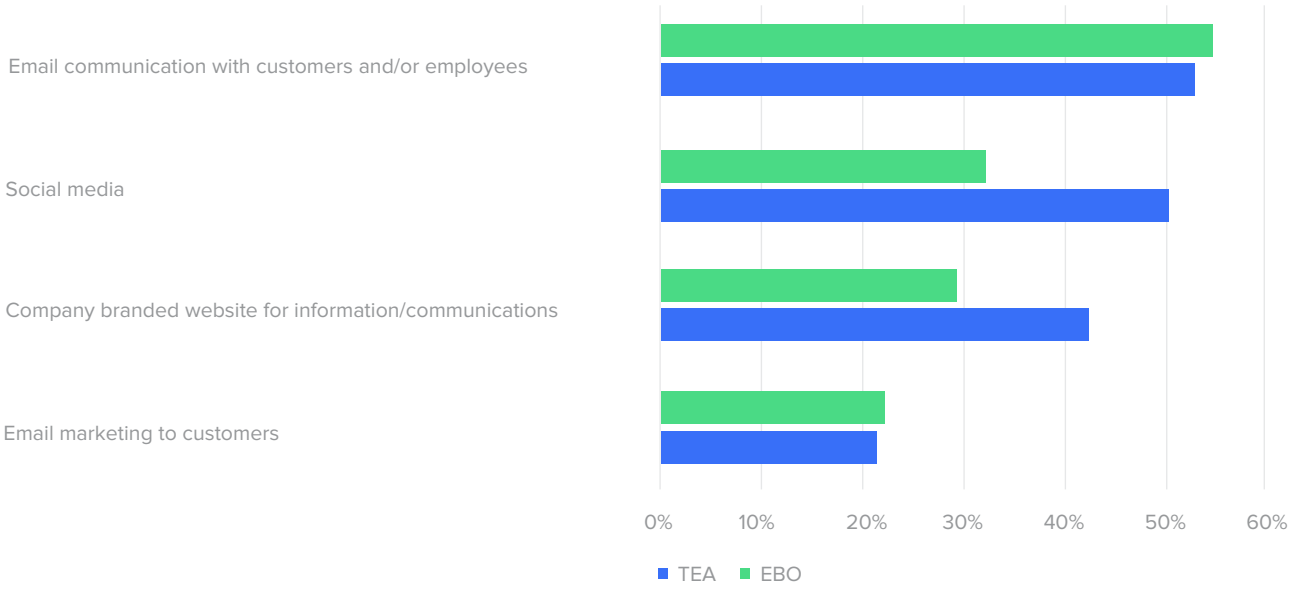


Figure 7.3. Use of Digital Tools by Lithuanian Entrepreneurs, by Business Stage, 2024
Percentage of TEA and EBO respondents citing various tools as important to their business (email, social media, websites, email marketing, etc.)
Source: GEM Adult Population Survey, Lithuania, 2024.

The widespread use of basic digital tools suggests that Lithuanian entrepreneurs are digitally active – but not yet digitally ambitious. The reliance on foundational technologies like the email and social media reflects a functional approach to digitalization rather than a strategic one. As Lithuania seeks to build a more innovation-driven economy, the challenge will be to shift from adoption to integration – embedding digital tools not only into daily operations, but also into long-term value creation. This requires a mindset shift which would go beyond access and infrastructure toward digital maturity.

Emerging Technologies in the Business Model

As Lithuania positions itself for long-term digital competitiveness, the integration of advanced technologies into everyday business models will be a key differentiator. While basic digital tools such as the email and websites are being widely used, the incorporation of more transformative technologies – namely, cloud computing, data analytics, and artificial intelligence – remains selective and uneven. The GEM data show that Lithuanian entrepreneurs are beginning to adopt these tools, but few are yet considering them core to their strategy.

In 2024, 34.6% of TEA entrepreneurs and 23.6% of EBO identified cloud technologies as 'very important' to their current business model, making it the most widely embraced of the advanced tools surveyed (see Figure 7.4). Data analytics also gained traction; it is cited as strategically Social media is used by half of early-stage entrepreneurs (50.3%), compared to as little as 32.3% of EBO, suggesting a generational divide or differing engagement strategies. Younger businesses appear to rely more heavily on platform-based communication, seeing it as faster and less formal tool, which better suited to real-time market testing.

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important by 31.5% of TEA and 19.2% of EBO. These figures indicate a modest but meaningful shift toward data- and cloud-enabled business operations, particularly among more mature firms that may already be engaged in digitizing their supply chains or customer systems.

By contrast, artificial intelligence remains on the periphery. Only 13.9% of TEA and 19.1% of EBO rate AI as 'very important' to their business model today, echoing the broader hesitation discussed above in this study. Interestingly, the slightly higher rating among established businesses suggests that plug-and-play tools – such as automated customer service or recommendation systems – may be more accessible or relevant to their operations than to early-stage businesses which are in the process of still refining their business models.

These patterns suggest that while Lithuania's digital stack is broadening, advanced technology remains largely additive – and not foundational. Entrepreneurs are selectively incorporating these tools to optimize specific functions, rather than reimagining their businesses around them. This may reflect a natural maturity curve – but it also signals the need for targeted support in building strategic capacity to move beyond experimentation toward integration.

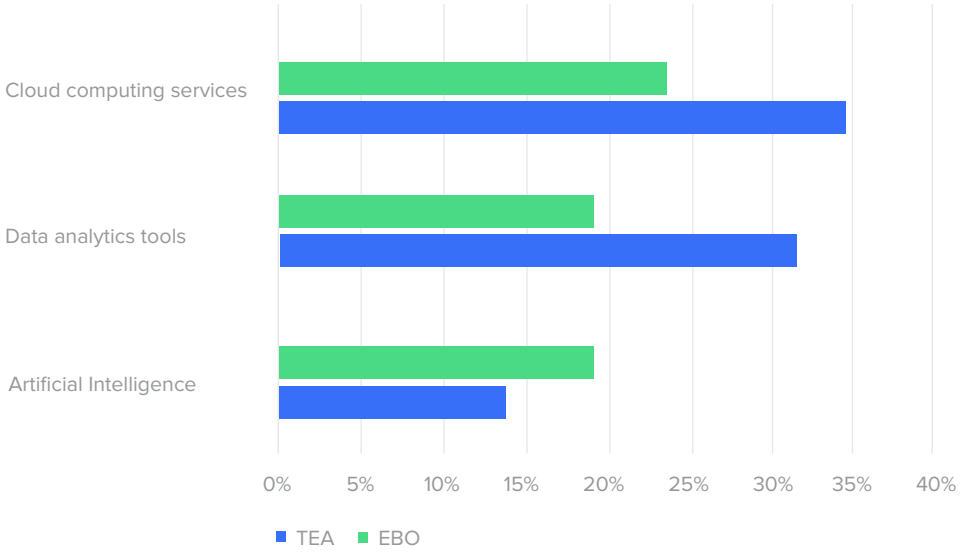


Figure 7.4. Importance of Emerging Technologies in the Business Models of Lithuanian Entrepreneurs, 2024 Percentage of TEA and EBO respondents rating various technologies (cloud, AI, data analytics, etc.) as 'very important'

Source: GEM Adult Population Survey, Lithuania, 2024.

The current use of digital tools by Lithuanian entrepreneurs reflects a landscape of broad access but limited transformation. Most businesses have integrated core technologies into day-to-day operations, yet these tools are often applied tactically rather than embedded strategically. This suggests that digitalization, while widespread in form, has not yet fully reshaped the structure or trajectory of most business models. Whether this will change depends not just on the availability of tools, but also on entrepreneurs' capacity and confidence to use them in more systematic, growth-oriented ways.

Expectations for AI Adoption

While the adoption of artificial intelligence remains limited today, future expectations do not suggest a major shift on the near-term horizon. The GEM 2024 data show that Lithuanian entrepreneurs are anticipating only a modest increase in the strategic relevance of AI over the next three years. Among early-stage entrepreneurs (TEA), the share rating AI as 'very important' rises from 14% today to 18% in three years' time. Among established business owners (EBO), the corresponding figure moves from 19% to 21% (see Figure 7.5). These marginal gains indicate that most entrepreneurs still view AI not as an immediate strategic priority, but more as a longer-term or conditional opportunity.

This cautious outlook may reflect the current maturity of the entrepreneurial ecosystem, the perceived complexity of AI tools, or a lack of clear sectoral use cases. Unlike cloud computing or data analytics, which have more tangible and immediate applications, AI remains abstract for many founders, especially in smaller firms with limited technical capacity. The subdued expectation levels suggest that, for now, the digital transformation agenda in Lithuania is unfolding in incremental stages, with AI still at the edge of the strategic radar.

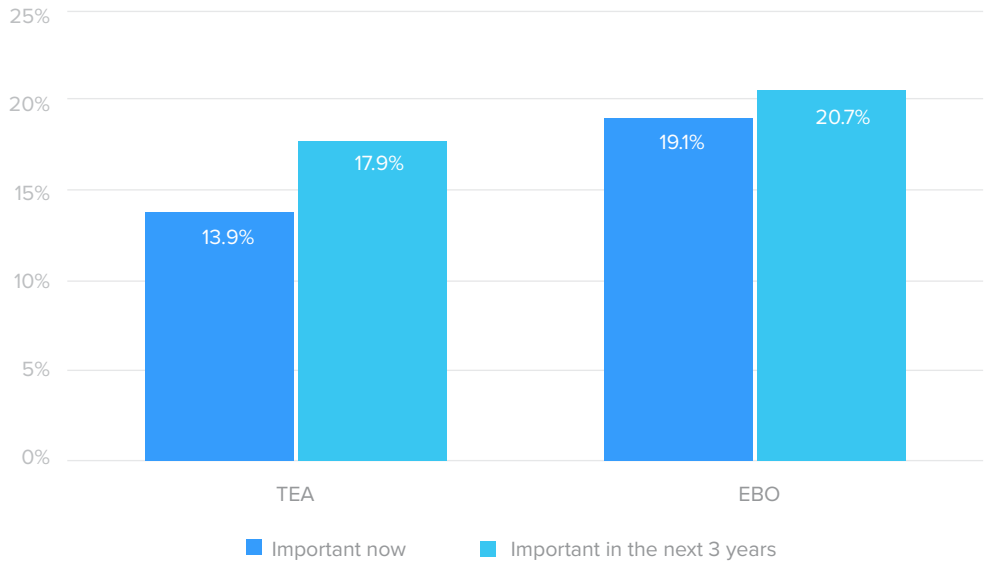


Figure 7.5. Percentage of TEA and EB in Lithuania Anticipating AI to be 'Very Important' within the Next Three Years, 2024
Comparison of current and projected AI importance among early-stage and established entrepreneurs

Source: GEM Adult Population Survey, Lithuania, 2024.

The restrained shift in expectations suggests that AI remains more a strategic concept than a near-term operational priority for most Lithuanian entrepreneurs. While awareness is present, the sense of urgency is not. This outlook reflects a digital environment in which transformation is incremental, and not disruptive, and where large-scale AI integration is seen as a future possibility, rather than an immediate competitive necessity. If this window is bound to open wider, it will likely require clearer sector-specific use cases, a stronger demonstration of value, and greater accessibility of implementation pathways.

Balancing Benefits and Barriers to AI Adoption

While few Lithuanian entrepreneurs are currently placing AI at the center of their business strategy, their perceptions of its potential are both expansive and ambivalent. The GEM 2024 data reveal that both TEA and established EBO entrepreneurs recognize a wide range of possible benefits – yet these are matched by equally substantial concerns. Among the perceived benefits, the top three are remarkably consistent: revenue growth (52.5%), productivity improvements (50%), and new product creation (46%) are most frequently cited as high-impact advantages of AI (see Figure 7.6). Entrepreneurs are also optimistic about personalization and risk management, reflecting a view of AI as an efficiency enabler and a performance enhancer across the core business functions.

However, concerns remain deeply felt. Data privacy (41% of TEA), implementation costs (45%), and customer mistrust (43%) all register as major barriers. Among established businesses, ethical concerns – particularly around algorithmic decision-making – rank even higher, cited by nearly half (48%) of the EB respondents. These figures suggest that the perceived risk is not theoretical: it is grounded in operational realities and, in many cases, in a lack of control over how AI tools are built and deployed.

Taken together, the data reflect a business community that is not indifferent to AI, but one that is evaluating it with realism rather than hype. Adoption is shaped as much by constraint as by ambition – governed by founder judgement about trust, timing, and the costs of uncertainty. If AI is to gain traction in Lithuania's entrepreneurial landscape, it will need to prove not just its power, but also its sheer practicality.

Figure 7.6. Perceptions of AI-Related Factors Having High Impact on Business Strategy among Entrepreneurs in Lithuania, 2024
Share of TEA and EB respondents citing benefits (positive values) and barriers (negative values) as highly impactful
Source: GEM Adult Population Survey, Lithuania, 2024.

The outlook emerging from this data is not one of resistance, but of conditional engagement. Lithuanian entrepreneurs are weighing AI's potential alongside its complexity, and are holding back not out of indifference, but out of strategic caution. For adoption to accelerate, AI must be positioned not simply as powerful, but also as relevant – something that is offering clear, contextualized value to businesses navigating limited time, trust, and technical capacity.

Digitalization in Lithuania has moved beyond the stage of planning and infrastructure, and it is now a question of translation and trust. Entrepreneurs are not disengaged from new technologies; rather, they are making selective, calculated moves based on what feels achievable, relevant, and safe. The hesitation around AI reflects more than a technical constraint – it points to questions of usability, clarity of value, and confidence in outcomes. As the digital landscape continues to evolve, the opportunity lies not just in pushing adoption, but in aligning digital innovation with the pace, needs, and judgment of those building Lithuania's entrepreneurial future.

Summary

This chapter has examined how Lithuanian entrepreneurs are navigating the emerging landscape of artificial intelligence and digital technology. While institutional frameworks for AI are comparatively strong, the actual integration into the entrepreneurial practice remains cautious and incremental. The founders broadly adopt basic digital tools, but more advanced technologies – such as cloud computing, data analytics, and AI – are still being selectively applied and rarely treated as central to strategic planning. Expectations for AI adoption remain modest, and perceived benefits are balanced by significant concerns around cost, trust, and ethical risk. These findings suggest that Lithuania's digital transition is underway, but its trajectory is defined less by disruption than by deliberate calibration. Turning readiness into meaningful uptake will require targeted support, capacity-building, and clear use cases that would translate digital potential into business value.

CHAPTER 8

ENTREPRENEURIAL ECOSYSTEM IN FOCUS

Entrepreneurial activity draws strength – or stalls – depending on the quality of the systems around it. Policy frameworks, access to finance, education, infrastructure, and cultural norms all shape the environment in which entrepreneurs start and grow businesses. The GEM National Expert Survey (NES) assesses these conditions across 13 dimensions, thus offering a structured look at how effectively a country is supporting entrepreneurship.

In 2024, Lithuania reached a significant milestone. It ranked second globally in the ***National Entrepreneurship Context Index*** (NECI), with a composite score of 6.42 out of 10, and found itself ahead of nearly all high-income and EU countries, and was positioned only slightly behind the United Arab Emirates (see Figure 8.1). This result signals progress in several key areas, including digital infrastructure, entrepreneurial finance, and government program support.

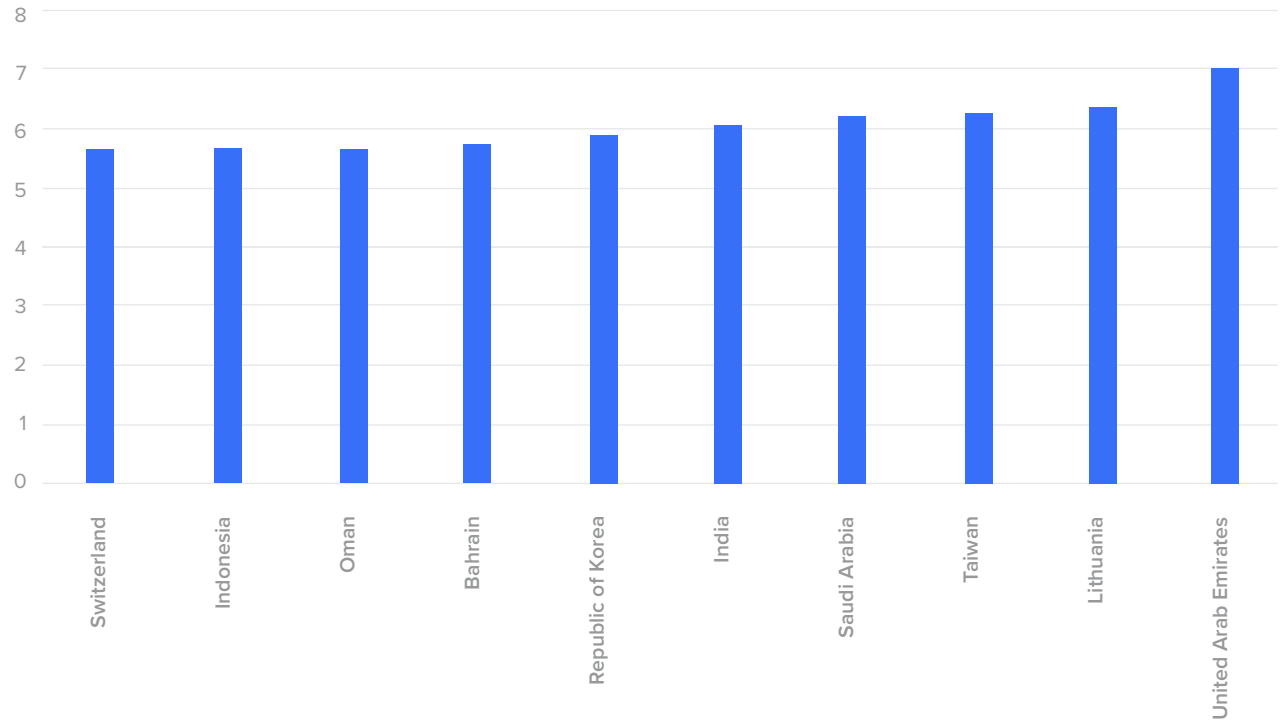


Figure 8.1. Lithuania's NECI Score and Global Ranking, 2024
Lithuania's rank and composite score in the Global NECI Index (0–10 scale)
Source: GEM National Expert Survey (NES), 2024

However, the ecosystem quality varies across dimensions. Some areas – like post-school entrepreneurship education and physical infrastructure – have shown steady improvement. Others, particularly entrepreneurship in schools, technology transfer, and regulatory complexity, are continuing to underperform. The 2023–2024 radar chart (see Figure 8.2) captures this contrast between advancing strengths and persistent structural gaps.

Figure 8.2. Lithuania's Entrepreneurial Ecosystem Scores by Framework Condition, 2023–2024
Expert ratings (scale 0–10) across all 13 NES framework conditions
Source: GEM National Expert Survey (NES), Lithuania, 2023–2024.

The sections that follow examine these patterns in depth. Each section explores a different part of the entrepreneurial ecosystem: where momentum is building, where barriers remain entrenched, and how these dynamics align with long-term strategic priorities such as those outlined in Lithuania 2050 – including innovation, inclusion, and regional development.

National Challenges of Entrepreneurial Ecosystem

Lithuania's high overall NECI score reflects more than just symbolic progress. A few areas within the entrepreneurial environment consistently perform well, and they now form the country's core advantages. In 2024, experts rated physical infrastructure, post-school entrepreneurship education, and access to entrepreneurial finance as the strongest parts of the system.

Infrastructure (H) leads the way with a score of 8.2 out of 10; this condition received the highest expert rating in Lithuania's NES profile. The finding shows that when infrastructure is working well, it does not get noticed, and that invisibility is actually part of its success. It allows entrepreneurs to operate efficiently, even outside the capital city. For a country aiming to strengthen regional ecosystems, this reliability creates a strong base.

Post-school education (D2) also stands out, with a score of 6.5, up from 6.0 the year before. While school-level entrepreneurship education still receives lower ratings, universities and adult training programs have started filling the gap. All universities and colleges are now offering content on innovation, business development or entrepreneurship. For aspiring innovators, this exposure often becomes the first step toward turning an idea into a business.

Finance (A2) has also improved. In 2024, experts rated access to entrepreneurial finance at 6.0, and this aspect is now significantly stronger than in past years. More early-stage funding is available, and public co-investment schemes have become easier to navigate. This is not just about capital, but it reflects growing confidence that Lithuania's startup landscape is worth investing in.

Figure 8.3. Lithuania vs EU Average on Selected Framework Conditions, 2024
Expert scores for Lithuania and the EU average on physical infrastructure, post-school education, and entrepreneurial finance (scale 0–10)
Source: GEM National Expert Survey (NES), Lithuania and EU subset, 2024

Lithuania's entrepreneurial ecosystem has made progress across several key areas, but some structural elements are still creating friction for the founders. These are not issues of visibility or intent – they are points where the system falls short in execution. The NES 2024 scores point to three persistent constraints: the weak commercialization of research, inconsistent market dynamism, and a lingering regulatory burden.

Technology transfer remains the clearest gap. Experts rated this dimension (E) at 5.7 out of 10, placing it among the lower of the 13 framework conditions. Lithuania has made solid investments in its research base, especially in biotechnology and engineering. However, these advances have not yet translated into entrepreneurial outcomes. Academic institutions and businesses are still operating in largely separate spheres, and support for bridging mechanisms – like tech transfer offices, licensing schemes, or co-funding for spinoffs – remains inconsistent. Without stronger links between the research and business communities, innovation remains locked in institutional silos.

The business environment also suffers from a lack of dynamism. NES respondents gave market dynamics (G1) a score of 6.2, citing limited competition and slow uptake of new business models across sectors. In many industries, established businesses are dominating the market share, and procurement structures are still favoring incumbents. For startups, this creates a high threshold to entry – even with a strong product or service. Market openness is critical not just for growth, but also for validating ideas and attracting investment. Without it, early-stage businesses struggle to build traction, especially outside of capital-intensive tech.

Regulatory complexity (G2) also continues to weigh on the ecosystem. Despite modest gains in digitalization and intelligent technologies, the process of starting and running a business still involves too many steps.

Licensing, tax registration, and compliance remain time-consuming, and the legal support is unevenly distributed, especially in regional areas. In 2024, experts gave this dimension a score of 6.3, which remains below many of Lithuania's peers in the high-income category.

The school-level entrepreneurship education (D1), which had long been viewed as a weaker point, has now shown moderate improvement. In 2024, the score rose to 5.6, up from 4.7 the previous year. While still trailing behind post-school education (D2), which reached 6.5, this upward trend signals some progress. Experts noted better program visibility and early-stage entrepreneurship initiatives in schools. However, implementation remains uneven, and systemic integration into the national curriculum is still limited. The gap between secondary and post-secondary entrepreneurship education remains clear, but the movement suggests that at least some positive changes are emerging.

Some elements of the ecosystem, especially the infrastructure and post-school education, have matured. These improvements do not yet suggest that everything is in place, but they do show that certain systems are maturing. They also align with the broader national goals. ***Lithuania 2050*** envisions a knowledge economy that is digitally connected, inclusive, and open to innovation. Infrastructure, education, and finance are central to that vision – and, based on the current NES results, they are among the most reliable parts of Lithuania's entrepreneurial foundation. However, the remaining gaps in the innovation policy, market fluidity, and bureaucratic clarity slow down the conversion of ideas into outcomes. For Lithuania's ecosystem to move forward as a whole, these weaker conditions need more than a reform – they need ownership and follow-through across institutions.

Toward Ecosystem Maturity: Long-Term Trends

Over the past decade, Lithuania's entrepreneurial environment has steadily matured. Long-term NES data from 2011 to 2024 reveal where progress has been sustained, where momentum has stalled, and how the system has evolved in response to the policy reforms, economic shifts, and institutional investment.

The trajectory is not uniform, but the pattern is definitely clear: Lithuania's ecosystem has become more stable, more responsive, and more deeply embedded in the national development strategies. At the same time, some persistent gaps remain, especially regarding the aspects of innovation output and market openness.

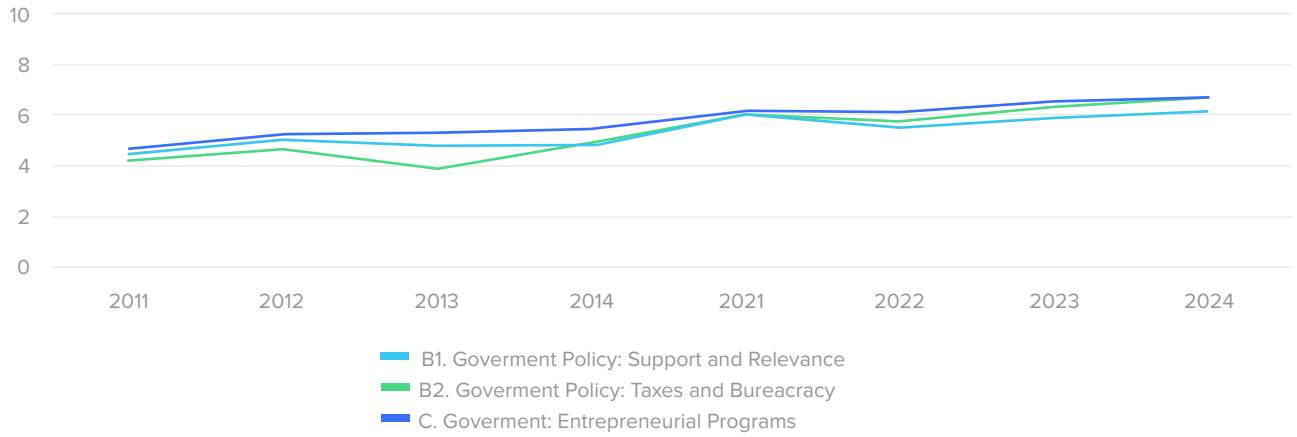


Figure 8.4. Government Policy and Program Support, 2011–2024
Scores for B1 (Support and Relevance), B2 (Taxes and Bureaucracy), and C (Government Programs)
Source: GEM National Expert Survey (NES), Lithuania, 2011–2024.

The Government policy has become more consistent. Over the last decade, B1 (support and relevance) and C (entrepreneurial programs) have shown a steady upward movement, both now slightly above 6.0. Ministries and agencies are increasingly treating entrepreneurship as part of the country's economic fabric, and not a temporary project. However, B2 (regulation and tax burden) remains lower. Administrative processes have become more digital and predictable, but they still require time, experience, or external help to navigate. This friction discourages early experimentation, particularly among the youth or rural entrepreneurs with limited institutional support.

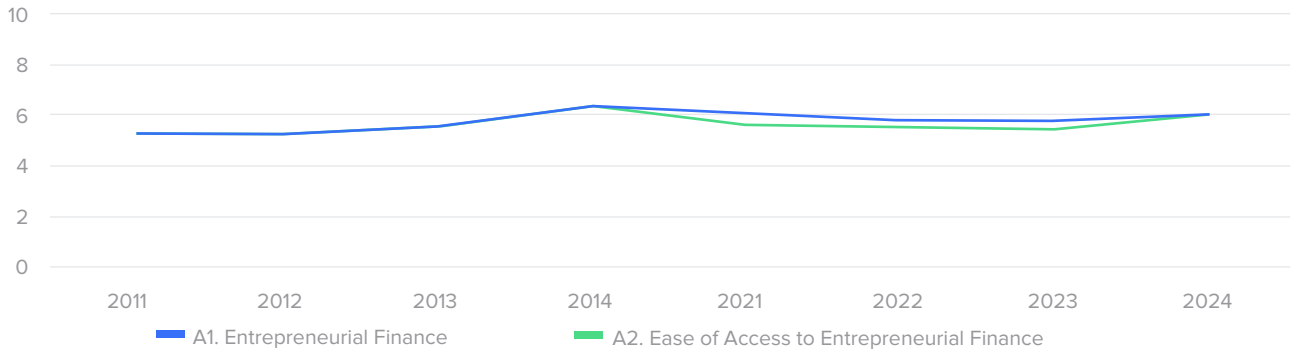


Figure 8.5. Entrepreneurial Finances, 2011–2024
Scores for A1 (Entrepreneurial Finance) and A2 (Access to Finance)
Source: GEM National Expert Survey (NES), Lithuania, 2011–2024.

Finance has improved, though the change has come slowly. For much of the decade, scores for both A1 and A2 remained flat. Yet, over the past three years, they have edged upward, and are now approaching 7.0. Experts are attributing this to a growing number of early-stage funding mechanisms, improved bank relationships, and more public-private funding models. The market is still developing, and access remains easier for tech businesses or those based in Vilnius City – but the positive trend suggests greater confidence in Lithuania's founders and businesses.

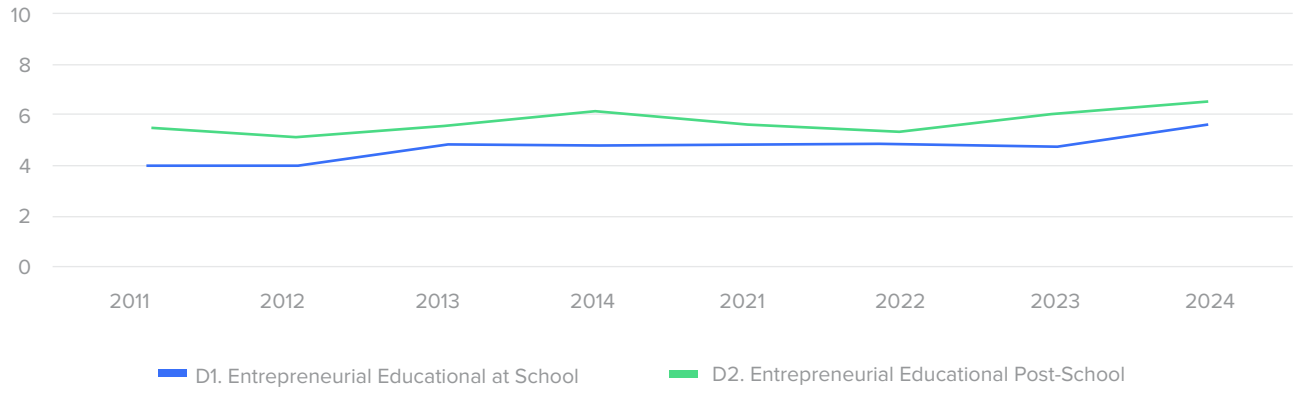


Figure 8.6. Entrepreneurial Education, 2011–2024
Scores for D1 (School Level) and D2 (Post-School Level)
Source: GEM National Expert Survey (NES), Lithuania, 2011–2024.

Education is showing progress, especially after secondary school. Post-school education (D2) has climbed to 6.5, with universities expanding startup and innovation offerings. School-level entrepreneurship (D1) has remained lower, but is improving, by reaching 5.6 in 2024 after years of stagnation. Pilot programs, project-based learning, and teacher training have started to gain ground. While the gap between the two levels remains, the long-term data show a modest but important shift toward early exposure.

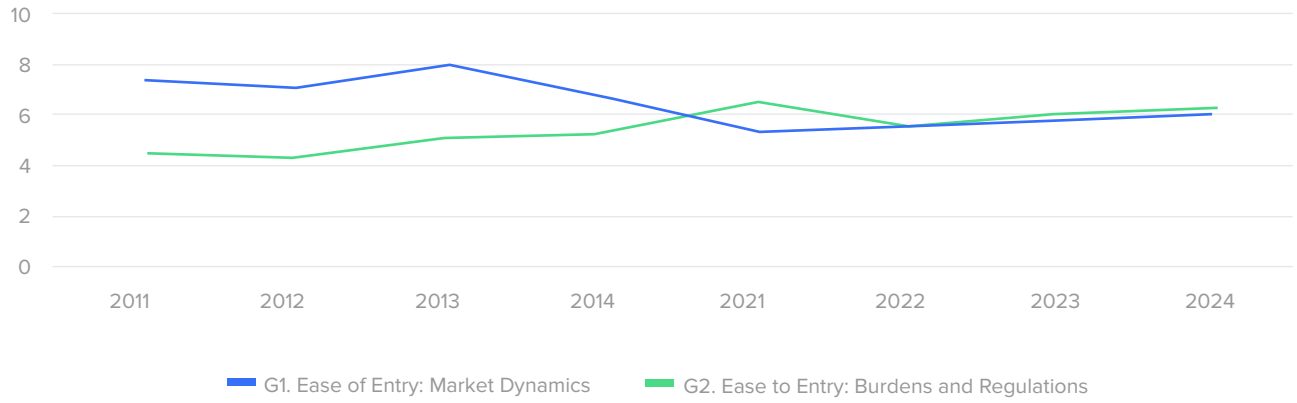


Figure 8.7. Internal Market Dynamics, 2011–2024
Scores for G1 (Market Dynamics) and G2 (Regulatory Burden)
Source: GEM National Expert Survey (NES), Lithuania, 2011–2024.

Internal markets remain a mixed story. Market dynamics (G1) began the decade at a relatively high level but declined sharply around 2015 and never fully recovered. Entrepreneurs are continuing to report challenges breaking into established sectors or winning contracts from large incumbents.

Meanwhile, the regulatory burden (G2) has gradually improved by rising above 6.0 for the first time in 2024, but it still presents a drag for many startups. The two trends together highlight a paradox: while the system is more transparent, it is not yet fluid.

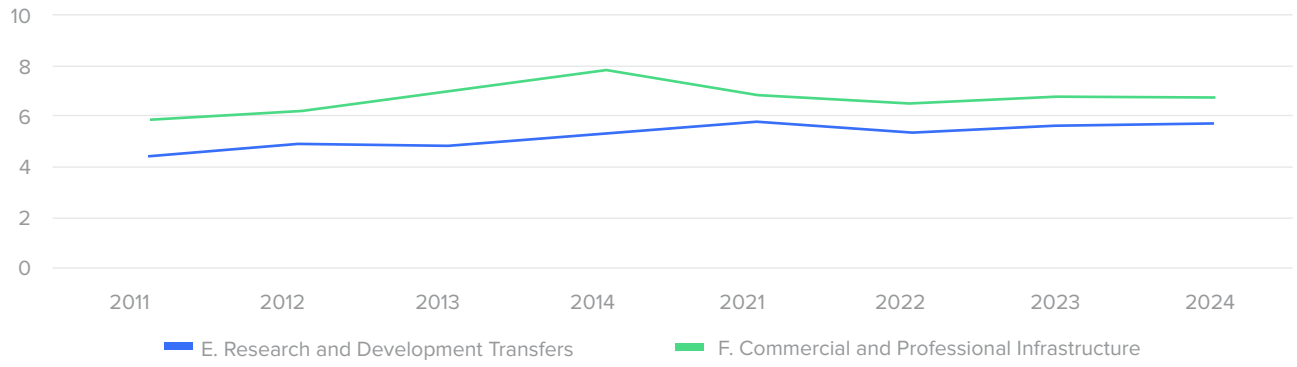


Figure 8.8. Research and Development Transfer and Professional Infrastructure, 2011–2024
Scores for E (R&D Transfer) and F (Commercial Infrastructure)
Source: GEM National Expert Survey (NES), Lithuania, 2011–2024

Innovation remains the weakest link. Despite the rising investment in research, R&D transfer (E) is continuing to score below 6.0. Coordination between researchers, and entrepreneurs remains limited, and just a few startups are emerging directly from institutional R&D. The commercial infrastructure (F) performs better, but its growth has plateaued. The support environment – mentors, consultants, accelerators – is present, but access and quality remain uneven, especially outside urban centers.

Some of Lithuania's most consistent strengths lie at both the structural and cultural levels. The physical infrastructure (H) has maintained a high level across the past decade, with scores regularly near or above 8.0. Entrepreneurs benefit from strong logistics, reliable internet coverage, and generally dependable core services. These conditions often go unnoticed precisely because they are working, thus creating a baseline of stability that supports both urban and regional entrepreneurship.

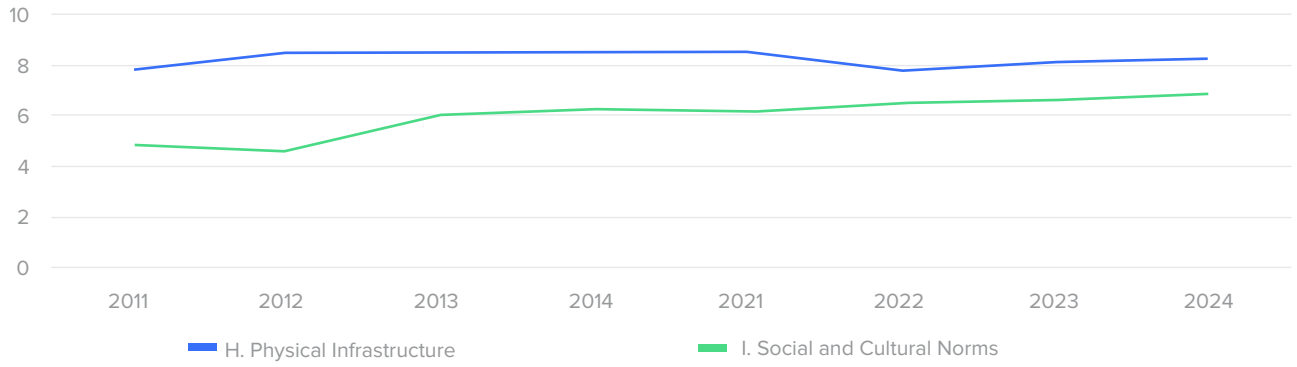


Figure 8.9. Physical Infrastructure and Social Norms, 2011–2024
Scores for H (Physical Infrastructure) and I (Social and Cultural Norms)
Source: GEM National Expert Survey (NES), Lithuania, 2011–2024.

Social and cultural norms (I) have also improved slightly, rising from 6.6 in 2011 to 6.8 in 2024. The shift is not dramatic, but it reflects steady progress in the public attitudes. More Lithuanians now view entrepreneurship as a respectable career path, and failure carries less stigma than in the past. While cultural change tends to move slowly, this long-term pattern suggests growing acceptance of entrepreneurial activity as part of the mainstream economic life.

Lithuania's entrepreneurial ecosystem now rests on a far more solid foundation than it did a decade ago. Long-term improvements in the infrastructure, post-secondary education, finance, and public support programs show that key components are not only in place, but they are also functioning with growing consistency. At the same time, several conditions – like research commercialization, market dynamics, and regulatory complexity – remain slower to improve, limiting the system's overall cohesion. What emerges is a picture of gradual maturity: a system that is no longer experimental, but still incomplete. The challenge ahead lies less in building new pillars and more in aligning the ones that already exist. Integration, and not expansion, will define the next phase of Lithuania's entrepreneurial development.

Summary

Lithuania's entrepreneurial ecosystem has come a long way over the past decade. Several areas, especially infrastructure, finance, and post-secondary education, are now offering stable support for new and growing businesses. These improvements reflect a steady policy effort and growing institutional commitment. However, some parts of the system continue to lag. The transfer of research into commercial businesses remains limited, regulatory processes are still causing unnecessary friction, and markets do not yet offer enough openness or competitive pressure to help the startups scale up. School-level education and public attitudes toward entrepreneurship have improved, but change has been slow. The overall picture is one of progress – but also that of imbalance. Lithuania now has most of the building blocks it needs. What matters next is how well those elements work together to support entrepreneurship not just as a policy goal, but as an everyday economic reality.

CONCLUSION: FROM PROGRESS TO COHERENCE

Over the past decade, Lithuania has made visible progress in building a more supportive environment for entrepreneurship. The report highlights that the infrastructure is reliable, support programs have expanded, finance is more accessible, and entrepreneurship has become a recognized theme in the national policy. These developments reflect serious institutional work and a broad political consensus that entrepreneurship is central to the country's future.

Still, the system is not yet fully coherent. Institutions often operate side-by-side rather than in collaboration. Policies are developed with good intentions, but they do not always reach entrepreneurs in a timely or practical way. Research continues to circulate within universities without entering the commercial channels. These are not new problems, but they remain unresolved. As a result, the ecosystem performs well in parts, but its collective impact remains below its full potential.

What GEM adds to this picture – and what makes its data different from the traditional ecosystem assessments – is a view of entrepreneurship as a system and a lived experience. Entrepreneurs' motivations, fears, and perceptions matter as much as their access to finance or the quality of regulation. In Lithuania, business founders and owners are still facing high perceived barriers.

Fear of failure remains strong, especially among women. While cultural attitudes toward entrepreneurship have become more accepting, expectations remain modest. Many business founders start with necessity rather than opportunity in mind.

These patterns show that an ecosystem is not only about the presence of resources – it is about how those resources are understood, accessed, and valued by those who use them – i.e., entrepreneurs. This depends not only on what governments build, but also on how institutions listen, how educators engage, and how society signals that entrepreneurship is worth pursuing.

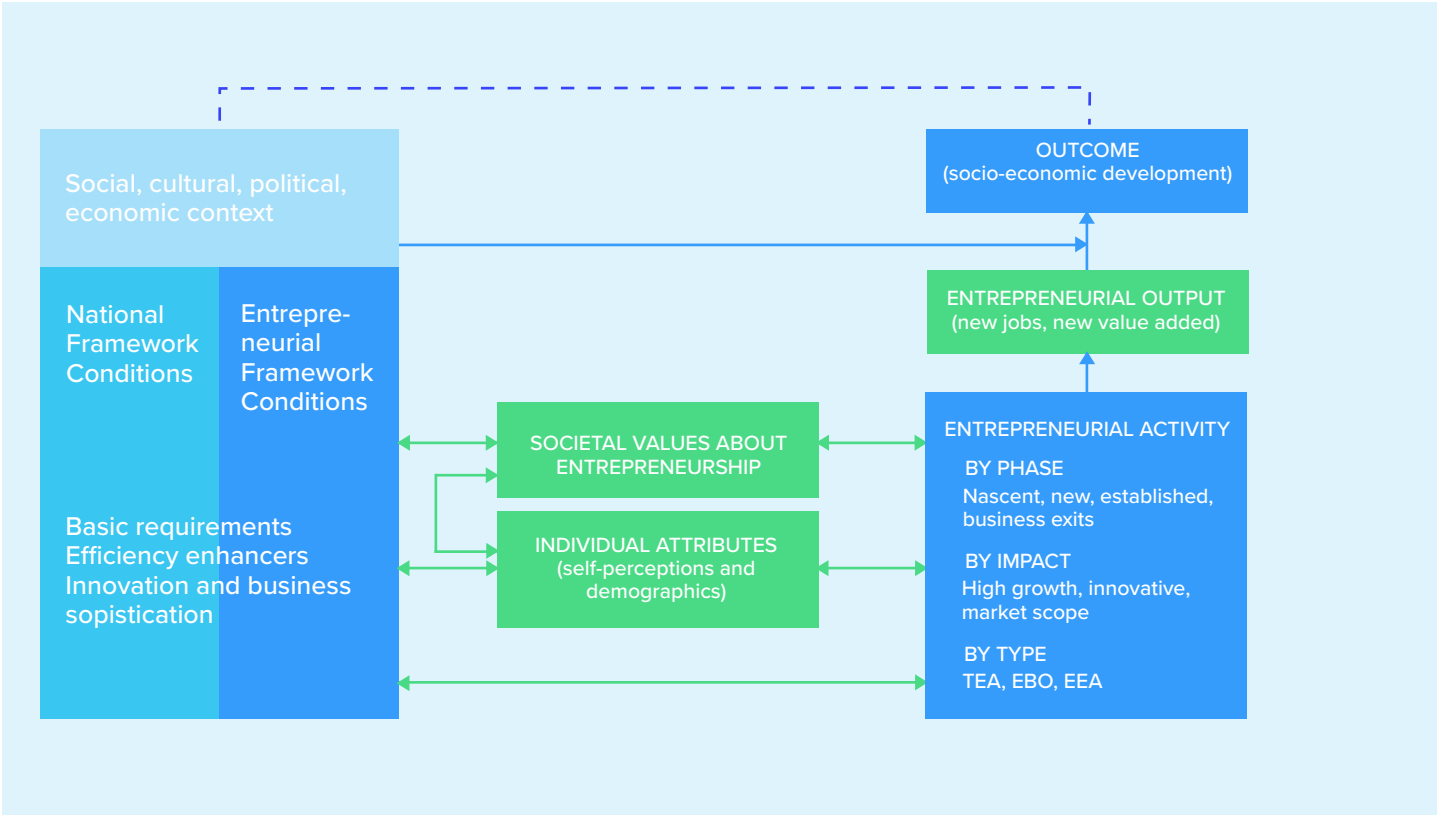
The national vision laid out in ***Lithuania 2050 calls*** for an innovative, inclusive, and resilient economy. This report suggests the building blocks are mainly in place, but alignment is uneven. The next development phase will require stronger connections between ministries and municipalities, education and enterprise, and research and risk capital. That means prioritizing not just the system expansion, but follow-through and coordination.

Lithuania's entrepreneurial environment has gained real strength. What matters now is not expansion, but alignment – and the determination to turn steady progress into durable, system-wide capacity.

ANNEX 1

The GEM Conceptual Framework and Methodology

The Global Entrepreneurship Monitor (GEM) is a long-term multinational research study of entrepreneurship, conducted annually and using population-based data to carefully measure the level of entrepreneurship in each participating economy. GEM defines and measures entrepreneurship as the act of starting or running a new business. Note that it is the act of starting that is the key differentiator: simply thinking about starting a business, or planning to do so at some point in the future, is not counted according to the GEM measure of entrepreneurial activity. The GEM Conceptual Framework is illustrated below, setting out the relationship between the decision to start a new business and the entrepreneurial environment that impacts on that decision and its implementation, both directly (via access to resources) and indirectly (via social priorities and values). The relevant environment can be local, regional or national or a mixture of all three, depending on the nature of the new business and its scale. The decision to start a business is then set within a social, economic and political context that conditions that decision in terms of variables, including choice of sector, scale of operations and levels of ambition and innovation. These variables in turn influence the impacts of the new business on other factors, such as number of jobs, levels of value-addition and ultimately on economic development. At the same time multiple acts of starting new businesses may begin to shift social values, creating more positive attitudes to entrepreneurship, and in turn influencing potential new entrepreneurs.



Scheme A1.1. The GEM Conceptual framework

ANNEX 2

The Gem Methodology And Measures Of Entrepreneurship

GEM uses two principal research instruments: the Adult Population Survey (APS), a random sample of at least 2,000 adults, and a National Expert Survey (NES) of at least 36 national experts. The APS identifies the (usually small) proportion of adults who are starting or running new businesses. GEM refers to this as the level of Total early-stage Entrepreneurial Activity or TEA. However, although the majority of surveyed adults are not currently starting a business, they can still provide highly valuable information as a result of questions asked in GEM surveys. Their responses provide insights into their awareness of entrepreneurship and of local business opportunities, their view of their own competency to start a business, their perceptions of how easy it is to start a business and whether the fear of failure would stop them from doing so. They are also asked whether they intend to start a business in future.

In each participating economy, the APS is supervised by a GEM National Team, usually of academics at top universities, and sometimes by some other organisation with interest and expertise in entrepreneurship. These organisations work closely with GEM to ensure that the same questions are asked in the same way in each participating economy, so that answers can be compared across economies, and for the same economy over time. After the Global Report is published each year, National Teams usually produce and publish their own National Reports. These are customarily shared on the GEM main website (https://www.gemconsortium. org/report). Each year, new questions in the APS reflect a changing world: for example, by asking about the impacts of increasing energy prices or of the awareness of the United Nations Sustainable Development Goals (SDGs).

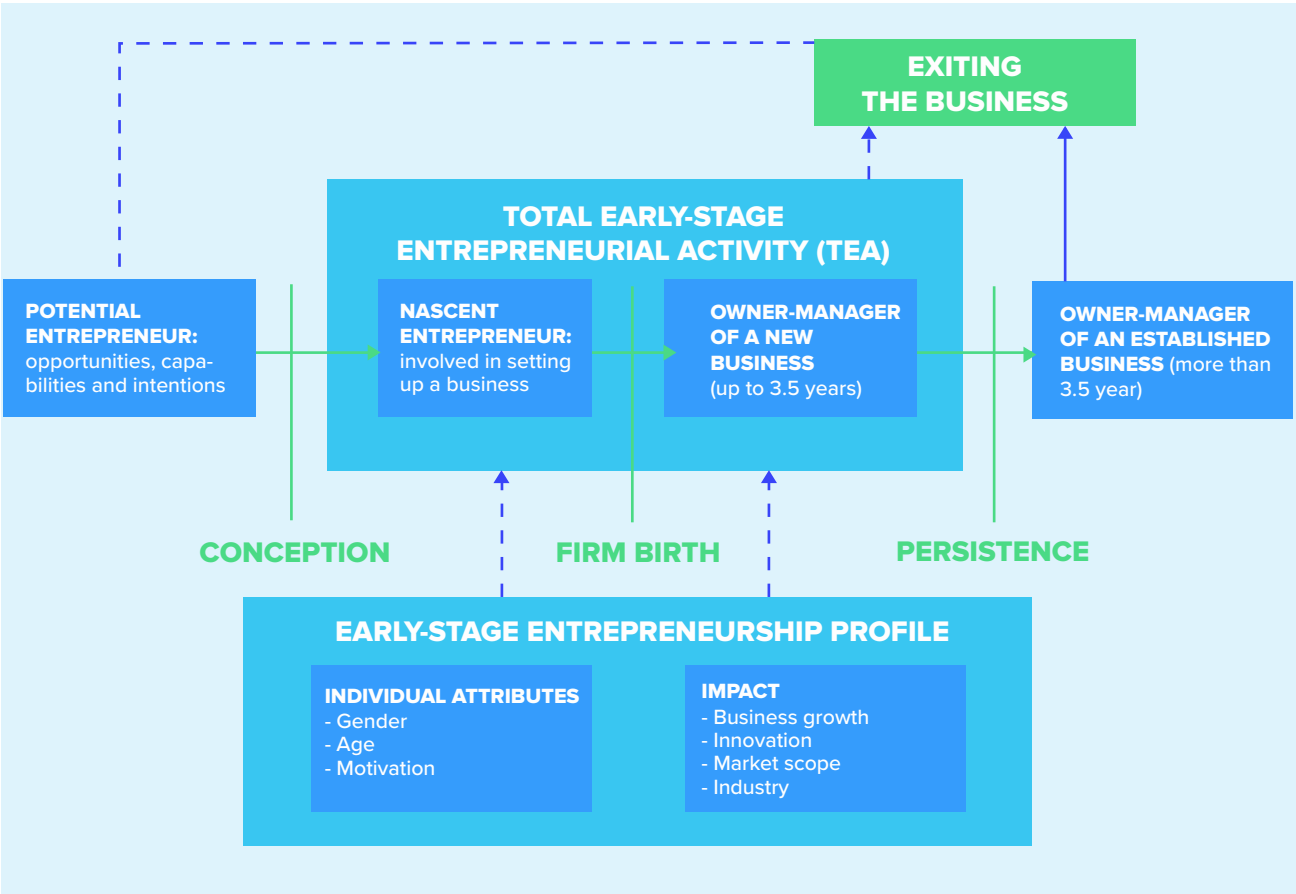
There are many ways to assess the level of entrepreneurial activity in an economy. Most official statistics count new firm businesses or tax registrations as a measure of entrepreneurial dynamics. These are certainly useful but only to the extent that new businesses actually register. In many economies, especially, less developed ones, new firm registrations can actually represent only a small proportion of new business starts. There can be several reasons for this: for example, a business may start off informally and very small, an owner may be waiting to see first if the business works, or, as mentioned, the process of registration may be expensive, difficult or excessively bureaucratic. Another measure is the number of self-employed, but many self-employed people work only for themselves and may not even perceive initially that they are actually running a business. Examples might include journalists, musicians or some taxi drivers. The GEM approach circumvents the challenge of collecting comprehensive data both by being population-based and by assuring anonymity, thereby capturing activity in the informal economy where official statistics cannot. This is a major differentiating factor for GEM when compared to other studies.

The way GEM uses APS data to estimate key entrepreneurial variables is set out below. GEM defines an entrepreneur as an individual starting or running a new business. The APS includes a question about whether that individual has expended resources (including their own time) in trying to start that business, such as looking for premises, developing a business plan, etc. If the answer is affirmative, a follow-up question asks whether that business has paid any wages or salaries, including to the owner, and if so, for how long.

If those wages have not yet been paid for three months or more, then GEM classifies this as a nascent new business, and the individual as a nascent entrepreneur. If wages have been paid for three months or more, but for less than three-and-a-half years, then GEM categorises this as a new business, and the individual as a new business owner. If wages have been paid for three-and-a-half years or more, then according to GEM the business is no longer new but established, and the individual is an Established Business Owner.

Scheme 2 illustrates the entrepreneurial pipeline, beginning from the time that potential entrepreneurs perceive new opportunities that they believe they can grasp, to when they begin to expend resources to become nascent entrepreneurs. Of course, at any stage the entrepreneur can exit that business, which may or may not continue without them.

The figure also shows the major GEM measures of entrepreneurial activity. At centre stage is Total early-stage Entrepreneurial Activity (TEA), or the proportion of adults in a participating economy who are starting or running a new business, seen in this figure as the sum of nascent entrepreneurs plus new business owners.1 Other relevant entrepreneurial variables include the level of Established Business Ownership (EBO), and the level of business exits, both expressed as a proportion of the adult population. Each is important, especially in relation to the level of TEA. For example, a high ratio of TEA to EBO may indicate difficulties in transitioning new businesses into established ones, sometimes because of an unsupportive entrepreneurial environment, while a high ratio of TEA to business exits may suggest a growing entrepreneurial base.



Scheme A2.1. The entrepreneurial process and GEM indicators

The decision to start a new business inevitably takes place within a context that can either support or constrain the new startup and its subsequent development. To assess the quality of each national entrepreneurial business context, GEM specifies different dimensions of the entrepreneurial environment common to all contexts (referred to as the Entrepreneurial Framework Conditions or EFCs), and then surveys a group of national experts in each country to assess the quality of these conditions. These assessments are then harmonised to provide a single figure for the quality of that entrepreneurial environment. These consistent qualitative data allow the comparison of national entrepreneurial environments at one time, or of the evolution of a national entrepreneurial environment over time. These National Expert Surveys (NESs) provide a crucial complement to the APSs. Taken together, these unique surveys provide a detailed assessment of both the level of entrepreneurial activity in each economy, and the quality of the entrepreneurial ecosystem within which that activity takes place.

ANNEX 3

GEM Income Classification

In the 2024 GEM Global Report, the participating economies were categorized solely by income based on the World Bank data for the Gross Domestic Product per capita (GDP/cap). For the first time, GEM introduced its own definitions of low, medium, and high income. These categories have been retained in the current year and are as follows:

Level A: economies with a GDP/cap of over $50,000;
Level B: economies with a GDP/cap between $25,000 and $50,000;
Level C: economies with a GDP/cap of less than $25,000.

The boundaries between the categories are arbitrary and have been chosen to create three reasonably even groups while maintaining consistency with the previous year. However, it is of importance to note that rising incomes have led to an increasing number of participating economies being classified in the high-income group. Consequently, in future reports, the boundaries will require an upward revision. In 2024, Lithuania was categorized as a Level A economy, with a GDP/cap of $51,900, which moved up from its previous classification as a Level B economy.

Group A >$50,000	Group B $25,000 - $50,000	Group C <$25,000
Austria	Argentina	Armenia
Bahrain*	Belarus	Bosnia and Herzegovina
Canada	Chile	Brazil
Cyprus	Costa Rica	China
France	Croatia	Ecuador
Germany	Estonia	Egypt
Israel	Greece	Guatemala
Italy	Hungary	India
Japan*	Kazakhstan	Indonesia*
Lithuania	Latvia	Jordan
Luxembourg	Mexico	Morocco
Norway	Oman	South Africa*
Qatar	Poland	Thailand
Republic of Korea	Puerto Rico	Ukraine
Saudi Arabia	Romania	
Slovenia	Serbia	
Spain	Slovak Rep.	
Sweden	Uruguay*	
Switzerland	Venezuela	

* Participated only in the NES, not the APS

Table A3.1. Economies participating in GEM 2024 by income group

Global Entrepreneurship Monitor