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THE ROLE OF NON-PROFIT ORGANISATION IN THE LITHUANIAN'S ECONOMIC DEVELOPMENT IN YEARS 2004–2025

Abstract

- *Goal* – This study aims to examine the role and significance of non-profit organisations in Lithuania's economic development between 2004 and 2025. The research focuses on evaluating the contribution of the non-profit sector to local development, job creation, social innovation, and the activation of civil society.
- *Research methodology* – The study employs statistical data analysis, a literature review, and comparative analysis of indicators related to the activities and funding of non-profit organisations. Selected case studies of non-profit initiatives and regional development programs in Lithuania were also analysed to identify their economic impact.
- *Score/results* – The research revealed that non-profit organisations play an increasingly important role in addressing social and economic challenges. Their activities contribute to improving employment opportunities, social cohesion, and the implementation of innovative solutions at the local level. The data indicate a growing number of such organisations and the diversification of their funding sources, especially after Lithuania accedes to the EU.
- *Originality/value* – The study highlights the growing importance of the third sector in Lithuania's economic ecosystem and emphasises the need for stronger cooperation between the public sector and non-profit institutions. Policy recommendations include the development of supportive legal frameworks and the promotion of sustainable financing mechanisms to strengthen the economic role of non-profit entities.

Keywords: non-profit organisations, economic development, third sector

1. Introduction

In the modern world, every country needs to ensure economic development; therefore, efforts are made to help businesses in various ways. It is precisely the successful results of business activities that are the main component of economic development. However, when it comes to the essence of business, it is known that there are various forms of business, i. e. not only a joint-stock company, an individual enterprise, a small partnership, but also a public institution, a non-commercial (non-profit) organisation, and others [Benson et al., 2025]. It is non-commercial organisations that are most often undeservedly undervalued when it comes to successful economic development; therefore, the article attempts to assess the role of non-commercial organisations in Lithuania's economic development [Mironova et al., 2025].

This topic was chosen not by chance because non-profit organisations play an extremely important role in both the social and economic activation of society [Forgács-Fábián et al., 2024; Gee et al., 2024]. This is especially relevant in regions where the level of development is lower, and the spectrum of public services and economic activities is limited. In such areas, non-governmental organisations often become the main providers of social services, promoters of community activity, and even creators of jobs [Desai, 2024; Hu et al., 2025]. They give rise to numerous initiatives that contribute to improving the quality of life of residents, solving cultural expression, education, health protection, and environmental problems.

The topic is particularly relevant at a time when the role of civil society is increasing and the need to involve communities in social and economic transformation is growing. In addition, the activities of non-profit organisations are becoming even more significant, given that the European Union is increasingly paying attention and providing financial support to the development of the third sector, to social entrepreneurship and to strengthening local communities. The European Structural and Investment Funds provide opportunities not only to develop specific projects, but also to create long-term, sustainable changes in the regions where public and private sector activities are limited.

In Lithuania, quite different levels of involvement of non-profit organisations in the social and economic life of individual regions are observed. In some regions, these organisations are active, consistently cooperating with municipalities, creating jobs and implementing significant projects, while in others their activities are still in the process of formation or facing challenges due to a lack of financial, human or organisational resources. Therefore, it is necessary not only to study the spectrum of activities of these organisations, but also to find ways to encourage their more even development throughout the country.

It is extremely important to analyse how the non-profit sector contributes to the development of local initiatives, the promotion of social entrepreneurship and the improvement of the quality of life of residents. The initiatives of non-profit organisations often become a source of innovative social solutions that can help reduce poverty, social exclusion, develop community spirit and promote civic activism. These activities not only improve people's living conditions but also strengthen the economic base in the regions – indirectly, local consumption grows, small businesses are promoted, and new services appear.

The results of research analysing the contribution of the non-profit sector to regional development can significantly contribute to the formation of public policy. Based on such data, it is possible to plan state support more precisely, form regional policy priorities and create more effective support programs that would meet the needs of specific territories. In addition, such a study would contribute to the implementation of the concept of sustainable regional development, which includes not only economic, but also social, cultural and environmental aspects. In this context, non-commercial organisations can become strategic partners at both the national and local levels, helping to create a more harmonious, inclusive and responsible society.

The objective of this study is to examine the role and significance of non-profit organisations for the development of the Lithuanian economy in 2004–2025. The study focuses on assessing the contribution of the non-profit sector to local development, job creation, social innovation and activation of civil society. The study uses statistical data analysis, literature review and comparative analysis of indicators related to the activities and financing of non-profit organisations. Selected case studies of non-profit initiatives and regional development programmes in Lithuania were also analysed to determine their economic impact. The study revealed that non-profit organisations play an increasingly important role in addressing socio-economic challenges. Their activities contribute to improving employment opportunities, social cohesion and implementing innovative solutions at the local level. The data show a growing number of such organisations and the diversification of their funding sources, especially after Lithuania joined the EU. The study highlights the growing importance of the third sector in the Lithuanian economic ecosystem and highlights the need for closer cooperation between the public sector and non-profit institutions. Policy recommendations include the creation of favorable legal frameworks and the promotion of sustainable financing mechanisms to strengthen the economic role of non-profit entities.

2. Literature review

A non-profit organisation, often abbreviated as NPO, is an entity the primary purpose of which is to serve the public or social good rather than to generate profit for its owners or shareholders [Lee et al., 2023; Möslein, 2024]. These organisations play a crucial role in addressing a variety of societal needs, such as education, healthcare, environmental protection, human rights, and poverty alleviation [Walter et al., 2024]. Unlike for-profit businesses, non-profit organisations reinvest any excess profits back into the organisation to continue its mission, rather than distributing profits to stakeholders [Basu et al., 2022; Akhtar, 2024].

Non-profit organisations are an important part of the fabric of modern society, often classified as the so-called "third sector." This sector includes institutions that operate between the boundaries of the public and private sectors and often implement functions that neither the state nor the market adequately performs.

As Salamon and Anheier [1997] point out, non-profit organisations are described as private, formally organised, autonomous and voluntary institutions that do not seek profit and operate for the benefit of the public interest. Evers and Laville [2004] note that these organisations are often closely related to the social economy and are oriented not to profit maximisation, but to the implementation of a social mission. Rymsza [2005] adds that such organisations not only do not seek to distribute profits among members but also reinvest all the received resources in the implementation of statutory goals.

Lithuanian researchers, such as Navickas and Kontautienė [2015], also recognise the importance of non-profit organisations as socioeconomic entities, especially emphasising the goals of their activities – to solve social, educational, cultural or environmental problems.

It is important to emphasise that research data on non-profit organisations show that non-profit organisations are increasingly becoming the subject of attention in various scientific disciplines, from economics to sociology or public administration. Čiburienė [2010], Čiburienė & Guščinskienė [2013] and Navickas and Kontautienė [2015] emphasise that the activities of these organisations are significant not only for the creation of social capital but also for the economic development of regions, especially by promoting local initiatives and citizen involvement.

Researchers Pooyan & Hokugo [2025] highlight the importance of non-profit organisations in creating social capital, developing community resilience and strengthening social inclusion. They also emphasise the contribution of this sector to social entrepreneurship, which is becoming an innovative response to public policy gaps and social problems.

Polish authors such as Hausner & Laurisz [2008], Herbst & Prüfer [2005], Sienkiewicz [2017] emphasise the importance of non-profit organisations in local development processes and job creation, especially in peripheral areas where economic opportunities are limited. The findings of these studies are in perfect harmony with the situation in Lithuanian regions, where non-profit organisations often become one of the few centers of activity. Other authors such as Klonowski [2014], Stankiewicz & Seiler [2012] and Schmidt [2011] analyse how effective intersectoral cooperation between state institutions, private companies and non-governmental organisations can contribute to strengthening the local economy. They also evaluate how EU funds help develop social infrastructure and to promote regional development.

Non-profit organisations have a significant impact on society. They often fill gaps in social services, advocate for marginalised communities, and raise awareness about important issues [Islam, 2024; Kumar et al., 2025]. By mobilising resources and engaging communities, they drive positive changes both locally and globally.

However, non-profit organisations also face unique challenges. Limited funding, reliance on donations, and intense competition for grants can limit resources [Spanouth and Urbano, 2024; Jeong and Siegel, 2025]. In addition, it can be difficult to measure impact and demonstrate effectiveness, especially when addressing complex social problems. Volunteer burnout and volunteer retention are other common issues [Uznańska-Kuś, 2024].

Despite these challenges, the non-profit sector continues to grow and evolve. Technological advances, increased focus on impact measurement, and new fundraising strategies such as crowdfunding and social enterprise models are helping non-profit organisations to adapt and grow [Deepalakshmi and Lakshmi, 2024; Santos, 2025].

In summary, non-profit organisations are an important analytical unit for studying regional development, social capital, and public administration transformations. Their potential is revealed through their ability to mobilise local communities, respond to social challenges, and create alternative service delivery models.

Both international and Lithuanian research emphasise the importance of the non-profit sector not only as a provider of public services, but also as a promoter of innovation, participatory democracy and economic inclusion. Therefore, researching the activities of non-profit organisations, analysing their role and improving their conditions can have a direct impact on the quality of public policy, especially in the context of regional development.

3. Research methodology

The research was conducted using quantitative methods based on publicly available statistical data. The primary data sources were the Official Statistics Portal (OSP) of Lithuania and Eurostat. The analysis spanned the period from 2004 to 2025, focusing on selected economic and organisational aspects of non-profit entities operating in Lithuania.

For this study, the following research hypothesis was formulated: *The activities of non-profit organisations contribute to Lithuania's economic development by promoting social engagement, supporting employment, and implementing initiatives for local communities, which in the long term positively influence the country's socio-economic development indicators during the analysed period.*

In the study, basic statistical methods were applied to enable a quantitative assessment of socio-economic phenomena [Młodak, 2006: 23–24]:

- Measures of central tendency – minimum, maximum, and arithmetic mean – were used to assess the level and range of variation in the analysed indicators over time.
- The coefficient of variation was employed to determine the degree of dispersion of the examined variables, while the coefficient of skewness was used to identify the direction and nature of the data distribution.
- Pearson's correlation coefficient was applied to analyse the relationship between the entrepreneurship rate, GDP per capita, and the non-profit indicator. This made it possible to determine the strength and direction of these correlations.

Additionally, structural indicators were analysed to evaluate the distribution and activity of non-profit organisations across time. The selected indicators included:

- the number of registered non-profit organisations,
- the number of active non-profit organisations
- sectoral and regional distribution.

Where possible, data were supplemented with interpretative insights from national reports and academic literature.

For the purposes of the study, an entrepreneurship index was developed. The entrepreneurship index is expressed as the number of business entities registered in the Registrucentras system per 1.000 people of working age. The formula is expressed as follows:

$$W_p = \frac{P}{L_{prod}} \times 1000$$

where:
W_p – entrepreneurship index
P – number of registered business entities
L – number of working-age population

The next indicator concerned non-profit organisations. The non-profit index is expressed as the number of selected non-profit entities registered in the Registrucentras system per 1.000 inhabitants. The formula is expressed as follows:

$$W_n = \frac{P_{non}}{L_{lud}} \times 1000$$

where:
W_p – entrepreneurship index
P_{non} – number of registered business entities
L_{lud} – number of population

In order to determine the relationship between the value of the entrepreneurship index and the non-profit index and GDP per capita, a Pearson correlation analysis was conducted.

Incomplete data availability for certain years limited the possibility of a full analysis.

4. An analysis of the selected non-profit organisations in Lithuania

An analysis of the share of selected registered non-profit entities in the total number of business entities in Lithuania between 2005 and 2025 reveals significant changes in the structure of the civil society sector. The data presented in the chart 1 indicate the dominant position of associations (*asociacija*), the share of which increased from 5.6% in 2006 to a peak of 8.5% in 2011–2012. Despite a slight decline in the following years, associations remain the most numerous types of non-profit organisation, accounting for nearly 6% of all business entities in 2025. This high share reflects the activity of civil society and the strong rootedness of the membership-based organisational model in Lithuanian social life.

The second most numerous categories is public institutions (*viešoji įstaiga*), the share of which shows a steady increase over the analysed period – from 2.0% in 2005 to nearly 5.0% in 2020–2022. This growth may indicate the increasing professionalisation of the non-profit sector and a greater role of organisations providing public services, often in cooperation with governmental and municipal institutions.

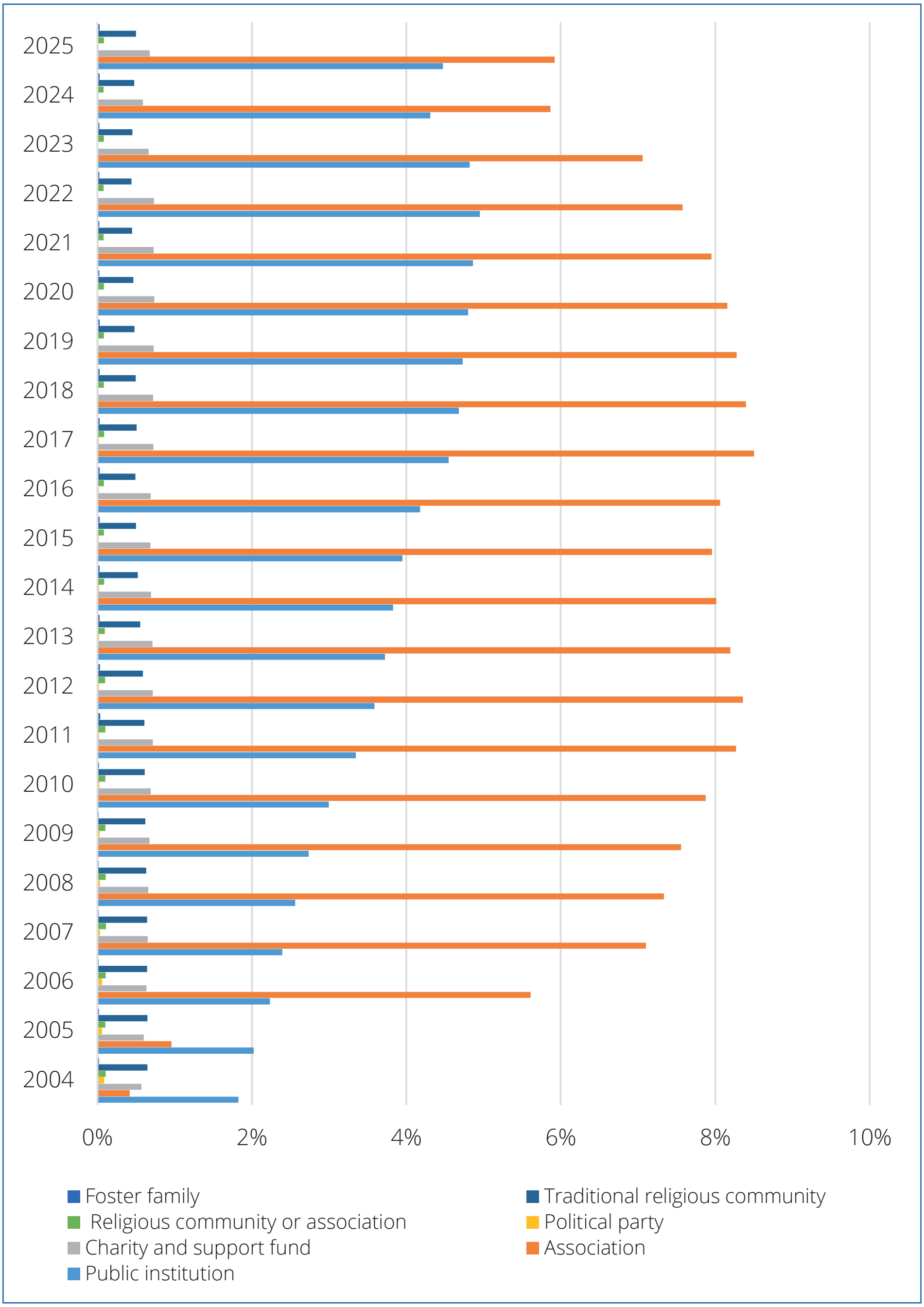
Charity and support funds (*labdaros ir paramos fondas*) maintained a stable share of around 0.6–0.8% throughout the period, with a slight increase after 2016. This may reflect the growing importance of philanthropic activities and the development of organisations providing social assistance and support to vulnerable groups.

Much smaller shares are held by religious communities, political parties, and institutional foster families. Traditional religious communities (*tradicinė religinė bendruomenė*) initially maintained a share of around 0.6–0.7%, which gradually declined to below 0.4%. Political parties (*politinė partija*) and foster families (*šeimyna*) remained on the margins of the sector, with a share not exceeding 0.1%.

The results indicate a clear dominance of two organisational forms, associations and public institutions, which account for the largest share of non-profit entities in the country. This structure highlights the social and organisational preferences of Lithuanians and may also reflect the strategic directions of state policy towards the non-governmental sector.

An analysis of the number of active non-profit organisations at the beginning of each year from 2004 to 2025, considering the administrative division into counties, allows for an assessment of the dynamics of the third sector development in both temporal and spatial perspectives. The data reveal significant changes in the structure and intensity of non-profit organisation activities during the analysed period.

Chart 1. The share of registered non-profit entities in the total number of business entities at the beginning of the year in Lithuania, in the years 2004–2025



Source: the author's work based on data from OSP: [www 1].

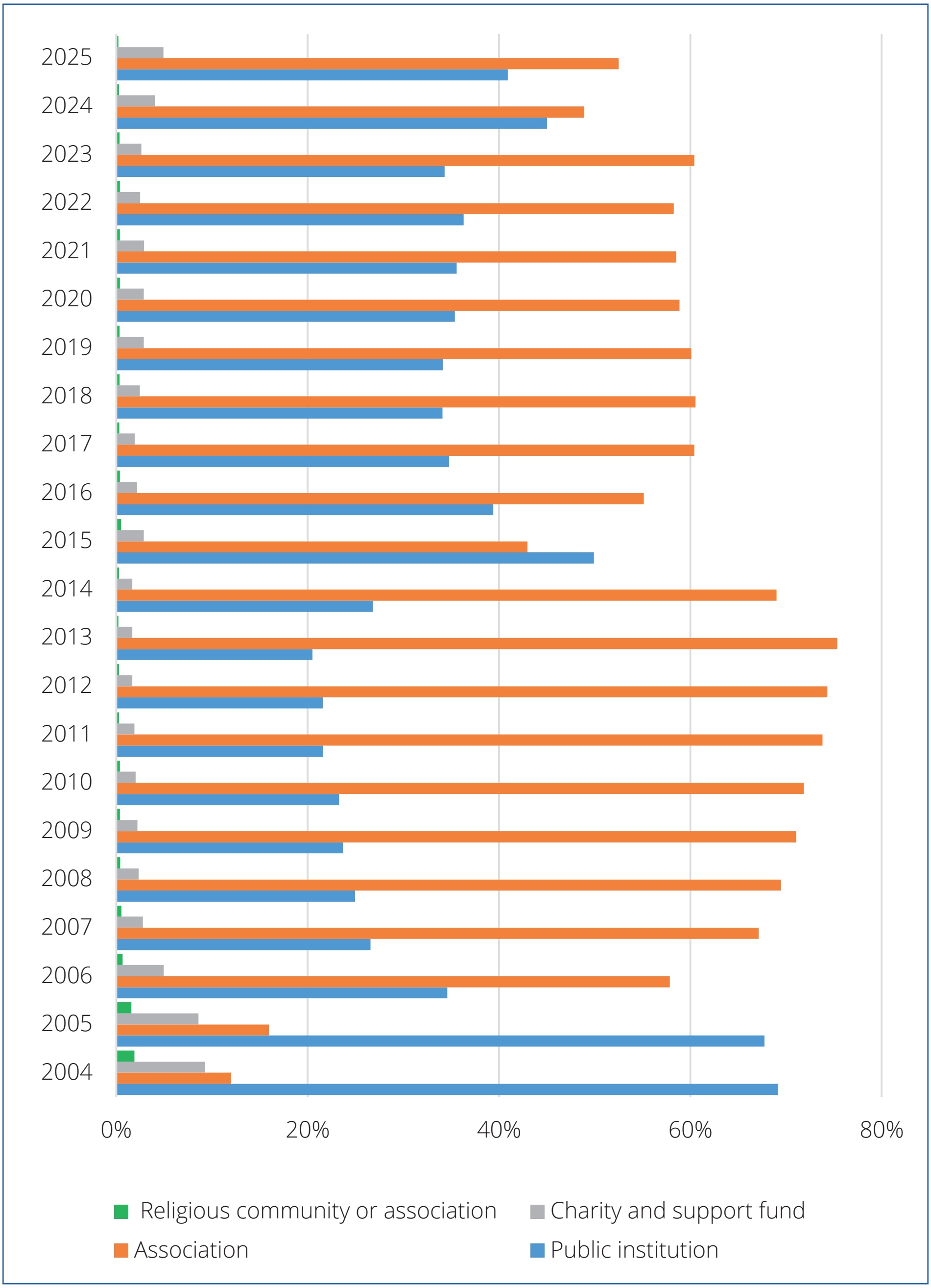
At the national level, a systematic increase in the number of active non-profit organisations has been observed – from 2 098 entities in 2004 to a projected 16 853 in 2025. Particularly intensive growth occurred up to 2014, during which the number of organisations increased more than sevenfold. In 2015, a noticeable decline was recorded (to 8 419), which may be attributed to a revision of registration data, legislative changes, or updates in data collection methodology. Since 2016, the number of organisations has been gradually increasing again, which may indicate a revival in the social sector.

Throughout the analysed period, Vilniaus County clearly dominates, consistently reporting the highest number of non-profit organisations – from 932 entities in 2004 to 6 456 in 2025. This high concentration may be linked to the presence of the state capital, higher population density, better institutional infrastructure, and strong social capital. On the other hand, the lowest numbers of organisations are recorded in Tauragės and Telšių counties, where the figures fluctuate around a few hundred. This distribution indicates significant regional disparities in the development of the non-profit sector. Basic statistical measures confirm the observed variation. The average number of non-profit organisations per county increased from 209.8 in 2004 to 1 685.3 in 2025, indicating dynamic sector growth. The coefficient of variation decreased from 134% in 2004 to around 100–110% in recent years, suggesting partial stabilisation in the relationship between the mean and data dispersion. The skewness coefficient remained above 2 for most of the period, indicating a strongly right-skewed distribution – with a few counties significantly exceeding others in the number of organisations.

Chart 2 presents changes in the share of selected types of non-profit organisations in the total number of active entities in this sector at the beginning of each year from 2004 to 2025. The analysis includes four main forms: public institutions, associations, charitable foundations, and religious communities.

Throughout the analysed period, associations maintained a dominant position, consistently constituting the largest share of non-profit organisations. Their share increased steadily until 2014, reaching a peak of over 70%, and then declined noticeably in 2015 – possibly due to registry updates or legal changes. Since 2016, the share of associations has stabilised, remaining at approximately 60%. The second most numerous organisational forms are public institutions, the share of which has gradually increased since 2004, although it remains significantly smaller than that of associations. Their presence in the structure of the non-profit sector indicates the growing importance of professional, often service-oriented, non-governmental organisations.

Chart 2. The share of selected active non-profit entities in the total at the beginning of the year, 2004–2025



Source: the author's work based on data from OSP: [www 1].

Charitable foundations have maintained a relatively small but stable share of around 5% throughout the entire analysed period. The continued presence of this form suggests the enduring importance of philanthropic and support-oriented activities in Lithuania's social sector. The smallest group consists of religious communities, whose share hovers around 1% and shows no significant fluctuations over time. This may indicate a sustained but limited role of religious organisations within the formal structure of the non-profit sector.

Overall, the structure of the non-profit sector in Lithuania is characterised by the clear dominance of membership-based organisations (associations), with a growing role of public institutions and a stable yet limited presence of other organisational forms. The dynamics of these shares reflect both changing organisational preferences within civil society and the influence of regulatory and administrative factors on the registration and operation of organisations.

The next step in the study was the calculation of the entrepreneurship index and the non-profit index.

The table 1 presents the non-profit index broken down by Lithuanian counties for the years 2004–2025. This index was calculated as the number of the selected non-profit organisations per 1 000 inhabitants at the beginning of each year. The comparison reveals both a nationwide upward trend and significant regional disparities in the development of the non-profit sector. The data confirms a clear upward trend at the national level. In 2004, the average non-profit index for Lithuania was approximately 0.6, while by 2025 it is projected to reach 5.88. The most dynamic growth occurred between 2004 and 2014, which may be attributed to regulatory liberalisation, increased civic engagement, and institutional development of the third sector. A decline is observed in 2015, followed by a gradual increase continuing through 2025.

Throughout the entire period, Vilniaus County stands out, consistently recording the highest non-profit index values, from 2.71 in 2004 to 13.68 in 2025. This high level suggests a strong concentration of non-governmental organisations, likely due to the presence of the capital, a larger population, and well-developed social and civic infrastructure. In contrast, the lowest index values are reported in most years in Tauragės, Telšių, and Marijampolės Counties, where in many cases the values do not exceed 3.0 during the entire period under study. These differences may reflect lower levels of civic engagement, lower population density, or limited access to institutional resources and support.

Table 1. Non-Profit Index per 1000 inhabitants in Lithuanian Counties in 2004–2025

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total for Lithuania	0.6	0.8	1.7	2.5	3.0	3.3	3.5	3.9	4.2	4.4	4.9	2.9	3.8	4.4	4.4	4.3	4.4	4.4	4.3	4.7	4.9	5.8
Vilniaus County	1.1	1.4	2.3	3.1	3.5	4.0	4.1	4.5	4.7	4.8	5.8	4.6	5.3	5.6	5.5	5.1	5.2	5.3	5.2	5.5	6.4	7.4
Alytaus County	0.4	0.5	2.0	2.1	2.5	2.8	3.0	3.4	3.8	4.0	4.4	2.0	3.1	3.8	3.8	3.8	4.0	3.9	4.0	4.4	4.4	5.3
Kauno County	0.7	0.8	2.1	2.3	2.8	3.1	3.3	3.7	4.1	4.3	4.8	2.9	4.0	4.5	4.5	4.4	4.3	4.3	4.2	4.5	4.6	5.4
Klaipėdos County	0.5	0.6	0.9	2.2	2.6	2.9	3.1	3.5	38	3.9	4.3	2.2	3.2	3.7	3.7	3.5	3.5	3.4	3.5	3.8	3.8	4.6
Marijampolės County	0.4	0.5	2.6	2.8	3.1	3.4	3.7	3.9	4.3	4.5	4.8	2.0	3.0	3.9	3.9	4.5	4.6	4.4	4.4	5.0	4.5	5.5
Panevėžio County	0.3	0.4	0.7	2.6	3.0	3.3	3.4	3.8	4.0	4.3	4.3	1.7	2.7	3.3	3.4	3.7	3.9	3.7	3.8	4.3	3.7	5.1
Šiaulių County	0.4	0.4	0.8	2.1	2.6	2.9	3.2	3.5	3.9	4.4	4.5	2.1	3.2	4.0	4.0	4.0	4.1	4.1	3.9	4.4	3.9	4.8
Tauragės County	0.3	0.4	0.5	2.0	2.4	2.8	3.1	3.4	3.8	4.1	4.2	1.5	2.4	3.0	3.0	3.2	3.5	3.6	3.7	4.3	4.2	5.1
Telšių County	0.3	0.4	1.8	2.3	2.7	3.0	3.2	3.4	3.7	3.9	3.8	1.6	2.4	3.1	3.1	3.2	3.4	3.4	3.5	4.0	3.5	4.6
Utenos County	0.4	0.5	2.8	3.0	3.5	3.8	4.2	4.5	4.8	5.3	5.4	2.4	3.5	4.3	4.4	4.4	4.6	4.5	4.6	5.5	4.9	6.5

Source: the author's own work based on data from OSP: [www 1].

The results clearly confirm the existence of significant regional disparities in the development of the non-profit sector in Lithuania. The Vilniaus County demonstrates the highest growth dynamics and the highest index values throughout the analysed period. The persistent gap between regions with the highest and lowest index values suggests the need for a differentiated approach in public policies aimed at supporting non-governmental organisations, particularly in less developed areas.

The data presented in table 2 illustrate changes in the entrepreneurship index, defined as the number of registered business entities per 1 000 working-age inhabitants. The analysis covers the period 2006–2024 and includes all ten Lithuanian counties. The entrepreneurship rate for Lithuania demonstrates a stable and clearly upward trend – increasing from 28 entities in 2006 to 66 entities in 2024. The most dynamic growth occurred after 2014, which may be attributed to the improvements in the business environment, the development of the SME sector, and policy reforms supporting entrepreneurship. In particular, the increase between 2014 (37) and 2015 (42), followed by a steady rise through to 2024, reflects the growing economic activity of the Lithuanian population. The Vilniaus County consistently records the highest entrepreneurship rate, reaching 95 business entities per 1 000 working-age inhabitants in 2024. This value significantly exceeds the national average, likely due to the concentration of institutions, well-developed infrastructure, better access to capital, and the presence of the state's capital city. High rates are also recorded in Kauno (68), Klaipėdos (64), and Šiaulių (42) counties, confirming their strong economic base and favorable conditions for business development. In contrast, the lowest values throughout most of the analyaed period appear in Utenos, Tauragės, and Marijampolės counties, which in 2024 reached 38, 40, and 37 entities per 1 000 working-age inhabitants, respectively. These disparities may be explained by structural factors such as lower population density, limited access to capital, weaker infrastructure, and less developed business ecosystems. The data confirm persistent regional disparities in entrepreneurship levels across Lithuania. The Vilniaus County stands out with the highest level of economic activity, while peripheral regions remain below the national average. The upward trend in all counties suggests a general improvement in the business climate, yet the differing rates of development point to the need for targeted public policies to support entrepreneurship in less developed areas.

Table 2. Entrepreneurship Index per 1 000 working-age inhabitants in Lithuanian Counties in 2004–2025

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total for Lithuania	28	30	32	33	33	35	34	35	37	42	44	47	47	48	50	50	53	56	66
Vilniaus County	37	40	43	45	45	48	47	50	53	63	67	69	69	70	71	73	77	80	95
Alytaus County	20	20	21	22	21	24	22	23	24	26	28	30	31	32	33	32	35	37	46
Kauno County	29	31	32	34	33	37	36	36	38	42	44	47	48	49	50	51	54	58	68
Klaipėdos County	31	33	36	37	37	40	38	38	40	43	45	47	49	49	50	51	53	55	64
Marijampolės County	20	20	21	20	20	21	20	20	20	22	23	25	26	27	28	28	29	32	37
Panevėžio County	25	26	27	28	26	28	26	26	27	30	31	34	34	35	36	36	38	40	46
Šiaulių County	22	22	23	24	24	27	26	26	26	29	30	33	33	34	35	35	36	38	42
Tauragės County	19	20	21	21	21	23	21	22	23	25	27	28	30	30	31	31	33	36	40
Telšių County	23	23	25	25	25	27	26	26	26	29	30	33	34	35	36	35	38	40	45
Utenos County	19	19	20	20	19	21	19	20	20	22	23	25	26	27	27	28	30	32	38

Source: the author's own work based on data from OSP: [www 1].

The literature increasingly emphasises the role of non-profit organisations as a factor supporting socio-economic development. Activities in the social, educational, or healthcare sectors can indirectly contribute to GDP per capita growth by promoting employment, providing social services, and supporting marginalised groups.

On the other hand, a higher level of economic development fosters the emergence of non-profit organisations – greater financial, time, and infrastructural resources, the availability of funds, and social capital create favorable conditions for their operation. This relationship is bidirectional: the development of the non-profit sector can support economic growth, while rising GDP facilitates the sector's expansion.

To analyse these relationships, three key indicators were used:

- GDP per capita, as a measure of economic development and societal well-being,
- non-profit index, indicating the intensity of social activity,
- entrepreneurship index, referring to the number of businesses per 1 000 people of working age.

These indicators allowed for an assessment of socio-economic dynamics and helped to identify regional and temporal relationships between economic, social, and civic activity. To analyse these relationships, the Pearson correlation coefficient was calculated for the entrepreneurship index and GDP per capita, as well as for the non-profit index and GDP per capita, for the years 2006–2024 (table 3).

The results indicated a very strong positive correlation between the entrepreneurship index and GDP per capita. The coefficient values for the analysed ranged from 0.91 to 0.97, meaning that regions with higher levels of economic development had a greater number of business entities per 1,000 working-age inhabitants. This relationship confirmed the thesis that GDP growth fostered the development of the business sector, while also suggesting that increased economic activity might have contributed to higher productivity and social well-being. The correlation between the non-profit index and GDP per capita was also positive, but clearly weaker than in the case of entrepreneurship. The coefficients ranged from 0.49 to 0.66, indicating a moderate positive relationship. This suggests that the non-profit sector, although related to the level of socio-economic development, was not as closely linked to it as the business sector. At the same time, the results showed that as GDP increased, the number of non-profit organisations also grew, which supports previous conclusions about the bidirectional relationship between these phenomena.

Table 3. Pearson correlation coefficient for the Entrepreneurship Index and GDP per capita, and for the Non-Profit Index and GDP per capita in the years 2006–2024

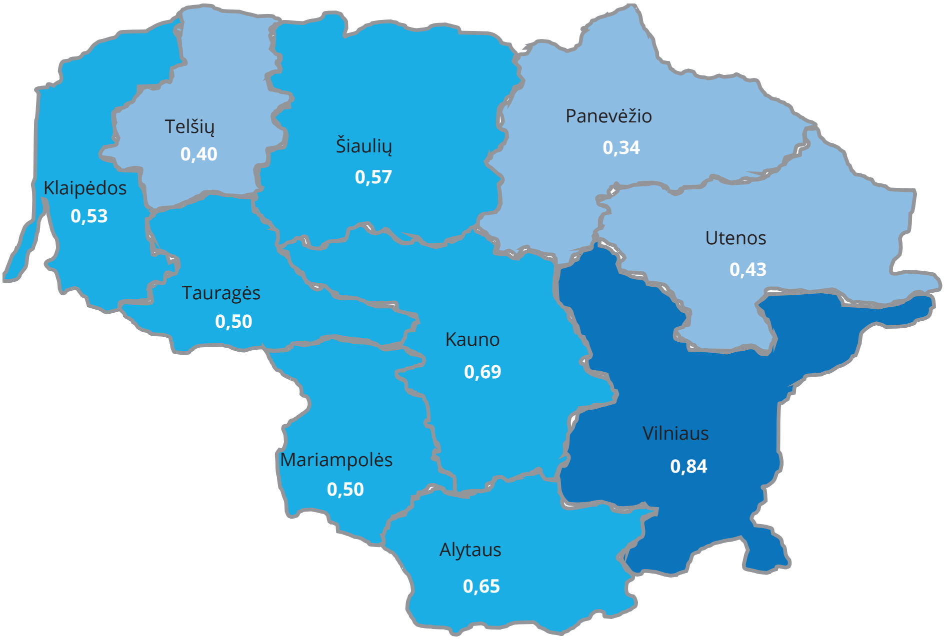
	Entrepreneurship index vs. GDP per capita	Non-profit index vs. GDP per capita
Total for Lithuania	0.95	0.65
Vilnisus County	0.91	0.66
Alytaus County	0.96	0.67
Kauno County	0.97	0.67
Klaipėdos County	0.96	0.53
Marijampolės County	0.94	0.62
Panevėžio County	0.95	0.46
Šiaulių County	0.96	0.62
Tauragės County	0.96	0.57
Telšių County	0.94	0.49
Utenos County	0.95	0.49

Source: the author's own work based on data from OSP: [https://osp.stat.gov.lt].

To analyse the relationship between entrepreneurship and non-profit sector activity, the Pearson correlation coefficient was calculated for the indicators of these two phenomena across Lithuanian counties in the years 2006–2024 (chart 3).

At the national level, the correlation reached 0.64, indicating a moderate positive relationship – regions with higher economic activity also tended to have a greater number of non-profit organisations. The strongest correlation was observed in Vilniaus County (0.84), which may be attributed to the concentration of resources, social capital, and institutions in the capital city. High correlation values were also recorded in Alytaus County (0.68) and Kauno County (0.63). In contrast, the lowest correlation values were found in Utenos (0.43), Telšių (0.45), and Tauragės (0.47) counties, which may reflect limited socio-institutional capacity and a weaker link between the economic and civic sectors.

Chart 3. Pearson Correlation coefficient between the entrepreneurship index and the non-profit index in the years 2006–2024



Source: the author's own work based on data from OSP: [www 1].

These results confirm the existence of regional disparities in the interdependence between entrepreneurship and the development of the non-profit sector. Stronger correlations in more developed regions may indicate higher institutional maturity, while weaker correlations in peripheral areas suggest a need for targeted socio-economic support.

5. Conclusions

Based on the conducted analysis, several important conclusions can be drawn regarding the relationship between the development of the non-profit sector and the economic activity in Lithuania during the years 2006–2024. First and foremost, a systematic increase in the number of non-profit organisations was observed, which may indicate the growing role of civil society and the effectiveness of efforts supporting the third sector.

The highest values of the non-profit index were recorded in the regions with a higher level of socio-economic development. This may result from stronger social capital, greater civic engagement, and better institutional infrastructure. Furthermore, the Pearson correlation coefficient analysis revealed a moderately positive relationship between non-profit sector activity and both entrepreneurship and GDP per capita. This suggests that the development of non-profit organisations occurs more frequently in regions with a more favorable economic situation.

The relationship between the non-profit sector and economic growth appears to be mutually reinforcing social activity improves quality of life, facilitates labour market activation, and increases access to services, all of which can contribute to economic growth. At the same time, a higher GDP level enables better financing of social initiatives.

Therefore, it can be concluded that supporting the non-profit sector especially in less developed regions can serve as an effective tool for strengthening social entrepreneurship, counteracting social exclusion, and improving the quality of life of local communities.

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