

# **ANALYSIS OF AWARENESS, TRENDS AND THE STATE OF SOCIAL ENTREPRENEURSHIP AND THE RELATIONSHIP WITH GREEN PRODUCTS -CROSS- BORDER COOPERATION, STRATEGIES FOR FUTURE DEVELOPMENT**



*Research paper*



This Project is Funded by the European Union  
Овој проект е финансиран од Европската Унија  
Ky projekt financohet nga Bashkimi Europian



Cross-Border Cooperation Program  
Програма за прекугранична соработка  
Programi Bashkëpunimit Ndërkufitar

Author of the research paper:

**Hristina Gjelevska, MSc Student**

University “St. Kliment Ohridski” Bitola, Faculty of Economics – Prilep, North  
Macedonia

Collaborators:

**Assoc.Prof.Dr. Monika Angeloska Dichovska**, University “St. Kliment Ohridski”  
Bitola, Faculty of Economics – Prilep, North Macedonia, - mentor and research &  
analysis support of North Macedonia

**Lecturer. MSc. Saimir Mansaku, PhD candidate**, Epoka University, Albania –  
research support of Albania

**Lecturer. MSc.Isida Mansaku**, Canadian Institute of Technology, Albania –  
research support of Albania

This research paper is prepared as part of “Research Papers, under the IPA Cross-Border  
Cooperation Programme between North Macedonia and Albania” which is part of European  
Union's Cross Border Cooperation (CBC) program.

The research paper is co-financed by Ministry of Local Self-Government, North Macedonia.

The research paper addresses a thematic area “Fostering a cross-border economic, environmental  
and social development” and deal with subjects as: “Citizens’ experience with the implementation  
of Cross Border Cooperation programmes in cultural, economic, social, tourism, environmental  
and any other relevant aspect” and “The contribution of the Cross Border Cooperation programmes  
to the implementation of local and regional development strategies.”

The content of this paper is the sole responsibility of the authors and collaborators, and in no way  
reflects the views of the European Union and Ministry of Local Self-Government, North  
Macedonia.

October 2022, Bitola  
Republic of North Macedonia

## Contents

Abstract .....	4
Introduction .....	5
Methodological approach .....	7
Part I: Concept of Social entrepreneurship .....	8
1. Definition and characteristics of social entrepreneurship .....	8
Part 2: Current situation and development of the social entrepreneurship in regions .....	12
2.1 Social entrepreneurship in Republic of North Macedonia .....	13
2.2 Social entrepreneurship in the Republic of Albania.....	16
Part 3: Analysis and discussion of awareness, trends and the state of art of social entrepreneurship in Republic of North Macedonia and Republic of Albania .....	21
3.1. Awareness, trends and interest of social entrepreneurship in Republic of North Macedonia – Pelagonia and Southwest regions.....	21
3.1.1 Sample research.....	21
3.1.2 Analysis and discussion .....	23
3.2. State of art, trends and challenges of the social entrepreneurship in Republic of North Macedonia – Pelagonia and Southwest regions.....	27
3.3 The views of traditional businesses on social entrepreneurship .....	32
3.4. Awareness, trends and interest of social entrepreneurship in Republic of Albania – Elbasan and Dibra regions .....	33
3.4.1 Sample research.....	34
3.4.2 Analysis and discussion .....	35
Conclusion and recommendation.....	39
References .....	41

## **Analysis of awareness, trends and the state of social entrepreneurship and the relationship with green products - cross-border cooperation, strategies for future development**

### **Abstract**

Global crises and the increasingly visible social and environmental consequences of economic growth and liberalization have stimulated interest in alternative production and consumption patterns, as well as in new ways of organizing entrepreneurial activities aimed at creating new value. Developments in policies, social and economic processes, as well as intellectual paradigms of social models followed by the financial crisis that affected the market of the European Union and beyond in 2008 highlighted the need to think about new, different models for economic development. As one of the models, there are social enterprises and enterprises for green products whose potential is not fully used, however, the rapid growth of diverse social needs and the emergence of numerous environmental challenges impose the need for their bolder development. When it comes to development, an important role is played by cross-border cooperation, which is defined as one of the forms of territorial cooperation of various types of factors in the cross-border region, which also implies the development of entrepreneurship.

The main objectives of the research paper are to raise awareness and improve the knowledge of social entrepreneurship among citizens especially young people who can be future generators in that field, and on the other hand to determine current trends, conditions, and challenges of the social enterprises in cross border regions in North Macedonia and Albania. This research paper is based on cross border cooperation and cover Southwest and Pelagonia region in North Macedonia and Dibra and Elbasan region in Albania. For the purposes of this paper, primary research was conducted in two phases. Namely, in the first phase individuals (citizens) were included in order to identify knowledge and interest in social entrepreneurship. The second phase of primary research includes current and potential social enterprises (new venture creation or

entrepreneurial process innovation in some entities), as well as traditional business entities, and this part was conducted only in RNM.

The results confirmed the need for increasing education and awareness of social entrepreneurship among citizens. Social enterprises are still at the beginning of development, they face numerous challenges and institutional and regulatory support is most necessary.

**Keywords:** social enterprises, social entrepreneurship, North Macedonia, Albania, green products.

## Introduction

In recent years, the emergence and interest in the development of organizations/entities for social economy and social entrepreneurship in order to mitigate the effects of the economic crisis and possibly offer a path to a different model of economic growth is evident. Among the factors contributing to this trend, is the shift in consumption a pattern towards a greater demand for personal and community services that cannot be easily provided by the existing private and public actors. As a result, there is a greater need for social economy organizations, both in the traditional sectors in which they have always operated as well as in new areas of activity.

The terms social entrepreneurship and social enterprise have emerged over the last few years. In general, the definitions that are being developed are to cover the wide set of innovative approaches aimed at tackling key social and economic problems.<sup>1</sup>The successful evolution of social enterprises requires both commercial and legislative mindset shifts. Investors need to look beyond the expectation of turning a quick profit and consider the benefits of patient capital. On the legislative side, investment incentives, such as partial tax subsidies, would encourage investors to finance social enterprises over profit-oriented businesses that offer more compelling returns.

---

<sup>1</sup> Martin, R. L., &Osberg, S. (2007). Social entrepreneurship: The case for definition. Stanford social Innovation Review, 5(2), 28-39. Accessed on 20.09.2022.



From a policy perspective, this is a justifiable trade-off, since social enterprises often substitute for or complement public sector services.<sup>2</sup>

The social economy is identified as a European success story that gets an increasingly significant and visible role in the increase of employment and social cohesion, but also as a key actor in the 2030 Agenda for sustainable development of the United Nations. Today, the social economy in the EU provides more of 13.6 million paid jobs, including over 82.8 million volunteers and 232 million members<sup>3</sup>. While it is important to note that cross-border partnerships are important for the development of social entrepreneurship. The principles for encouraging and developing cross-border partnerships are also prescribed by the Council Regulation of the European Commission no. 1083/2006. Each country, in accordance with its needs and existing legislation, develops partnerships with public authorities at multiple levels, or with other entities, including civil society organizations, which are active as economic and social partners.<sup>4</sup> Implemented projects have been noted that work on the development of social enterprises and through cross-border cooperation, an example is the project Social Enterprise - Bridge Between the Social Sector and Traditional Business (SE-Bridge)Macedonia – Albania cross-border region, within the framework of the Program for cross-border cooperation between the Republic of North Macedonia and the Republic of Albania.<sup>5</sup>

The research paper explores awareness, trends and the state of art of social entrepreneurship and social enterprises in four regions, Pelagonia and the Southwest region of North Macedonia and Elbasan and Dibra region in Albania. The purpose of this paper is to raise awareness and improve the knowledge of social entrepreneurship (SE) among citizens especially

---

<sup>2</sup>Jo Chidwala, The proliferation of sustainable social enterprises in Sub-Sahara Africa, <https://www.linkedin.com/pulse/proliferation-sustainable-social-enterprises-africa-jo-chidwala/>. Accessed on 20 09 2022.

<sup>3</sup>Iloska A. & Ilievski K., Handbook, Agency for the support of entrepreneurship in the Republic of North Macedonia, 2020, [https://hera.org.mk/wp-content/uploads/2020/12/Priracnik\\_APPRSM\\_web.pdf](https://hera.org.mk/wp-content/uploads/2020/12/Priracnik_APPRSM_web.pdf). Accessed on 15 09 2022

<sup>4</sup>Iloska A. & Ilievski K., Social enterprises through the prism of cross-border cooperation – North Republic Macedonia and the Republic of Albania, Association of citizens for research, communications and development Public, 2019. [https://ceedhub.mk/wp-content/uploads/2020/02/Socijalnitate-pretprijatija-niz-prizmata-na-prekugranickata-sorabotka\\_MK.pdf](https://ceedhub.mk/wp-content/uploads/2020/02/Socijalnitate-pretprijatija-niz-prizmata-na-prekugranickata-sorabotka_MK.pdf). Accessed on 15 09 2022

<sup>5</sup>Social Enterprise – Bridge Between the Social Sector and Traditional Business (SE-Bridge). <https://ipacbc-mk-al.eu/portfolio/social-enterprise-bridge-between-the-social-sector-and-traditional-business-se-bridge/>. Accessed on 10 08 2022

young people and to identify current trends, conditions, and challenges of the social enterprises in cross border regions in North Macedonia and Albania.

This paper is structured as follows: part one is introducing the concept of social entrepreneurship and its distinctive features, follow by the section two that presents an overview of the current situation and development of the social entrepreneurship in regions in North Macedonia and Albania, legislation and examples of main actors of social entrepreneurship in each of the countries. The last section of the paper presents the analysis of the survey made on individuals (citizens) in North Macedonia and Albania, also in this part is elaborated analysis of the survey and interviews made with the representatives of social enterprises<sup>6</sup> and traditional enterprises<sup>7</sup> in the North Macedonia and their challenges and conditions for operating. Recommendations and conclusions are part from this section. The research paper concludes with a list of bibliographical references.

## Methodological approach

The methodological approach of this paper includes primary and secondary research. Secondary research is based on desk analysis included a collection of data based on available documents, reports, studies, strategies, conference papers, open-access materials, study reports and other relevant publications related to the research topic. Also, this research includes identification and analysis of relevant laws, policies and support mechanisms of social entrepreneurship in North Macedonia and Albania.

For the purposes of the primary research, four questionnaires were prepared for: individuals(citizens), experts, social enterprises and traditional businesses. The primary research was carried out in two phases. The first phase included a questionnaire intended for individuals (citizens), conducted through an anonymous questionnaire with mostly close-ended questions as well as direct meetings with experts in the field, both in North Macedonia and Albania. The

---

<sup>6</sup>A social enterprise in this research are entities with specific social objectives that serve its primary purpose and include both nonprofit organizations and charities and for-profit social enterprises. Social enterprises seek to maximize profits while maximizing benefits to society and the environment, and the profits are mainly used to fund social programs.

<sup>7</sup> Traditional enterprises in this research mean all business entities that work for commercial purposes in all areas of operation, and social objectives is not primary purpose.

research for citizens was done through cooperation with educational institutions and civic organizations in the respective regions.

The second phase of primary research includes a questionnaire for business entities in North Macedonia. The research for traditional businesses were conducted via electronic means, and for current and potential social enterprises by direct communications and interviews with their representatives. The primary research took place in the period from August 10 to October 10, 2022.

## Part I: Concept of Social entrepreneurship

### 1. Definition and characteristics of social entrepreneurship

Social entrepreneurship represents one of the most notable innovations in global civil society in recent times. Although the term “social entrepreneur” was first coined as long ago as the 1970s, it has only been in the past twenty years or so that the term has started to gain traction within a range of interrelated discourses across civil society, government, and the private sector. Such discourses have been shaped and driven forward by a range of new field-building organizations, such as foundations, fellowship programmes and networks, as well as by governments, international organizations (e.g. The European Union) and many academic institutions.<sup>8</sup>

Social entrepreneurship is the organization of a business around specific social and environmental causes, and can include both nonprofit organizations and charities and for-profit social enterprises. Social entrepreneurs differ from traditional entrepreneurs in that their main drive is to make a difference in the world or in their communities. They often have personal experience with the causes they support, which inspires their business’s mission. While traditional businesses might measure success in terms of market share or year-over-year revenue growth, social

---

<sup>8</sup>Nicholls A.&Collavo T. The Concept of Social Entrepreneurship, p.29  
[https://www.socialinnovationatlas.net/fileadmin/PDF/einzeln/01\\_SI-Landscape\\_Global\\_Trends/01\\_04\\_Concept-of-Social-Entrepreneurship\\_Nicholls-Collavo.pdf](https://www.socialinnovationatlas.net/fileadmin/PDF/einzeln/01_SI-Landscape_Global_Trends/01_04_Concept-of-Social-Entrepreneurship_Nicholls-Collavo.pdf). Accessed on 2.10.2022



entrepreneurs are more likely to focus on metrics like jobs created, trees planted, or donations made to a charitable arm that solves the problem they've invested in.<sup>9</sup>

The Organisation for Economic Co-operation and Development (OECD<sup>10</sup>) defines social enterprises as “any private activity conducted in the public interest, organized with an entrepreneurial strategy, but whose main purpose is not the maximization of profit but the attainment of certain economic and social goals, and which has the capacity for bringing innovative solutions to the problems of social exclusion and unemployment”. According European Commission the 'social enterprise' includes the following types of business:<sup>11</sup>

- Those for who the social or societal objective of the common good is the reason for the commercial activity, often in the form of a high level of social innovation
- Those whose profits are mainly reinvested to achieve this social objective
- Those where the method of organisation or the ownership system reflects the enterprise's mission, using democratic or participatory principles or focusing on social justice.

Social enterprises businesses whose primary goal is to generate positive social impact exist in every European country. They are an important part of the social economy, in which some 13.6 million Europeans work today. Some of them deliver essential care services, some focus on providing job opportunities for disadvantaged groups, and others address a wider range of societal challenges, such as achieving sustainable development goals. Many are innovative and find opportunities in cases where neither mainstream businesses nor public authorities can deliver.<sup>12</sup>

The majority of social economy actors are community-based organizations. They are rooted in the local community, which makes it familiar with the local community issues and therefore it is also easier to fulfill the needs of that community. They provide locally based solutions to benefit whole communities, not just the vulnerable groups for whom the enterprise is

<sup>9</sup> Kumar B., Social Entrepreneurship 101: Business Models and Examples to Inspire You, 2022. <https://www.shopify.com/au/blog/social-entrepreneurship>. Accessed on 2.10.2022

<sup>10</sup>OECD, <https://www.oecd.org/cfe/leed/social-economy/social-entrepreneurship.htm>. Accessed on August 20, 2022

<sup>11</sup>European Commissions, Social enterprises [https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/social-enterprises\\_en](https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/social-enterprises_en) Accessed on 10.09.2022

<sup>12</sup>Borzaga, C., Galera, G., Franchini B., Chiomento S., Nogales, R. & Carini, C. (2020). Social enterprises and their ecosystems in Europe. Comparative synthesis report. Luxembourg: Publications Office of the European Union. Retrieved April 30, 2020, from European Commission <http://ec.europa.eu/social/publications>, Accessed on 10.09. 2022

created. Knowing that, social innovation takes place as social economy actors' base their interventions on local needs, many of them being a catalyst for social creativity, developing innovative entrepreneurial solutions to the existing problems<sup>13</sup>. The main effects of the activities of the social enterprises over the local development are related to the increase of the social capital (fostering the confidence in members and institutions, building stronger relations between the members, creating networks with communities), to the stimulation of innovation and the insertion of innovation into the activity of local institutions, to the employment and the creation of local development structures<sup>14</sup>. Social enterprises are very important for the local development. A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities<sup>15</sup>. The effect of social enterprises on local development is due to their characteristics, which, in fact, give them an advantage over other actors:<sup>16</sup>

- Defined social mission: their main goal is to serve local communities or a specific group of people. Ensuring well-being in communities is one of their main goals.
- Limited distribution of profits - organizations do not distribute or distribute only part of profits as dividends.
- Democratic governance - various factors are involved in the governance process, depending on their interests. The multi-stakeholder approach allows for identifying needs and local resources, as well as providing an optimal solution to local problems.

<sup>13</sup> Prof.Dr. Tosheva E, Garanová Petrisková I., Social Economy as a Main Driver of Economic and Social Development in the Western Balkans and Visegrad Region, December 2020, Skopje Accessed on 15.08.2022

<sup>14</sup> Mateia, A., & Dorobantu, A., D. (2015). Social economy – added value for local development and social cohesion. Academic World Research and Education Center, 4th World Conference on Business, Economics and Management, WCBEM, Science Direct. : <https://www.sciencedirect.com/science/article/pii/S2212567115008783>

<sup>15</sup> European Commissions, Social enterprises [https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/social-enterprises\\_en](https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/social-enterprises_en) . Accessed on 10.08.2022

<sup>16</sup> Ilievski K. & Iloska A., Social enterprises through the prism of cross-border cooperation –Republic of North Macedonia and the Republic of Albania, Association of citizens for research, communications and development Public, 2019, pp.5-6, [https://ceedhub.mk/wp-content/uploads/2020/02/Socijalnite-pretprijetija-niz-prizmata-na-prekugranickata-sorabotka\\_MK.pdf](https://ceedhub.mk/wp-content/uploads/2020/02/Socijalnite-pretprijetija-niz-prizmata-na-prekugranickata-sorabotka_MK.pdf). Accessed on 15.08. 2022

The decision-making process is democratic, each member has the right to vote and that right does not depend on participation in the capital.

- Autonomy - they are independent entities, which are not guided by public institutions or the business sector

The European Commission adopted new specific legislation in the field of social entrepreneurship, and EU Member States have created formal strategies or policies for supporting social enterprise development. To boost social enterprise, 16 EU countries have adopted new legislation during the past decade and 11 countries have created explicit policies to support its development, according to a new synthesis report 'Social enterprises and their ecosystems in Europe'.<sup>17</sup>

One of the networks that contributes to the development of social entrepreneurship is Euclid Network - EN<sup>18</sup> (members are civil society and social enterprise federations, universities and training institutes, social investors, frontline NGOs and social enterprises – all working to empower civil society and social enterprise to drive positive change). EN in collaboration with its members and partners launched the European Social Enterprise Monitor (ESEM). ESEM is the first social enterprise monitor on the European level.<sup>19</sup>

EMES European Research Network - is a research network of university research centers and individual researchers on social enterprise, known for its efforts to strengthen awareness about the conceptual and organizational understanding of social enterprises, their contributions to sectoral development and employment.<sup>20</sup>

---

<sup>17</sup> European Commission, <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&furtherNews=yes&newsId=9534>. Accessed on September 10, 2022

<sup>18</sup>The European Social Enterprises Network <https://euclidnetwork.eu/>. Accessed on September 12, 2022

<sup>19</sup>Esade Center for Social Impact, <https://www.esade.edu/faculty-research/en/esade-center-social-impact/impact-entrepreneurship/european-social-enterprise-monitor>. Accessed on 2.09 2022

<sup>20</sup>International Research Network, <https://emes.net/>. Accessed on 2.09 2022

## Part 2: Current situation and development of the social entrepreneurship in regions

The transition period caused major changes in the financial structure of the Balkan countries. The new problems as a similar legacy of socialism, mainly characterized by a command and semi-market economy, followed by a long-term transition, also brought the development of new solutions to connect countries to stabilize the economy. The similarities in issues that the countries of the Balkans deal with today are the same, especially in terms of (youth) unemployment and social inclusion.

The number or the share of the people who are at risk of poverty or social exclusion combines three separate measures and covers persons who are in at least one of three situations: persons who are at risk of poverty; persons who suffer from severe material deprivation; persons living in a household with very low work intensity<sup>21</sup>.

Social entrepreneurship have an instinctive, natural desire to make life better for people would rather live in a world without poverty, disease, ignorance and needless suffering is clear why the social entrepreneurship will be highly recommended, because as quoted before, social enterprises will reduce the number of unemployed people, reduce the percentage of poverty.<sup>22</sup>

The historical experience of advanced economies provides evidence of social enterprise's great potential to support economic development both in general and at the local level. Social enterprises have been making an important contribution to economic dynamism and growth from various perspectives. Social enterprises play, in various ways, a crucial role in generating jobs. In general, social enterprises develop new activities and create new employment in the sectors in which they often operate, i.e. social and community services that's how a high employment potential.<sup>23</sup>

---

<sup>21</sup> Prof.Dr. Tosheva E, Garanová Petrisková I., Social Economy as a Main Driver of Economic and Social Development in the Western Balkans and Visegrad Region, December 2020, Skopje Accessed on August 15, 2022

<sup>22</sup>Lateh M., Hussai M.D.&Abdullah M.S.B., Social Entrepreneurship Development and Poverty Alleviation - A Literature Review, MAYFEB Journal of Business and Management - ISSN 2371-7742 Vol 2 (2018) - Pages 1-11, Accessed on 15.08. 2022

<sup>23</sup>Borzaga C., Galera G. & Nogales R., SOCIAL ENTERPRISE:A NEW MODEL FOR POVERTY REDUCTION AND EMPLOYMENT GENERATION, UNDP Regional Bureau, 2008, pg .28-29, Accessed on 15.08.2022

The contribution of social enterprises to socio-economic development can be seen from various perspectives:<sup>24</sup>

- providing access to basic services (social, educational, and health) to local communities, including people who are unable to pay;
- contributing to a more balanced use of local resources encouraged by wide participation of local stakeholders;
- contributing to the promotion of inclusive governance models that empower the local community in strategic decision-making;
- creating new employment as a result of the new services supplied and favoring labour market integration of disadvantaged people (minority groups, single women, people with disabilities, etc.) otherwise excluded from income-generating opportunities;
- contributing to enhance social capital at local levels (based on broad ownership and local participation), which is of crucial importance;
- contributing to take informal activities out of the underground economy for instance by regularizing the situation of illegal workers on the black market.

Risk of poverty or social exclusion rate is very high in both country, Republic of North Macedonia (32,6 %) and Republic of Albania (43.4%). Considering the benefits of operating social enterprises, the support and development of social entrepreneurship in these countries becomes necessary as a key factor in the socio-economic development of the countries. The next part of the paper elaborated state of art, trends and challenges of the social entrepreneurship in both countries, and recommendation for development of it.

## 2.1 Social entrepreneurship in Republic of North Macedonia

The entities that make up the spectrum of social enterprises in RNM is diverse. Despite the absence of specific institutional forms, some of the existing legal acts enable the establishment and functioning of entities that can be partially or fully recognized as social enterprises, such as: civil society organizations, cooperatives, protective societies, agricultural cooperatives, artisans and

---

<sup>24</sup>Borzaga C., Galera G. & Nogales R., SOCIAL ENTERPRISE: A NEW MODEL FOR POVERTY REDUCTION AND EMPLOYMENT GENERATION, UNDP Regional Bureau, 2008, p.6 Accessed on 16.08.2022

craft chambers, and the informal waste collection sector has the potential to be transformed through social entrepreneurship.<sup>25</sup>

Currently, there is no clear public policy in the country that provides a definition for social enterprises. As a result, access to data on social enterprises is limited in the country. There is a lack of systematized knowledge and recognition of entities, their legal forms, existing capacities, needs and challenges<sup>26</sup>. Therefore, the need arose to make a separate bill that would correspond to EU laws and regulations. In the draft law on social entrepreneurship in Art. 3 defines social entrepreneurship as: "Social entrepreneurship is an organized activity with the aim of creating opportunities, forms, organizations and measures that result in sustainable social values and benefits, employment of people in the production and sale of products or services where the profit is not the sole or main purpose of an activity, that is, the profit is used for the employment of certain socially excluded or vulnerable social groups and for solving needs and problems in the community."

The purpose of the law is to regulate and establish an institutional framework for the work of social entities, as well as to define their rights and obligations. Other benefits of the law in general will be the stimulation of employment and economic growth, as well as the promotion of equality, solidarity and volunteerism. The law attracted a lot of attention because there are many remarks, comments and suggestions after its publication on the ENER<sup>27</sup> platform. In the Law on Associations and Foundations in part 3, art. 12 it is said that profit generating organizations cannot be established, but in paragraph 2 it is said that profit can be generated if the activity is in accordance with the Statute of the organization. And several other laws can be taken into account when it comes to social entrepreneurship in Macedonia. The Law on Donations and Sponsorships of Public Activity is very significant, with which an NGO can receive donations and not pay tax on them, if the project is of public interest. Another law that can be taken into account in terms of social enterprises is the Law on Volunteers, which allows tax relief (in Art. 13) for expenses for volunteers, thus protecting the rights of the unemployed, and volunteering is also recognized as

<sup>25</sup>Prof.Dr. Tosheva E, Garanová Petrisková I., Social Economy as a Main Driver of Economic and Social Development in the Western Balkans and Visegrad Region, December 2020, Skopje Accessed on August 16, 2022

<sup>26</sup>Iloska A. & Ilievski K., Handbook, Agency for the support of entrepreneurship in the Republic of North Macedonia, 2020, [https://hera.org.mk/wp-content/uploads/2020/12/Priracnik\\_APPRSM\\_web.pdf](https://hera.org.mk/wp-content/uploads/2020/12/Priracnik_APPRSM_web.pdf). Accessed on 15.09.2022M

<sup>27</sup> ENER, [https://ener.gov.mk/default.aspx?item=pub\\_regulation&subitem=view\\_reg\\_detail&itemid=28943](https://ener.gov.mk/default.aspx?item=pub_regulation&subitem=view_reg_detail&itemid=28943). Accessed on 5.09. 2022



work experience<sup>28</sup>. Key documents in the field of supporting the development of social entrepreneurship is the National strategy for the development of social enterprises in the Republic of North Macedonia (2021-2027).<sup>29</sup> Other laws that are relevant to SE in Macedonia are the Law on Social Protection<sup>30</sup> (which allows associations, but not foundations, to provide certain social protection services), the Law on Cooperatives<sup>31</sup> and the Law on Local Self-Government<sup>32</sup> (which provides for civil initiatives or other forms of civil activism, but there are no special provisions for SE).

The existing social enterprises in the country are small entities, with a small number of employees, ranging from 1 to 5 people. The development of social enterprises in the Republic of North Macedonia relates to recent developments in the third sector, such as, for example, the limited financial support for the services offered by civil organizations, the decentralization of the social protection system and the increased influence and financial support available from side of the donor community<sup>33</sup>. In order to increase the number of social enterprises, networks, platforms and programs for social enterprises are also established.

Social Enterprises Network (SEN<sup>34</sup>) was established as a platform for communication and cooperation between different social enterprises, promotes the public image of the sector, and provides cooperation and multisectoral partnerships with other essential factors at national and regional level and at EU level. Other acceleration programs, organizations are IPA 2007-2013 and

---

<sup>28</sup>Veljanov Z., FROM BETTER LEGAL FRAMEWORK FOR GROWTH CLASS OF SOCIAL ENTREPRENEURS IN MACEDONIA, <http://www.crpm.org.mk/wp-content/uploads/2018/09/Socijalni-pretprijatija-MK4-2.pdf>. Accessed on 25.09.2022

<sup>29</sup>НАЦИОНАЛНА СТРАТЕГИЈА ЗА РАЗВОЈ НА СОЦИЈАЛНИТЕ ПРЕТПРИЈАТИЈА ВО РЕПУБЛИКА СЕВЕРНА МАКЕДОНИЈА(2021-2027), [https://www.mtsp.gov.mk/content/pdf/2021/trud/Strategija\\_socijalni\\_pretprijatija\\_2021\\_2027.pdf](https://www.mtsp.gov.mk/content/pdf/2021/trud/Strategija_socijalni_pretprijatija_2021_2027.pdf), Accessed on 5.08.2022

<sup>30</sup>Закон за социјална заштита, Службен весник на РСМ, бр. 104 од 23.5.2019

<sup>31</sup>Закон за земјоделски задруги, Сл.весник на РМ бр.23 од 14.02.2013 год., бр. 51 од 31.03.2015 год., бр.193 од 06.11.2015 год. и бр.39 од 29.02.2016

<sup>32</sup>Закон за локална самоуправа, Службен весник на РМ, бр.5 од 29 јануари, 2002

<sup>33</sup>Prof.Dr. Tosheva E, Garanova Petriskova I., Social Economy as a Main Driver of Economic and Social Development in the Western Balkans and Visegrad Region, December 2020, Skopje Accessed on August 29, 2022

<sup>34</sup>Social Enterprises Network, sen.mk. Accessed on 5.09 2022

IPA 2014-2020 Cross-Border Program, Ceed Hub Skopje<sup>35</sup>, Seed funding Business Hub Skopje<sup>36</sup>, PROEFEKT<sup>37</sup> and NGO - Social entrepreneurship for youth employment<sup>38</sup>.

The Center for Social Enterprises<sup>39</sup> plays a major role in the development of social entrepreneurship. The Center for Social Enterprises is designed to function as an incubator to support existing and new social enterprises, as well as civil society organizations that have economic activity. Currently, the use of the premises in the Center is free for social enterprises and civil society organizations.

As success stories that are part of social entrepreneurship are:<sup>40</sup> NegaPlus, “Lice v lice” as part of Public, “Brand Solution” LLC, “Ecovita”, “GRIT” “ZIP Institut” , “ ZUR Makedonskirakotvorbi”, “ UlaSte- Kafe bar”, “Poraka Nova” etc. In this part, but also from the part of green entrepreneurship are following organizations/enterprises/cooperatives:<sup>41</sup> “IN VIVO”, “Mama Organa”, “One Made”, “LAG AgroLider” etc.

## 2.2 Social entrepreneurship in the Republic of Albania

The concept of social enterprise it is still in the initial stages of development. Based on the EU operational definition, Albanian social enterprises exist in various legal forms: associations, centers and foundations (i.e., those carrying out the economic activity); agricultural cooperatives; and limited liability companies. The majority of these social enterprises focus on social service delivery and inclusion, filling the gap in public service delivery. However, the last two decades, other kinds of social enterprises have also started to flourish in Albania. Albanian social enterprises

<sup>35</sup>CEED Hub Skopje, <https://ceedhub.mk/>. Accessed on September 5, 2022

<sup>36</sup>CEED Investment Fund , <https://ceedhub.mk/social-entrepreneurship/se-fund/>. Accessed on 5.09. 2022

<sup>37</sup>ProefektInovo, <https://www.proefekt.mk/>. Accessed on September 5, 2022

<sup>38</sup>NGO - Social entrepreneurship for youth employment , <https://www.facebook.com/spzmv/> Accessed on 5.09. 2022

<sup>39</sup>Center for Social Enterprises, <https://centarsp.mk/za-centarot-za-socijalni-pretprijatija/>. Accessed 6.09.2022

<sup>40</sup> More information are available at: <https://hera.org.mk/nega-plus-i-romkite-se-vazni/>;  
<https://www.facebook.com/PublicAssociation/>;  
<https://www.facebook.com/ekovita.mk/>; <https://www.facebook.com/gritPs/>; <https://www.facebook.com/zipinstitute/>;  
<https://www.facebook.com/zur.makedonskirakotvorbi.5/>;  
<https://www.facebook.com/porakanovastruga/>;  
<https://www.facebook.com/UlaSte.original/>;

<sup>41</sup><http://www.invivo.mk/>; <https://mamaorgana.mk/>;  
<https://www.facebook.com/onecansobizz/>; <https://mk-mk.facebook.com/lagagrolider/> Accessed on 5.09 2022

in a democratic context are closely linked with initiatives that have evolved from the non-profit sector mostly with the support and guidance of foreign donors.<sup>42</sup>

The Law in force with respect to social enterprises is the “Law no. 65/2016 for social enterprises in the Republic of Albania” This law deals with regulation of organizing and functioning of social enterprises and has determined the eligibility criteria that the entities should meet to be entitled with the status of social enterprise. In terms of legal framework, the 2016 Law on Social Enterprises restricts the sector to the NPO legal form. The law, which combines work integration with social services provision, stipulates that social enterprises have to provide a restricted list of social services to marginalized groups and simultaneously employ a considerable number of people from marginalized groups. It also presents other restrictions in terms of economic and social criteria. However, as certain orders and instructions that should have been issued are still pending, the law has not yet been put into effect<sup>43</sup>.

As Kadrimi and Gjeta have<sup>44</sup> declared, the lawmakers have rushed to define and limit the legal notion of social enterprise at the moment that they have excluded companies from the right to qualify as a social enterprise. They also suggest that a rapid intervention of the lawmakers is needed in order to regulate this legislation<sup>45</sup>.

The lack of national networks for social enterprises that could promote their role and advocate developmental needs is a significant issue. Specific funding for social enterprises has mainly come from foreign donors. Although a few funding schemes exist, most social enterprises are either in an initial or growth stage of their business lifecycle and therefore do not have enough financial or human resources to access these opportunities. In general, public schemes and sources of public procurement are unavailable to Albanian social enterprises<sup>46</sup>.

---

<sup>42</sup>AgolliA., Haska E. & Hoxha J., Social enterprises and their ecosystems in Europe, Country fiche: Albania, European Commission, 2019, p.10 Accessed on 02.10, 2022

<sup>43</sup>, AgolliA., Haska E. & Hoxha J., Social enterprises and their ecosystems in Europe, Country fiche: Albania, European Commission 2019, p.10 Accessed on 02.10, 2022

<sup>44</sup>Kadrimi&Gjetahave,Social Enterprises in Albania: Analysis of Albanian Legislation over the Years”, MJSS, Vol. 10 No. 6 (2019): November 2019. Accessed on 02.10, 2022

<sup>45</sup> Kadrimi&Gjetahave,Social Enterprises in Albania: Analysis of Albanian Legislation over the Years”, MJSS, Vol. 10 No. 6 (2019): November 2019. Accessed on 02.10, 2022

<sup>46</sup> AgolliA., Haska E. & Hoxha J., Social enterprises and their ecosystems in Europe, Country fiche: Albania, European Commission 2019, <file:///C:/Users/user/Downloads/Social%20enterprises%20and%20their%20ecosystems%20in%20Europe.%20Country%20fiche%20Albania.pdf> Accessed on 02.10, 2022

The two main support organizations providing capacity building, expertise and financial support in Albania are Partners Albania and YUNUS Social Business. Partners Albania provides grants for social enterprises either for profit organizations or non-profit entities. The grants vary from EUR 3000150,000. The length of support can range from 9 months to 2 years. Partners Albania functions as an intermediary organization, which manages sub granting schemes of EU, or other donors. The EU delegation in Albania only donor that is investing specifically in social entrepreneurship development. Recently, RYCO has launched a fund for WB6 Lab, which will enhance the capacities of a local structure supporting SEs<sup>47</sup>.

Estimates show that social enterprises registered as NPOs (associations, centres and foundations) represent the most numerous groups in absolute terms (around 319).<sup>48</sup> The estimated number of other legal forms is significantly lower. Social enterprises registered as NPOs mainly operate within social services, vocational training and youth career counselling. Cooperatives operate within agriculture. Limited Liability companies engage in a diverse range of activities commonly associated with the delivery of innovative and eco-friendly products and/or services. In terms of the legal framework, only six NPOs have received the status of social enterprise<sup>49</sup>.

Since most of the social enterprises are in the entry or growth stage of their lifecycle, they lack the capacity to absorb these funds. The most widespread legal form that conveys social entrepreneurship features is the non-profit organization. These organizations tend to identify the goods and services offered based on their internal capacities rather than market needs. This characteristic derives from the lack of capacities these organizations have in business plan development, market research, networking, and marketing strategy design. The support should be addressed in these directions: access to funds accompanied with mentoring for at least 2-3 years, know-how, networking opportunities, access to markets and alternative forms of funding such as soft loans, business angels, and social impact.

---

<sup>47</sup>Prof.Dr. Tosheva E, Garanová Petrisková I., Social Economy as a Main Driver of Economic and Social Development in the Western Balkans and Visegrad Region, December 2020, Skopje Accessed on 02.10, 2022

<sup>48</sup>Babović, M. et al. (2015) Strategic Study on Social Economy Development in the Context of the South East Europe 2020 Strategy. Belgrade: European Movement in Serbia, 197 pages. Available at:  
[http://cepsmn.org/files/STRATEGIC\\_STUDY\\_ON\\_SOCIAL\\_ECONOMY\\_DEVELOPMENT.pdf](http://cepsmn.org/files/STRATEGIC_STUDY_ON_SOCIAL_ECONOMY_DEVELOPMENT.pdf)

<sup>49</sup>Prof.Dr. Tosheva E, Garanová Petrisková I., Social Economy as a Main Driver of Economic and Social Development in the Western Balkans and Visegrad Region, December 2020, Skopje Accessed on 02.10, 2022

According to the Roadmap of Green Entrepreneurship Ecosystem in the Western Balkans (June, 2022), some programs operating in this regard in Albania are:

- Regional Incubator for Social Entrepreneurs (RISE), a regional program supported by RYCO which has established local structures in the Western Balkan to enhance youth social entrepreneurship
- UK-Albania Tech Hub supported by British Embassy in Tirana, backs tech startups, but also ideas generating social impact;
- Entrepreneurship Models Building Relations and Creative Economy (EMBRACE) program, supported by EU Delegation in Albania and managed by Partners Albania, provides grant and capacity building for social enterprises;
- EU for Innovation, funded by European Union and with additional support from the German Federal Ministry for Economic Cooperation and Development (BMZ) as well as the Swedish International Development Cooperation Agency. The EU for Innovation's program, "Flexible Start-up Support" is an accelerator program, provides learning modules for start-ups in the validation and growth phases;
- EUs for Pre-Accession Assistance in Rural Development (IPARD II), co-funded by the Albanian Government is an important support mechanism for Albanian agricultural cooperatives, aiming to support farmers, economic-agricultural entrepreneurs, including the UFA, natural and legal persons, micro-enterprises, and small private non-agricultural enterprises that make investments in the production and processing of dairy, meat, vegetables, herbs and vineyards. The IPARD III program was recently approved by the European Commission;
- Green Star Venture' is a program by European Bank for Reconstruction and Development (EBRD), which supports innovative early-stage ventures with green technology and solutions by providing dedicated advisory support for eligible startups, in the EBRD countries. The program is part of 'Star Venture', where the green component included recently, promotes the green transformation and economy in the region. It started the implementation in Jordan and Tunisia and will continue in all the EBRD countries, where Albania is also included;

- The Swiss Entrepreneurship Program (Swiss EP) offers peer knowledge sharing, connections, and community-building for start-ups and Albania is one of the countries that are part of their coverage;
- Idea, a program supported by GIZ aiming to scale up entrepreneurial competencies and business skills of youngsters.

YAPS (Youth Albania Professional Services)<sup>50</sup> is a Work Integration Social Enterprise (WISE), a form of social enterprise which focuses on the employment of groups who are marginalized from the mainstream labor markets. YAPS focuses on providing jobs for disadvantaged youths via postal delivery, repairs, maintenance and professional cleaning services. It was initiated in 20017 by a non-profit organization associated with the Roman Catholic Church, Don Bosco, and UNICEF Albania, with the aim to “engage disadvantaged youth into productive employment while creating profits and project sustainability”<sup>51</sup>.

---

<sup>50</sup>

YAPS,  
[http://www.yaps.al/yaps/?lang=en&fbclid=IwAR3RiLgvPdefTXUNS85C0gFbPdRwqNea9TMisOVYDk1Q\\_0krs1l0IskiOJg](http://www.yaps.al/yaps/?lang=en&fbclid=IwAR3RiLgvPdefTXUNS85C0gFbPdRwqNea9TMisOVYDk1Q_0krs1l0IskiOJg). Accessed on October 2, 2022

<sup>51</sup>Hackett M.T. & Roy M.J., focus on the Balkans: Social Enterprise in Albania,  
[https://www.researchgate.net/publication/344685584\\_Focus\\_on\\_the\\_Balkans\\_Social\\_Enterprise\\_in\\_Albania](https://www.researchgate.net/publication/344685584_Focus_on_the_Balkans_Social_Enterprise_in_Albania).  
Accessed on October 2, 2022



## **Part 3: Analysis and discussion of awareness, trends and the state of art of social entrepreneurship in Republic of North Macedonia and Republic of Albania**

### **3.1. Awareness, trends and interest of social entrepreneurship in Republic of North Macedonia – Pelagonia and Southwest regions**

Our primary data for awareness, trends and interest of social entrepreneurship in Republic of North Macedonia – Pelagonia and Southwest regions was obtained from a qualitative questionnaire structured in four parts:

1. Basic features
2. Knowledge of social entrepreneurship
3. Getting to know and thinking about social entrepreneurship
4. Eco social entrepreneurship.

We used purposive sampling and snowballing. The purpose of this questionnaire was to summarize citizens' perceptions and knowledge about social entrepreneurship, as well as whether they would ever see themselves as part of social entrepreneurship.

The target group of this research was all citizens in the Southwest region and Pelagonia as a cross border regions of the Republic of North Macedonia, but special emphasis was given to young people up to 29 years of age.

The survey was conducted over a period of September 1 to 12 October 2022 year. A survey link was sent to more than 500 citizens located in the Southwest region and Pelagonia as regions that are the region of investigation with this questionnaire, 280 responses were received. The answers from the survey can be considered sufficiently indicative and they can present information useful to social entrepreneurship.

#### **3.1.1 Sample research**

A total of 280 respondents filled out the research questionnaire. The characteristics of respondents by regions, age, gender, current position and level of education are given in Table 1.

**Table 1: Sample research**

Characteristics of the respondents	Number of respondents	%
<b>Regions</b>		
Southwest	122	43,6
Pelagonia	158	56,4
<b>Total respondents</b>	<b>280</b>	<b>100</b>
<b>Age</b>		
15 - 18	26	9,3
19 - 29	126	45
30 - 40	65	23,2
41 - 50	41	14,6
51 - 64	17	6,1
over 64 years old	5	1,8
<b>Gender</b>		
Male	102	36,4
Female	178	63,6
<b>Current position</b>		
Pupil	34	12,1
University student	53	18,9
Employed	165	58,9
Unemployed	19	6,8
Retired	8	2,9
Other	1	0,4
<b>Level of education</b>		
No formal education	1	0,4
Primary education	3	1,1
Secondary education	95	33,9
High education	133	47,5
Master	31	11,1
PhD	16	5,7
Other	1	0,4

Source: Authors

Almost 60% or 158 of the respondents are from the Pelagonia region, and 43.6% or 122 respondents are from the Southwest region.

The largest number of respondents (54.3%) in RNM belong to the category of young people aged 15 to 29, followed by those aged 30 to 40 with 23.2%. About 58.9% of the respondents stated

that they are employed, and most of the respondents have a higher education (47.5%) and a master's degree (11.1%).

### 3.1.2 Analysis and discussion

The analysis of the data from the second part of the questionnaire refers to knowledge for social entrepreneurship (SE) of the citizens of research regions. The number of respondents, who have no knowledge of SE in Southwest region (23.77%), is greater than the number of respondents in Pelagonia (10.12%). The data confirm (Table 3) that in both regions there is knowledge about the field of social entrepreneurship, but a large percentage of respondents declared that although they have knowledge about SP, it is basic and not enough (Pelagonia 46.84%, Southwest 44.26%).

**Table 2: Familiarity with the concept of SE**

Sum of Value Answer	Southwest region	Pelagonia	Grand Total
Yes	31.97%	43.04%	37.51%
Yes, but not enough	44.26%	46.84%	45.55%
No	23.77%	10.12%	16.94%
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source : Authors

Based on the previous question and in order to obtain in-depth information about SE knowledge, the respondents were surveyed about their familiarity with programs intended for social entrepreneurship (Table 3) and how many social enterprises they know that employ people from vulnerable groups of citizens, and/ or provide goods and services for marginalized and underdeveloped communities and/or mostly reinvest the profit made to achieve social goals, that is, for concrete social change (Table 4)

**Table 3: Familiarity with programs related for social entrepreneurship**

Region	Answer		Grand Total
	Yes	No	
Southwest region	17.21%	82.79%	100%
Pelagonia region	29.75%	70.25%	100%
<b>Grand Total</b>	<b>23.48%</b>	<b>76.52%</b>	<b>100%</b>

Source: Authors

Almost 77% of respondents in the two regions of RNM have not heard of social programs, grants. Respondents who are familiar with this type of program (23.48) emphasize the following programs, grants and institutions for SE:

- IPPA and programs for cross-border cooperation
- IPPAR programs
- FITR
- European funds, microfinancing, social entrepreneurship for youth employment, Ministry of Local Self-Government
- Red Cross
- AVRМ
- USAID, SIDA, CeProCard
- WVP Fund
- ARNO, Social Impact Award
- UNDP
- SEMPER
- PREDA Plus etc.

**Table 4: Number of social enterprises/organizations that respondents know**

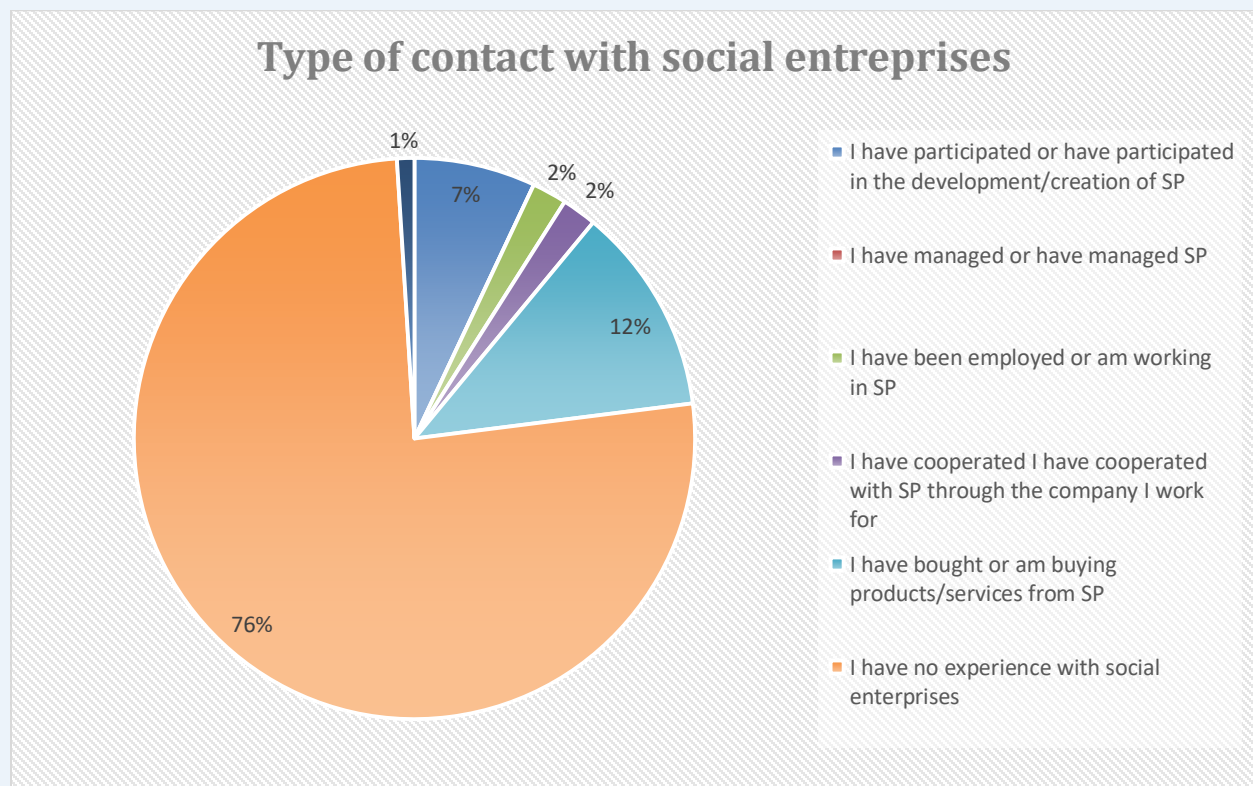
Number of social enterprises/organizations that respondents know	Number of respondents	Percentage
<b>Only one</b>	55	19,64%
<b>2-5</b>	66	23,57%
<b>Over 5</b>	16	5,71%
<b>None</b>	143	51,07%
<b>Total</b>	280	100

Source: Authors

More than half (51,07%) of the respondents do not know any form of social enterprise.

The results of the research confirm that the respondents (76%) had no contacts and/or connection with the operation of social enterprises, 7% said that they had contact through the purchase of a product of a social enterprise, while 12% participated in the development of this type of enterprise (Figure 1)

Figure 1: Type of contact with social enterprises



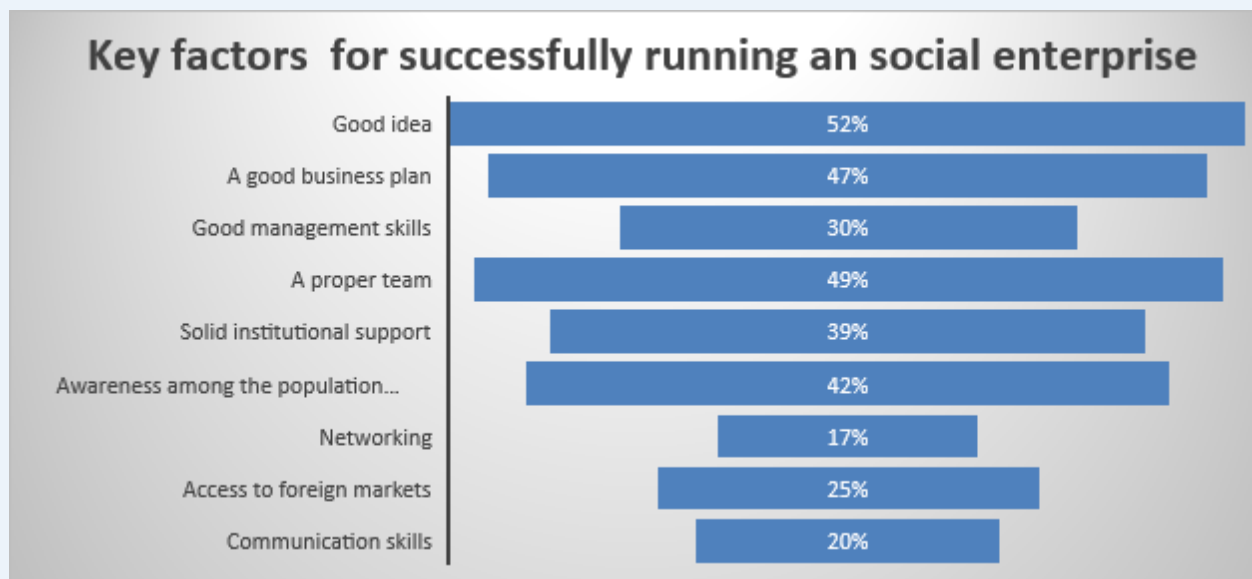
Source: Authors

Young people from the Pelagonian and South-Western regions are less familiar with these enterprises and stated that they have no experience with social enterprises (80.92%).

According the question "Do you know an enterprise/organization/association that produces green (eco) products, and allocates part of the profit for social (social) purposes?", 79% of the respondents in the Pelagonia and Southwest regions of RNM answered that they had no knowledge of this kind of enterprises or activities. However, according to respondents' opinion, the following five key factors are important for the successful operation of eco-social enterprises (Figure 2):

1. Good idea (52%),
2. A proper team (49%)
3. A good business plan (47%)
4. Awareness among the population (consumers) about buying eco products (42%)
5. Solid institutional support (39%)

**Figure 2: Key factor for successfully running an eco-social enterprise**

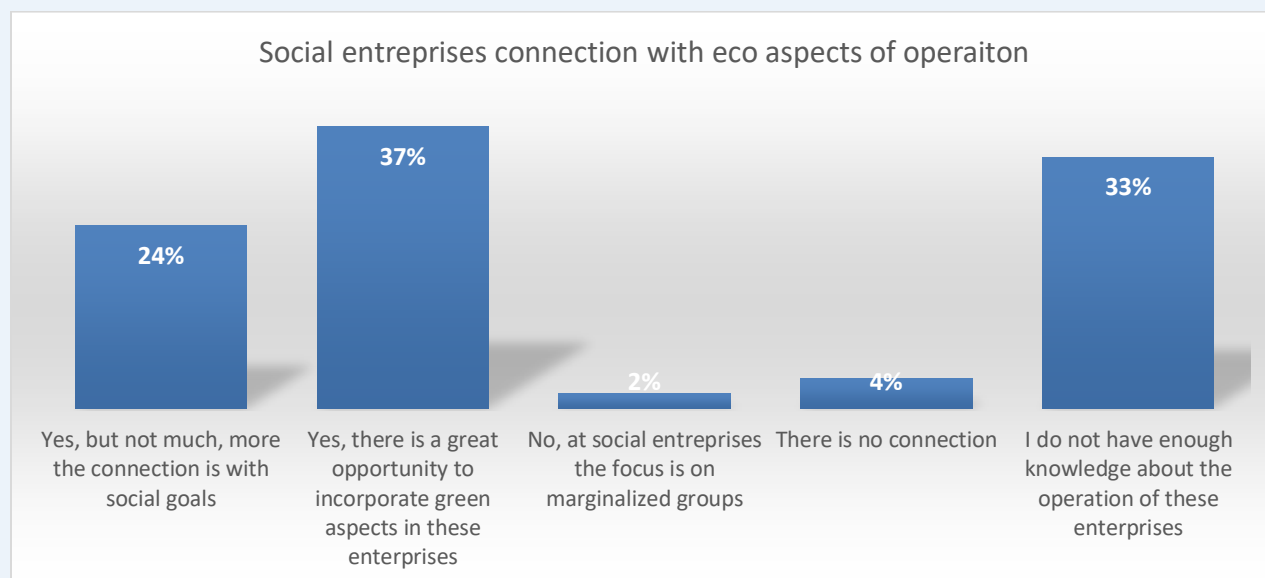


Source: Authors

The analyzes confirm that 37 % of respondents believe that there are great opportunities for incorporating green aspects (eco production processes, production of eco products, reuse of resources, etc.) in the operations of social enterprises (Figure 3).



**Figure 3: Social enterprises connection with eco aspects of operation**



Source: Authors

The analysis of the data in this research confirmed that 61% of the respondents affirmatively declared to participate in trainings and workshops, which is a bright point that social entrepreneurship can record growth within RNM.

### 3.2. State of art, trends and challenges of the social entrepreneurship in Republic of North Macedonia – Pelagonia and Southwest regions

In the period from September 1 to October 10, 2022, research was conducted on the state, trends and challenges of social enterprises with a special focus on social enterprises in the Pelagonia and Southwest regions of the Republic of North Macedonia (RNM), as targeted regions that have cross-border cooperation with Republic of Albania, but also regions where projects related to the development of social entrepreneurship are implemented through the Cross-Border Cooperation Program of RNM and the Republic of Albania.

In order to obtain initial information about the operating of existing and potential social enterprises, communication was first established with the Bitola Regional Center and the Ohrid Regional Center of the Foundation for the Development of Entrepreneurship, Regional and Cross-Border Cooperation, which work to support social entrepreneurship and the development of social

enterprises in the country, from where a basic database of registered social enterprises in the above regions was taken.

For the purposes of this paper, 18 forms (organizations, associations, cooperatives) of SE were contacted, but communication was established with 8 social enterprises in the Pelagonia and 3 in the Southwest region of RNM. Namely, through a structured questionnaire, an interview was conducted with relevant representatives of existing and potential social enterprises. Through direct interview and/or electronic communication, an attempt was made to identify the current situation, challenges, needs and future plans of the interviewed social enterprises.

## Results and discussion

The obtained results based on the research are structured in three parts in Table 5.

**Table 5: State of art, trends and challenges**

Characteristics of social enterprises (SP)	State of art, trends and challenges
	State of art
Social mission and vision	<ul style="list-style-type: none"> <li>• Inclusion and a better future for people with less opportunities,</li> <li>• reuse of products and environmental protection</li> <li>• preservation of tradition and desire for a better morning for all citizens.</li> <li>• Access to justice for all citizens</li> <li>• Economic empowerment of women entrepreneurs</li> <li>• Offering social services to vulnerable categories of citizens</li> </ul>

Idea for establishing such an enterprise	<ul style="list-style-type: none"> <li>• emphasizing the potential and desire to improve the lives of people with disabilities,</li> <li>• due to employment,</li> <li>• formation of a complete tourist offer.</li> </ul>
--	--

Area of work and target group of users	<p>Three groups of areas:</p> <ul style="list-style-type: none"> <li>• Services in tourism and hospitality</li> <li>• Production of eco-products</li> <li>• Production of jewelry and decorations</li> </ul>
--	--

State systems conditions (legislation, support, awareness etc.)	<p>The concept of social enterprise is not adequately regulated in the legal system, although the benefits for the whole society are huge, unfortunately there is still no legal regulation that would contribute to the development of social entrepreneurship. We should work on establishing it, but in cooperation with associations that work in this field, institutions and business communities</p> <p>- however, currently the terminology is identified exclusively as the inclusion of persons with disabilities</p>
---	---

### Trends

The organizational structure and legal form of the entity	<p>Within the investigated regions, there are forms of organization such as LLCs, LLCs, Associations, NGOs, as well as associations of a group of citizens that do not yet have a form and are in the formation phase.</p> <p>Depending on the form, decisions are usually made by the assembly with the president in LLCs, LLCs, Associations and NGOs, while in the case of associations and nascent organizations, decisions are also made at the family level.</p>
Incorporation of green practices/aspect in operation of the entities	<p>The incorporation of green practices/aspects is carried out through:</p> <ul style="list-style-type: none"> <li>• concern for the preservation of the environment as the main trump card</li> </ul>

	<ul style="list-style-type: none"> <li>• production of healthy organic food</li> <li>• use of natural materials</li> </ul> <p>In enterprises in which they do not exist, everything goes towards finding ways to incorporate.</p>
Connections and support with some programs, project, funds	<p>A large number of the surveyed enterprises announced that they did not use support from social enterprise programs, citing two possible reasons:</p> <ul style="list-style-type: none"> <li>• The Covid pandemic (which was mostly cited by the tourism, hospitality and other service industries)</li> <li>• The insufficient promotion of the programs (potentiated by the production companies)</li> </ul> <p>However, there are also enterprises that were part of a program such as the IPPA program for supporting SP (cross-border cooperation) implemented by CEED Macedonia, The Center for social entrepreneurship</p>
Cooperation with other business	<p>There is cooperation, but it is still minimal and in its infancy. Attempts are being made to cooperate with traditional businesses, but the cooperation so far is not enough</p>
<b>Challenges</b>	
Types of support needed	<ul style="list-style-type: none"> <li>- the financial support</li> <li>- the institutional support expressed through a clear strategy for local development in the area of social entrepreneurship</li> <li>-material support (equipment of workshop, exhibition space for the exhibition of finished products for sale, raw materials and work materials)</li> <li>- educational support that will be made possible through workshops and trainings</li> </ul>
The main challenges of the SP	<p>Social:</p> <ul style="list-style-type: none"> <li>- Increasing awareness among the population as potential</li> </ul>

**consumers**

- Adoption of a law that would regulate the legal framework
- provision of long-term financial resources to cover overhead

**Costs**

**Personal:**

- difficult communication and understanding due to disability
- great reluctance and a sense of dread to appear in front of a larger audience and offer a product and service

**Key factors for the development of SP**

As three key factors that were concluded during the research are:

- financial factors
- legislation and long-term planning
- institutional support from institutions and municipalities
- civil support as potential consumers.

**Expanding of business**

Each of the business entities, organizations and enterprises that were surveyed emphasized business expansion. While the service businesses, organizations and associations through expansion in a part that is similar to the activity they are engaged in, as well as attracting a larger number of citizens through greater promotion, while the manufacturing ones through the opening of shops for organic products and provision of rooms for the presentation of handicrafts .

Source: Authors

Based on the results in the table, it can be concluded that despite the different missions and visions, their essence is still the creation of a better living environment and equality, from which various ideas arise on how to establish it, regardless of whether the activity will be the production of products or it will be offering services.

Many of the examined social enterprises have not yet used any educational and financial assistance, but there are also enterprises/associations/organizations that, thanks to projects implemented under IPA 2007-2013 and IPA 2014-2020 Cross-Border Program between Republic of North Macedonia and Republic of Albania and the support and mentorship of CEED Macedonia, managed to be what they are today and aim for greater development day by day. It is important to mention that there are such examples in the Southwest region and in the Pelagonian region. Examples with which we had the opportunity to discuss are: The idea of establishing Club P.E.T., a space intended for rent and the Formal Platform for the development of tourism FeelKrusevo.

During the conducted interviews, it was concluded that despite the fact that there is no legal regulation, social enterprises as the biggest obstacle (challenge) represent the insufficient finances that prevent them from realizing their ideas. On the basis of the key factors for development and support, they place finance in the first place, followed by legislation, as well as support from institutions, traditional businesses and citizens as potential beneficiaries.

It is important to emphasize that these nascent organizations/enterprises/associations have a desire for development, each in a different way to contribute to the environment. This can be seen from the cooperation that they tirelessly seek from traditional businesses, other social enterprises, as well as the constant application for financial and material support. If this trend continues, social entrepreneurship in the Republic of North Macedonia can contribute an initially significant percentage to the GDP rate.

### **3.3 The views of traditional businesses on social entrepreneurship**

In order to have a complete picture of the state of social entrepreneurship in RNM, a questionnaire was also sent to traditional businesses that exist in the Southwest region and Pelagonia in the period from September 1 to October 12. Answers were received from 46 traditional businesses.

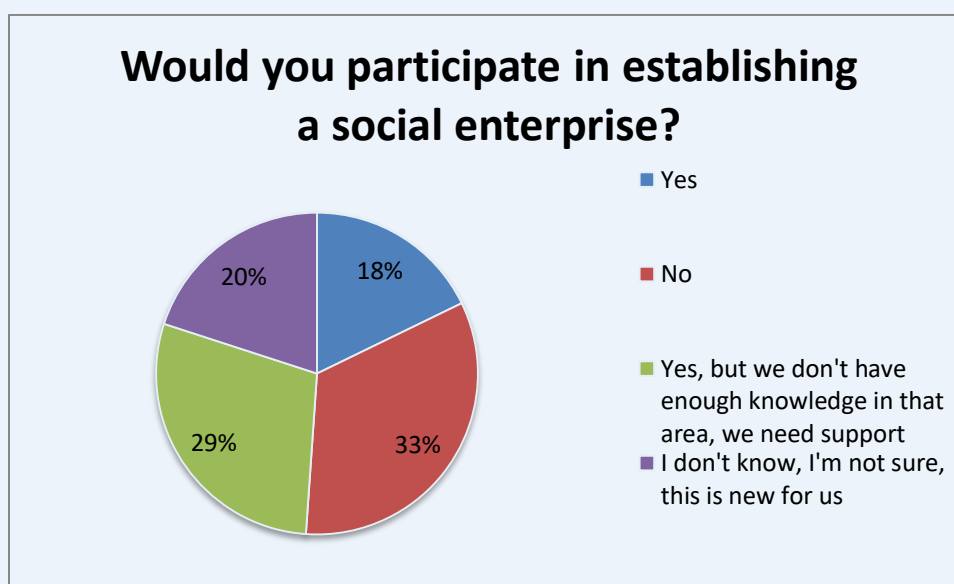
The largest number of responses we received was from small enterprises (77.8%) whose number of employees does not exceed 10 employees and have not been on the market for more than 3 years.



In order to establish contact with social enterprises, traditional businesses were asked if they have cooperation with social enterprises, where 60% of traditional businesses confirm that they have some kind of contact or cooperation with social enterprises, 16% do not know, and 24% have no cooperation.

According to the question "Would you participate in establishing a social enterprise?" only 18% expressed interest in participating in the formation of traditional companies, 29% show interest, but have no knowledge, while the rest have no interest. (Figure 4).

**Figure 4: Would you participate in establishing a social enterprise?**



Source: Authors

We identified that they also have some kind of connection, but they don't know, for them it's new and they think they need support.

### 3.4. Awareness, trends and interest of social entrepreneurship in Republic of Albania – Elbasan and Dibra regions

Taking into account that some of the projects related to social entrepreneurship from the Cross-Border Cooperation Program between North Macedonia and Albania are also implemented in the border regions of Elbasan and Dibra, in this research paper, an attempt was made to investigate the knowledge and attitudes of a certain part of respondents from this region. Namely, for these regions, through collaborators from Albania, a survey was made of a total of 133 respondents, and 81 of the respondents are from the Elbasan region, and 52 respondents from Dibra.

Although it is not the representative sample of the total population targeted with the research, the responses provide sufficient information about the research question.

### 3.4.1 Sample research

**Table 6: Sample research**

Characteristics of the respondents	Number of respondents	%
<b>Regions</b>		
<b>Elbasan</b>	81	61
<b>Dibra</b>	52	39
<b>Total respondents</b>	<b>133</b>	<b>100</b>
<b>Age</b>		
<b>15 - 18</b>	6	4,5
<b>19 - 29</b>	51	38,3
<b>30 - 40</b>	51	38,3
<b>41 - 50</b>	18	13,5
<b>51 - 64</b>	5	3,8
<b>over 64 years old</b>	2	1,5
<b>Gender</b>		
<b>Male</b>	88	66,2
<b>Female</b>	45	33,8
<b>Current position</b>		
<b>Pupil</b>	6	4,5
<b>University student</b>	16	12
<b>Employed</b>	96	72,2
<b>Unemployed</b>	12	9
<b>Retired</b>	2	1,5
<b>Other</b>	1	0,8
<b>Level of education</b>		

No formal education	0	0
Primary education	1	0,8
Secondary education	13	9.8
High education	56	42
Master	52	39,1
PhD	11	8,3

Source: Authors

The largest number of the respondents (42.8%) in Albania belong to the category of young people aged 15 to 29, followed by those aged 30 to 40 with 13.5%. 72.2% of the respondents stated that they are employed, and most of the respondents have a higher education (42%) and a master's degree (39.1%).

### 3.4.2 Analysis and discussion

The analysis of the data from the second part of the questionnaire, refers to knowledge for SE. The number of respondents who have no knowledge of both regions is similar, around 43% (Table 7).

**Table 7: Familiarity with the concept of SE**

Answer	Region		Grand Total
	Diber	Elbasan	
No	11.54%	17.28%	14.41%
Yes	42.23%	39.51%	40.87%
Yes but not enough	42.23%	43.21%	42.72%
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source : Authors

Based on the previous question and in order to obtain in-depth information on knowledge about SP, while also making a comparison with the regions in RNM, the respondents were surveyed about their familiarity with programs aimed at social entrepreneurship (Table 8) and how many social enterprises they know that they employ people from vulnerable groups of citizens. , and/or provide goods and services for marginalized and underdeveloped communities and/or mostly reinvest the profit made to achieve social goals, i.e. for specific social changes (Table 9)

**Table 8: Familiarity with programs related for social entrepreneurship**

Answer
--------

Region	No	Yes	Grand Total
Diber	59.62%	40.38%	100%
Elbasan	69.14%	30.86%	100%
<b>Grand Total</b>	<b>64.38%</b>	<b>35.62%</b>	<b>100%</b>

Source: Authors

The number of respondents who have no knowledge of social entrepreneurship programs is higher in Elbasan (69.14%) than in Diber (59.62%). Respondents who are familiar with this type of program (30-40%) emphasize the following programs, grants and institutions for SE:

- IPPA and programs for cross-border cooperation
- World Vision
- UBA
- Nature protection programs, World vision, save the children, Airis
- GIZ
- Partner Albania- Green Idea completion
- WVP
- Key Adviser, UNICEF
- YUNUS

**Table 9: Number of social enterprises/organizations that respondents know**

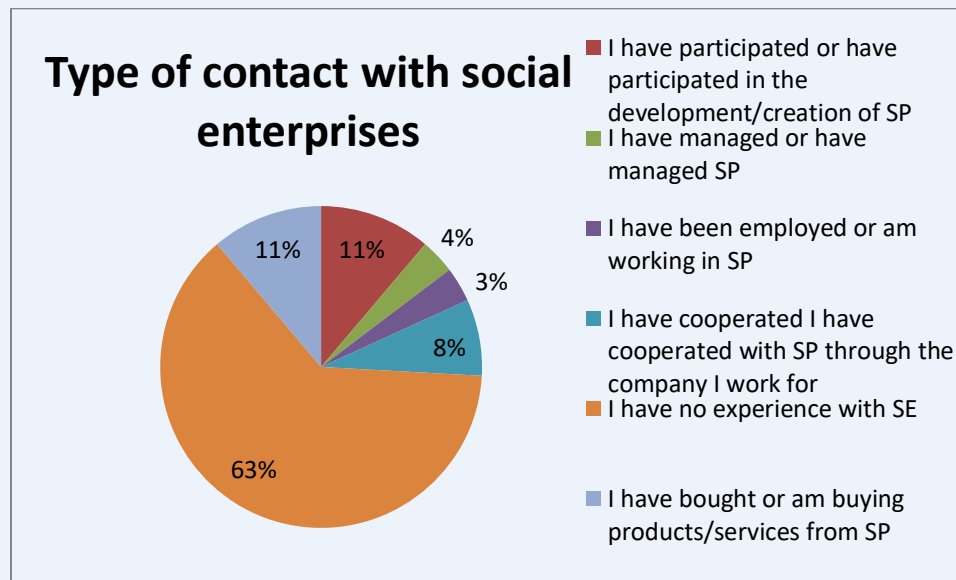
Number of social enterprises/organizations that respondents know	Number of respondents	Percentage
<b>Only one</b>	30	22.6%
<b>2-5</b>	39	29.3%
<b>Over 5</b>	10	7.5%
<b>None</b>	54	40.5%
<b>Total</b>	280	100

Source: Authors

About 41% of the respondents from both Albanian regions do not know any form of social enterprise.

The results of the research confirm that the respondents (63%) had no contacts and/or connection with the operation of social enterprises, 11% said that they had contact through the purchase of a product of a social enterprise, while 11% participated in the development of this type of enterprise (Figure 5).

Figure 5: Type of contact with social enterprises



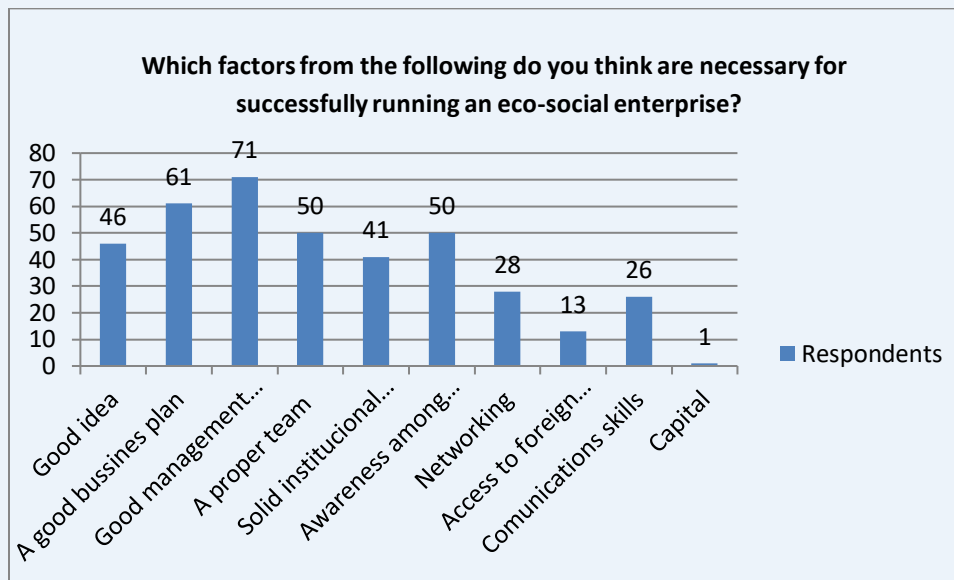
Source: Authors

Young people from the regions Dibra and Elbasan are less familiar with these enterprises and stated that they have no experience with social enterprises (44%).

According the question "Do you know an enterprise/organization/association that produces green (eco) products, and allocates part of the profit for social (social) purposes?", 68.4% of the respondents in the Dibra and Elbasan answered that they had no knowledge of this kind of enterprises or activities. However, according to their opinion, the following five key factors are important for the successful operation of eco-social enterprises (Figure 6):

1. Good management skills (53.4%),
2. A good business plan (45.9%)
3. Awareness among the population (consumers) about buying eco products (37.6%)
4. A proper team (37.6%)
5. Good idea (34.6%)

**Figure 6: Key factor for successfully running an eco-social enterprise**

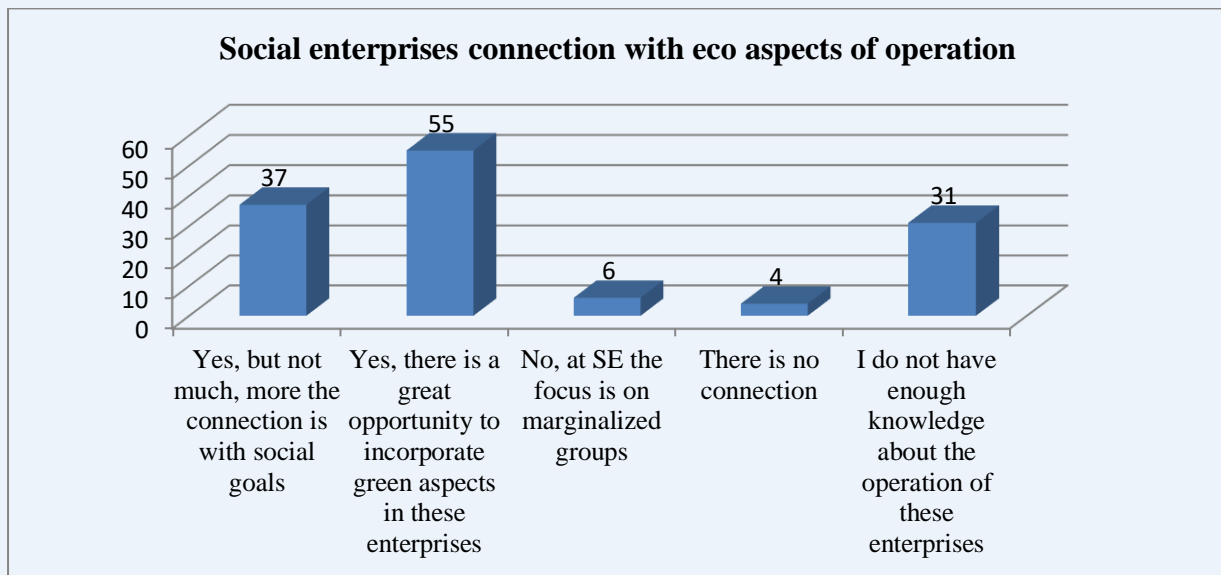


Source: Authors

The analyzes confirm that 41.4 % of respondents believe that there are great opportunities for incorporating green aspects (eco production processes, production of eco products, reuse of resources, etc.) in the operations of social enterprises (Figure 7).

**Figure 7: Social enterprises connection with eco aspects of operation**





Source: Authors

The data analyzes in this research confirmed that 72.18% of the respondents affirmatively declared to participate in trainings and workshops which represents a bright point that social entrepreneurship can record growth within R. Albania.

## Conclusion and recommendation

The research conducted in the four regions as well as the research that took place using the historical method, while taking into account the limiting factor for survey especially for the territory of the Republic of Albania, give the result that the majority of citizens (young people) in the four regions are familiar with the concept of social entrepreneurship, but they have no enough knowledge of the functioning, education and financing in this area. Based on this, and with the aim of increasing knowledge in all the regions covered by this research, first of all, *more educational meetings and trainings should be organized* so that young people who have expressed an interest can acquire knowledge, even more deeply to enter social entrepreneurship by opening a social enterprise, cooperative or organization, whereby there would be an increase in finances and solidarity and equality among the population.

The part of respondents who responded positively to the majority of answers in both countries also emphasizes organizations, funds and projects, among which the largest number of them answered that IPPA projects have an impact on the growth of social entrepreneurship in both countries, but still more should be done. *Invests in projects to support social entrepreneurship*, because social entrepreneurship in both countries is in its infancy and organizations, associations and enterprises that are part of it need support.

When it comes to *social enterprises*, associations, organizations and cooperatives that were examined in the territory of RNM, it could be noted that *they need a lot of support to survive and develop*. They face difficulties every day due to social reasons such as: increasing *awareness among the population as potential consumers*, *adoption of a law that would regulate the legal framework*, *provision of long-term financial resources to cover overhead costs* and personal in which they include difficult communication and understanding due to disability and great reluctance and a sense of dread to appear in front of a larger audience and offer a product and service. In order to enable their development as key factors, they first of all put the finances for the full realization of the idea, and then they also mention the legal regulations and acts that do not yet exist in RNM, unlike R. Albania where there is legislation on social entrepreneurship. They also list *material support* expressed through tools, equipment and space, the greater promotion of social enterprises products and services in the country, as well as institutional and civic support. *Partnerships with traditional businesses and their support are also of great importance to social businesses*. It is good that there are businesses that, apart from their activity, show interest and want to be part of social entrepreneurship, that have invested in some kind of social entrepreneurship, but of course they need to be constantly updated with the current state and functioning of social entrepreneurship to be in keep up with the news and what is needed for future development. It will contribute to greater cooperation between traditional businesses and types of social entrepreneurship.

Based on this research, it can still be concluded that the main goal of all those who are part of social entrepreneurship is to create greater equality, an equal society and to prove that people with any type of disability can contribute to society, and that of other citizens, and businesses should be aware of it, and of course legislation should be adopted for better functioning and support.

## References

1. Ariola Agolli, Erila Haska, Juliana Hoxha, SOCIAL ENTERPRISES AND THEIR ECOSYSTEMS IN EUROPE Country fiche ALBANIA, <https://ec.europa.eu/social/BlobServlet?docId=21733&langId=en>
2. Babović, M. et al. (2015) Strategic Study on Social Economy Development in the Context of the South East Europe 2020 Strategy. Belgrade: European Movement in Serbia, 197 pages. Available at: [http://cepsmn.org/files/STRATEGIC\\_STUDY\\_ON\\_SOCIAL\\_ECONOMY\\_DEVELOPMENT.pdf](http://cepsmn.org/files/STRATEGIC_STUDY_ON_SOCIAL_ECONOMY_DEVELOPMENT.pdf)
3. Best assistants online, <https://www.facebook.com/bestassistantsonline>
4. Borzaga C., Galera G. & Nogales R., SOCIAL ENTERPRISE: A NEW MODEL FOR POVERTY REDUCTION AND EMPLOYMENT GENERATION, UNDP Regional Bureau, 2008, pg .28-29
5. Borzaga, C., Galera, G., Franchini B., Chiomento S., Nogales, R. & Carini, C. (2020). Social enterprises and their

- ecosystems in Europe. Comparative synthesis report. Luxembourg: Publications Office of the European Union. Retrieved April 30, 2020, from European Commission <http://ec.europa.eu/social/publications>
6. Borzaga, C., Galera, G., Franchini B., Chiomento S., Nogales, R. & Carini, C. (2020). Social enterprises and their ecosystems in Europe. Comparative synthesis report. Luxembourg: Publications Office of the European Union. Retrieved April 30, 2020, from European Commission <http://ec.europa.eu/social/publications>
7. Center for Social Enterprises, <https://centarosp.mk/za-centarot-za-socijalni-pretprijatija/>.
8. Dibër County, [https://dbpedia.org/page/Dib%C3%ABr\\_County](https://dbpedia.org/page/Dib%C3%ABr_County),
9. Ekovita, <https://www.facebook.com/ekovita.mk>;
10. Elbasan-county, <https://invest-in-albania.org/albanian-cities/elbasan-county/>
11. ENER, [https://ener.gov.mk/default.aspx?item=pub\\_regulation&subitem=view\\_reg\\_detail&itemid=28943](https://ener.gov.mk/default.aspx?item=pub_regulation&subitem=view_reg_detail&itemid=28943)
12. Esade Center for Social Impact, <https://www.esade.edu/faculty-research/en/esade-center-social-impact/impact-entrepreneurship/european-social-enterprise-monitor>
13. European Commission, <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&furtherNews=yes&newsId=9534>.
14. European Commissions, Social enterprises [https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/social-enterprises\\_en](https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/social-enterprises_en)
15. GritPs, <https://www.facebook.com/gritPs/>
16. Hackett M.T. & Roy M.J., Focus on the Balkans: Social Enterprise in Albania, [https://www.researchgate.net/publication/344685584\\_Focus\\_on\\_the\\_Balkans\\_Social\\_Enterprise\\_in\\_Albania](https://www.researchgate.net/publication/344685584_Focus_on_the_Balkans_Social_Enterprise_in_Albania).
17. Hera, <https://hera.org.mk/nega-plus-i-romkite-se-vazni/>
18. Iloska A. & Ilievski K., Handbook, Agency for the support of entrepreneurship in the Republic of North Macedonia, 2020, [https://hera.org.mk/wp-content/uploads/2020/12/Priracnik\\_APPRSM\\_web.pdf](https://hera.org.mk/wp-content/uploads/2020/12/Priracnik_APPRSM_web.pdf)

19. Iloska A. & Ilievski K., Social enterprises through the prism of cross-border cooperation – North Republic Macedonia and the Republic of Albania, Association of citizens for research, communications and development Public, 2019. [https://ceedhub.mk/wp-content/uploads/2020/02/Socijalnitate-pretprijatija-niz-prizmata-na-prekugranickata-sorabotka\\_MK.pdf](https://ceedhub.mk/wp-content/uploads/2020/02/Socijalnitate-pretprijatija-niz-prizmata-na-prekugranickata-sorabotka_MK.pdf)
20. International Research Network, <https://emes.net/>
21. Investment Fund , <https://ceedhub.mk/social-entrepreneurship/se-fund/>.
22. Invivo, <http://www.invivo.mk/>
23. Jo Chidwala, The proliferation of sustainable social enterprises in Sub-Sahara Africa, <https://www.linkedin.com/pulse/proliferation-sustainable-social-enterprises-africa-jo-chidwala/>
24. Kumar B., Social Entrepreneurship 101: Business Models and Examples to Inspire You, 2022. <https://www.shopify.com/au/blog/social-entrepreneurship>.
25. Lag agrolider, <https://mk-mk.facebook.com/lagagrolider/>
26. Lateh M., Hussai M.D. & Abdullah M.S.B., Social Entrepreneurship Development and Poverty Alleviation - A Literature Review, MAYFEB Journal of Business and Management - ISSN 2371-7742 Vol 2 (2018) - Pages 1-11,
27. LAW No. 65/2016 FOR SOCIAL ENTERPRISES IN THE REPUBLIC OF ALBANIA,
28. Mama Organa, <https://mamaorgana.mk/>;
29. Martin, R. L., & Osberg, S. (2007). Social entrepreneurship: The case for definition. Stanford social Innovation Review, 5(2), 28-39
30. Mateia, A., & Dorobantu, A., D. (2015). Social economy – added value for local development and social cohesion. Academic World Research and Education Center, 4th World Conference on Business, Economics and Management, WCBEM, Science Direct. : <https://www.sciencedirect.com/science/article/pii/S2212567115008783>  
European Commissions, Social enterprises [https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/social-enterprises\\_en](https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/social-enterprises_en) .  
Mateia, A., & Dorobantu, A., D. (2015). Social economy – added value for local development and social cohesion. Academic World Research and Education Center, 4th World Conference on Business,

- Economics and Management, WCBEM, Science Direct. :  
<https://www.sciencedirect.com/science/article/pii/S2212567115008783>
- European Commissions, Social enterprises [https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/social-enterprises\\_en](https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/social-enterprises_en) .
31. Nicholls A.&Collavo T. The Concept of Social Entrepreneurship, p.29  
[https://www.socialinnovationatlas.net/fileadmin/PDF/einzeln/01\\_SI-Landscape\\_Global\\_Trends/01\\_04\\_Concept-of-Social-Entrepreneurship\\_Nichills-Collavo.pdf](https://www.socialinnovationatlas.net/fileadmin/PDF/einzeln/01_SI-Landscape_Global_Trends/01_04_Concept-of-Social-Entrepreneurship_Nichills-Collavo.pdf).
  32. OECD, <https://www.oecd.org/cfe/leed/social-economy/social-entrepreneurship.htm>.
  33. One cansocbizz, <https://www.facebook.com/onecansocbizz/>;
  34. Poraka nova Struga, <https://www.facebook.com/porakanovastruga/>
  35. Prof.Dr. Tosheva E, Garanová Petrisková I., Social Economy as a Main Driver of Economic and Social Development in the Western Balkans and Visegrad Region, December 2020, Skopje
  36. Public Association, <https://www.facebook.com/PublicAssociation>;
  37. Roadmap of Green Entrepreneurship Ecosystem in the Western Balkans, <https://drive.google.com/file/d/1wV3nQ8KKy7FdQ9uzxRCkEURxoyd5bRMA/view>
  38. Social Enterprise – Bridge Between the Social Sector and Traditional Business (SE-Bridge). <https://ipacbc-mk-al.eu/portfolio/social-enterprise-bridge-between-the-social-sector-and-traditional-business-se-bridge/>.
  39. Social Enterprises in Albania: Analysis of Albanian Legislation over the Years”, MJSS, Vol. 10 No. 6 (2019): November 2019
  40. Social entrepreneurship for youth employment , <https://www.facebook.com/spzmv/>
  41. State Statistical Office (Regions of Macedonia, 2018); Center for Development of South-West Planning Region <http://www.southwestregion.mk/home.aspx>
  42. The European Social Enterprises Network <https://euclidnetwork.eu/>
  43. Ulaf.ste.original, <https://www.facebook.com/Ulaf.ste.original/>
  44. Veljanov Z., FROM BETTER LEGALA FRAMEWORK FOR GROWTHCLASS OF SOCIAL ENTREPRENEURS INMACEDONIA, <http://www.crpm.org.mk/wp-content/uploads/2018/09/Socijalni-pretprijatija-MK4-2.pdf>.
  45. YAPS,  
[http://www.yaps.al/yaps/?lang=en&fbclid=IwAR3RiLgvPdefTXUNS85C0gFbPdRwqNea9TMisOVYDk1Q\\_0krs1l0IskiOJg](http://www.yaps.al/yaps/?lang=en&fbclid=IwAR3RiLgvPdefTXUNS85C0gFbPdRwqNea9TMisOVYDk1Q_0krs1l0IskiOJg).
  46. Zip institute, <https://www.facebook.com/zipinstitute/>



47. Zur Makedonski rakotvorbi, <https://www.facebook.com/zur.makedonskirakotvorbi.5/>
48. НАЦИОНАЛНА СТРАТЕГИЈА ЗА РАЗВОЈ НА СОЦИЈАЛНИТЕ ПРЕТПРИЈАТИЈА ВО РЕПУБЛИКА СЕВЕРНА МАКЕДОНИЈА(2021-2027), [https://www.mtsp.gov.mk/content/pdf/2021/trud/Strategija\\_socijalni\\_pretprijatija\\_2021\\_2027.pdf](https://www.mtsp.gov.mk/content/pdf/2021/trud/Strategija_socijalni_pretprijatija_2021_2027.pdf),
49. Закон за земјоделски задруги, Сл.весник на РМ бр.23 од 14.02.2013 год., бр. 51 од 31.03.2015 год., бр.193 од 06.11.2015 год. и бр.39 од 29.02.2016
50. Закон за локална самоуправа, Службен весник на РМ, br.5 od 29 јануари, 2002
51. Закон за социјална заштита, Службен весник на РСМ, бр. 104 од 23.5.2019