



This publication is funded by the European Union



European Union Cross-Border Cooperation  
Program between the Republic of North  
Macedonia and the Republic of Albania

# SOCIAL ENTERPRISES THROUGH THE PRISM OF CROSS-BORDER COOPERATION BETWEEN THE REPUBLIC OF NORTH MACEDONIA AND THE REPUBLIC OF ALBANIA

**This project is implemented by:**



**The content is the sole responsibility of the Association for Research, Communication and Development "Public" and can in no way be taken to reflect the views of the European Union.**

# **SOCIAL ENTERPRISES THROUGH THE PRISM OF CROSS-BORDER COOPERATION BETWEEN THE REPUBLIC OF NORTH MACEDONIA AND THE REPUBLIC OF ALBANIA**

**Authors:** Klimentina Ilijevski and Aleksandra Iloska

**Analysis of some of the data:** Maja Ravanska

**Field researchers:** Maja Ravanska, Aneta Risteska,  
Aleksandra Iloska and Erduan Klobuchishta

**Research Advisor:** Katerina Mojanchevska

CIP - Cataloguing in a publication  
National and University Library «St. Kliment Ohridski », Skopje

364-3: 334.722]: 332.135 (497.7: 496.5)

Ilijevski, Klimentina

Social enterprises through the prism of cross-border cooperation - the Republic of North Macedonia and the Republic of Albania [authors Klimentina Ilijevski and Aleksandra Iloska]. - Skopje: Citizens' Association for Research, Communication and Development Public, 2019 - 35 pp.; 25 cm

Bibliography: pp. 34-35

ISBN 978-608-65957-8-4

1. Iloska, Alexandra [author]

a) Social Entrepreneurship - Regional Integration, Cross-border – the Republic of North Macedonia - the Republic of Albania

COBISS.MK-ID 110100746

## TABLE OF CONTENT

<b>1</b>	Introduction .....	5
<b>2</b>	The Development of Social Enterprises in the Republic of North Macedonia and the Republic of Albania .....	7
<b>2.1</b>	Current Situation: Social Enterprises in the Republic of North Macedonia .....	8
<b>2.2</b>	Current Situation: Social Enterprises in the Republic of Albania .....	9
<b>3</b>	ANALYSIS OF THE CAPACITIES OF SOCIAL ENTERPRISES FROM SOUTHWEST, POLOG AND THE PELAGONIJA REGION .....	11
<b>3.1</b>	Sample Description .....	12
<b>3.2</b>	Social enterprises through the social prism mission, good management and economic activity .....	12
<b>3.2.1</b>	Management Structure .....	13
<b>3.2.2</b>	Social Dimension .....	14
<b>3.2.3</b>	Economic Activity of Social Enterprises .....	15
<b>3.3</b>	Effects of previously attended trainings, ecosystem, vision .....	17
<b>4</b>	ANALYSIS OF THE CAPACITIES OF SOCIAL ENTERPRISES FROM THE REGION OF DIBER, THE REPUBLIC OF ALBANIA .....	19
<b>4.1</b>	Sample Description .....	20
<b>4.2</b>	Social Enterprises through the Prism of Social Mission, Good Management and Economic Activity .....	20
<b>4.2.1</b>	Management Structure .....	20
<b>4.2.2</b>	Social Dimension .....	21
<b>4.2.3</b>	Economic Dimension .....	23
<b>4.2.4</b>	Effects of Previously Attended Trainings, Ecosystem, Vision .....	25
<b>5</b>	COMPARATIVE OVERVIEW: SOCIAL ENTERPRISES IN THE BORDER REGION OF THE REPUBLIC OF NORTH MACEDONIA - THE REPUBLIC OF ALBANIA .....	27
<b>6</b>	CONCLUSION AND RECOMMENDATIONS .....	31
<b>7</b>	LITERATURE .....	33

## 1 INTRODUCTION

Activities for integration of the vulnerable population and stimulation of the development of border regions are among the priorities of the European Union. To that end, they are aimed at encouraging the development of enterprises in the border regions, thereby ensuring socio-economic integration of the communities in the long run.

Cross-border cooperation is defined as one of the forms of territorial co-operation of different types of factors in the cross-border region, which also implies development of entrepreneurship (European Charter for Border and Cross-Border Cooperation, 1981). The principles of stimulating the development of cross-border partnerships are also prescribed by the Council Regulation No. 1083/2006 of the European Commission. Each country, in accordance with its needs and in line with the existing legislation, develops partnerships with the public authorities at many levels, or other entities, including civic organizations that are active as economic and social partners.

The development of entrepreneurship can be one of the indicators for cross-border cooperation, which can lead to the advancement of the socio-economic situation in the marginalized areas. Activities such as joint plans and strategies for the development of border regions, joint events, education and investments in the infrastructure can be crucial for the development of the regions. Significant factors in the process of development of entrepreneurship are education, the quality of the intellectual capital, the intensity and diversity of support for business development, the activities of local and regional authorities in creating an environment that enables economic growth and local development.

Restructuring the local economy is one of the biggest challenges at the level of Europe, and the need is prompted by the ongoing segregation processes and the emergence of social exclusion. As a result, a new vision for local development is imposed, which is primarily based on a bottom-up approach to development policy from a local to national level (Pike, 2006: 17).

On the other hand, social enterprises represent a model for social innovation in providing welfare for vulnerable groups of citizens, excluded and underdeveloped territories and communities (Spear and Hulgard, 2007). Social enterprises are considered a crossroad between the market, public policy and civil society (Nyssens, 2006) because they use different resources, income from economic activities, public funds or grants, private donations and volunteering (Defourny and Nyssens, 2008).

The effect of social enterprises on local development is due to their characteristics, which in fact give them advantage over other actors:

- 1) Defined social mission: their main goal is to serve local communities or a certain group of people. Ensuring community well-being is one of their main goals.

- 2) Limited distribution of profits - organizations do not distribute or distribute only part of the profit as a dividend.
- 3) Democratic governance - different factors are involved in the governance process, depending on their interests. A multi-stakeholder approach enables identification of the needs of local resources as well as providing an optimal solution to local problems. The decision-making process is democratic, each member has the right to vote, and this right does not depend on the share in capital.
- 4) Autonomy - they are independent entities that are not guided by the public institutions or the business sector.

# 2

## **DEVELOPMENT OF SOCIAL ENTERPRISES IN THE REPUBLIC OF NORTH MACEDONIA AND THE REPUBLIC OF ALBANIA**



## 2.1 CURRENT SITUATION: SOCIAL ENTERPRISES IN THE REPUBLIC OF NORTH MACEDONIA

There is no comprehensive research on the social enterprises in the country. So far, two surveys have been conducted with primary focus on civil society organizations with economic activities, while limiting access to knowledge for cooperatives, agricultural cooperatives, crafts, social and health care providers, as well as the entities involved in waste management that can be developed as social enterprises.

The existing legislation in the Republic of North Macedonia does not recognize and regulate social enterprises and social entrepreneurship because there is no common understanding of the concepts.

Both concepts emerged in the discourse of the third sector and, in general, there is a conceptual confusion when publicly discussed.

The development of social enterprises in the Republic of North Macedonia is associated with the latest developments in the third sector, such as limited financial support for services provided by civil society organizations, decentralization of the social protection system and increased impact and financial support that is available from the donor community. The entities making up the spectrum of social enterprises in the country are diverse. Despite the absence of specific institutional forms of social enterprises, part of the existing legal acts provide for the establishment and functioning of entities that can be partly or fully recognized as social enterprises, such as civil society organizations and foundations, cooperatives, protective associations, craftsmen, agricultural cooperatives, and the informal waste collection sector, which has the potential to be transformed through social entrepreneurship.

At present, the following legal acts enable the establishment and functioning of the social enterprises in the country: the Law on Associations and Foundations (Official Gazette No. 52/10 and 135/11); the Law on Employment of Disabled Persons (Official Gazette No. 87/2005); the Law on Cooperatives (Official Gazette No. 51/02); the Law on Agricultural Cooperatives (Official Gazette No. 23/2013); the Law on Craftsmanship (Official Gazette No. 215/15); and the Law on Social Protection (Official Gazette No. 79/09).

In the official government strategies, the concept of social enterprise was first introduced in the broader strategies for cooperation with the civil society sector (2012-2017), where a more general measure for developing a wider concept is foreseen, i.e. the social economy. The measure envisages activities that explicitly target CSOs with economic activities, leaving aside other models that form the spectrum of social enterprises.

Another document that provides a strategic direction for the development of the sector is the affirmation of the South East Europe Strategy 2020, which emphasizes the social economy as a separate area. However, there has been no progress in any of the strategies regarding the achievement of the defined goals for the development of the social economy. Furthermore, the last government programme (2017-2020) identifies social enterprises as facilitators of the transition of vulnerable categories of citizens from social exclusion to the open labour market.

In order to promote the ecosystem for social enterprises, on 28.07.2015 the

Ministry of Labour and Social Policy announced the first draft Law on Social Entrepreneurship, which is expected to regulate the principles, forms and activities in the area of social entrepreneurship, the criteria for the establishment and management of social enterprises, as well as the mechanisms for monitoring and evaluation of social enterprises. The legal framework defines the social enterprise as a legal entity whose primary aim is to achieve social influence and community/ socially targeted goals, and whose generated profit is reinvested for achieving the goals through working and investing in the society, and as a place to achieve maximum profit for the shareholders and the founders. So far, a total of six draft versions have been prepared and in accordance with them it can be concluded that the envisaged benefits for the social enterprises are incomparably smaller compared to the benefits provided for the protective companies in the existing Law on Employment of Persons with Disabilities. Therefore, we can conclude that the public policy that has been implemented so far is aimed at partially overcoming the internal weaknesses and barriers of the existing social enterprises, and not towards the development of an ecosystem that will encourage their growth and development.

## 2.2 CURRENT SITUATION: SOCIAL ENTERPRISES IN THE REPUBLIC OF ALBANIA

Current literature suggests that social enterprises in the Republic of Albania appeared, within the civil sector around 2000, through projects supported by foreign donors (Partners Albania, 2015). As in most countries in the Western Balkans, the civil sector is a leading factor in the development of the sector.

In the Republic of Albania, existing social enterprises are registered as: 1) non-profit organizations (associations, centres and foundations), 2) sole proprietors or limited liability companies; 3) companies for reciprocal cooperation and cooperatives.

In general, in the public debate, the concept of social enterprise and social entrepreneurship is still insufficiently clear and contentious.

In 2010, the Ministry of Social Work and Youth initiated the preparation of the Law on Social Enterprises. The implementation of the Law is in the competence of the Ministry of Social Protection and Youth, which is also responsible for granting the status of social enterprise. However, there is still no official database of social enterprises at the national level. The legal framework recognizes them through their primary objective, to promote social inclusion and to be non-profit organizations that provide goods and services. Among other things, the law explicitly defines the areas of activity of social enterprises: social services, employment of vulnerable categories of citizens, youth employment, health, education, environment, promotion of tourism, culture and heritage, sports activities and promotion of development of local communities.

The legal framework defines criteria for identifying social enterprises: 1) There shall be at least three employees, of whom at least one from the vulnerable categories of citizens; 2) 20 % to 30 % of revenue during the second and third year of operation shall be generated from an economic activity; 3) The generated profit, directly or indirectly, shall not be distributed and shall be used to increase the operations of social enterprises; 4) The enterprise shall make participatory decisions and involve employees in strategic decision-making.

In accordance with the adopted legal framework, no entity has received a status of social enterprise so far. The new reorganization of the Government of the Republic of Albania foresees the closure of the Ministry of Social Protection and Youth, and the competencies of this Ministry are handed over to the Ministry of Health and Social Welfare (where there is a department in charge of implementing the Law on Social Enterprises), while issues related to labour are under the competence of the Ministry of Finance and Economy. Legislation also provides for penalties in the amount of EUR 290 for entities that declare themselves as a social enterprise, which actually have not been granted such status by the Ministry of Health and Social Welfare. On the other hand, the legal framework, in fact, does not provide support for social enterprises, except in cases of employing vulnerable categories of citizens. Among other things, it does not provide for provisions ensuring social benefits for social enterprises when applying for tenders for public procurement or specific tax benefits (Rosandic, 2018).

# 3

## **ANALYSIS OF THE CAPACITIES OF SOCIAL ENTERPRISES FROM THE SOUTH-EASTERN, POLOG AND PELAGONIJA REGIONS**

### 3.1 SAMPLE DESCRIPTION

The survey for the assessment of the capacities of social enterprises in the southwest Pelagonija and Polog planning regions is aimed at identifying the potentials and obstacles for the development of these entities.

The survey was conducted in the period from November 2017 to May 2018. Initially, the focus was supposed to be only on entities from the Southwest region of the Republic of North Macedonia, but given the small number of social enterprises operating in the Southwest part of the Republic of North Macedonia, expansion was directed to two neighbouring planning regions in the country, where there is also an insignificant number of social enterprises. The subject of the analysis were SEs registered in the database of the Association for Research, Communications and Development «Public», which monitors the situation in this field, and follows and records the social enterprises created by associations of citizens, but also by enterprises, whose functioning is based on the criteria for social enterprises. The association «Public» registers the official enterprises in accordance with the EMES criteria (more details in Annex 1). For the purpose of this research, in-depth interviews were conducted with representatives of twenty-five social enterprises (10 from the Republic of North Macedonia and 15 from the Republic of Albania), through qualitative research in order to look into the deeper development of their social and economic dimension, as well as their management structure, and identify the environment that enables development in the country. The interviews lasted from 40 to 60 minutes, and they were filmed and transcribed.

### 3.2 SOCIAL ENTERPRISES THROUGH THE PRISM OF SOCIAL MISSION, GOOD MANAGEMENT AND ECONOMIC ACTIVITY

Civic organizations are one of the dominant legal forms in which the social enterprises operate in the Republic of North Macedonia (Ilijevski and Iloska, 2016: 33; Ilijevski, Iloska and Mojancevska, 2018: 2). All entities from the Republic of North Macedonia included in this research are associations of citizens that develop their economic activity in accordance with the Law on Citizens' Associations and Foundations, and one of them is registered in accordance with the special Law on the Red Cross.

Figure 1: Overview of social enterprises in the border region in the Republic of North Macedonia

Social Mission	Good Management	Economic Activity
Empowering women at the local level; care and support for people with special needs; support in the education of children from the Roma population; activism through culture and art;	Assembly, Board of Directors, president of the association and /or CEO, and part of the SEs also have supervisory boards;	<p><b>Activity:</b> tourism, domestic food, handicrafts, recycling, organization of festivals.</p> <p><b>Hybrid financing model:</b> economic activities (5-20 percent), grants, donations from the local self-government and the business sector</p>

### 3.2.1 MANAGEMENT STRUCTURE

Since all social enterprises from the surveyed sample are created by associations of citizens, the management structure, in accordance with their statute, is mainly composed of an assembly, a board of directors, a president of the association and/or an executive director, while some organizations also have a supervisory board. However, half of them stressed that these bodies exist formally and they do not function in practice. In general, social enterprises promote diversity within the existing human resources. One half of the social enterprises that were the focus of this research have one or more employees from the vulnerable categories - persons with mental and physical disabilities, members of the LGBT community, Roma, and their minimum salary is 17,000 MKD.

“Among the employees we have a single mother with three children, a mother of a drug addict, AIDS-infected, two transgender people who have been rejected by the community, members of socially endangered families who have no income, and everyone is without education. They mostly work as kitchen assistants, such as dishwashers, chefs' assistants. Their wages are minimal, as legally prescribed, but it is important that they are insured for full time whereby the goal is achieved. Employees are also actively involved.

(Representative of an SE from the Southwest planning region)

Seventy percent of the SEs in the sample are social enterprises for labour integration. Only half of them have their own programmes for integration or direct work with vulnerable individuals, thus facilitating their integration process and developing their skills through training.

“One needs a lot of patience with these people; they have no education, no skills, whatsoever. But here I am and the other colleagues who help them fit in. Each year we also have teambuilding activity, which helps us a lot. Psychologists work with people with psychological problems, and we monitor them and intervene when required. Sometimes they even receive compensation to go on vacation when I feel they are exhausted. They are modest people; I sometimes pack food for them which means a lot to them.

(Representative of an SE from the Southwest planning region)

Although working with different vulnerable groups implies a specific approach and development of programs for their proper integration, none of the social enterprises provides guidelines needed for people to be more successfully integrated into the labour market. Some of them show no awareness about the need of such an upgrade. Half of the surveyed entities (including one SE which is not for work integration) have emphasized the need for additional knowledge regarding the integration of marginalized persons.

“To manage a social enterprise, above all, you need to be a person who is sensitive to the needs of other people. And this is not taught in training. At the moment we can work with the existing capacity; we are facing the weaknesses of the vulnerable groups. However, in the long run, we will certainly need support in this regard, especially if we employ new people.

(Representative of an SE from the Southwest region)

Most of the surveyed social enterprises do not have a defined organizational structure, systematization of jobs, and employee performance evaluation. Three entities, however, evaluate the performance as part of the implemented projects; however the problem lies in the evaluation of their economic activities.

### 3.2.2 SOCIAL DIMENSION

The social mission of the surveyed social enterprises in Macedonia is explicitly defined in their statute as the main act of foundation. Accordingly, the organizations act as humanitarian organizations, organizations working on women's empowerment, organizations providing care and support for people with special needs, organizations providing support in the education of children from the Roma population, organizations for activism through culture and art and business support. Social enterprise missions in general are aimed at achieving social change and equal opportunities for their target groups. Specifically, the social enterprises from the Polog region also address the multicultural aspect in their work by emphasizing that they work on building a multicultural society.

The significance and recognition of social influence is not on a high level in these entities, and the impact measurement is almost an unfamiliar concept for social enterprises. Some of them expect to have an impact on reducing unemployment in the country, in the long run, while others expect to do so in the development of the regions. Cooperation with other SEs is at its beginning, i.e. they are recognized and familiar with each other, know the activities / services and participate in joint activities. The mutual support is sporadic. For example, one SE clarifies that it receives support from another SE in the area of free promotion, communications and public relations. Three organizations included in the sample emphasize that they do not recognize themselves as a factor in the development of the social economy and they see their economic activities as products or services that are part of projects that are mainly developed only during the course of the project activity.

From the aspect of cooperation and inclusion of all stakeholders in the work, the majority of the SEs cooperate with donors and thus carry out some of their activities. They also emphasize that the cooperation with the business sector is very poor because they are not recognized and there is no business awareness about the importance of developing the social economy entities. Local self-government is most often involved with symbolic financial support or support in providing space.

There are cases of active cooperation with the local self-government where the municipality appears as a partner of the SE, providing financial support, but also human resources in order to achieve better results. The central government is rarely involved in the support of these entities in the surveyed regions. And even in such instances, the support from the Ministry of Economy and the Ministry of Culture is sporadic. Donors, however, are referred to as supporters in most of the SEs, but support from them, without exception, involves project activities.

### 3.2.3 ECONOMIC ACTIVITIES OF SEs

The motives for the development of social enterprises in the Republic of North Macedonia are different, but are mainly related to their social mission. For half of them it comes from the need to reinforce economically inactive citizens, mostly women who produce homemade products or handicrafts. For others, the motive for the development of economic activities is the withdrawal of donors from the country and the attempt to achieve financial sustainability, and some of them relate the motive to their mission – work integration of their target group, cultural flow in the city and the demetropolisation of culture. Macedonian social enterprises from the analysed regions participate in activities ranging from hotel and rooms rental to making handicrafts and home-produced food, recycling wood and plastic, organizing festivals and offering services for creative campaign development, as well as space rentals and translation services.

The survey shows that, in general, social enterprises from the Republic of North Macedonia have a hybrid financing model, i.e. in addition to economic activities, they also have other activities that are project-oriented and implemented through grants. Some of them, however, receive minimum donations from the local government and/or the business sector. In only one of the social enterprises, 100 percent of the income is generated from economic activities, in one half of the enterprises included in the sample, the income from their economic activity ranges from five to twenty percent, while other entities were not able to give a precise answer to this question because they have no continuity in their economic activities and their products are mainly sold on bazaars, fairs where more producers are included, whereas the funds, which are always very modest, are paid in cash directly to the producer.

The surveyed social enterprises have limited access to the available human resources. Half of the surveyed organizations have their own employees, with the number ranging from one to three, and one of the social enterprises has 16 employees. One organization has only freelancers and others mainly receive their proceeds in cash from the sale of their products and services, and these are organizations that unite long-term unemployed persons, among whom there are people with physical disabilities who produce homemade food products, handicrafts or offer services like room rentals. Social enterprises do not use the available employment measures. Only two of the social enterprises used active measures for employment, for internship and employment of a person younger than 29. One of the social enterprises motivated its member - a person with disabilities, to become active and obtain the self-employment measure, but this move did not prove successful in the long run. Two of the social enterprises, however, wanted to use measures, but failed because one of the conditions of the measure was to have at least one employee, and at that moment both social enterprises were without employees.

“Our association has never had employees, but it is trying to empower women to open their own business. However there is something problematic with the active measures; my impression is that they are often misused and it is previously agreed where they will be applied. Women have ideas and want to work, but nobody gives them a chance to prove themselves. We need a little support from the business sector and from the local self-government.

(Representative of an SE from the Southwest region)

A representative of one of the social enterprises points out that they are familiar with the active measures, but they are already sufficiently staffed and do not need new people, but also stresses that they need continuous support for some of the vulnerable people.

“Most of the employees have been here for more than 10 years, when there were no active measures in place. It is very difficult to even acquire habits, the road is not easy. For some of them, the integration process still takes place. Some of them get derailed, but we try to get them back on track. And they do not provide an adequate contribution to the workplace.

(Representative of an SE from the Southwest region)

More than half of the social enterprises included in the sample have developed business plans that they have created alone or within projects supporting social entrepreneurship in the country, and only a small part of them have conducted market research. Half of the organizations have development strategies, mainly referring to the entire organization which include economic activities and are for a period of one to five years. Other organizations do not have such strategies.

Seventy percent of social enterprises use their personal contacts to sell their products and services by using their contacts and state that placement is their biggest problem. Some of them, who prepare domestic food products and make handicrafts, sell them on fairs and bazaars. Most of them do not clearly define their target group and state that everyone is their client, and part of them emphasize that their buyers are tourists, women, foundations and associations ... Two of the surveyed enterprises expanded their scope of work to neighbouring countries such as Kosovo and the Republic of Albania, one of them has already established relations and offers services, and another one plans to expand in the near future.

Forty percent of the enterprises included in the sample maintain they have the capacity to increase their production and sales or service delivery, but decide to stay at the same level of production and service delivery due to poor placement. As problems that impede the increase in the production, the SEs from the surveyed regions pointed to the lack of machines, the lack of finance for better materials for work, and the lack of space where they can sell their products, which they think they can obtain from the municipality. One of the organizations, however, states that in terms of the capacities and the equipment they offer, they are one of the best in the country, but marketing is a problem, the fact that they are not well known, the inability to meet the criteria included in the tenders, and that they are not adapted to social enterprises.

“There are government events; we apply for the tender they announce for the service we offer. But the tender is such that it is difficult to meet its criteria.”  
(Representative of an SE from the Polog region)

More than half of the social enterprises included in the sample do not pay attention to the improvement of their product and service, the reasons being their inability to dedicate themselves to the quality of the product or service, or their failure to show awareness that the products and services they offer should be of a significant quality.

“It's difficult when you need to work both with users and parents, and to dedicate yourself to your employees, seek finances, develop a product and a brand. Simply, it's not easy.”  
(Representative of an SE from the Southwest region)

Thirty percent of the enterprises included in the sample state that they developed their products and services through training, they worked with mentors and organizations that helped them improve, but most organizations do not recognize the importance of building a brand for their social enterprise or explain that they do not have the time for such activity, in addition to all the other activities they are engaged in. None of the organizations have a marketing strategy and in terms of advertising their products and services, they mainly operate spontaneously. Most of them advertise on social media, and also emphasize that the number of customers of their products and services increases by word of mouth.

Most organizations lack vision. The majority of them maintain that they need money to better develop their business, but they cannot sufficiently explain their strategy to maintain their business.

### 3.3 EFFECTS FROM PREVIOUSLY ATTENDED TRAINING, ECOSYSTEM, VISION

Social enterprises from the three regions have recognised the need to build their capacities and most of them attend training sessions. Eighty percent of the surveyed enterprises recognize the weaknesses they face and have projections in terms of which segments should be upgraded.

SEs in which women are mainly employed, believe that sharing knowledge among organizations similar to them is very useful. In this way, besides developing cooperation, they also learn and acquire new skills. Social enterprises state that they need additional knowledge about communications, marketing, women entrepreneurship, making a business plan and maintaining a website, but they also need more information on legislation, legal forms and possibilities for functioning of the SEs in the country.

As main obstacles to their operation, social enterprises cite the lack of investment, the lack of recognition of these entities, the lack of human resources, the lack of legislation on social enterprises, the lack of greater awareness among people about the value of the products / services of the SEs, and in terms of better development, they suggest an increased access to finances and inclusion of the state by means of support for the development of these entities and the relevant legal and regulatory framework.

“To hire a person with a primary education, you have to spend huge resources to educate that person. The state should provide us with something, whether contributions or training ... We need on-the-job training about fiscal cash registers, kitchen training, HASAP, food management, food storage, etc., which we ourselves pay, and the state should show interest because we employ vulnerable groups and train them ourselves.

(Representative of an SE from the Southwest region)

## CONCLUSION

The number of social enterprises in the Southwest, Polog and Pelagonija regions is insignificant, and their income comes exclusively from their economic activities. All surveyed entities are associations of citizens; half of them have their own employees, with the number ranging from one to three, and there is only one social enterprise with sixteen employees. The largest numbers of entities are social enterprises for work integration, but some of them, even though they do not have the appropriate integration programmes, do not recognize the need for such programmes. The cooperation of these entities with the business sector and the institutions is insignificant and for the time being external donors are their biggest supporters, whose support is mainly aimed at implementing project activities, and less at the development of the economic activity. The economic activities of the analysed SEs range from making home-made food and other products, making handicrafts, hotel services and renting rooms, to pellet production and packaging plastic in bales. Other SEs, whose focus is not on work integration, are working on organizing festivals, offering creative solutions or training and translation, renting equipment for translation, developing and maintaining websites, renting space. One of the biggest problems in the development of the economic activity is the placement of their products and services, but it can be concluded that most of them do not pay attention to the improvement of their products and services and fail to recognize the importance of building a recognizable name for their social enterprise, and in terms of advertising their products and services, they mainly operate spontaneously. In most organizations, the lack of vision is more than obvious. Most of them state they need money to better develop their business, but they cannot sufficiently explain their strategy to maintain their business. As main obstacles to their operation, social enterprises point to the lack of investment, the lack of recognition of these entities, the lack of human resources, the lack of legislation for social enterprises, the lack of greater awareness among people about the value of the products/services of the SEs, and for the purpose of a better development they suggest increased access to funds and availability of state support in the development of these entities, as well as an appropriate legal and regulatory framework.

# 4

## **ANALYSIS OF THE CAPACITIES OF SOCIAL ENTERPRISES FROM THE REGION OF DIBER, THE REPUBLIC OF ALBANIA**



## 4.1 SAMPLE DESCRIPTION

The assessment of existing capacities of social enterprises in the Republic of Albania is aimed at identifying the potentials and obstacles to the development, as well as providing insight into the existing ecosystem for the development of social enterprises. The survey was conducted in the period from November 2017 to May 2018 and covered the region of Diber. A total of 15 entities were analysed, nine of which are registered as citizens' associations, five are cooperatives, and only one entity is registered as a trading company - a private business. In-depth interviews were conducted to establish the development of their social and economic dimension, as well as their management structure, and identify an environment that is favourable for their development in the country. The interviews lasted from 40 to 60 minutes and they were recorded and transcribed.

## 4.2 SOCIAL ENTERPRISES THROUGH THE SOCIAL PRISM MISSION, GOOD MANAGEMENT AND ECONOMIC ACTIVITY

Figure 2: Overview of Social Enterprises in the Border Region of the Republic of Albania

Social Mission	Good Management	Economic Activity
Decreasing unemployment in the rural areas of the eastern part of Albania, development of the rural areas through tourism, organic production of food and herbs.	Absence of a defined organizational structure and a defined decision-making process	<p><b>Legal form:</b> citizens' association, cooperatives, trade company;</p> <p><b>Activity:</b> domestic production of food, production of juices, hand-made craftwork, rural tourism</p> <p><b>Hybrid financing model</b></p>

### 4.2.1 MANAGEMENT STRUCTURE

Four entities from the surveyed sample are managed by women who, despite the many stereotypes they face, have managed to prove to their families that they believe in their ideas and managerial abilities. Two of them employ only women, while two are targeting young people, in general. Many of the social enterprises see themselves as entities that offer a chance to include marginalized people on the labour market.

“Most of the workers we engage seasonally are unemployed and my business is a chance for them.

(Representative of a social enterprise in the area of Peshkopi)

“For most of them, it is important that the worker knows how to do the job or wants to learn, not just having formal qualifications. It is very important for me that the job is done. If the production is fine, I do not care about qualifications or diplomas.

(Representative of an SE from the village of Tomin)

They point out that the more experienced workers, but also the managers, transfer their knowledge to the new workers. Only three SEs suggest that because they are a family business, they do not have the opportunity to employ people with marginalized social status.

Most entities in the Diber area provide inclusion of persons with marginalized social status, such as women from rural areas and people with special needs.

“All of these 60 freelancers are from marginalized groups who do not have state support and people who do not have any income in their family. It is very important for me that all these people have this opportunity.

(Representative of an SE from the village of Tomin)

One entity indicates that it provides technical assistance to persons from marginalized groups, such as trainings. Merging entities that could assist in the production cycle or service delivery is an important segment of the support to the social enterprises in the Republic of Albania.

“At the start of this business, we had cooperation with all the guest houses around the villages and we talked about buying products from people from the marginalised groups.

(Representative of an SE from the Peshkopi area)

“In our village there are many vulnerable groups. There are old women and women who produce natural products without any help and I give them the opportunity to earn something.

(Representative of an SE from the area Peshkopi - Aras)

Entities do not mention any existence of defined organizational structure, systematization of jobs or employee performance evaluation. Especially in the family units, the division of management and logistics matters is spontaneously developed. Experience has taught them to assess the characteristics of the workers, especially in view of the results of their work (such as satisfied customers). They point out that they need additional knowledge about the concept of social enterprises for work integration.

#### 4.2.2 SOCIAL DIMENSION

The motives for the development of social enterprises are purely financial; from securing living conditions for the family to helping certain target groups, such as young people, the elderly or women who do not have much employment opportunities in this region.

“It motivates me because it provides me with an income. With this work, I also help my family. I want to be a successful and independent woman and I want to have a career. I also want to help those in need who have no economic opportunities.

(Representative of an SE from the Diber area)

They point out that the region offers a lot of unused development potential, especially in terms of generating profit in a sustainable way. Entities also say that agribusiness is traditional in this area, while the development of rural tourism and hotel industry, which unites local businesses, small producers and vulnerable categories, is on the rise. An important value orientation of the analysed entities is helpful. Regardless of whether it is a family entity or citizens' association or cooperatives, the representatives indicate that helping "the weakest" is a moral responsibility.

“I have a moral obligation to employ marginalized people. If no one cares for these people, they will be on their own. I've had a hard life myself and I know how it feels to be in such a state.

(Representative of an SE from Peshkopi)

The analysed entities connect the wider social mission with the unemployment decrease in rural areas of the eastern part of the Republic of Albania, and the development of rural areas through tourism, organic food production and herbs.

“With this initiative I managed to connect the traditions of our region, the passion for work and the profit from this company.

(Representative of an SE from the Diber area)

Some of the social enterprises are targeting women from rural areas and the elderly, whereas others focus on young people, by helping them through technical assistance, training, and consulting. Showing a positive example is an important element of the actions of social enterprises.

“We teach our children and those around us that you can make something out of nothing.

(Representative of an SE from the area of Peshkopi - Aras)

“Let's be leaders and role models for other women.

(Representative of an SE from the area of Peshkopi - Staravec)

The surveyed entities cannot clearly identify the accomplishment of their mission and recognize the value of engaging other civil society organizations with which they can act together. They exert their own social influence as follows:

“The more demand we have from the market, the more work we have and the more women are involved.

(Representative of an SE from the Diber area)

“We want to have a profit, but we also want to make a difference in the society through our business because we involve many families in need.

(Representative of an SE from Peshkopi - Melan)

“Well, in our village there are many women who have begun to work. Women from other villages heard about our business and now they have a purpose.

(Representative of an SE from the area Peshkopi - Deshat)

Forty percent of the entities indicate that they have no cooperation with the local government or the state for achieving their goals. Only 13 percent of them are partners of the municipality or cooperate with the state, and one of the entities uses office space in the municipality. Most organizations indicate that they cooperate with other civil society organizations and some of them also cooperate with the church “Alpha Omega”, which helps them with clothing or other assistance, in addition to financial help. They are critical of the state’s attitude towards social enterprises, i.e. they think that the obligations are not proportionally distributed. The social businesses pay taxes, but do not get benefits in return.

“*The state should help me help others.*

(Representative of an SE from the Peshkopi area)

Almost half of the social enterprises had donor support, such as the European Commission and the pre-accession funds of the IPARD Program, the German Association for International Cooperation, the CNVP grants, while others used opportunities through the IPARD program to buy equipment with 50 percent participation or donation in hazelnuts, and received expert assistance, counselling and training from foreign foundations and civil society organizations from the Republic of Albania. CSOs support project activities while others have only limited cooperation within their networks. In practice, cooperation is not at an enviable level. All entities are trapped inside their existential circle or, as stated by the representative of a social enterprise in the Peshkopi district - Vakuf:

“*We cooperate and at the same time we do not cooperate with other organizations because they all mind their own business.*

The fairs where they present their products are seen as a good place for networking and cooperation.

#### 4.2.3 ECONOMIC DIMENSION

The most common economic activities of these entities are domestic food production (tagliatelle, cheese, sweets, hazelnuts, herbs for medicines), juice production, handicraft production, rural hotel tourism, rural tourism. The entities often do not know the percentage of economic activities in the total budget. One of them indicated that they had a turnover of \$ 45,000 a year. Two CSOs receive project-based grant funding, albeit small, in the amount of EUR 28,000 per year.

In the region subject to this analysis, small social enterprises are most often active, with three to six employees, including family entities. A small number of organizations have more than eight employees, and seasonal engagement of people dominates the entities’ workforce (sometimes up to 60 people). One of the social enterprises unites women working from their home and then selling their products together at fairs or restaurants.

Only 26 percent of the surveyed entities have developed business plan and the others manage the entities in a spontaneous and experiential way.

“*I have it all in my head. I have a certain vision and I follow it.*

(Representative of an SE from the Peshkopi area)

For some of these entities, there is awareness of the need for structural management of entities and development of a business plan or model for their social enterprise. Most of the surveyed entities in the Republic of Albania (87 percent) state that they are conducting market research on the need for their products. The most common indicator of this is the increased need for their products or the increased number of customers. Some of them achieved that spontaneously.

“*With both mind and vision and based on what I have heard about the needs.*

(Representative of an SE from the Peshkopi area)

No entity has a development strategy although a single social enterprise has a range of 100 products. All share what their strategic goals and values are, but they have not put them on paper and do not follow their fulfilment or adjustment.

“*Every season we know how to do our work and how many products we have to produce.*

(Representative of an SE from the area of Peshkopi - Deshat)

In the working process, they are guided by the goal to achieve quality and increase their product assortment. A social enterprise cooperates with a marketing agency in terms of creating a recognizable name.

“*Our strategy is clear, to be a role model and a labour market leader.*

(Representative from an SE of Peshkopi - Aras area)

They point out that unfair competition and insufficient branding of the region reduces the attractiveness of their organic products.

“*And not only do we have an economic goal but also a social goal to develop this place.*

(Representative of an SE from the area of Peshkopi - Vakuf)

The most used forms of advertising are fairs and “Facebook”. The number of social enterprises that have their own websites is insignificant. Those offering hotel services are part of the Airbnb and Booking networks.

Some of them purchase their products from larger companies and sell them to a local network of markets and stores; most of them participate in fairs and only a small percentage of the SEs aim for a foreign market. Nobody uses electronic sales and only one SE has stated that internet sales would make their work easier because they do not have their own store.

With the improvement of the tourist offer and the business climate in the country, they will be able to survive on the market. They also state that they need money and activities to expand the network of customers interested in their products / services. A small proportion of enterprises are in the phase of expansion of the product range, whereas others point to obstacles such as: the need for materials and machines, certificates, financial investment, property relations, and branding. They developed products / services through consultations with civil society

organizations or experts or received financial assistance for the start (grant or private loan). Others were guided by family business and traditional involvement in the agribusiness. The number of social enterprises that have an adequate ISO standard is insignificant, while others recognize the need for standardization and branding, however for them this is a long and expensive process. Only one social enterprise from the analysed sample has worked with foreign experts for product branding. They consider that good quality is the best advertisement. If they have additional resources, enterprises would direct them towards marketing and advertising, buying new machines and expertise, but most of them do not have a clear picture of the necessary interventions for improving the work of the social enterprises. They point out that they expect financial assistance and support from the state.

#### 4.2.4 EFFECTS FROM PREVIOUSLY ATTENDED TRAININGS, ECOSYSTEM, VISION

Social enterprises from the Republic of Albania often attend trainings and are satisfied in terms of the usefulness of the trainings, i.e. they have all been useful to their work so far.

They lack knowledge about the legal framework for the operation of the social enterprises, the existence of tax incentives for this type of entity or the employment of persons with marginalized social status. They also need grants and donations to increase and/or promote the production; they need knowledge about marketing and sales management, grants for visiting fairs, exchanging experiences and branding knowledge.

The main obstacles in their day-to-day operation are the finances, the lack of state aid instruments, the unfair competition, the precarious working conditions without social rights, the property and legal relations, the way of “doing business”, the lack of political will at the local and national levels to help this type of economy.

“My product is certified, but I have seen other products with my name. The state does not do anything about this. The whole thing about the certification is hopeless.”  
(Representative of an SE from the area of Peshkopi - Vakuf)

“Mentality is a very big problem. It's very difficult to work in our place. You have no help from anyone. You're left on your own.”  
(Representative of an SE from the area of Peshkopi - Staravec)

In order to create a better climate for the development of the social enterprises in the Republic of Albania, the interviewed companies believe that there should be better cooperation with the local and national authorities, favourable financial instruments for development and promotion, rule of law, better cooperation and partnership with other organizations, promotion of road infrastructure and connectivity.

## CONCLUSION

The most common form of organization of social enterprises in this region of the Republic of Albania are citizens' associations and cooperatives, while only one entity is registered as a commercial company - a private business. Most often there are three to six employees, including family entities. The most frequent economic activities of these entities are domestic food production (tagliatelle, cheese, sweets, hazelnuts, herbs for medicine), production of juices, handicraft production, hotel business in rural areas, rural tourism. In this region, most common is the seasonal engagement of persons (sometimes up to 60 people).

An important value for the surveyed entities is helping others. Regardless of whether it is a family entity, citizens' association or a cooperative, they point out that providing help for "the weakest" is a moral responsibility. The surveyed entities relate the wider social mission with the decrease of unemployment in rural parts of eastern Albania, the development of rural areas through tourism, organic production of food and herbs. Very few of the social enterprises have a developed business plan and the entities are managed in a spontaneous and experiential way. There is a lack of cooperation with the local self-government or the state in terms of achieving the objectives of the social enterprises. More often they cooperate with other civil society organizations and share knowledge and advice. One entity cooperates with a church.

Social enterprises believe that improving their tourist offer and the business climate in the country will improve their market presence. Social enterprises from the Republic of Albania often attend trainings and are satisfied in terms of the usefulness of the trainings, i.e. they have all been useful to their work so far. They lack knowledge about the legal framework for the operation of social enterprises, the existence of tax incentives for this type of entity or the employment of people with marginalized social status. They also need grants and donations to increase and/or improve production, knowledge on marketing and sales management, grants for visiting fairs, sharing experiences and branding knowledge. The main obstacles in the day-to-day operation are the finances, the lack of state aid instruments, the unfair competition, the precarious operating conditions, the social rights, the property relations, the way of doing business and the lack of political will at local and national level to help this type of economy. In order to create a better climate for the development of social enterprises in Albania, the interviewed companies believe that there should be better cooperation with the local and national government, favourable financial instruments for development and promotion, rule of law, better cooperation and partnership with other organizations, promotion of road infrastructure and connectivity. Merging entities that could assist in the production and service cycle or is an important segment of the support for social enterprises in the Republic of Albania.



# **5** **COMPARATIVE REVIEW: SOCIAL ENTERPRISES IN THE BORDER REGION NORTH MACEDONIA - ALBANIA**

As in most countries in the western Balkans, the civil society sector is a leading factor in the development of social entrepreneurship in the Republic of North Macedonia and the Republic of Albania. In the Republic of North Macedonia, the following legal acts allow the establishment and functioning of social enterprises: Law on Associations and Foundations (Official Gazette No. 52/10 and 135/11); Law on Employment of Disabled Persons (Official Gazette No. 87/2005); Law on Cooperatives (Official Gazette No. 51/02); Law on Agricultural Cooperatives (Official Gazette No. 23/2013); Law on craftsmanship (Official Gazette No. 215/15); and the Law on Social Protection (Official Gazette No. 79/09). On the other hand, in the Republic of Albania the existing social enterprises are registered as: 1) non-profit organizations (associations, centres and foundations), 2) individual tradesmen or companies with limited liability; 3) companies for reciprocal cooperation and cooperatives.

The two countries have a different approach in creating a public policy for social enterprises. In the Republic of North Macedonia there is still no law on social enterprises, but the current focus is on developing a strategy that will provide a developed ecosystem, which will encourage growth and development of social enterprises in the long run. In the Republic of Albania, however, in 2016, a Law on Social Enterprises was adopted, the implementation of which has been postponed. The legal framework is deemed limited by the expert, since it does not stipulate provisions to ensure benefits for social enterprises when applying for tenders for public procurement or for specific tax benefits (Rosandic, 2018).

Figure 3: Comparative Overview of Social Enterprises in the Republic of North Macedonia and the Republic of Albania

DIMENSION	BORDER REGION - REPUBLIC OF NORTH MACEDONIA	BORDER REGION - REPUBLIC OF ALBANIA
ECONOMIC	<ol style="list-style-type: none"> <li>1. The economic activity is not continuous and the annual income from economic activities is from 5 to 20%;</li> <li>2. Small entities with or without a small number of employees (2-6 people)</li> </ol>	<ol style="list-style-type: none"> <li>1. Continuous economic activity;</li> <li>2. Family business with a small number of employees (2 - 6), with distinct seasonal character</li> </ol>
SOCIAL	Explicitly defined social missions in statutory documents which provide advancement of the welfare of the smaller communities that live in less developed regions.	Social missions that are not explicitly defined in statutory documents and spontaneously arise from the needs of communities at the local level.
INCLUSIVE MANAGEMENT	<ol style="list-style-type: none"> <li>1. The founding acts define the basic elements of good management, but they are not applied in practice.</li> <li>2. There is no practice of inclusion of all stakeholders in business processes</li> </ol>	<ol style="list-style-type: none"> <li>1. Absence of developed awareness for the need and meaning of good management.</li> <li>2. There is no practice of inclusion of all stakeholders in business processes</li> </ol>

In terms of the activities, in general, the majority of the activities in which the social enterprises are engaged in the border region are domestic food production, handicraft production and hotel and rural tourism, which, in turn, offers opportunities for networking and enhancement of cooperation between them. The range of activities of the social enterprises from the border region of the Republic of North Macedonia is wider and it includes organizing festivals, creative campaign development services, as well as renting space and providing translation services.

In terms of the existing capacity to create jobs, in general, the SEs in both countries are small entities with few or no employees. The latter case is characteristic for some of the social enterprises in the Republic of North Macedonia. The number of entities with more than 10 employees is extremely small. Characteristic for the social enterprises from the border region of the Republic of Albania is that they are mainly family businesses, some of which usually engage in seasonal work, so when additional work force is hired, the number of employees reaches up to 60 in some cases.

The social mission of the social enterprises from the border regions of both countries is clearly visible through their actions and through the values they share, although some of them (especially those from the Albanian side) do not manage to clearly define it. In the Albanian entities, the tendency to promote the well-being of smaller communities living in the less developed regions is particularly pronounced, while those on the other side of the border focus on the development of social enterprises for work integration, which most often integrate women, but also other vulnerable persons. There are also SEs, whose mission is the protection of the environment or the development of culture and art in the region. The motives for the development of social enterprises are mostly related to the defined social mission, that is, in the border region of the Republic of North Macedonia, they stem from the need to strengthen economically inactive citizens, but also to achieve financial sustainability of the civil sector through economic activities. In the Republic of Albania, the most common motives are financial and the goal is to provide living conditions for the family, to help target groups such as the young, the elderly and the women who do not have many employment opportunities in this region.

All social enterprises in the border region face the challenges of achieving good management. It is characteristic for the Macedonian social enterprises that the founding acts define the basic elements of good management, but these are not applied in practice, whereas the Albanian social enterprises usually have an insufficiently developed awareness about the need and importance of good management.

In general, the social enterprises in the border region promote diversity in their operations. One half of the interviewed entities in the Republic of North Macedonia have one or more employees from vulnerable categories - persons with mental and physical disabilities, members of the LGBT community and Roma people. In the border region of the Republic of Albania, however, most of the entities are focused on long-term unemployed people from rural areas. It is obvious that social enterprises from the Republic of North Macedonia include a wider range of vulnerable people in their work.

A joint challenge for all social enterprises from the border region is the promotion of cooperation with the business sector, the local self-government and the state. The most developed cooperation is the one with the donor community, but the support that comes from it is mainly a project oriented and it is aimed at implementing project activities in line with the donor program. Hence, all entities face the challenge of obtaining an investment or infrastructure grant.

In general, the entities lack vision. Most of them say they need money to better develop their business, but they cannot sufficiently explain their strategy to maintain their business. Numerous initiatives to support the development of social enterprises in the Republic of North Macedonia have enabled them to participate in programs that will improve their work (business plans, market research, development strategies, marketing strategies), but what is evident is that most of them were not adapted to social entrepreneurship. On the other hand, the underdeveloped ecosystem was not taken into account and the implemented initiatives did not produce significant results. Typical for the interviewed entities in the Republic of Albania is that almost all of them state that they conduct market research on the need for their products, without any plan or a defined methodology. Most of the entities on both sides of the border conduct their marketing spontaneously and without a plan. Some of them use social media and web platforms to sell products and services, while the fairs, the bazaars and the word-to-mouth recommendations still remain main sales channels for others.

As obstacles in their operation, the social enterprises from the border region identify the lack of investments, their lack of recognition in the community, the lack of interest of the state and the lack of benefits for the operation of these entities, the underdeveloped business capacities of social enterprises and the underdeveloped ecosystem for their operation.

# 6

## **CONCLUSION AND RECOMMENDATIONS**



Appropriately, to develop the capacities of social enterprises to respond to the challenges of work integration and unemployment, especially of socially vulnerable people:

**The public policy shall:**

- 1) Recognize the legal forms of the SEs in terms of tax policy, financing, public procurement;
- 2) Create financial instruments to support the SEs in terms of the recognized forms of reserved funds of public institutions or active employment measures that are adapted to the conditions in which the SEs operate;
- 3) Omit the «lowest price» criterion that limits the SEs to participate in public procurement;
- 4) Develop credit lines for the SEs, which will encourage them to take steps towards financial sustainability (low interest rate, grace period of two to five years);
- 5) Encourage partnership and networking at the local level, at the municipal level and at the level of the SE in a particular region;
- 6) Strive for the highest level of public transparency in public policy, including active SE measures.
- 7) Restructure the way of developing a development policy with a new vision, which is primarily based on a bottom-up approach to development policy from a local to national level.

**The local self-government from the border region shall:**

- 1) Strive for setting joint plans and strategies for the development of border regions, organization of joint events, education, and investment in infrastructure.

**The traditional business shall:**

- 1) Include the SEs in its own procurement system of raw materials, parts processing, outsourcing, transportation, etc.;
- 2) Encourage the exchange of experience with the SEs in terms of business planning, branding, conquering markets, building products and services;
- 3) Encourage mutual partnership of SEs and traditional business in the development of innovation.

**The social enterprises shall:**

- 1) Associate themselves in networks in the border region depending on the area of activity and jointly enter the market;
- 2) Develop services in social spheres where there is a necessity and space for private operators;
- 3) Be encouraged to use financial instruments (active measures, credits) that are adapted to the conditions of work of the SEs in the country.

# 7 LITERATURE



Defourny, J., & Nyssens, M. (2008). Social enterprise in Europe: recent trends and developments. *Social Enterprise Journal*, 4(3), 202–228. <https://doi.org/10.1108/17508610810922703>

European Commission, Directorate-General for Employment, Social Affairs and Inclusion (2016) *Social Enterprises and their eco-systems: developments in Europe*. Authors: Carlo Borzaga and Giulia Galera. Luxembourg: Publications Office of the European Union. Available at: <http://ec.europa.eu/social/ BlobServlet?docId=16376&langId=en>

Hudson, R. (2007). Local and Regional Development \* A. Pike, A. Rodriguez-Pose and J. Tomaney. *Journal of Economic Geography*, 7(2), 217–219. <https://doi.org/10.1093/jeg/lbl026>

Ilijevski, K., Kusinikova, N., Iloska, A. & Mirchevski, V. (2016) *Challenges and opportunities for employment of marginalized groups by social enterprises*. Skopje: Public- Association for research, communications and development, p.20. Available at: <http://socialenterprisesbalkans.org/macedonia-en/wp-content/uploads/sites/3/2016/08/Challenges-and-opportunities-foremployment-ofmarginalized-groups-by-social-enterprises-in-Macedonia1.pdf> (Last accessed on 19 June 2018).

Ilijevski, K & Iloska, A. (2018) *Social Enterprises and their ecosystems in Europe, country fiche Former Yugoslav Republic of Macedonia*. Brussels: European Commission. Available at: <http://public.org.mk/wp-content/uploads/2018/12/Social-enterprises-and-their-ecosystems-in-Europe.-Country-fiche.-FormerYugoslav-Republic-of-Macedonia-1-1.pdf> (Last accessed on 23 December 2018). Iloska, A., Ilijevski, K & Mojanchevska, K. (2018). Policy paper: How to achieve a developed ecosystem for social enterprises. Skopje: Public-Association for research, communications and development. Available at: <http://public.org.mk/wp-content/uploads/2018/10/Dokument-na-politiki.pdf> (Last accessed on 6 March 2018)

Kerlin, J. A. (2007). *Social Enterprise: At the Crossroads of Market, Public Policies and Civil Society*, edited by Marthe Nyssens. London and New York: Routledge, 2006. 335 pp., \$46.95. *Nonprofit and Voluntary Sector Quarterly*, 36(4), 747–750. <https://doi.org/10.1177/0899764007305025> Kusinikova, N. (2017) "Country report: Macedonia", In: E. Varga, (ed) *Social Enterprise Ecosystems in Croatia and the Western Balkans*. NESsT, pp.142-163. Available at: [https://issuu.com/nesster/docs/se\\_ecosystem\\_in\\_the\\_w\\_balkans\\_final](https://issuu.com/nesster/docs/se_ecosystem_in_the_w_balkans_final) (Last accessed on 6 March 2018).

Partners Albania. (2015). *Development of social enterprises - Potential for job creation for disadvantaged groups*. Tirana: Partners Albania.

Rosandić, A. (2018). *Social Economy in Eastern Neighbourhood and in the Western Balkan*. Brussels: European Commission.

Spear, R., & Hulgard, L. (2006). Social entrepreneurship and the mobilisation of social capital in European social enterprises. In M. Nyssens (Ed.), *Nyssens 34 Social enterprises through the prism of cross-border cooperation - Republic of North Macedonia and Republic of Albania*

M Social enterprise Public Policy and Civil Society Routledge (pp. 85–108).  
Routledge. Retrieved from [http://www.routledge.co.uk/shopping\\_cart/products/product\\_detail.asp?sku=&isbn=9780415378789&parent\\_id=&pc=/shopping\\_cart/search/search.asp?](http://www.routledge.co.uk/shopping_cart/products/product_detail.asp?sku=&isbn=9780415378789&parent_id=&pc=/shopping_cart/search/search.asp?)



