Regional Study and Guidelines on Social Entrepreneurship in the Western Balkans - Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia, Serbia

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*This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.
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GLOSSARY OF TERMS AND ACRONYMS

TERMS

**Buy Social** - SEUK’s flagship campaign that aims to build markets for social enterprises among the general public as well as the private and public sectors. It challenges people to think about where we buy our goods and services from and the social impact of our purchasing decisions. The term was introduced in 2011 by the European Commission in the publication „Buying Social - A Guide to Taking Account of Social Considerations in Public Procurement.”

**Social and Youth Entrepreneurship Ecosystem** – according to the OECD Better Entrepreneurship Policy Tool (https://betterentrepreneurship.eu), Youth (social) entrepreneurship ecosystem consists of the following key elements: Youth (Social) Entrepreneurship Culture; Institutional Framework; Legal & Regulatory Framework; Access to Finance; Access to Markets; Skills & Business Development Support; Networking; Managing, Measuring & Reporting Impact.

**WB6** (Western Balkans Six) - the six Contracting Parties: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia.

ACRONYMS

**CSO** – Civil Society Organisation
**EC** – European Commission
**EU** – European Union
**EBRD** - The European Bank for Reconstruction and Development
**Nesst** - Nonprofit Enterprise and Self-Sustainability Team, Inc.
**NPO** – Non-Profit Organisation
**PwD** – Persons with Disabilities
**SE** – Social Enterprise
**YSE** – Youth Social Enterprise
**SMEs** – Small and Medium Enterprises
**CoSed** - Coalition for Solidarity Economy Development
**COSME** - EU programme for the Competitiveness of Small and Medium-sized Enterprises
PART 1: REGIONAL STUDY ON SOCIAL ENTREPRENEURSHIP IN THE WESTERN BALKANS
1. STUDY INTRODUCTION

“RISE” is a regional three-year project that intends to open new spaces of reconciliation for the youth of the Western Balkans Six (WB6) through a regional program to support social entrepreneurship. This will enable young project leaders to develop innovative solutions to tackle challenges faced by their communities. The project will enrich regional ecosystem by supporting six local structures in strengthening their ability to provide support to social entrepreneurs. The six local structures will deliver a support program, composed of an ideation and a regional incubation phase and further assist the development of a total of 72 impact projects.

The support program for social entrepreneurs aims to promote dialogue and cooperation between actors and territories through the mobility of participants, organization of regional trainings, exchange workshops and events, as well as through the creation of a real network around ideation and incubation of the “RISE”. Social entrepreneurship, and more generally society and economy in the WB6, will create a synergy and ultimately participate in the reconciliation of populations.

In order to tackle existing challenges on macro and micro levels and create an enabling environment for the development and growth of social entrepreneurship and social economy in WB6, it is important to plan activities that will facilitate dialogue on the topic and contribute to the awareness rising of the key stakeholders and the youth.

Hence, as a first key project activity, regional research and drafting of the regional study on social entrepreneurship updates information related to state of play in social entrepreneurship ecosystem and provide know-how, insight and target related data on youth as a social entrepreneurs and youth social entrepreneurship in particular in order to develop tailor made approach that could be scaled up all over the region.

The study is focused on social and youth entrepreneurship in the WB6 region and is divided in 2 main parts (the study and the guidelines), consisting of 4 main chapters:
Social and youth entrepreneurship in the WB6 region – State of play

Basic Elements of Social Entrepreneurship Ecosystem

This sub-chapter provides an overview of the current state of play in the Western Balkans. First, it discusses policy and legislation in each WB6 Contracting Party, legal definition, legal forms and statutes, key characteristics of social enterprise, size and main economic sectors they operate in, lists the key stakeholders, national SE networks (or networking initiatives), existing public and private support programmes, existing public and private finance market for social enterprises and enterprises led by youth, their funding needs and challenges for business support structures.

Additional Data on Youth (Social) Entrepreneurship

This sub-chapter provides concise information on key characteristics of enterprises led by youth, their driving force and motivation, the needs and challenges young (social) entrepreneurs face in the start-up phase.

Inspiring Practices

This sub-chapter is accompanied with a presentation of best practice examples, both in social and youth entrepreneurship.

Contracting Party based learning points

This chapter describes most important learnings and conclusions taken from the research, for each WB6 Contracting Party.

Competencies for Youth (Social) Entrepreneurship

This chapter provides information on competencies gained through formal and non-formal education programs on social and youth entrepreneurship, as well as young social entrepreneurs’ need for capacity building and competence development.
Recommendations for potential actions based on lessons learnt

Last chapter provides specific and realistic recommendations for creating enabling social and youth entrepreneurship ecosystems in all WB6 Contracting Parties. No shortcuts, a clear proposal on concrete actions that can boost the youth (social) entrepreneurship development. Second part of this chapter content is dedicated to specific recommendations for support structures and intermediaries in each Contracting Party.

At the end of the chapter, final recommendations on regional actions are presented. They are reflections of current state of play on social and youth entrepreneurship presented and recommendations discussed in previous sub-chapters. Consolidated, they communicate action-oriented plan of regional key stakeholders.

The RISE consortium

The project is designed and implemented through a partnership among:

**Regional Youth Cooperation Office (RYCO)** – Intergovernmental organization that stewards and promotes regional, cross-border and intercultural cooperation within and among its six Western Balkan Contracting Parties (present in the WB6 region);

**GROUPE SOS Pulse** – GROUPE SOS’ structure is supporting entrepreneurship and the promotion of social and environmental innovations. Its network of incubators and experts is engaged in France as well as in the world at large – working alongside entrepreneurs, social and solidarity actors, companies and public and private organisations in the design and development of projects with a social impact.

**South East European Youth Network (SEEYN)** – The regional formal network of 22 youth organizations from 12 countries working on reconciliation, community development and economic empowerment of youth (present in the SEE region, including all WB6).
**L’Institut Français** – French public institution in charge of international cultural relations. Its action is at the crossroads of the artistic sectors, intellectual exchanges, cultural and social innovation, and linguistic cooperation. It supports, throughout the world, the promotion of the French language, the circulation of works, artists and ideas, and foster a better understanding of cultural issues.

**Franco German Youth Office** – Organization that supports youth exchange and youth projects between Germany and France in order to strengthen ties between German and French youth and to deepen their understanding about one another, as well as with expertise on cooperation with the youth organizations from the WB6 region (present in France, Germany and WB6);
2. METHODOLOGY

Social Business Initiative from 2011\(^1\) is the very first commitment of the EU in supporting development of social entrepreneurship. Aiming to create a favourable financial, administrative and legal environment, the European Commission paved the path for social enterprises to operate on equal grounds with other enterprises in the same sector.

According to the EU policy in this field, social enterprises are the following businesses:

- those for which social or societal objective of common good is the reason for the commercial activity, often in the form of a high-level social innovation,
- those where 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.

It is important to pinpoint that the EU definition neither focuses nor asserts work integration as a key element of social business. This is commonly misunderstood while the definition is transposed into the actions across the Western Balkans.

Methodology for assessing the ecosystem in the WB6 region was created based on the above-mentioned EU definition. The methodological approach used in the study included desk analysis, secondary data review, surveys, focus groups, consultations with social and young entrepreneurs, selected social business support structures, policy and decisions makers and interviews with experts in the field, some academic researchers.

Desk analysis included collection of secondary data based on available documents, reports, studies, strategies, etc., related to social and youth entrepreneurship in each Contracting Party (more than 100 relevant documents were consulted). Identification and analysis of relevant policies, laws, measures and finan-

\(^1\) \url{http://ec.europa.eu/growth/sectors/social-economy/enterprises_en}
Social instruments were conducted in order to provide information on legal, institutional and financial framework. The findings were used to give an overview of the size, potentials and limitations of the sectors, with a special focus on presenting the data in the most applicable manner possible. Desk analysis was finished mid-April 2020.

Three different types of surveys (structured questionnaires with 20+ open questions on the basic and key elements of social and youth entrepreneurship ecosystem, focusing more on non-financial and financial support programs) were used targeting public institutions (policy and decision makers), social business support organisations and young social entrepreneurs. Surveys were sent at the end of April 2020 to 35 public institution representatives, 59 (social business) support organisations and 55 young social entrepreneurs from the WB6 region. Those key stakeholders were mapped through the desk analysis and consultations with the RISE project partners and local structures. Response rate was satisfactory – survey was filled by 14 public institution representatives (40%), 9 (social business) support organisations (15%) and 13 young social entrepreneurs (24%) – the total average response rate was 26%.

Methodology also included interviews, again using the structured questionnaire, with key national experts within the social entrepreneurship sector, in order to provide feedback on previous efforts and specific needs for the sector development. Special gratitude goes to Juliana Hoxha, Nikica Kusinikova, Dina Rakin, Emir Kurtović, Anto Janković and Fatlum Gogiqi, the six experts from the WB6 Contracting Parties for supporting the process and providing valuable inputs during individual one-hour interviews. Once the specific WB6 Contracting Party research reports were drafted, experts were consulted again and their feedback was used in revision and updating of the reports. Interviews were organized at the end of April and during the first week of May 2020, while consultations were held mid-May 2020.

Online focus groups with young (social) entrepreneurs were organised during the first two weeks of May 2020, to further discuss specific needs and potentials for growth of young
(social) entrepreneurs. The discussion was facilitated around entrepreneur’s involvement in social entrepreneurship and ecosystem development and their experience in receiving business support. Total of 23 young (social) entrepreneurs participated in the focus groups – Albania (7), Bosnia and Herzegovina (3), Kosovo (1), Montenegro (2), North Macedonia (6) and Serbia (4).

In total, 65 key stakeholders from WB6 Contracting Parties participated in the research - Albania (13), Bosnia and Herzegovina (12), Kosovo (8), Montenegro (9), North Macedonia (12) and Serbia (11).

The aim of the research methodology used to design the Study and the Guidelines may be expressed through the following objective: Updating information related to the state of play in the social enterprise ecosystem (stakeholders, policies, funds and finance mechanisms).

**Expected outcomes related to the objective of the Study:**

- to update information about available public funds and programs that support social entrepreneurship and in particular youth social entrepreneurship;
- to update information about existing social business support structures in WB6;
- to map/update local or regional non-governmental programs that support social entrepreneurs and in particular youth social entrepreneurs;
- to map strategic efforts to engage youth in social entrepreneurship;
- to map formal education programs on social entrepreneurship;
- to outline public institutions’ work practices with youth (social) entrepreneurs.
Expected outcomes related to the objective of the Guidelines:

- to learn about youth engagement and outreach regarding the promotion of the possibility to become a social entrepreneur (what works and what does not work);
- to map the best communication strategies to motivate youth to engage in entrepreneurship programs;
- to learn which five things to not do when working with young entrepreneurs (18 – 35 years old) from the support structures’ perspective;
- to learn the five things that drive and motivate youth to engage in SE (from support structures’ perspective);
- to learn which five things to not do when working with young entrepreneurs (18 – 30 years old) from youth perspective;
- to learn which five things drive and motivate youth to engage in SE (from their perspective);
- to learn what makes young social entrepreneurs motivated to continuously engage with social business support structures and work on social enterprise growth.

National reports are structured in a reader-friendly manner, to present both the background information and the trends, as a baseline for specific recommendations presented in the relevant chapter of the study.

Limitations of the Methodology

Prior to beginning the research and during the course of it, we have identified the following limitations of the methodology:

- limited and fragmented data on social enterprises in the region;
- lack of systematic data on youth entrepreneurship;
- focus groups and interviews were held using online platforms instead organising events in the six Contracting Parties due to the COVID-19 pandemic.
Even though there was no needed specific and relevant secondary data on social and youth entrepreneurship in the WB6 region, the available information was sufficient to draft the baseline report which was used in the preparation of surveys, interviews and focus groups. Response rate for participation in surveys, interviews and focus groups was satisfactory. The only limitations should be used in the interpretation of data from the focus groups for Kosovo and Montenegro.

The Table below presents the sources of information also presented in the study, gathered from different stakeholder groups using various methodology tools on specific topics (grey cells indicate the topics discussed with a relevant stakeholder):

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### BASIC ELEMENTS OF SOCIAL AND YOUTH ENTREPRENEURSHIP ECOSYSTEM

- **Existing public policies that regulate social and youth entrepreneurship**
- **Legal definition of social entrepreneurship**
- **Key characteristics of social enterprise**
- **Stakeholders**
- **National (youth) social enterprise networks**
- **Existing non-financial support programs**
- **Existing financial support programs**
- **Support programs under development**
### ADDITIONAL DATA ON YOUTH (SOCIAL) ENTREPRENEURSHIP

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### COMPETENCIES FOR YOUTH (SOCIAL) ENTREPRENEURSHIP

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3. EXECUTIVE SUMMARY

The Regional Study and Guidelines on Social Entrepreneurship in the Western Balkans provides the most recent, most relevant, and concise information on the current state of the affair in social entrepreneurship, youth entrepreneurship and, through some of its elements, even on the broader social economy ecosystems in the WB6 region.

For more than a decade, we have been witnessing a slow development of key social entrepreneurship ecosystem elements – policy and legal framework, education systems, financial and non-financial support structures, networking initiatives, new social enterprise markets - without significant improvements. Tremendous efforts and a lot of energy was invested in the development of local, national and regional strategies, national and sub-national legislation, and such. Pioneer social enterprise initiatives were encouraged mostly by short-term grant-schemes, that usually provided just enough seed capital to invest in the basic equipment, without the provision of a long-term, systematic, tailored non-financial support in development of sustainable social enterprise business models and markets. While in the operation phase, social enterprises are often left without support, without a basic understanding from the general public, as well as from government and private support organisations. There are not many examples of direct finance support provided to the new and existing social business support organisations, in order to secure effective support mechanisms that can enable development of market-sustainable social enterprises, and even more importantly, national or regional social enterprise role models.

Although some might expect that better results were achieved in youth entrepreneurship in the Western Balkans - the situation is quite similar, at least when we are looking at the public support initiatives and approach. Reforms of the educational systems have been lasting for years – and they are still in the programming period. From the private side, some encouraging business and investment projects have started or are already providing sustainable results.

There is no WB6 Contracting Party that can serve as a role model or as example of good practice in youth and social entrepreneurship development. In all the Contracting Parties, social entrepre-
neurship is still in the early development stage. Most of the efforts and results come from private support organisations – these are mostly non-profits which started to develop social enterprise ventures years ago and provided support to the new young and social entrepreneurs from their communities and later scaled their support programs on national levels. Peer-to-peer support is developing also as a good networking and support model. It seems the social enterprise ecosystem, as well as (youth) social entrepreneurship would rapidly develop without government structures' involvement and through strengthening business support ecosystem.

**Existing Policy on Social and Youth Entrepreneurship:**

- 2/3 of the WB6 Contracting Parties have not agreed on the definition of social entrepreneurship, as well as on the specific legislation on social enterprise (each Contracting Party had at least one experience of drafting the specific law);

- each Contracting Party has at least one strategy that deals with the social and youth entrepreneurship development but most of them are not implemented in practice;

- none of the Contracting Parties has specific legal form for social enterprise; they mostly operate using legal form of association, cooperative or limited liability company (some Contracting Parties discuss using enterprises for employment of persons with disabilities (e.g. sheltered workshops) as a social enterprise legal form or status, which is not commonly agreed at the EU level).

**Existing Public Support Structures and Programs for Social and Youth Entrepreneurs:**

- there are specific programs of dedicated ministries, employment centres, development agencies, business centres and other government institutions on youth entrepreneurship, but none on social entrepreneurship;

- some of the active international organizations started with the development of specific programs on social enterprise, mainly covering ideation and incubation phases of business development – some of
the most developed WB regional programs are UNICEF Youth innovation lab / UPSHIFT programme, Junior Achievement and The EFSE Entrepreneurship Academy.

**Existing Private Support Structures and Programs for Social and Youth Entrepreneurs:**

- in each of the WB6 Contracting Parties, there are at least three national players which have designed and are implementing specific support programs for young and/or social entrepreneurs;

- all of them are providing different services to entrepreneurs - information, education, mentoring in all stages of business growth, networking; some of them also positioned themselves as think-tanks and research institutions;

- private support structures and programs are still fragile and non-sustainable without the financial support of third parties (which is short-term and conditional on different levels);

- regional project „EU-IMPACT-WB“ started with its implementation in 2018, aiming at promoting collaboration among CSOs, young and social entrepreneurs in the WB, to create new jobs and promote socio-economic reform issues.

**Existing Formal and Non-Formal Education Programs for Social and Youth Entrepreneurs:**

- entrepreneurship is introduced in all Contracting Parties in primary and secondary education programs but on the basic level and without specific focus on development of entrepreneurial mind-set, competencies and skills; hence, there are no success stories;

- some Contracting Parties already established or started with implementation of specific courses or programs in the tertiary education system;

- in each Contracting Party there are many non-formal educational opportunities provided by development international organizations or existing social/youth entrepreneurship support local structures - they record the best results.
Existing Public and Private Finance Markets for Social and Youth Entrepreneurs:

- mostly in available grants, as pre-seed and seed capital for start-ups, from national and international government and inter-government institutions, some of them are funding social and youth entrepreneurship projects in specific economic sectors;

- some private youth and social business support organizations started to develop debt, hybrid and equity instruments, still in the early stage of the development, still without specific results;

- even though in some WB6 Contracting Parties networks of business angels and other private investors are active in entrepreneurship development, there are still no solid programs or examples of social enterprise private investments.

Best Communication Strategies on Social and Youth Entrepreneurship:

- in most of the cases, general public doesn’t understand the concept and it is not so supportive to social entrepreneurship (not so supportive to the entrepreneurship itself);

- there are no strategic and specific awareness raising programs or actions, it seems Social Impact Award positioned itself as the most visible youth and social business support program.

Youth Entrepreneurs Driving / Motivation Factors:

- there is no WB6 Contracting Party that sends a strong message from the government/institutional level to potential young entrepreneurs that youth and social entrepreneurship are important economies, hence, most of the new entrepreneurs are not encouraged to start a business;

- mostly, the sense of freedom and independence motivates youth to start a business (not only financial motives), as well as an opportunity to make a change (e.g. social or environmental cause as a driver) and quite often it is the opportunity to learn and gain a valuable work experience.
4. SOCIAL AND YOUTH ENTREPRENEURSHIP IN THE WB6 REGION - STATE OF PLAY

Albania

BASIC ELEMENTS OF SOCIAL AND YOUTH ENTREPRENEURSHIP ECOSYSTEM

Population: 2,845,955 in January 2020 (INSTAT, 2020)
Population - youth (15-24 yrs. %): 21.4 % (INSTAT, 2019)

Main economic sectors: agriculture, food processing, lumber, oil, cement, chemicals, mining, basic metals, hydro power, tourism, textile industry, and petroleum extraction. The strongest sectors are energy, mining, metallurgy, agriculture, and tourism.

Unemployment rate: 11.2% (INSTAT, 2019)
Youth unemployment rate: 21.4% (INSTAT, 2019)
GDP per capita: 5,352.9 current US$ (WB, 2019)
GINI index: 33.2 (WB, 2017)
HDI: 0.791 (UNDP, 2018)
Existing Public Policies Regulating Social and Youth Entrepreneurship

Initial endeavours of the Ministry of Labour, Social Affairs and Equal Opportunities to draft a law on social entrepreneurship were taking place over the course of 2010. Six years later the Albanian government approved the Law No.65/2016 “Law on Social Enterprises in the Republic of Albania.” During those six years, the sector exerted consistent efforts to stop the initial draft-law, arguing it did not reflect the ecosystem actors’ needs. Similarly, the Ministry of Finance disagreed with the initial draft law because of the clause on reduced VAT for social enterprises. After the new draft law was publicly presented, a group of civil society organizations responded with a set of recommendations. Unfortunately, only a single recommendation, related to a particular legal form allowed to obtain the status of a social enterprise, was partly taken into consideration (the term “associations” was changed into “all non-profit organizations”). In conclusion, the Law was approved by the Parliament without the de facto consent of the SE sector. In 2016, the Law came into force, followed by several bylaws issued over a three-year period (Hoxha J., Haska E. 2019). For the moment, it is difficult to discuss the benefits ensured regarding financial incentives or any preferential treatment regarding public procurement. Practitioners expressed the visible benefits when the government provides social enterprises with more access to social procurement, as a mechanism for enhancing their financial sustainability.


Legal Definition of Social Entrepreneurship

Social entrepreneurship is perceived as an activity of for-profit organization (private company) with a social mission, while social enterprises are defined as non-profit organizations embedding
the social aim and providing social services, as well as employing persons from marginalized groups (Hoxha J., Haska E. 2019). According to public institutions, the approved Law regulates social enterprises, meaning that only non-profits can be registered under this Law.

Support Structures and SE Sector’s View on Public Opinion on Social Entrepreneurship

General public has started to understand and estimate the contribution of social enterprises to the improvement of their everyday life and wellbeing - the most supportive are youth. Interest in social enterprise seems to be increasing, as seen by interested parties.

Key Characteristics of Social Enterprise

Social enterprises registered as non-profit organisations mainly operate within social services such as therapies, psychological counselling, day-care centres for children and people with disabilities, vocational training and career counselling for youth, and soft skills training for children and youth (Hoxha J. 2018).

Based on their human resources and financial capacities, Albanian social enterprises may be considered as small entities. Main philanthropic sources come directly from local citizens, non-profit organisations and private entities (Hoxha J., Haska E. 2019). The majority of social enterprises receive in-kind support from businesses and donors for their workspace, equipment/machinery and computers.

Existing Social Enterprise Legal Forms and Statutes

According to the Law, only non-profit organizations providing goods and services in the sector of development of local communities and disadvantage areas, social services, promotion of health, education services, culture and cultural heritage, promotion of tourism, environmental protection, employment mediation, and youth employment are considered social enterprises. So far, only six non-profits in Albania got the social enterprise status. The Ministry of Health and Social Welfare allocated a fund of 322,500 euros (for 2020) to support the registered enterprises.
Number of Social Enterprises and Distribution by Legal Forms

Only six non-profits are recognized under the Law. There are some social enterprises registered as conventional businesses within the National Business Center. The key stakeholders believe such enterprises exist, and that their businesses are growing.

Non-profit organisations (associations, foundations and centers), 679 of them, undertake economic activity; however, the National Business Center does not provide any data on economic activity types. Among the total number of non-profit organisations, 319 have a license to offer social and educational services according to the National Business Centre register.

Besides that, Albania has 58 agricultural cooperatives with a total of 1,000 employees.

Albania has 160,624 small to medium-sized enterprises (SMEs), equivalent to 98.8% of its total number of enterprises (EC 2019). Despite the fact that the Law foresees the register for SEs, such register is not functional yet. No data about the number of social enterprises and other relevant, measurable data exists.

Main Economic Sectors

Social services such as therapies, psychological counselling, day-care centres for children and people with disabilities, vocational training and carrier counselling for youth, and soft skills training for children and youth are implemented by non-profits conducting economic activity.

Agricultural cooperatives are small organisations with an average of 10 to 14 members. According to INSTAT, agriculture constitutes the second largest social enterprise sector (INSTAT 2018).

Limited liability companies that operate as social enterprises engage in various activities including trade, crafts, food, ecological products, tourism, clothing/accessories, cultural events, day-care centres, and community services. The social aim of each limited liability company is directly related to the social mission of its parent non-profit organisation.
**Stakeholders**


**National (Youth) Social Enterprise Networks**

Yunus Social Business Balkans can be considered as a network operating in Albania and gathering (youth) social enterprises. Beside the YSBB, a social enterprise informal network created by various CSOs and public entities, is also existent. This network is created by an initiative of the Partners Albania and is composed by main actors in the youth field. Some of the social businesses supported by the Partners Albania project have established enterprises by using the confiscated properties and returning them into social enterprises such as Kinfolk Coffee in Durrës which has its own space. The project name is C.A.U.S.E – confiscated assets used for social experimentation projects. The partners of this network are active in different youth events, projects activities and social enterprise field.

**Existing Non-Financial Support Programs**

Officine-Entrepreneurship & Innovation Lab, Innovation Nest Tirana, Invest, Protic Albania, Albania, Yunus Social Business Balkans, VIS, Albanian Center for Development and Integration (CSD / ACDI), Center “Institute for Social Reform” (IRS), Italian Cooperation Agency, Albanian Innovation Foundation (AIF) – all of them provide knowledge on the national legal framework of social enterprising, step-by-step practical support, networking, promotion/visibility of the social business initiatives, etc.
Swisscontact - coaching for employment modules, training of young entrepreneurs/on-job training, role models, mentoring, peer-to-peer support.

The Albanian Community Assist (ACA) with Innoventer has an online platform and incubator for SMEs and social enterprises.

Partners Albania is working both on assessment and training, as well as coaching, and mentoring. They also support non-profits as entrepreneurs. There is an annual event for boosting cooperation among businesses and SEs, speed dating for providing bigger share in the market.

**Most Important Visibility Actions on Social and Youth Entrepreneurship**

The focus is on marginalized groups and social services. There is a lack of awareness among general population but also among stakeholders due to the lack of understanding. So far, the focus is narrow. Some of the examples of awareness raising activities are: UNDP - Self-Employment Programme for youth; Beyond Barriers Association Albania - Western Balkan Civil Society Organizations for Youth Employment Support; YEA (Young Entrepreneur Albania) - Young Entrepreneurship Albania Summit & Award 2016; SDC - Return Roses for a Sustainable Environment and Tourism; Centre for Competitiveness Promotion (CCP) - “Erasmus for Young Entrepreneurs Project in Albania”, National Resource Centre for Civil Society - The Academy for NGOs, Hapide Combinator and Ide të Gjelbërtà.

**Existing Financial Support Programs**

There are a few sources and types of financial instruments for social and young entrepreneurs: government funding, foreign aid for development projects and private funds.

Government funding is still undeveloped, as stated by support structures and stakeholders. Foreign aid for development projects is usually very structured and implemented through grants while private funds often lack structure. Moreover, there are some incentive schemes for cooperatives – special financial schemes for agriculture and tourism.
The Ministry of Culture and Ministry of Finances and Economy of Albania provide financial support to non-profits via public institution grant schemes. The National Lottery Fund, established through a special law in 2013, also supports non-profits.

The Agency for Support of Civil Society (ASCS) is the only government-funded body that supports NPOs through grants that draw on the Albanian budget.

Other public actors supporting the sector are Albanian-American Developing Fund, Excellence Fund for the Support of Excellent Students.

Sporadic financial support to new and existing entrepreneurs is also provided by the Ministry of Health and Social Protection, Ministry of Agriculture, Ministry of State for Entrepreneurship and some municipalities.

The Municipality of Tirana provides funds to young entrepreneurs between 18 and 35 years old by awarding grants for launching businesses or expanding the existing ones.

Non-profits primarily rely on grants from foreign donors as any financial support from the Albanian business sector is sporadic and restricted. Statistics from the latest monitoring report of philanthropic activity show that non-profits only received support from individual and corporate donors in 57 cases (Hoxha J. 2018). Sponsorship is the only type of recognised donation in Albania, which is regulated by the Law on Sponsorship.

Other financial players are Vodafone Albania, Besa Foundation, NOA Foundation, BALFIN Group, Tirana Business University, Yunus Social Business Balkans, Hapide Centre for Competitiveness Promotion (CCP), Partners Albania.

All banks in Albania serve SMEs to some degree and a few smaller banks such as First Investment Bank and International Commercial Bank exclusively lend to SMEs. Anyhow, banks in Albania do not lend money to start-ups (only if they possess collateral).

There are a few business angel networks operating in Albania, the main one being ALBAN, which connects investors to SMEs for investment and sharing of knowledge (Culkin N., Simmons R. 2018).
Social and Youth Entrepreneurs’ Funding Needs
Pre-seed and seed capital.

Support Programs Under Development
In 2019, the European Investment Bank (EIB) and the Alpha Bank Albania signed an agreement worth 25 million euros for the Albanian SMEs financing (limited available collateral which will be backed up by COSME guarantees), as a part of the EU’s Competitiveness of Small and Medium-Sized Enterprises Loan Guarantee Facility Program.

One stop shop service is launched by the WEB4JOBS digital platform for employment and mobility in the region. The platform is a unique product which introduces the job seeking, training, employment, education and mobility services in one place for the whole Western Balkans region for the first time.

Challenges for Social Business Support Structures
The biggest challenge is the awareness among key stakeholders and recognizing the value of social entrepreneurship. Taking into consideration gaps between the legislation and the enterprises’ needs, more support for advocacy efforts is needed. Also, mobilizing a wider number of actors to push the reform and promote the sector is of the utmost importance for the sector development. Other challenges include facilitating supportive mentorship and widening of the social business support network, creating diversity and new technology start-up enterprises, development of disadvantaged and/or distant areas, funding, the absence of business angels or investors. Most of the challenges correlate with the need for funding for the support structures, in order to continue to work on their and the capacities of other enterprises. Some of the challenges are also seen in the insufficient networking at the regional and EU levels.
ADDITIONAL DATA ON YOUTH (SOCIAL) ENTREPRENEURSHIP

Official Data on Key Characteristics of Youth (Social) Entrepreneurship

No data are available neither on the structure, type, and number, nor on the economic sectors of young (social) entrepreneurs.

Driving Force, Motivation of Young (Social) Entrepreneurs to Start a Business

Typically, a young person starting a business in Albania already has a family business background and/or strong entrepreneurship education. Young entrepreneurs see themselves as business actors with willingness to advance their business environment. Often, youth in the business sector, in the idea creation phase, are driven by a specific social mission or goals such as work integration of the unemployed and/or vulnerable people. Cooperation and partnership building with their counterparts by implementing new knowledge and technology is seen as one of the motivational factors to enter the market.

Other factors for motivation, especially in ideation phase are: passion for agriculture and farming, development projects, etc. Later on, youth are driven by ideas such as organization, financial sustainability, alternative/sustainable funding for social support projects, etc.

Young (Social) Entrepreneurs’ Needs to Succeed as Entrepreneurs

Young entrepreneurs stated the need for being a part of a well-established and free market. Among main needs for success, education (both formal and non-formal), professionally tailored trainings, capacity building and mentoring support are listed.

In the operation phase, there is a need for experienced and trained staff with specific skills and knowledge, depending on the indus-
Some of the skills are design, marketing, project management, finance management, business development, etc.

Resilience, leadership and managerial skills, flexibility and communication skills are seen as important skills/competences for youth. Positivity and problem-solving attitude are recognised as important factors for success.

Peer to peer support is perceived important in terms of knowledge sharing and mentorship.

**Key Challenges Young (Social) Entrepreneurs Face in the Start-Up Phase**

Some of the key obstacles and limitations for youth starting a business are unstable political and economic situation in Albania, obstacles and limitations created by the Law, complex administrative procedures, lack of education on entrepreneurship, inadequate access to professional support and mentorship, lack of business contacts among youth, lack of start-up capital, lack of support in their immediate surroundings, inadequate access to professional support and mentorship, limited duration of programs run by the governmental and non-governmental organizations, underdeveloped entrepreneurial culture and mind set, etc.

Young (social) entrepreneurs usually cannot have access to available commercial funding instruments, while at the same time, they face difficulties regarding administration and other bureaucracy related challenges. Business model creation and development is seen as one of the main challenges for youth.
INSPIRING PRACTICES

Te Xhoni Café was established in 2017, on World Down Syndrome Day, by Jonathan Center, a non-profit organization, registered in Tirana with the purpose of helping children with Down syndrome and autism etc. The café was created as a platform where children and young adults would attend life skills courses, a pleasant environment within the Jonathan Center where parents can wait for their children while they attend therapies and a place that would contribute to awareness raising on the potential of individuals with Down Syndrome.

YAPS Delivery and Cleaning Service started in 2001. Social enterprise is offering mail delivery services in Albania (today they provide nearly 100,000 deliveries per month with 40 couriers) and provides professional cleaning services for offices, public places, hotels, and residencies with more than 60 operators. Website: www.yaps.al
Bosnia and Herzegovina

BASIC ELEMENTS OF SOCIAL AND YOUTH ENTREPRENEURSHIP ECOSYSTEM

Population: 3.324 million (WB, 2018)
Population - youth (15 to 24 yrs., %): 16% (ILO)
Main economic sectors: services, industrial and manufacturing limited agricultural base
Unemployment rate: 18.4% (IMF, 2018)
Youth unemployment and inactivity rate: 34.9% (ILOSTAT, 2019)
GDP per capita: 6,073.3 current US$ (WB, 2019)
GINI index: 33 (WB, 2011)
HDI: 0.769 (UNDP, 2018)
Existing Public Policies Regulating Social and Youth Entrepreneurship

There is neither a specific policy nor legislation on social entrepreneurship; social entrepreneurship has gradually developed within the existing institutional and legal framework.

The importance of social entrepreneurship is recognised in the policy documents related to social inclusion, namely the Development Strategy of Bosnia and Herzegovina, and then reflected in the Social Inclusion Strategy, which stipulates that social entrepreneurship can play an important role in the employment and social integration of socially marginalized groups. BiH’s Social Inclusion Strategy presents a clear definition (but not legal recognition) of social entrepreneurship.

The Employment Strategy of the Republika Srpska 2016-2020, Strategy for Development of Small and Medium-Size Enterprises of the Republika Srpska, and the Draft Platform for Social Entrepreneurship have already been adopted in consultation with other relevant stakeholders and it provides a rationale for the development, promotion and support of social entrepreneurship. A similar platform has been drafted in the Federation of BiH, both developed by the Youth Employment Project (YEP).

The Ministry of Industry, Energy and Mining, the Ministry of Labour and the Ministry of Health and Social Affairs of the Republika Srpska have been assigned to create the legal framework for social enterprises. At the moment, the Law on Social Entrepreneurship is in the drafting phase.

Laws on professional rehabilitation, training and employment of PwD regulate the concept and criteria for the establishment and operation of specific companies for employment of PwDs. The Law also defines sheltered workshops as a part of the companies for employment of PwDs.

Legal Definition of Social Entrepreneurship

BiH’s Social Inclusion Strategy presents a definition of social entrepreneurship: “Social Entrepreneurship is an approach that aims to recognize social problems and uses entrepreneurial solutions to bring about social change”.

Support Structures and SE Sector’s View on Public Opinion on Social Entrepreneurship

General public doesn’t understand the concept and idea of social entrepreneurship but positively reacts to social enterprise activities.

Key Characteristics of Social Enterprise

Existing SE Legal Forms and Statutes

Since there is no legal regulation of SE, organisations and businesses operating in the mode which corresponds to the European concept of the SE, recognizing themselves as social enterprises, are operational through the following legal forms: associations; (agriculture) cooperatives, limited liability company or shareholder company and companies for employment of people with disabilities including sheltered companies.

Number of Social Enterprises and Distribution by Legal Forms

There is no systematic collection of data on the size of the sector. Available information is mostly based on the support organizations’ databases of beneficiaries and estimates of experts. The Study on the Social Enterprise Ecosystems in Croatia and the Western Balkans by NESsT estimated that the number of social enterprises in BiH is 31. Based on the interviews and existing studies, the consultant estimates that there are more organizations with potential to develop as SEs in the wider spectrum of social entrepreneurship in BiH (Rosandic A., Kusinikova N. 2018).

According to the information from the Capacity Building of Government Institutions for participation in policy dialogue with civil society (CBGI) there were 22,601 registered CSOs in 2016. Available data from 2011 indicates that around 23% of the surveyed associations reported to have income from mission- and
non-mission related economic activities. This percentage could indicate the number of potential SEs within the CSO sector.

In 2014, there were around 260 agricultural cooperatives in BiH, not all of them were active.

Companies for employment of people with disabilities including the sheltered workshops are another form within the wider spectrum of social entrepreneurship. In 2017, there were 75 active, out of which around 10 are sheltered workshops in the Federation of Bosnia and Herzegovina. There is no available information on the number of such entities in the Republika Srpska.

Main Economic Sectors

Existing social enterprises are engaged in multiple activities, from graphic design to agriculture, textile, information technology to the delivery of services to marginalised groups, preservation of traditional crafts, and manufacturing. Especially in the rural areas, agriculture is seen as a suitable sector for social integration of vulnerable groups and is explored by many social business initiatives.

Stakeholders

Public Institutions: Regional Cooperation Council (RCC), BiH Directorate for Economic Planning, Ministry of Energy and Mining, Chamber of Economy of Federation of Bosnia and Herzegovina, USAID, GIZ


National (Youth) Social Enterprise Networks

Lonac-pro (Mozaik Foundation) and Toastmasters Club.

Existing Non-Financial Support Programs

There is a fairly big number of programs, as many municipalities have programs that support entrepreneurship, as well as programs at the entity levels, but none of them support social business per se.
Sarajevo Regional Development Agency - SERDA, Zenica Development Agency - ZEDA, INTERA Technological Park, employment departments of municipalities are seen as most important public support structures for SE/YSE.

The Social Inclusion Foundation in BiH, the Centre for Development of Social Entrepreneurship “Globus” (CDP Globus), Association for Promotion of Controlling ICV with a focus on initiating reforms in the legal environment for social entrepreneurship through stakeholder dialogues are also present in the form of support providing organisation.

**Most Important Visibility Actions on Social and Youth Entrepreneurship**

Organisations such as Mozaik and Impakt Foundation occasionally have programs and activities advertised; Covideja2020.com by UNDP; all mentioned include youth.

**Existing Financial Support Programs**

The Investment Readiness Programme (IRP), launched in 2017, is run by Impact HUB Vienna, with the support of Mozaik Foundation, who has been providing tailored business support and investments for years, through Lonac.pro program. Spark has regional acceleration program.

**Support Programs Under Development**

There are no data on future programs.

**Challenges for Social Business Support Structures**

Social business support structures face numerous challenges. Some of them, as per representatives of those organisations, include limited government support, that is, financial and non-financial support programs, complicated political and business environment due to plurality of entities and related bureaucracy issues, such as unclear jurisdiction and procedures both for incubation and business operation phase.
ADDITIONAL DATA ON YOUTH (SOCIAL) ENTREPRENEURSHIP

Official Data on Key Characteristics of Youth (Social) Entrepreneurship

No data available neither on structure, type, and number nor on the economic sectors of young (social) entrepreneurs.

Driving Force, Motivation of Young (Social) Entrepreneurs to Start a Business

In 2012, the Global Entrepreneurship Monitor for BiH stated that youth start their businesses mostly out of necessity, as opposed to opportunity. When they do start a business, they learn as they go, from their own experience and relationships, and not from the education system. However, today’s driving force for youth is a sense of freedom, independence, self-reliance. Young generations want to make a change in the community and the environment. Drivers are learning opportunity, possibility to make a change, to be your own boss, and take care of yourself and the others.

Young (Social) Entrepreneurs’ Needs to Succeed as Entrepreneurs

Main challenges are related to funding (seed funding, investments in growth) due to the lack of financial mechanisms. Also, they need long term non-financial support in order to develop and scale their businesses since most of the donor funded programs are limited to specific timeframe.

Key Challenges Young (Social) Entrepreneurs Face in the Start-Up Phase

The overall entrepreneurial culture is non-supportive, hence young people fear to start a business, since there is no effective education programs on entrepreneurship in general.
INSPIRING PRACTICES

**Funky Guerrilla** is a pioneer social enterprise in Bosnia and Herzegovina, established by a grass root organization Most from Gradiška. This CSO is focused on sustainable community development through three key programs: children and youth at risk (daily centre), environment and social entrepreneurship. The social business was founded in 2014 and ever since has been designing, creating and distributing the Funky Guerrilla products in Bosnia and Herzegovina, as well as abroad. Significant development support was received through YEP program /Impakt foundation. Website: www.funkyguerrilla.com

Mozaik Foundation aims to identify, empower, and invest in young social entrepreneurs. It is building the **lonac.pro community** as a backbone of ecosystem that provides all ingredients for the success of a young entrepreneur: capital, mentorship, information, knowledge, and partners. Through the lonac.pro community it gathered over 35,000 members, supported 84 social businesses and 107 prototypes to encourage new generation of young entrepreneurs who provide for themselves and give back to community thus becoming role models to others in their generation. Website: www.lonac.pro
Kosovo

BASIC ELEMENTS OF SOCIAL AND YOUTH ENTREPRENEURSHIP ECOSYSTEM

Population: 1.845 million (WB, 2018)
Population - youth (%): 68% (WB, 2017)
Main economic sectors: Besides mining, service sector is an important employer while textile industry is among developed sectors.
Unemployment rate: 30.5% (KAS, 2017)
Youth unemployment rate: 52.4% (KAS, 2016)
GDP per capita: 4,417.5 current US$ (WB, 2019)
GINI index: 29 (WB, 2017)
HDI: 0.741 (UNDP, 2016)
Existing Public Policies Regulating Social and Youth Entrepreneurship

Development of social enterprises in Kosovo is seen as a way of the Ministry of Labour and Social Welfare to align with the European Union’s 2020 Strategy.

Kosovo Government adopted Law No. 06/L-022 on Social Enterprises in November 2018. Currently, the Ministry is in the improvement process of the secondary legislation (bylaws) of the social enterprise sector toward regulation approval on the registration of social enterprise entities in Kosovo.

Kosovo’s Law No. 03/L-145 on Empowerment and Participation of Youth was created to promote and reaffirm youth participation in decision-making processes. It serves as the basis for administrative instructions on the licensing of youth centres, youth engagement in voluntary work, and opportunities for the non-formal education of youth. Kosovo Strategy for Youth 2013–2017, and the one from 2019-2023 emphasizes these aspects, as well as other cross-sectoral issues relevant to youth, such as employment and entrepreneurship, education, health, human security, social integration, sports, culture, and recreation. Kosovo’s National Development Strategy 2016-2021 also includes support to youth entrepreneurship through fostering an environment conducive to innovation and competitiveness.

Strategy for Supporting Innovation and Entrepreneurship (2019-2023) demonstrates the efforts for improvement of institutional framework for innovation.

Legal Definition of Social Entrepreneurship

Law No. 06/L-022 on Social Enterprises defines social enterprise as “a legal person irrespective of the manner of its establishment, which contains social objectives in its charter, conducts economic activities, carries out production of goods and services in the general interest of society and integrates people from vulnerable working groups”.

Support Structures and SE Sector’s View on Public Opinion on Social Entrepreneurship

This concept is relatively new for wider public, still remains familiar only within non-profits.

Key Characteristics of Social Enterprise

Existing SE Legal Forms and Statutes

Any of the existing legal forms can be registered as social enterprise.

Number of Social Enterprises and Distribution by Legal Forms

LENS research mapped 26 organizations operating as social enterprises; most of the organizations (81%) operate within associations as programs designed to ensure financial self-sufficiency. This finding is consistent with the Ministry of Labour and Social Welfare’s apparent preference for transforming NGOs into social enterprises, rather than setting up independent businesses with a social mission. Research identified only a small number (4%) of organizations that had a clear business mind-set and were currently operating within the labour market as registered businesses.

Presently, there are two enterprises for rehabilitation of PwD established by an EU-funded project (implemented jointly by KMOP and Handicos CSOs), located in Ferizaj/Uroševac and Pristina.

Main Economic Sectors

No official data on economic sectors. Based on the focus group findings, ‘social enterprise’ CSO programs include production, packaging and training.

Stakeholders

Public Institutions: European Commission, Ministry of Labor and Social Welfare, Office for Youth - Ministry of Culture, Youth and Sports, Regional Vocational Training Centers, USAID Kosovo, AmCham Kosovo, Embassy of Sweden - Department of Social Services, German Chambers of Kosovo.

National Social Enterprise Networks

Social Enterprise Kosova (SEKA), ICK or Kosovo Innovation Center, Kosovar Social Enterprise Foundation (KSEF).

LENS has started an initiative to collaborate with local CSOs which support social enterprises. The communication and collaboration with these organizations is very good. However, there has not been any concrete networking project developed.

Existing Non-Financial Support Programs

The EU Office in Kosovo through different programs and calls for proposals prioritizes and supports social entrepreneurship initiatives.

UNDP supported the Ministry in drafting the Law on Social Enterprises and supported financially and technically the piloting and presentation of social entrepreneurship concept among local non-profits.

USAID supported the KSEF to implement the Advocacy for Regulation on the Registration procedures of social enterprises in Kosovo. KSEF supports the development of social entrepreneurship in Kosovo with the aim of alleviating poverty and unemployment for vulnerable groups through the provision of resources and expertise.

Also, USAID has a project called “Up to Youth”, devoted to working with youth in order to make them resilient to social or cultural extremism. Through the project’s objective two, “Up to Youth” supports social entrepreneurship initiatives coming from youth.

Lately, the Chamber of Commerce expressed the interest to support and promote social enterprise initiatives.
Most Important Visibility Actions on Social and Youth Entrepreneurship

Upshift – a very successful initiative implemented by UNICEF through the Innovations Lab Kosovo. The Lab works with adolescents and youth (14-24 years), with an emphasis on marginalized, vulnerable, and socially excluded groups (non-majority communities; rural communities; communities living in poverty; adolescents with disabilities).

The initiative is also present in four more WB Contracting Parties: Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia.

Existing Financial Support Programs

A big support to social entrepreneurship initiatives comes from the Ministry of Culture, Youth and Sports with their program of active labour measures.

Private sector offers support through Corporate Social Responsibility network (CSR network), a joint business initiative which currently includes 22 business organizations and aims to implement best CSR practices in compliance with the Global Compact Principles. One of the main donors of the network is the Raiffeisen Bank (Babovic M. et al. 2015).

Since 2016, LENS has supported social enterprises and social enterprise initiatives. LENS has been a part of different projects 2015-2018 YOUSEE!, 2017-2018 Helvetas Enhancing Youth Employment, 2019-2023 USAID – Up to Youth, where they support social enterprises.

Support Programs Under Development

No data about programs under development.

Challenges for Social Business Support Structures

Lack of awareness among youth and the overall community on the importance and benefits of social entrepreneurship are among the main challenges. Lack of coordination among individual initiatives is also one of the challenging bits, as well as lack
of national and local strategies and investments plans which promote private-public partnerships focused on social entrepreneurship initiatives.

Challenges related to formal registration and operation of social enterprises are also present.

**ADDITIONAL DATA ON YOUTH (SOCIAL) ENTREPRENEURSHIP**

**Official Data on Key Characteristics of Youth (Social) Entrepreneurship**
No official data available about main economic sectors of young entrepreneurs and their number.

**Driving Force, Motivation of Young (Social) Entrepreneurs to Start a Business**
Youth are more likely to find a job in any company (preferably in the public sector) rather than launching their own businesses. Chief driving force for youth may be found in their determination to create jobs and acquire professional experience.

**Young (Social) Entrepreneurs’ Needs to Succeed as Entrepreneurs**
Start-up financing, in-kind support, trainings and mentorship are listed as the most important needs for youth.

**Key Challenges Young (Social) Entrepreneurs Face in the Start-Up Phase**
Lack of business skill, finance, and management skills are identified as three main challenges.
INSPIRING PRACTICES

Team8 I.I.c. was established in 2018 by eight innovative young mechanical engineers. The first product delivered to the market was reusable air mask under the brand MaskMe (from January to May 2020, the enterprise sold 40,000 masks). The other brand is Te Pema, under which ten employees produced an outdoor seating space, the T Model, with a green wall that produces oxygen. Since the first prototype, the company has expanded product variety to five additional models and updated the model with automatic watering and smart features. This project is supported by UNICEF Innovations Lab Kosovo, Upshift and UP Technical Faculty. Overall Team8 has developed 15 products, finished 25 projects, and created two brands.
Montenegro

BASIC ELEMENTS OF SOCIAL AND YOUTH ENTREPRENEURSHIP ECOSYSTEM

Population - youth (15-24 yrs., %): 21,4% (MONSTAT, 2011)
Main economic sectors: tourism, construction and trade sectors
Unemployment rate: 15,78% (MONSTAT, 2019)
Youth unemployment rate: 29,71 (MONSTAT, 2019)
GDP per capita: 8,832.0 current US$ (WB, 2019)
GINI index: 39 (WB, 2015)
HDI: 0,816 (UNDP, 2019)
Existing Public Policies Regulating Social and Youth Entrepreneurship

There is no specific policy on social entrepreneurship. National Strategy for Employment and Human Resources Development 2016-2020 seeks to promote social inclusion and poverty reduction. One of the measures in the Strategy envisages the mapping of social enterprises as a prerequisite for policymaking in this area. The recently adopted Strategy for Improving the Enabling Environment for the Activities of Non-Governmental Organisations 2018-2020 foresees to strengthen the role of non-profits in the socio-economic development. However, it uses a restricted definition of social entrepreneurship. The most important and concrete step was adoption of the Strategy for Micro and SMEs in Montenegro 2018-2020; this Strategy identifies the “promotion of youth entrepreneurship, women entrepreneurship and social entrepreneurship” as one of the strategic goals to be pursued.

There is a lack of an overall legal framework identifying different types of social economy organisations. Civil society advocates for legislation on social enterprise.

Youth Strategy 2017-2021 provides measures and activities on youth entrepreneurship, while Strategy for Lifelong Entrepreneurial Learning 2020-2024 deals with the entrepreneurial education. Some strategic actions related to fostering youth entrepreneurship development are proposed also in Vocational Education Development Strategy 2015-2020.

Legal Definition of Social Entrepreneurship

There is no national definition. The EU definition is widely accepted among social economy actors.

Support Structures and the SE Sector’s View on Public Opinion on Social Entrepreneurship

Public is not well informed about the concept and its specifics. Generally, there is a positive attitude on social entrepreneurship. Lack of legislative framework, and primarily lack of role models makes the social entrepreneurship concept unclear.
Key Characteristics of Social Enterprise

Existing SE Legal Forms and Statutes

There are various legal forms enabling social enterprises to carry out activities (associations, foundations, cooperatives, “protective workshops” (it is a type of work integration social enterprise, acknowledged by the Law on Professional Rehabilitation and Employment of Persons with Disabilities), limited liability companies pursuing an explicit and primary social aim.

Number of Social Enterprises and Distribution by Legal Forms

There is no official data on number of SE. The only attempt to map social enterprise in Montenegro has been made by the Centre for the Development of NGOs (CRNVO) in 2016. They identified 19 social enterprises, 16 of which are still active. Other research study conducted by NESsT (2017) estimates that there are 20 to 30 social enterprises in Montenegro.

The latest research, part of the European social enterprise mapping process, estimated there could be 150 social enterprises: 130 associations and foundations, one work integration social enterprise, two cooperatives and up to 10 mainstream enterprises.

Main Economic Sectors

The production of souvenirs and other decorative items, garments, clothing items and promotional office supplies (Vukovic, Bulatovic 2016).

Stakeholders


National (Youth) Social Enterprise Networks

No such initiatives identified.

Existing Non-Financial Support Programs

Active Citizens Program, developed by the Fund for Active Citizenship - fAKT in partnership with the Rockefeller Brothers Fund, supports individuals, farms, small businesses and non-governmental organizations to develop innovative businesses ideas that are based on the principles of sustainable development.

There were some efforts to support start-ups and innovators through Business Center in Podgorica through the Office for Business Community Support.

At the University of Donja Gorica there is an “Entrepreneurial Nest” which is focused on the idea generation and support to students’ start-ups.

IEC Tehnopolis is currently implementing “BoostMeUp”, the first pre-acceleration program in Montenegro, aimed at innovators, early-stage development teams and entrepreneurs who intend to bring new and innovative products or services to the market. Program gathered ideas and teams of young people (less than 30 years old), some of them in the field of social entrepreneurship.

Union of Young Entrepreneurs of Montenegro is organising workshops and providing consultancy services and networking to its members as well as to youth in general.

Mtel Digital Factory has three support programs: start up academy, start-up activator and different thematic hackathon events.

The European Bank for Reconstruction and Development (EBRD) also provides business consulting services.
Most Important Visibility Actions on Social and Youth Entrepreneurship

Social Impact Award and other CEPS programs, Youth Entrepreneurship Academy and EFSE Entrepreneurship Academy.

Existing Financial Support Programs

Employment Agency of Montenegro provides different active (self-)employment measures; started providing grants in 2019 (up to 7.500 EUR) though the EU support.

The Fund for the Professional Rehabilitation and Employment of PwDs (annual budget 10 million EUR), cannot be fully absorbed due the lack of pro-active beneficiaries (discussions are taking place to reallocate overhead budget to employment support of other disadvantaged persons).

Ministry of Economy, Ministry of Science, Ministry of Culture, Ministry of Agriculture and Rural Development are all implementing grant schemes for different development projects.

Ministry of Agriculture and rural development and the Investment and Development Fund of Montenegro (IDF) offer different financial instruments.

Social Impact Award Montenegro is currently one of the most important CEPS business support programs, in previous years managed by Dokukino Foundation and Erste Bank. CEPS, in partnership with EFSE DF/Finance in Motion, developed incubation support to new social entrepreneurs.

MeBAN - The Montenegrin Business Angel Network is the only private organisation of angel investors, some with the interest financing social impact (mostly using equity investment).

There is a moderate funding gap for loans, driven by conservative lending practices of banks and the informal practices of borrowers. Most SMEs can get a loan, but the terms (regarding the amount, collateral requirements or maturity, for example) are not favourable and often not acceptable to the borrower. Although demand for leases and equity products is low, there is a notable gap relative to the size of demand due to the weak condition of
the leasing sector and due to the absence of formal institutions providing equity finance (Gattini L., Soljan D. 2016). Most micro and SMEs face challenges in access to funding from private sources. Commercial banks often offer debt instruments with still conservative lending practices.

**Support Programs Under Development**

Some efforts are announced by the government, through the implementation of Strategy for Micro and SMEs in Montenegro 2018-2020 and Youth Strategy 2017-2021.

**Challenges for Social Business Support Structures**

Many social entrepreneurship ideas and projects are supported through mainstream entrepreneurial support programs. Hence, there is lack of available funding to (social and youth) business support structures. Networking and collaboration among support organisations needs to be strengthened.

**ADDITIONAL DATA ON YOUTH (SOCIAL) ENTREPRENEURSHIP**

**Official Data on Key Characteristics of Youth (Social) Entrepreneurship**

Although certain progress has been achieved in the area of youth participation in the business sector in the last several years, youth entrepreneurship program in Montenegro is still in its early phase of development and needs strong sustainable commitment, assuring the development and efficient functioning of various youth participation mechanisms at the local, regional and national level. Recent data (2017) of the Ministry of Economy of Montenegro show that entrepreneurs, after all, do include young people –17.4% of entrepreneurs were young (under 35), and ownership structure of 24.7% of SMEs included young people (Karadžić V. et al. 2015).

Up to 60 entrepreneurs are members of the Union of Young Entrepreneurs of Montenegro.
Driving Force, Motivation of Young (Social) Entrepreneurs to Start a Business

According to young people in Montenegro, self-reliance, the opportunity to tackle certain environmental issues, social problems and needs, are the most obvious motivational factors for them.

Young (Social) Entrepreneurs’ Needs to Succeed as Entrepreneurs

They also need long term non-financial support in order to develop and scale their (social) businesses since most of the donor funded programs are limited to a specific timeframe.

Key Challenges Young (Social) Entrepreneurs Face in the Start-Up Phase

Main challenges are related to funding (seed funding, investments in growth, etc.) due to lack of financial mechanisms.

Lack of ideas and resources, as well as non-financial support for start-ups. Bureaucracy in terms of business start-up is also recognised as challenging for young entrepreneurs.

There is lack of role models, youth/ambassadors of social entrepreneurship/business angels.

INSPIRING PRACTICES

Seljak.me is first internet platform that provides fastest and most efficient way for farmers to sell their products, featuring the biggest offer of homemade products for customers. Seljak.me has more than 150,000 users per year. The portal has a blog with informational-educational articles that provide farmers with important information necessary to upgrade their knowledge and improve their production. The same team of five young people who created this platform also implemented a direct digitalization project in farm production installing devices such as calving sensor, GPS collars for cattle and bee sensors. Website: www.seljak.me
North Macedonia

BASIC ELEMENTS OF SOCIAL AND YOUTH ENTREPRENEURSHIP ECOSYSTEM

Population: 2.08 million people (MAKSTAT, 2019)

Population - youth (15-24 yrs., %): 12.7% (EACEA, 2020)

Main economic sectors: agriculture, mining, industry (chemical products, steel, machinery and textiles), tertiary sector (transport, telecommunications and energy production).

Unemployment rate: 17.9% (IMF, 2019)

Youth unemployment and inactivity rate: 39.1% (WB, 2019)

GDP per capita: 6,093.1 current US$ (WB, 2019)

GINI index: 34.2 (WB, 2017)

HDI: 0.759 (UNDP, 2018)
Existing Public Policies Regulating Social and Youth Entrepreneurship

The existing legal system does not recognize or regulate social enterprises, although in several laws and policies there are provisions that may contribute to supporting future development of social entrepreneurship.

There have been a few attempts to improve environment for social enterprises in the past. To do so, the Ministry of Labour and Social Policy released Draft Act on Social Entrepreneurship in 2015. The objective of this Act was to create a clear segment of regulation concerning social enterprises. According to the opinions of social entrepreneurs, the Act was very restrictive, especially in terms of the requirements and obligations envisaged for use of the special fund for employment of marginalised groups (EC 2020). After five versions of the Draft Act, the idea for regulation of social enterprises was withdrawn under the pressure of existing social enterprises.

Other relevant legislation documents include the Act on Employment of Persons with Disabilities and the Public Procurement Law. Municipalities play an important role in the social entrepreneurship sector, as they are typically the purchasers of products and services of those enterprises.

The National Strategy for Development of Social Enterprises in North Macedonia is in preparation.


North Macedonia is the first non-EU member bent on introducing a fully-fledged youth guarantee (YG).
Legal Definition of Social Entrepreneurship

Social enterprise and social entrepreneurship emerged in the third sector discourse during 2009-2010. The concept of “social enterprise” was introduced by the third sector to refer to the work integration social enterprises that evolved from associations providing work engagement for disadvantaged people and associations working on deinstitutionalization of persons with disabilities.

Stakeholders have not agreed on the definition of social enterprise yet.

Support Structures and SE Sector’s View on Public Opinion on Social Entrepreneurship

In public, the term social entrepreneurship is perceived more as charity. Majority of citizens are connecting social entrepreneurship to social inclusion.

Key Characteristics of Social Enterprise

Existing SE Legal Forms and Statutes

There is no specific legal form for social enterprises. Social enterprises can use different legal forms regulated by specific legal acts within the Macedonian regulatory framework, such as associations, sheltered workspaces, and cooperatives.

Number of Social Enterprises and Distribution by Legal Forms

There is no data showing the exact number of SEs. Ministry of Labour and Social Policies registered 89 associations and foundations as civil society associations active in social protection/services. However, the total income from public contracting is unknown. There are 40 social enterprises registered as associations. Based on this, one may conclude that the operational social enterprises registered as associations amount to nearly 130.

There are 411 registered sheltered workspaces. No data is available on the total number employed in the sector, or on the annual turnover of these entities.
According to the register of the Association of Agricultural Cooperatives, there are 39 registered agricultural cooperatives in total. No data is available on the total number employed in the sector, or on the annual turnover of these entities (EC 2020).

Main Economic Sectors

Associations operating as social enterprises cover services such as independent housing for persons with intellectual disabilities, day-care centers, care for elderly persons, SOS lines for victims of domestic violence, and a variety of education services explicitly targeting the needs of marginalised groups.

Usually, sheltered workspaces are production facilities, packaging factories, printing houses or facilities for recycling.

Cooperatives are active in the agriculture and other/social cooperatives (possibly two of them) in environmental and promotion of culture.

Stakeholders

Public Institutions: Ministry of Labour and Social Policy, Ministry of Economy, Employment Service Agency of North Macedonia, Agency for Promoting Entrepreneurship in North Macedonia, Fund for Innovation and Technology Development.


National (Youth) Social Enterprise Networks


Existing Non-Financial Support Programs

Agency for Promotion of Entrepreneurship (APERM) is implementing SME policies and other related projects/programs to support entrepreneurship, competitiveness and innovation. The

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² Present in all WB6 Contracting Parties.
website of APERM also serves as a resource for entrepreneurs.

In order to promote entrepreneurship among youth, the Agency of Youth and Sport started with the trainings for development of entrepreneurial spirit and business skills in the third quarter of 2018. In addition, the Agency started with the implementation of a set of measures that will motivate young people for greater inclusion.

Fund for Innovation and Technology Development provides mentorship and guidance in preparation of project proposals, consultancy and training to the beneficiaries, mostly in the areas of business planning, marketing, finance, access to new markets, protection of intellectual property, and others.

Existing social enterprises, such as the street paper “Face to face”, the therapeutic community Pokrov, and the second-hand shop Kopche are leading the development of the social enterprise practice within the non-profit sector.

Advocacy efforts are supported by a regional event, the “Social Innovators Conference.” This annual event increases awareness about social innovations among the young audience, provides space for public debate on the needs of the social enterprise sector, and provides an opportunity for social enterprises to promote their products and services.

**Most Important Visibility Actions on Social and Youth Entrepreneurship**

Some of the most visible actions are UNICEF North Macedonia and CEED HUB Skopje – UPSHIFT, FITD with Ministry of Environment and physical planning - The O2 challenge, FITD - OBROK ZA SITE / Meal for Everyone, Social Impact Award North Macedonia.

**Existing Financial Support Programs**

Grants are a predominant and most desired model among social and young entrepreneurs. Beside grants, some entrepreneurs are seeking loans.

Since the majority of the identified social enterprises are associa-
tions, most of them initiated their social enterprise activities with grant support from foreign donors and philanthropists. Therefore, grant funding remained the dominant source of income for social enterprises. The latest survey on “Fostering Social Entrepreneurship” indicates that the most represented sources of income for the particular group of social enterprises are Instrument for Pre-Accession (IPA) sources and donations from other international institutions (Varga E. 2017). Incomes generated from their economic activity represented a small percentage in their overall budget.

The Ministry of Labour and Social Policy cooperates with the Association of the Units of Local Self Government (ZELS) under the “Project for Improvement of Social Services”. One of the goals is to increase support for social protection and to enable employment of persons who would like to get involved in providing social services.

Since September 2015, North Macedonia participates in the Progress and Microfinance and Social Entrepreneurship Axes of the Employment and Social Innovation Programme (EaSI). This participation opens up opportunities to support the development of social enterprises, in particular by facilitating access to finance, as well as to increase the availability of microfinance for vulnerable individuals interested in setting up or developing their business and a micro-enterprise.

FITD in partnership with the Ministry of Labour and Social Policy, Ministry of Environment and Physical Planning, UNICEF, UNDP, USAID and some other players provide financial support that comes through support of specific projects related to social issues and/or implemented by social enterprises.

Business Impact Lab is continuously organizing Social Impact Award North Macedonia.

Investment programs are implemented by the Centre for Entrepreneurship and Executive Development (CEED) - a member of the European Venture Philanthropy Association.
Support Programs Under Development

Big public campaign is planned within the EU funded project Support to Social Enterprises led by Eptisa.

Challenges for Social Business Support Structures

The biggest challenge recognised is a lack of cooperation among organisations acting as support structures/intermediaries, lack of networking activities and funding, resulting in very fragmented knowledge and high dispersion of information and capacity building activities.

ADDITIONAL DATA ON YOUTH (SOCIAL) ENTREPRENEURSHIP

Official Data on Key Characteristics of Youth (Social) Entrepreneurship

Youth entrepreneurs are of the opinion that young people often lack energy and enthusiasm, and most importantly, the courage to bring ideas to light. As confirmed by several surveys, public administration is still preferred employment environment for young people. According to a survey from 2016, 57% of young people mostly want to work in the public administration, while only 20% would like to start their own business. Another comparative study suggested that in 2018, the percentage of respondents wishing to work in the public sector increased by 6%, while the percentage of those wishing to work in the private sector was reduced by 5% (Mojsovski A. 2019).

Driving Force, Motivation of Young (Social) Entrepreneurs to Start a Business

Young entrepreneurs’ motivation changes within the social context (market logic, monetary support, philanthropic actions) and is difficult to pin point without further serious research. However, new young entrepreneurs are typically driven by lucrative goals. They mostly have a strong desire to build financial independence,
seek opportunity to make money, utilize skill sets, and provide long-term financial security for family. Young people are much closer to business goals than to social mission (e.g. providing job opportunities for all vulnerable groups).

**Young (Social) Entrepreneurs’ Needs to Succeed as Entrepreneurs**

Lack of financial and business skills is the biggest challenge for young (social) entrepreneurs. Moreover, technical assistance and mentoring are needed as much as financial assistance and should be provided simultaneously.

**Key Challenges Young (Social) Entrepreneurs Face in the Start-Up Phase**

Among the most obvious challenges, finance, business model creation and development as well as bureaucracy are seen as the most burdening ones. Young people usually do not have access to commercial funding instruments while lack of knowledge about administrative requests is seen as challenging.

**INSPIRING PRACTICES**

**Business Impact Lab** runs couple of programs and projects dedicated to fostering social entrepreneurship and re-establishing cooperation with all relevant players. It creates a space for young people, potential social entrepreneurs and the early start ups to work on establishment of their future venture and to develop their potential. Currently, they operate from Skopje and are trying to strengthen and reshape the eco-system of social entrepreneurship in North Macedonia. Website [www.businessimpactlab.com](http://www.businessimpactlab.com)
Serbia

BASIC ELEMENTS OF SOCIAL AND YOUTH ENTREPRENEURSHIP ECOSYSTEM

Population: 6,982,604 (NSTAT, 2018)

Population – youth (15-24 yrs., %): 10,3% (NSTAT, 2019)

Main economic sectors: energy, automotive industry, machinery, mining, and agriculture. Primary industrial exports are automobiles, base metals, furniture, food processing, machinery, chemicals, sugar, tires, clothes, pharmaceuticals while trade plays a major role in Serbian economic output. The largest sector is the service sector, with 63.8% of GDP.

Unemployment rate: 10,4% (NSTAT, 2019)

Youth unemployment and inactivity rate: 27,5% and 70,4% (NSTAT, 2019)

GDP per capita: 7,402.4 current US$ (WB, 2019)

GINI index: 36,2 (WB, 2017)

HDI: 0,799 (UNDP, 2019)
Existing Public Policies Regulating Social and Youth Entrepreneurship

There is no policy document with a purpose to define and regulate social entrepreneurship. Social enterprises are mentioned in the Strategy for the Support of SMEs and Entrepreneurship (2015-2020). Specifically, Pillar 6 of the SME Strategy refers to development and promotion of entrepreneurial spirit and encouraging entrepreneurship of women, young people, as well as social entrepreneurship.

There is no legal act regulating social enterprises, despite the efforts of social enterprises to emphasize the need to define the sector in order to attract more investors and stakeholders in general.

Enterprises for Professional Rehabilitation (Work Integration Enterprises for people with disabilities) are the only legally recognized type of social enterprise. The Act on Professional Rehabilitation and Employment of Persons with Disability defines it as a form of employment and professional training for hard-to-employ persons. They can be public or private organisations. Their economic activity is regulated by the Act on Business Companies, but they receive significant government subsidies and have priority when competing for public tenders.

National Youth Strategy (2015-2025) and annual National Employment Action Plan are targeting basic (self)employment measures for youth.

Neither social enterprises nor young entrepreneurs are visible enough in strategic documents while the development process is not seen as inclusive among CSOs advocating for this topic.

Legal Definition of Social Entrepreneurship

Social enterprise is a relatively new phenomenon, it entails problem solving for social and labour activation of the members of vulnerable groups, as stated by experts and stakeholders. It has been developing over the last decade as a result of the international donors’ support in the context of the European integration but also through the reform of social protection systems.
and employment policies conducted by the Government of Serbia. Globally present definitions of social entrepreneurship are widely accepted among the civil society organizations, which is the main driving force for social enterprise promotion and development.

Support Structures and SE Sector’s View on Public Opinion on Social Entrepreneurship

The public does not have enough information to hold a proper opinion but is becoming more and more sensitive towards supporting social businesses. There is a growing interest in products but also a growing expectation in terms of quality.

Key Characteristics of Social Enterprise

Existing SE Legal Forms and Statutes

Associations and foundations, social cooperatives, enterprises for professional rehabilitation, spin-off enterprises (limited liability or joint-stock company).

Number of Social Enterprises and Distribution by Legal Forms

Approximately 500 social enterprises operate in Serbia, as presented in EC mapping study from 2018. This estimate uses the data obtained in 2012 with adjustments that exclude agricultural cooperatives since small farmers are generally no longer so organized. Therefore, counting agricultural cooperatives in the total number of SEs is no longer legitimate. When it comes to social cooperatives, only four of them have been included.

Coalition for Solidarity Economy Development CoSED is actively working on mapping SEs. Online database has been launched and it will be updated on a regular basis.

Main Economic Sectors

Majority of social enterprises generate income by service provision - 47.5% (social, health care, tourism, culture, etc.). This is followed by production with 32.5%, agriculture with 12.5% and education with 7.5% (Stankovic N, Stancic I. 2017).
Based on the mapping done by Smart Kolektiv in 2017, main economic sectors are: Economic Empowerment and Employment (65%), Social Protection (35%), Education (32.5%), Environment (39%), Local Economic Development (30%), Human Rights (25%), Culture and Art (20%), Volunteerism (20%), Healthcare (12.5%), Other (12.5%) and Philanthropy (5%).

Stakeholders

Public Institutions: Prime Minister Cabinet, The Public Policy Secretariat of Serbia; Ministry of Labour, Employment, Veterans and Social Affairs, SIPRU – Social Inclusion and Poverty Reduction Unit, Ministry of Finance, Ministry of Youth and Sports, Ministry of Economy, Office for Cooperation with Civil Society of Serbia, Serbian Development Agency, Chamber of Commerce, UNICEF and UNDP.


National Social Enterprise Networks

Social Economy Network Serbia (SENS) and CoSED. Razlivaliste, Social Impact Award Serbia, Junior Achievement Serbia (also present in WB6) are working within both youth and social sectors. Some thematic networks have the potential to boost the sector in the future (i.e. Iris Network).

Existing Non-Financial Support Programs

Ministry of Youth and Sports publishes annually a call for local self-governments which have already established a youth office, as well as for youth associations; funding for personal and professional development of young people through non-formal education, support for starting one’s own business, entrepreneurship (e.g. a call “Encouragement of Youth Employ-
ment”, 2015-2019). In 2016, the Government of Serbia launched a project “Year of Entrepreneurship”, while in 2017 they started another project called “Decade of Entrepreneurship”, offering a wide variety of different government-sponsored programs aimed at strengthening entrepreneurship. Beside national structures, GIZ YEP program, UN agencies and EBRD are also present as supporters.

Smart Kolektiv is supporting social entrepreneurs to access finance and is providing non-financial support. Responsible Business Forum and Academy of Business Skills are supporting young entrepreneurs through mentorship.

Other structures act on a narrower scope, usually targeting certain phases of development or topic - Social Impact Award Serbia, Junior Achievement Serbia, In Centar StartIn StartUp Program, Association of Business Women in Serbia, Serbian Chamber of Commerce, IDC, Trag Foundation and others.

**Most Important Visibility Actions on Social and Youth Entrepreneurship**

Social and youth entrepreneurship is not widely promoted. Some social enterprise crowdfunding campaigns can be used as an example of indirect promotion, as well as some project-based promotion (in 2019, there were several important events organized by Smart Kolektiv, GIZ Serbia, Social Impact Award Serbia).

**Existing Financial Support Programs**

Ministry for Youth and Sports, Ministry of Economy, Ministry of Labour, Employment, Veteran and Social Affairs, Ministry of Agriculture, local governments, Development Agency of Serbia, Development Fund of Serbia, Chamber of Commerce Serbia are providing grants and different debt instruments to new entrepreneurs. ACT program, financed through Swiss Agency for Development and Cooperation (SDC) will provide grants for networks and social innovations.

Smart Kolektiv (GIZ YEP Program, Social Impact Fund, etc.) and Erste bank (Step by Step Program) provide grants, debt and hybrid finance instruments for social and young entrepreneurs.
Trag Foundation in partnership with Balkan Green Foundation annually provides small grants for best green business ideas.

Unicredit Bank launched their Social Impact Banking Program in December 2019.

**Support Programs Under Development**

In June 2020, the European Investment Bank (EIB) and Unicredit Bank Serbia A.D. (UCBS) have signed the first €15 million tranche of an innovative €30 million impact finance loan to help Serbian small, medium and mid-cap companies to improve the social impact of their businesses in areas such as gender equality, youth employment and social inclusion.

**Challenges for Social Business Support Structures**

There is significant dispersion of knowledge and expertise, lack of mechanism for coordination and lack of support to the support organisations, which need that support in order to reach out to more social and young entrepreneurs and the public.

**ADDITIONAL DATA ON YOUTH (SOCIAL) ENTREPRENEURSHIP**

**Official Data on Key Characteristics of Youth (Social) Entrepreneurship**

No available data besides some qualitative information on ICT, using platforms for work and foreign client-oriented approach. There are no data available about the number and the main economic sectors of enterprises led by youth.

**Driving Force, Motivation of Young (Social) Entrepreneurs to Start a Business**

Based on research, interviews and focus groups held, there is one particular impression about youth - their potential to cre-
ate change. Most of them are motivated on a deep, individual level. Sometimes it is a family thing (person with disability in the family), sometimes it is a wider social cause (helping their home village/city, for example), but it is always connected to the cause. Young people, especially those previously involved in volunteering demonstrated higher awareness regarding ecology, social and other type of societal changes. They are often motivated by merging different skills and ICT tools to develop business models and innovation. However, young people that are planning to start their own business still fear business failure.

**Young (Social) Entrepreneurs’ Needs to Succeed as Entrepreneurs**

Following skills and competences are deemed necessary for young people to succeed as entrepreneurs: strategic planning, financial management skills, decision making skills, communication skills, innovation, resilience, optimism, proactivity, planning, social intelligence, self-confidence.

Young entrepreneurs want to be more altruistic, proactive and need more networking.

**Key Challenges Young (Social) Entrepreneurs Face in the Start-Up Phase**

Funding, combined with mentoring assistance and more supportive environment for employment policies aligned with the needs.

Lack of business knowledge, smart guidance and finance. For engaging youth, communication style, understanding of the social mission and values are one of the key challenges.

**INSPIRING PRACTICES**

**Vrtlari** is a family company, founded ten years ago as a small agricultural holding, producing tomatoes and peppers. Two years ago, they started working on production, expansion and processing of products from their plantations. They gave priority to the concept of traditional production with only one goal, to get
a healthy product, striving to preserve its taste, smell and colour. Vrtlari created network of agricultural farms that grows monthly and employ through the production and harvest season more than 500 people. Website: https://vrtlari.rs

**Razlivaliste** was founded in 2014 as non-profit association with the idea to create an encouraging surrounding for young people who want to take part in social entrepreneurship. Through its projects, this organization also aims to provide young adults with different skill sets that are greatly needed in the 21st century which unfortunately, were not taught through formal education. The most important programs are Social Impact Award Serbia (delivered in Serbia for the past six years) and Upshift Serbia. As a youth and social business support organisation, Razlivaliste works with many partners, e.g. Coca Cola Serbia, Western Balkan Fund, UNICEF, Erste bank, Serbian Chamber of Commerce. Website: https://razlivaliste.org
5. CONTRACTING PARTY BASED LEARNING POINTS

Albania

The Law on social enterprise does not give a clear definition of social enterprise. Only six non-profits got the status of a social enterprise in Albania. In practice, the Law does not envisage any support. Only the restrictions have been implemented so far, while fiscal measures are completely absent. Respondents of the research survey stated that the existing legislation/policy documents have weak or misleading impact on the national social finance ecosystem development.

Survey respondents stated that the level of development and availability of business development support structures should be improved.

Practitioners expressed the hope that benefits coming from the government will provide social enterprises with more access to social procurement so it would serve as a mechanism for enhancing their financial sustainability.

Social and youth entrepreneurship needs more support from the general public.

Bosnia and Herzegovina

There is no targeted legislation on social entrepreneurship in Bosnia and Herzegovina. Social enterprises and social entrepreneurship have gradually developed within the existing institutional and legal framework. The Law on Social Enterprise is drafted by institutions in the Republika Srpska and there is a new initiative in the District of Brčko.

Despite a positive economic outlook, the business environment in Bosnia and Herzegovina remains highly burdened. Widespread informal economy poses another burden on doing business in BiH both for young entrepreneurs as well as for data gathering and analyses. One of the additional vulnerabilities of the busi-
ness environment is the preferential status often granted to public-owned enterprises, disabling young people in their efforts to become successful entrepreneurs.

However, there are some positive changes regarding access to markets, such as that public procurement is more transparent (e-procurement). The lowest price is still the most common criteria, but quality, green standards, etc. are more and more taken into consideration. There were some examples where employment of disadvantaged persons was one of the criteria, again on the local/cantonal level.

**Kosovo**

Kosovo, similarly to the rest of the Western Balkan region, is at an early stage of development of social enterprises. Current state of play regarding the legislation and policy framework for social enterprises in Kosovo can be put in relation to the government’s efforts to align domestic framework with the European Union’s 2020 Strategy.

In general, there is little public knowledge on social entrepreneurship and the existing successful social enterprises, which also negatively affects the ability of social enterprises to be recognized as functional and viable forms of organization.

**Montenegro**

Lack of an overall legal framework identifying different types of social economy organisations, lack of enabling legislative framework, and primarily lack of role models, makes the social entrepreneurship concept unclear.

Strategy for Micro and SMEs in Montenegro 2018-2020 envisages, among other measures, the establishment and improvement of the institutional infrastructure necessary for social entrepreneurship development.

The National Strategy for Sustainable Development by 2030 recognizes the importance of developing green entrepreneurship for generating new employment and contributing to the devel-
opment of local communities or overcoming development inequalities. Opportunities for developing green entrepreneurship exist in the fields of energy, waste management, organic farming, ecotourism, recycling, eco-products and other. All mentioned fields have potential for youth activation and entrepreneurship.

**North Macedonia**

The existing legal system neither recognizes nor regulates social enterprises. The National Strategy for Development of Social Enterprises in North Macedonia is in preparation.

Majority of citizens are connecting social entrepreneurship with social inclusion.

Preferred employment environment for young people is still public administration.

Although formal education programs are still not developed, there are many non-formal educational opportunities for young people in term of entrepreneurship. Some support organisations provide tailored education and trainings to social entrepreneurs.

Grants are the predominant and the most desired model among social and young entrepreneurs.

**Serbia**

Actors in Serbia have been struggling to make progress in legislation development in the past period. The last working group on SE legislation development drafted the Law with the support of GIZ project “Youth Employment Promotion” and the SIPRU. Ex-ante analysis was conducted in the same period and with the SIPRU support. New employment framework is to be developed in the upcoming period and promotion of youth (social) entrepreneurship could be one of the topics.

Generally, cooperation with the public institutions is not on a satisfying level since most institutions lack knowledge and internal capacities.
The Western Balkans

Young social entrepreneurs in the Western Balkans face similar challenges while the space for further motivation, learning, activation in business, and promotion of social impact is significant.

Although, there is no WB6 Contracting Party that can serve as a role model or example of good practice in the domain of youth and social entrepreneurship development, the process of cultural and political approximation to the European Union has a major impact on the appearance and development of modern social enterprises in the Western Balkans.
PART 2: GUIDELINES ON (YOUTH) SOCIAL ENTREPRENEURSHIP IN WESTERN BALKANS

A support document with recommendations for CSO and policy makers based on what we have learnt from the Regional Study.
6. COMPETENCIES FOR YOUTH (SOCIAL) ENTREPRENEURSHIP

Albania

Competencies Gained Through Formal Education Programs

Social entrepreneurship programs are present in only one university in Tirana, Faculty of Social Sciences. Faculty of Economics (Public University of Tirana), Department of Management and Economics covers the topic social entrepreneurship in some classes, as well as “Aleksandër Moisiu” University of Durrës, “Ismail Qemali” University of Vlora “Fan S. Noli” University of Korça and Wisdom University, Tirana. Despite the fact that innovation features heavily in several public policies not only in the education field, entrepreneurship and commercialization of research results are not included in any of the university strategies. As a result, the topic is not high on the agenda of the academia, as stated by young entrepreneurs.

Competencies Gained Through Non-Formal Education Programs

Some private education institutions are developing start-up and social entrepreneurship programs (digital technologies, social services). Social business support organisations offer mentoring support and educational programs.

Key competencies from both formal and non-formal education that prepared social and young entrepreneurs properly for business start-up: teamwork, organizational skills, communication, trustworthiness and ethics, commercial awareness.
Young Social Entrepreneurs’ Need for Capacity Building and Competence Development

Young entrepreneurs need knowledge on business driving solutions, business model and plan development skills and financial/accountability skills.

Bosnia and Herzegovina

Competencies Gained Through Formal Education Programs

Social entrepreneurship in particular is not a subject covered within the formal education system. Steps to integration of entrepreneurial learning in the formal education system were initiated through the adoption of the Entrepreneurial Learning Strategy in 2012. Pilot exercises have been implemented in 13 schools and based on the evaluation could be rolled-out into the formal curricula.

Universities have not been very proactive in connecting students and curricula to the business community (Rosandic A., Kusinikova N. 2018). As a positive example, USAID supported a student entrepreneurship program in Sarajevo, Mostar and Banja Luka which provided cross-university cooperation in promotion of entrepreneurship.

Competencies Gained Through Non-Formal Education Programs

There is no continuous training available because the CSOs providing training do so on a project basis and often cease their activities once funding dries out. Mozaik Foundation does most of the social entrepreneurial non-formal education programs and they recently developed an e-learning platform and on-line community lonac.pro.

Key competences gained through both formal and non-formal programs are accounting and finance skills, pitching, business planning and analysis as well as the entrepreneurial spirit.
Young Social Entrepreneurs’ Need for Capacity Building and Competence Development

Young people need motivation, pitching skills, leadership skills, teamwork, problem solving attitude, communication skills, effective time management skills.

Business planning capability, knowledge about the industry, business analysis skills, management skills, finance basics, strategic thinking, efficiency, finance management, and networking are deemed necessary by the focus group participants.

Kosovo

Competencies Gained Through Formal Education Programs

There were no specific undertakings to include social entrepreneurship in the curricula of the primary and secondary education. While in the tertiary education, social entrepreneurship is elaborated under the field of economy, as one of potential business practices. At the European College of Kosova social entrepreneurship is included as a cross-topic in different curricula.

Young (social) entrepreneurs claim that formal education didn’t prepare them for business start-up.

Competencies Gained Through Non-Formal Education Programs

SPARK is an organization that promotes business start-ups in Kosovo. Their Business Start-Up Centre (BSCK) provides practical training to students and graduates on how to establish small and medium commercial enterprises.

UNICEF Innovations Lab Kosovo directly increased young entrepreneurs’ competencies - how to build an idea, identify the targets of the idea, how to build a budget plan, activity plan, reporting business taxes, etc.

Key competences gained through both formal and non-formal
education system are business idea development, marketing and communication, accounting and finance.

**Young Social Entrepreneurs’ Need for Capacity Building and Competence Development**

Three main fields are perceived as the most needed for capacity development of youth: accounting and administration, financial management and human resources.

**Montenegro**

**Competencies Gained Through Formal Education Programs**

There are no separate courses on social entrepreneurship at the Montenegrin faculties.

Entrepreneurial learning framework is quite positive, there are some formal programs (e.g. Faculty of Economics, some business schools have lectures on social enterprise) but there is a lack of practical learning modules for students.

Entrepreneurship program at the Faculty of Economics focuses mostly on youth.

**Competencies Gained Through Non-Formal Education Programs**

There are several organisations such as The Montenegrin American Youth Alumni Association (MAYAA), and the United Nations Development Programme (UNDP), which also organize a variety of presentations and workshops for students to pursue entrepreneurship.

Different non-formal educational programs and tools are seen in initiatives/projects funded through various EU instruments. One of them is CEPS's Academy of Youth Entrepreneurship.

Key competencies gained both through formal and non-formal pro-
programs are development of an idea, sustainability of the idea, development of a business plan, legislation, marketing and networking skills.

**Young Social Entrepreneurs’ Need for Capacity Building and Competence Development**

Young entrepreneurs miss some of the following skills: time management, ability to work under pressure and risk, marketing and sales, business analysis, business development.

Besides the above mentioned, marketing, communication, business analysis, human resources, and sales skills are deemed necessary for future competence development.

**North Macedonia**

**Competencies Gained Through Formal Education Programs**

In the primary education, adaptations in six subjects have been made, aiming to integrate entrepreneurship in the curricula. Entrepreneurship is included in Macedonian secondary education as a separate, compulsory subject. Curricula for the two compulsory subjects, “Business and Entrepreneurship” and “Innovations and Entrepreneurship” have been developed.

In terms of higher education, the subject of entrepreneurship is taught at many universities. Currently, there are two faculties in North Macedonia completely dedicated to educating young people in the field of entrepreneurship - Slavic University of Sveti Nikole, Faculty of Economics and Entrepreneurship Organization and University of Tourism and Management in Skopje. The UTMS Entrepreneurial Business School, through its Entrepreneurship Department, offers students to enrich their knowledge, skills and competencies, through various projects and participation in business meetings.³

Competencies Gained Through Non-Formal Education Programs

There are many non-formal educational opportunities for young people in terms of entrepreneurship. Some of them are implemented by civil society organisations.

Business Impact Lab provides social entrepreneurs with education, know-how exchange, mentors and experts.

Key competences gained through both formal and non-formal programs are management, marketing and communication, accounting and finance, business law, tax system.

Young Social Entrepreneurs’ Need for Capacity Building and Competence Development

Young social entrepreneurs lack a long-term mission and more competencies for business model development.

Serbia

Competences Gained Through Formal Education Programs

Education system is undergoing a slow reform. There are several initiatives and programs on (social) entrepreneurship (as extracurricular activity) already working with teachers through piloting programs but still without a structured and long-term approach. Entrepreneurial education is much more present in tertiary education.

Competencies Gained Through Non-Formal Education Programs

Social entrepreneurship is visible in schools through programs of AIESEC, Junior Achievement Serbia and other similar organizations.

Non-formal education was the key for building capacities and knowledge in the sector over the last decade. National Employment Service (NES) organizes a two-day training entitled
“The Road to a Successful Entrepreneur”. Local municipalities and their youth offices conduct similar development-oriented trainings. More recently, various hubs and business incubation organisations developed programs that cover the entire range of skills necessary to set up and run a successful business. This approach better suited needs of young than social entrepreneurs.

Key competences gained through both formal and non-formal programs are writing of business plans, preparing presentations, communication with partners, clients, etc.

Young Social Entrepreneurs’ Need for Capacity Building and Competence Development

Young entrepreneurs do not particularly see themselves as a part of some ecosystem or concept. They occasionally promote the concept of social entrepreneurship in their ecosystem through their client lists or round tables and similar events.

Business strategy development and financial management are perceived as two most needed competencies for young entrepreneurs.
7. RECOMMENDATIONS FOR POTENTIAL ACTIONS BASED ON LESSONS LEARNT

Albania

Policy and Legislation Framework
Law on SE should recognize other legal forms as social enterprises, not only NPOs (CSOs are advocating for a new legislation). All stakeholders should advocate for more inclusive legislation development process, higher role of ministry in charge of finance, creation and implementation of fiscal measures for SE support.

Awareness-Raising and Other Communication Strategies
Strategic awareness raising campaigns on the national level should be created and they need to include good practices to mobilize more people and stakeholders. If public procurement is to be developed as socially responsible, implementation of the “Buy Social” campaign is recommended.

Public and Private Education Programs
Survey respondents’ satisfaction with educational preparation for business start-up is rather low. Synergy should be created combining more tailor-made trainings on social entrepreneurship with knowledge from formal educational system on entrepreneurship.

Networks and Mutual Support
Bottom-up approach is recommended in the development of networks. Learning from the role models’ experiences and practices is seen as a mechanism with a potential to develop capacities and cooperation in this regard to create more support for existing/new SEs.

Social Enterprise Monitoring Systems
Social Enterprise Monitoring System Develop National Social Enterprise Monitor, either as public or private initiative. Yunus Social
Business Balkans and Partners Albania are among the main actors in the process of establishing social enterprise monitoring system, due to their capacities, role in the development of national social enterprise ecosystem and position in European social economy ecosystem. Among other supporters of such ecosystems there are also CBS, GIZ and Swisscontact.

Specific Recommendations for Support Structures and Intermediaries

Public and Private Support Programs
- Models of Youth Engagement in Social Entrepreneurship

Support structures and intermediary organisations should focus on the promotion of social and young entrepreneurs using role models and good practices. For reaching more people among the general public, positive examples should be used instead of numeric indicators. The public needs to hear success stories in order to be supportive in the long run.

It is important to point out that development of social enterprise is strictly related to the development of entrepreneurship on the national level. As entrepreneurship is still young, efforts from support structures/intermediaries should be concentrated mainly on building entrepreneurship as a wider term, impactisation of business models and further networking among impact investors, SE/YSEs, local and national structures.

Youth stated the need for more education, professional training, capacity building in sales training, impact leadership and managerial skills, communication as well as tailored-made mentorship. Support structures can contribute to capacity building of YSEs by creating more training and mentorship programs covering those fields/topics. All support programs need to be tailor-made, without replication of foreign or already existing non-validated business support models.

Public and Private Financing

Philanthropy and grants represent significant contribution to non-profits’ financial structure, it is also applicable to social enterprises. Moving from grants to first level investment instruments
- microloans, convertible grants is deemed necessary for sector development. Establishment of a guarantee fund for commercial and government loans could boost social and young entrepreneurs’ motivation and development.

**Bosnia and Herzegovina**

**Policy and Legislation Framework**

Legislative and policy framework needs to be developed on the national level. Recommendation is to follow the good example of the Republika Srpska. In parallel with the Law adoption, there should be efforts for development of by-laws and the supporting measures. It is important that legislation development includes adequate fiscal measures to support the growth of the sector.

**Awareness-Raising and Other Communication Strategies**

Lack of support from the general public is caused by lack of understanding of social economy.

More efforts should be put in creating entrepreneurial spirit among youth, existing businesses and non-profits, since most of the research respondents identified lack of entrepreneurial spirit among these actors.

Strategic awareness-raising campaigns/activities on the national level should promote role models as a driving force of the communication campaign.

Wording is very important to send adequate message (to avoid translating social as a “socijalno” and use the term “drustveno”) especially when targeting youth.

Since a more transparent and socially responsible public procurement has been developing in the last couple of years, implementation of the “Buy Social” campaign is recommended.

**Public and Private Education Programs**

The survey respondents’ satisfaction with educational preparation for business start-up is rather low. Synergy should be created combining more tailor-made non-profit trainings with knowledge from the formal educational system.
Networks and Mutual Support

No social enterprise network exists. There are some existing initiatives with the potential to grow into a social enterprise network. Further support to networks and/or intermediaries is needed, it should be recognized on the national and international levels.

Social Enterprise Monitoring Systems

Develop National Social Enterprise Monitor, either as a public or private initiative. Mozaik Foundation can assume the leading role in the process, due to their capacities, role in the development of national social enterprise ecosystem and the position in the European and global social economy ecosystem.

Specific Recommendations for Support Structures and Intermediaries

Public and Private Support Programs - Models of Youth Engagement in Social Entrepreneurship

Youth emphasised their need for more funding opportunities and long-term non-financial support i.e. peer-to-peer support in consulting, informing, mentoring, connecting, and networking among business support structures. More information-oriented activities are needed on the local and national levels from social business support organisations and relevant stakeholders. Networking activities should take place to boost creation and implementation of tailor-made support programs and peer-to-peer support.

So far developed structures should reach out to more capacity building from regional networking or the EU-based networks/activities.

Public and Private Financing

Overall, public funding to CSOs and social and young entrepreneurs has been assessed as insufficient, inadequate and to a large extent lacking transparency and accountability. Some good practices are identified in allocation of the resources and support coming from the level of the local self-governments. Continuation of building partnership between SE/YSEs on the local level should be promoted. It is important to secure a long-term financial support to business development support structures.
Social and young entrepreneurs involved in the research assessed their capacities in securing finance as 5 out of 10, the same as the level of development and availability of business development support structures.

Most SEs are young, financially and technically unprepared for sustainable growth initiatives. SEs need access to technical skills for strategic development, market orientation and branding, as well as investment planning (to become ready for investment). Grants and loans are seen as desirable financing models for SE/YSEs. Moving from grants to first level investment instruments - microloans, convertible grants is deemed necessary for the sector development.

**Kosovo**

**Policy and Legislation Framework**

Focus of the existing policy and legal documents on SE is on employment. Wider approach should be advocated by the key stakeholders.

**Awareness-Raising and Other Communication Strategies**

Awareness raising campaigns should be made for wider public, not limited only to youth and SEs as the main target group. There is a need to increase awareness also among the business community to boost the cooperation with newly established/existing SE/YSE initiatives.

There is a lack of awareness among youth and overall community on the importance and benefits of social entrepreneurship and the lack of coordination among individual business support initiatives. Communication and awareness raising actions targeting youth should be tailor made. Their scope of interest should be adjusted so that social economy becomes more attractive to youth, while young people should become more comfortable implementing actions with social mission.

**Public and Private Education Programs**

Key challenges young (social) entrepreneurs face in the start-up phase are lack of business and management skills. Furthermore, it should be invested in more tailored capacity building (education and training) and mentoring schemes among existing and potential (social) entrepreneurs in Kosovo.
Networks and Mutual Support

No social enterprise network exists. There are some existing networking projects with the potential to grow to social enterprise network. More relevant actors already existing should be motivated to boost networking activities in the future period and build foundation for further sector development.

Social Enterprise Monitoring Systems

Develop National Social Enterprise Monitor, either as a public or private initiative. LENS can assume the leading role in the process, due to their capacities and role in the development of national social enterprise ecosystem.

Specific Recommendations for Support Structures and Intermediaries

Public and Private Support Programs
- Models of Youth Engagement in Social Entrepreneurship

It seems very important to stimulate critical and innovative thinking among youth in identifying solutions to the pressing social problems and support them in framing their ideas into interventions. An important aspect to be considered is motivation of young entrepreneurs to engage as social actors in business world.

The survey respondents stated that level of development and availability of business development support structures should be improved. Both the work on internal capacities and the sector promotion is expected from support structures/intermediaries.

Essential soft skills required to succeed as a young entrepreneur are teamwork, leadership, business mind-set. This set of skills should be targeted by support structures and intermediaries.

Public and Private Financing

Young entrepreneurs' needs are mostly start-up financing. It should be complemented with in-kind support, training and mentorship.
Existing public institutions should tailor their grant schemes for SE development.

Moving from grants to first level investment instruments - microloans, convertible grants is deemed necessary for sector development.

**Montenegro**

**Policy and Legislation Framework**

Creation of framework laws raises visibility and recognition of the topic and existing entities; policy makers should take an active role in creating the framework which will, among other benefits, bring more funders for SE.

Civil society organisations should continue to advocate for new legislation on social enterprises based on the practices and lessons learned.

**Awareness-Raising and Other Communication Strategies**

Development and implementation of national promotional campaign and national SE award could bring more support for SE/YSEs. Policy makers and intermediaries can also support raising awareness activities in terms of explaining benefits coming from SE/YSEs to the public and other stakeholders in general.

Since public procurement legislation is already transposed from the European level, there is a huge potential for the development of socially responsible public procurement. Implementation of the “Buy Social” campaign is recommended.

**Networks and Mutual Support**

There is no national SE network. Support to the establishment of a national social enterprise network (with its SE definition and developed criteria in place) and its promotion and participation in important development processes at the national and European levels would be beneficial for the overall sector development.

**Public and Private Education Programs**

Engagement of youth in entrepreneurship in general is not high due to the traditional educational system and lack of entrepre-
neural spirit among the (young) population. Long term education reform is needed to boost the development of a new entrepreneurial generation.

Social Enterprise Monitoring Systems

Develop National Social Enterprise Monitor, as a public or private initiative. CEPS could assume the leading role in the process, due to their capacities and role in the development of national social enterprise ecosystem, as well as their position in the international context.

Specific Recommendations for Support Structures and Intermediaries

Public and Private Support Programs - Models of Youth Engagement in Social Entrepreneurship

Key challenges young (social) entrepreneurs face in the start-up phase are lack of ideas and resources, as well as non-financial support for start-ups, bureaucracy.

There is a lack of role models, youth/social entrepreneurship ambassadors/business angels.

The survey respondents stated that the level of development and availability of business development support structures should be improved.

Continuous non-financial and financial support to the existing and new social enterprises and support organisations is needed, as well as support to the development of tailored training programmes, consultancy and mentorship (voucher schemes).

A tailor-made approach in design of support programs is needed. Focus on the role models, successful social enterprise ventures, not on numbers. More tailored training and mentorship support from local structures is a must. More focus on the development of impact business models is needed. Impactisation, further strengthening of existing mainstream business support structures to support social entrepreneurs could be a good development path. Support for intermediaries and networking initiatives is highly needed.
Public and Private Financing

Redesign of active labour market programs is needed: (self-)employment measures need to be accompanied with mentorship voucher schemes.

Development of grant schemes for SEs business development, for social business support organisations and for establishment of a national SE network could be implemented within IPA II program. Moving from grants to the first level investment instruments - microloans, convertible grants is deemed necessary for sector development.

Since MeBAN, EFSE DF / Finance in Motion and some other network/intermediary/financing institutions are becoming more active in the development of finance support to social enterprises, establishment of a National Advisory Board on Impact Investing as a policy group could be a significant step forward.

North Macedonia

Policy and Legislation Framework

To continue the work on policy/legislation framework development to foster and accelerate favourable conditions for SE/YSE growth in relation to national specific conditions and potentials. Progress in policy development is expected during the following period and it is crucial to involve a wider network of stakeholders.

Awareness-Raising and Other Communication Strategies

There is no comprehensive campaign implemented so far, SEs mission and business are often seen as charity among population, the support is still on that level. Big public campaign is planned within the EU funded project “Support to Social Enterprises” led by Eptisa.

Public and Private Education Programs

Based on the findings and interviews, young entrepreneurs lack social mission in their business endeavours. Networking and partnership with non-profits and impact investors can be beneficial. So far, (young) entrepreneurs had benefited from informal education, training and mentoring support provided by non-profits. The work on the development and provision of tailor-made programs should be continued.
Networks and Mutual Support

National Social Enterprises Network is already established and needs further financial and non-financial support. Among CSOs, networking activities are missing in order to gather more (relevant) people around a unified idea. Instead, mixed signals are sent to the institutions and the public.

Social Enterprise Monitoring Systems

Develop National Social Enterprise Monitor. The Sustainable Development Centre (SDC) or Business Impact Lab can assume the leading role in the process, due to their capacities and role in the development of the national social enterprise ecosystem. SDC recently launched the Social Entrepreneurship Observatory project.

Specific Recommendations for Support Structures and Intermediaries

Public and Private Support Programs - Models of Youth Engagement in Social Entrepreneurship

Young entrepreneurs need both financial and non-financial support. The technical assistance for national/local structures and mentoring for SE/YSEs are needed as much as the financial assistance and should be provided simultaneously.

Key challenges young (social) entrepreneurs face in the start-up phase are lack of finance, recognition/acceptance, and extensive bureaucracy. Young people are much closer to the business goals than to a social mission (e.g. providing job opportunities for all vulnerable groups). SE/YSEs need support in impact business model development and reaching sustainability through the access to markets.

Public and Private Financing

Financial support to social business support organisations is missing and it should be secured by the government or the impact investors community.

Moving from grants to the first level investment instruments - micro-loans, convertible grants is deemed necessary for sector development.
Serbia

Actors in Serbia were struggling to make progress in the legislation development in the last period. The last working group on SE legislation development drafted the Law with the support of GIZ project “Youth Employment Promotion” and SIPRU. Ex-ante analysis was conducted in the same period and with the SIPRU support. In the upcoming period, new employment framework is to be developed and promotion of youth (social) entrepreneurship could be one of the topics.

Generally, cooperation with the public institutions is not on a satisfying level since most of them lack knowledge and internal capacities.

Policy and Legislation Framework

The sector needs a definition, legislation or a policy document, in order to attract more people and investors around the idea. The greatest potential for cooperation in the field of social services provision is between local governments and social enterprises and NPOs - meaning support organizations and intermediaries. CoSED demonstrated the potential to boost the cooperation among key stakeholders.

Associations are key players for future development, as they represent the core of the small but dynamic sector towards which policies and institutional solutions should be addressed.

Awareness-Raising and Other Communication Strategies

Additional activities and efforts should be made for social entrepreneurship to be visible and publicly recognizable. The same goes for the activities of these economic entities. Public support is positive, but much more can be done to identify and promote good examples and successful cooperation with public or private sector. In general, overall communication strategy could be useful especially on the local level. “Buy Social” campaign is already discussed among stakeholders as a good model of SE promotion and positioning.

Public and Private Education Programs

There is a lack of entrepreneurial spirit among the general population. Some of the respondents explained it as a consequence of a tra-
ditional educational system in Serbia. Informal education promotes entrepreneurial spirit among (young) social entrepreneurs but long-term tailor-made support is needed. Support structures should develop and implement more tailored programs for SE/YSEs.

**Networks and Mutual Support**

SENS is gathering around 40 SEs while CoSED is acting as a support organisation promoting the sector and advocating for more institutional support. Both structures could benefit from the support from grants/donations for advocacy, promotion and capacity building activities.

**Social Enterprise Monitoring Systems**

Lack of systematic data on the number, types and structures of SEs is evident. CoSED demonstrated capacity and should be supported to continue with data collection and promotion. Hence, they can have a leading role in the development of a National Social Enterprise Monitor.

**Specific Recommendations for Support Structures and Intermediaries**

**Public and Private Support Programs**

- **Models of Youth Engagement in Social Entrepreneurship**

Training and mentorship for developing services and products, organizational development, finance management and developing tools for measuring the impact is deemed necessary for SE/YSE development in different stages of maturity.

Community building, mentorship from peers, different finance opportunities are all seen as necessary for boosting sector development, as stated by experts and public institution representatives involved in the research.

**Public and Private Financing**

Lack of public funds for social and youth entrepreneurship development is evident. More efforts should be put in the promotion of impact investing, attracting impact investors and building partnership among the public and private sector in developing stimulative and social finance instruments that can boost sector growth.
Moving from grants to the first level investment instruments - microloans, convertible grants is deemed necessary for sector development, like the recent Smart Kolektiv initiative - Social Impact Fund.

Since Smart Kolektiv, Erste bank, EFSE DF / Finance in Motion and some other network/intermediary/financing institutions are becoming more active in the development of finance support to social enterprises, establishment of a National Advisory Board on Impact Investing as a policy group could be a significant step forward in the development of enabling impact investment ecosystem.

The Western Balkans

Regional Study on Social Entrepreneurship in the Western Balkans supports the efforts of the RISE project to open new spaces of reconciliation for the youth of the Western Balkans through a regional program supporting social entrepreneurship. The Study is promoting the potential for cooperation among local structures and recognition of social entrepreneurship as an innovative solution for youth and their communities.

Young social entrepreneurs in the Western Balkans face similar challenges while the space for further motivation, learning, activation in business, and promotion of social impact is significant.

Although, there is no WB6 Contracting Party that can serve as a role model or an example of good practice in youth and social entrepreneurship development, the process of cultural and political approximation to the European Union has a major impact on the appearance and development of modern social enterprises in the Western Balkans.

Policy and Legislation Framework

All stakeholders should advocate for a more inclusive legislation development process in order to create a more enabling environment for social enterprise development.

Continue the work on policy and/or legislation framework development to foster and accelerate favourable conditions for young and social entrepreneurs’ growth in relation to national specific conditions and potentials.
**Awareness-Raising and Other Communication Strategies**

National level strategic awareness-raising campaigns/activities should promote role models as a driving force of communication campaign - raise awareness and visibility of social enterprises with a special focus on wording, role models and good practices;

National Social Enterprise Awards could bring more support for SE/YSE.

In some WB6 Contracting Parties, there is significant socially responsible public procurement development potential, followed by the implementation of the “Buy Social” or similar campaigns.

**Public and Private Education Programs**

Formal education needs immediate reform to support entrepreneurial learning and to boost the development of new entrepreneurial generation;

Grants and investments need to be focused on initiatives and programs that build youth entrepreneurial competencies and skills.

Synergy should be created combining more tailor-made non-formal trainings with knowledge from formal educational system.

Skills that breed entrepreneurial behaviour need to be developed and promoted within the formal and non-formal education systems.

**Networks and Mutual Support**

Social enterprise network development should be highly supported. Bottom-up approach is recommended in the development of networks. Peer to peer learning is seen as a mechanism with a good potential to develop capacities and cooperation;

Foster regional cooperation among support and/or umbrella organisations, SE networks, etc. Capacity building through participation in the EU-based networks, exchange of experience and learning.

Erasmus for Young Entrepreneurs, an international exchange programme that provides new or potential entrepreneurs with an
opportunity to learn from experienced entrepreneurs is available in Serbia, Bosnia and Herzegovina, North Macedonia and Montenegro, and it should be more promoted and visible.

**Social Enterprise Monitoring Systems**

Develop National Social Enterprise Monitor. Collaboration with similar European initiatives and projects such as the newly developed Social Entrepreneurship Observatory in North Macedonia.

**Public and Private Support Programs**

- **Models of Youth Engagement in Social Entrepreneurship**

Continuous non-financial and financial support to the existing and new social enterprises and support organisations is needed, as well as the support to the development of tailored training programs, consultancy and mentorship (voucher schemes).

Support structures and intermediary organisations should focus on support and promotion of social and young entrepreneurs using role models and good practices. All support programs (trainings, mentorship, etc.) need to be tailor-made, without replication of foreign or already existing non-validated business support models;

More focus on the development of impact business models is needed.

Peer-to-peer support in consulting, informing, mentoring, connecting, and networking should be encouraged within support programs portfolio;

Essential soft and hard entrepreneurial skills should be targeted by support structures and intermediaries.

It is important to secure long-term financial support for business development support structures; it should be secured by government or impact investors community;

Both the work on internal capacities and sector promotion is expected from the support structures/intermediaries.

Impactisation, further strengthening of the existing mainstream business support structures for social entrepreneurs could be a good development path.
Public and Private Financing

Impact investing is still neither recognised nor promoted from the national level(s). Motivating and involving more both mainstream funders and impact investors is crucial.

Moving from grants to the first level investment instruments - microloans, convertible grants is deemed necessary for sector development. Establishment of guarantee fund for commercial and government loans could boost social and young entrepreneurs’ motivation and development.

The Regional Study and Guidelines on Social Entrepreneurship in the Western Balkans provides an overview of the sectors’ impediments and the potential for growth of social and youth entrepreneurs in WB6 Contracting Parties. The authors devoted their attention to present the sectors’ needs in the form of pragmatic actions for all key stakeholders to consider. The idea was to prove the potential for improvement as well as assert a possible synergy among legislation, education, promotion, and efforts of the support structures and networks, the funding mechanisms and the impact on the society as a whole.
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