

Research on Social Economy among youth in WB and EU:
HARVESTING BEST PRACTICES AND DRAFTING RECOMMENDATIONS

Supporting Youth Social Entrepreneurship in the Western Balkans and Europe



Co-funded by the
Erasmus+ Programme
of the European Union



WB SEA

Western Balkans Youth Social Economy Alliance

PROJECT: Western Balkans Youth Social Economy Alliance

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YEAR: 2021



Co-funded by the
Erasmus+ Programme
of the European Union

The European Commission's support for the production of this publication does not constitute an endorsement of the contents, which reflect the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

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INTRODUCTION

This Youth Social Entrepreneurship research study forms part of the Western Balkans Youth Social Economy Alliance (WB SEA) project.

One aim of this document is to look at the social economy landscape, and the role of young people in it, at the European level and in the six Western Balkans countries. Secondly it aims to identify the emerging trends in the social economy in Europe, and how the Western Balkan region can capitalise on them and, by multiplying, create its own model that is relevant to its context.

The report looks into the opportunities open to social economy and how economic activity can be carried out among the youth community and the youth voluntary and social enterprise sectors across the Western Balkan countries and the EU. The ultimate goal is to stimulate more young people to start and develop social businesses, and to make sure that they have access to appropriate help and support at each stage of their entrepreneurial path.

Diesis Network is responsible for the production of this deliverable, with the support of all the partners in the project: Partners Albania (Albania), CDP Globus (Bosnia and Herzegovina), COSV (Italy), Lens (Kosovo^{*1}), ADP-Zid (Montenegro), Mladiinfo (North Macedonia) and Young Ambassadors (Serbia).

This document is divided in two main parts: the country-by-country analysis of the Western Balkan countries and the European social economy landscape. For each country we focus on the following points:

1. Background research on the economic and social situation of the country, the social economy landscape and the role of young people in it;
2. Support services available to young entrepreneurs: showcasing key activities and good practices;
3. Mapping of key stakeholders in youth social entrepreneurship;
4. Understanding of the needs and opportunities for youth getting started in the social entrepreneurship world;

^{1*}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.

Finally, the conclusions draw out the challenges, needs and trends identified in the Western Balkan region in the field of youth social entrepreneurship and lead to recommendations inspired by the country models in terms of the right tools, programmes and support to meet the needs of youth in the Western Balkan countries, so they can, eventually, contribute their utmost to the development and the success of their social businesses.

A strong accent has been put on the model EU country, Italy, using input produced by COSV (Coordinamento delle Organizzazioni per il Servizio Volontario). COSV has put forward the growth of the circular economy which at the same time shows a remarkable growth in Europe and over all may be perceived as a new trend across Europe. Circular economy promotes innovative and more efficient ways of producing and consuming, and businesses and consumers in the Western Balkans should be encouraged to adopt them. Given that the Western Balkans is one of the regions in Europe most heavily impacted by climate change and it will not change in the nearest future, the actions contributing to the Green Agenda for the Western Balkans under the Economic and Investment Plan for the Western Balkans are key enablers of climate neutrality.

The circular economy is one of the pillars of the Green Agenda, which certainly can drive the region to look for options to reduce its consumption footprint and increase the circular material use rate, which in turn will boost economic growth².

About the project

The aim of the WB SEA project is the creation of a favourable environment for incorporating the socialeconomy in youth polices and youth work practices in the WB region, while fostering networking and thematic cooperation.

The alliance seeks to reach its project goal through the following objectives:

1. Depict the social economy as a brain-gain catalyst in the Western Balkans, thus building the capacity of youth organisations in the WB region to embed social economy in their strategic planning and positioning and to develop social economy programmes and advocacy initiatives;
2. Stimulate youth brain-gain in the WB region by supporting the creation of an enabling environment for youth employment through the promotion of self-employment and social entrepreneurship practices;

² Commission Staff Working Document. Guidelines for the Implementation of the Green Agenda for the Western Balkans accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. An Economic and Investment Plan for the Western Balkans, SWD/2020/223 final

3. Foster regional cooperation, capacity-building and an exchange of know-how and good practices between WB and EU countries with the aim of developing a regional approach towards the social economy as well as strengthening the existing social economy ecosystems;
4. Support the economic and social development of the WB region by offering a strategic approach towards the social economy and the inclusion of youth as agents of change in the context of the regional aspirations for membership in the European Union.

Methodology

Prior to the research, Diesis equipped all partners with a set of guidelines and a template for developing a country analysis report, which can be found in the annex. The purpose of the country analysis is to understand the present context of youth work practices and services in selected WB countries and the EU, and to examine how certain trends can be adapted to fit youth needs in developing social businesses. The partners have used several sources in conducting the research. Please find more information below.

Literature and statistics review

The European landscape of the social economy was developed using official EU sources and studies, documents and studies from research centres, think tanks and associations, and previous studies by Diesis.

In carrying out the desk research for their respective countries, the partners were asked to analyse the social and economic situation of the country and the role of young people in it, as well as that of the social economy and the role of young people in it. To do so, they used official sources, national studies and statistics, as well as academic literature.

Interviews

A number of interviews have been conducted with relevant stakeholders by certain project partners to:

- identify best practices of social enterprises and/or support services for young people at the national level
- understand the needs and opportunities for youth to get started in social entrepreneurship.

The templates for the interviews carried out by the partners can be found in the annex.

Analysis

In the analysis part, each partner indicated the support services available to young entrepreneurs what tools are missing in the country to help young people to start their businesses, and what the opportunities for young entrepreneurs are.

Recommendations

Based on the analysis of the evidence gathered in each partner country, the partners have drawn up actionable and specific recommendations for enhancing capacity in the field of youth social entrepreneurship at the national level.



EUROPEAN LANDSCAPE OF YOUTH SOCIAL ENTREPRENEURSHIP

Social economy

We use the term “social economy” to signify a range of concepts used in several Member States such as: third sector, solidarity economy, alternative economy, non-profit sector, not-for-profit sector and voluntary sector. Despite national differences in legal forms and terminology, social economy enterprises are all inspired by the same values: solidarity, social cohesion, the primacy of the individual over capital, social responsibility, democratic management, with the most important factor being that they are not driven by profit, and profits are reinvested in the company and in society. The social economy represents a way of mobilising economic resources to satisfy human needs, and comprises enterprises which are neither for-profit enterprises nor public institutions, but which nevertheless produce goods and services.³

The social economy puts participatory democracy into practice in Europe. Its enterprises are organisations of people who carry out economic activities with the objective of satisfying the needs of people rather than gaining a profit. Historically, in the European tradition, the organisations of the social economy are divided into four groups: associations, mutuals, co-operatives and foundations. Apart from these, there are social enterprises, which are the most innovative branch of the social economy. These kinds of enterprises can provide new, innovative services to society in variety of sectors.

In recent decades, in parallel with the rise of social enterprises, the social economy has gradually been expanding its operational sectors, playing a key role during the economic crisis.⁴

Social enterprises

It is hard to find an exact, common definition of social enterprises because so many definitions exist, mainly because of the different organisational forms that are used in Europe and around the world. In Europe, social enterprises were born from the tradition of the social economy, which is characterised by the principles and values listed above: solidarity, social cohesion, the primacy of the individual over capital, social responsibility, democratic management, not-for-profit nature and reinvestment of the profit in the enterprise itself.⁵

³ Borzaga et al., 2013; Moulaert and Ailenei, 2005

⁴ [Diesis](#), How social enterprises contribute to sustainable food systems. Observation and Best Practices, 2016

⁵ [Diesis](#), How social enterprises contribute to sustainable food systems. Observation and Best Practices, 2016

The Organisation for Economic Co-operation and Development (OECD) gives the following definition of social enterprises: “any private activity conducted in the public interest, organised with an entrepreneurial strategy, but whose main purpose is not the maximisation of profit but the attainment of certain economic and social goals, and which has the capacity to bring innovative solutions to the problems of social exclusion and unemployment”.⁶

Over the last decade, emerging forms of social enterprise have been identified as innovative responses to new societal challenges, including climate change, waste management, migration and the enhancement of social cohesion through culture, art and sport.⁷

The Social Business Initiative (SBI), launched in 2011, was an important package of actions to support the development of social enterprises. It contained 11 priority measures, organised into three themes: facilitating access to funding, improving the visibility of social entrepreneurship and simplifying the regulatory environment.⁸

In the SBI the European Commission proposed the following operational definition of social enterprise: “an operator in the social economy whose main objective is to have a social impact rather than make a profit for its owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities”.⁹

Lastly, Diesis Network in its efforts to define social entrepreneurship describes a social enterprise as a business run for a social purpose, where specific and well-defined social goals are translated into an organisation which often performs activities of general interest and is managed in an entrepreneurial way, keeping a constant balance between its social and economic dimensions. Further, Social enterprises are able to provide solutions to social problems thanks to an entrepreneurial and economically sustainable approach which is in some ways more effective and efficient than what could be done by institutions alone. Social enterprises apply commercial and entrepreneurial strategies to maximise improvements in human and environmental well-being. In enterprises of this kind, the profits earned are mainly reinvested in supporting their social mission.

Today, social enterprises are present in almost every sector of the economy, serving the needs and interests of their communities and society. Indeed, social enterprises are versatile organisations,

⁶ OECD, Policy Brief on Social Entrepreneurship, 2013

https://www.oecd.org/cfe/leed/Social%20entrepreneurship%20policy%20brief%20EN_FINAL.pdf

⁷ European Commission (2020) Social enterprises and their ecosystems in Europe. Comparative synthesis report.

Available at <https://europa.eu/!Qq64ny>

⁸ The Social Business Initiative of the European Commission

⁹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. “Social Business Initiative: creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation” COM(2011) 682/2

which address areas of unmet social needs and create new social opportunities where other actors have failed to act. Having in mind the impact they have on the environment and society as part of their long-term vision and strategy, ultimately, they contribute to smart and sustainable growth.¹⁰

The European social economy is gaining more and more importance in the European economic system. In fact, according to a study conducted by the European Economic and Social Committee and CIRIEC, *Recent evolutions of the Social Economy in the European Union* (2017), the European social economy provides:

- more than 13.6 million paid jobs in Europe
- more or less 6.3% of the working population of the EU-28
- employment of a workforce of over 19.1 million, including paid and non-paid
- over 82.8 million volunteers, who equate to 5.5 million full-time workers
- more than 232 million members of cooperatives, mutuals and similar entities
- more than 2.8 million entities and enterprises

Of course, the situation varies among EU countries. In fact, employment in the social economy accounts for between 9% and 10% of the working population in countries with a long-lasting tradition in this field such as Belgium, Italy, Luxembourg, France and the Netherlands.

However, in new Member States such as Slovenia, Romania, Malta, Lithuania, Croatia, Cyprus and Slovakia the social economy remains a small emerging sector, that employs under 2% of the working population.¹¹

Social enterprises and youth employment

Young people often face a difficult start in the labour market and this has been emphasised by the Corona virus pandemic. Before the pandemic, EU youth unemployment was 14.9%, while in August 2020 it stood at 17.6% and is expected to continue rising.

To redeem this impact on young people, in July 2020 the European Commission proposed a new initiative called Youth Employment Support, which consists of a reinforced Youth Guarantee, improved vocational education and training, renewed impetus for apprenticeships, and additional measures to support youth employment.

As part of the recovery plan, the Commission will support self-employment as another important tool in the labour market, in particular social entrepreneurship as the latter is more likely to attract many

¹⁰ [Diesis](#), How social enterprises contribute to sustainable food systems. Observation and Best Practices, 2016

¹¹ European Economic and Social Committee and CIRIEC, *Recent evolutions of the Social Economy in the European Union*, 2017: <http://unsse.org/wp-content/uploads/2017/08/CIRIEC-EESC-Executive-Summary-1.6.2017-1.pdf>

young people inspired by entrepreneurial career paths that are linked to a positive and meaningful societal impact.¹²

On the whole, social enterprises play a valuable role in creating employment opportunities through:

1. self-employment and employees hired in social enterprises; and
2. the mission of some social enterprises to improve the skills and employability of persons for whom labour markets are more distant.

Therefore, several EU initiatives have targeted social enterprises as a lever to increase job opportunities among young people. The socially driven principles that characterise social enterprises make them especially suitable to address the risks of social exclusion faced by many young Europeans today.¹³

In this paper, we focus on the first option: self-employment of young people.

Supporting youth entrepreneurship in the EU

Recognising the high potential of entrepreneurship in creating jobs and economic sustainability, the EU policy agenda devotes particular attention to promoting youth entrepreneurship and a more entrepreneur-friendly Europe. Despite the fact that youth shows a high interest in self-employment, only 6.5% of working youth in the European Union were self-employed in 2018, according to the OECD (2019).¹⁴

It is generally accepted that entrepreneurship and self-employment alone cannot solve the unemployment crisis among youth, but they certainly help create many benefits for youth, including job creation and human capital development. In this framework, the European Commission widely recognises the potential of youth entrepreneurship by giving it a high priority in its agenda and at the same time acknowledges the importance of encouraging more young people to start new innovative businesses while promoting a more entrepreneur-friendly culture across Europe.¹⁵

There are a number of policy initiatives at European and Member State level aimed at promoting and supporting youth entrepreneurship. In 1999 the Bologna process was a first policy action to transfer entrepreneurial knowledge in EU, then in 2003 the Green Paper on *Entrepreneurship in Europe* was published to stimulate debate on how entrepreneurship could be better promoted in Europe.

¹² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Youth Employment Support: a Bridge to Jobs for the Next Generation. COM/2020/276 final

¹³ Eurodiaconia, Youth inclusion through social entrepreneurship, 2017 https://www.eurodiaconia.org/wordpress/wp-content/uploads/2017/02/MISC_26_16-Social-Entrepreneurship-and-Youth-Unemployment.pdf

¹⁴ OECD, 2019 <https://doi.org/10.1787/3ec10f3b-en>

¹⁵ Eurofound (2015), Youth entrepreneurship in Europe: Values, attitudes, policies, Publications Office of the European Union, Luxembourg

In 2004, the Action Plan for Entrepreneurship was adopted – a strategic framework for encouraging entrepreneurial mindsets and more individuals to pursue entrepreneurship.

In 2005, the European Pact for Youth, which highlighted the importance of entrepreneurship for youth, resulted in the drafting of the Commission Communication of 2006 entitled *Implementing the Community Lisbon Programme: Setting the scene. Fostering entrepreneurial mindsets through education and learning*, which stressed the importance of promoting a more entrepreneurial culture and creating a supportive environment for SMEs.

In 2008, the Small Business Act recognised and tackled the challenges entrepreneurs face. In the Council Resolution of November 2009, supporting youth entrepreneurship through education, finance and mentoring was discussed as a potential solution in supporting young people entering the labour market.

Moreover, in 2010 entrepreneurship was recognised as crucial for the Europe 2020 strategy in achieving sustainable and inclusive growth.

In responding to the youth unemployment crisis in 2012 the European Commission again gave a high priority to youth entrepreneurship in *Towards a job-rich recovery*.

Again, in 2012, the Commission launched a Youth Employment Package which included the Youth Guarantee to be formally adopted in 2013, which was followed by Commission's communication on the Entrepreneurship 2020 Action Plan. During the same year, under the Social Investment Package, the Commission called on Member States to prioritise investment and to enable young people to contribute fully to the economy and society.¹⁶

Cross-border initiatives supporting youth in social entrepreneurship

Being an important tool in addressing the principal societal and economic challenges, social enterprises have the ability to drive job creation,¹⁷ innovation and the demographic, green and digital transitions, while leaving no one behind. In parallel, due to their commitment to positive social and environmental change, social enterprises created or run by young people can directly contribute to achieving a number of the Sustainable Development Goals.¹⁸

In the EU's strategy, social entrepreneurship is key as regards youth inclusion. On that account,

¹⁶ Eurofound (2015), *Youth entrepreneurship in Europe: Values, attitudes, policies*, Publications Office of the European Union, Luxembourg

¹⁷ https://www.oecd.org/cfe/leed/Social%20entrepreneurship%20policy%20brief%20EN_FINAL.pdf

¹⁸ Littlewood, D. & Holt, D. (2018). *How social enterprises can contribute to the Sustainable Development Goals (SDGs) – A conceptual framework*

there are several instruments provided by the European Commission to financially support initiatives and actions that promote social entrepreneurship among young people. Some of these instruments¹⁹ are listed below:

Programme

European Social Fund

Description

The ESF aims to boost the adaptability of workers through new skills, and enterprises through new ways of working.

Other priorities focus on helping people from disadvantaged groups to get jobs and improving access to employment for youth, by helping young people make the transition from school to work, or training less-skilled job-seekers to improve their job prospects. The ESF supports a wide range of social enterprises for young people. It also supports social enterprises in finding financial support for their activities, and in ensuring these are sustainable for the long term.

Website

<https://ec.europa.eu/esf/home.jsp>

Programme

Erasmus+

Description

Erasmus+ is the EU's programme to support education, training, youth and sport in Europe. Through its various activity strands it offers young people numerous opportunities to gain skills and increase their knowledge of entrepreneurship. The new Erasmus+ programme running from 2021-2027 places a strong focus on social inclusion, the green and digital transitions, and promoting young people's participation in democratic life.

Website

https://ec.europa.eu/programmes/erasmus-plus/node_en

Programme

Erasmus for Young Entrepreneurs

Description

Erasmus for Young Entrepreneurs is a European exchange programme which gives young entrepreneurs the chance to learn from experienced entrepreneurs running small businesses; however, it does not grant financial support to run or establish a social enterprise. The exchange of experience takes place during a stay with the experienced entrepreneur, which helps the new entrepreneur to acquire the skills needed to run a small firm. The host benefits from young and fresh perspectives on his/her business and gets the opportunities to cooperate with foreign partners or learn about new markets. This initiative can be a valuable experience for young entrepreneurs who want to gain important skills and possibly build up European networks and share business ideas.

Website

<https://www.erasmus-entrepreneurs.eu/>

¹⁹ Eurodiaconia, 2017 https://www.eurodiaconia.org/wordpress/wp-content/uploads/2017/02/MISC_26_16-Social-Entrepreneurship-and-Youth-Unemployment.pdf

Programme

Programme for Competitiveness of Enterprises and Small & Medium-sized Enterprises

Description

COSME aims to make it easier for SMEs to access finance in all phases of their lifecycle. Through EU support, businesses should have easier access to guarantees, loans and equity capital. COSME supports entrepreneurs by strengthening entrepreneurship education, mentoring, guidance and other support services. Actions support specific groups who may find it difficult to reach their full potential, such as young people, women and senior entrepreneurs.

Website

https://ec.europa.eu/growth/smes/cosme_en

Programme

Employment and Social Innovation programme (EaSI)

Description

EaSI is a financing instrument at EU level to promote a high level of quality and sustainable employment, combat social exclusion and poverty and improve working conditions. Funding is given to a wide range of organisations – public bodies, private companies and civil society which give people practical help to find a job, or stay in their job.

Every year, the programme helps some 10 million people into work, or to improve their skills to find work in future.

For the period 2021-2027, the EaSI programme will become a segment of the European Social Fund Plus (ESF+).

Website

<https://ec.europa.eu/social/main.jsp?catId=836&langId=en>

Programme

European Fund for Strategic Investment

Description

The EFSI is one of the three pillars of the Investment Plan for Europe and aims to overcome market failures by addressing market gaps and mobilising private investment.

The EFSI supports strategic investments in key areas such as research and innovation, environment, agriculture, education, health and social projects as well as risk finance for small and medium-sized enterprises (SMEs), including social enterprises young people can benefit from. It also helps small businesses to start up, to grow and to expand by providing risk finance.

Website

https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/investment-plan-europe/european-fund-strategic-investments-efsi_en

Within the framework of the Erasmus+ programme of the European Union, Diesis Network has contributed its expertise in social entrepreneurship to several projects through the development of skills for social entrepreneurship by carrying out training and education as an important way to empower young people and raise awareness of the benefits and added value of the social economy to the community. Additionally, Diesis also promotes as a horizontal priority “open and innovative practices in a digital era”, by developing a modern, integrated and holistic methodology based on e-learning and non-formal education, tailor-made to the needs of young prospective social entrepreneurs.

As cross-border initiatives in supporting youth in social entrepreneurship at the EU level, we list three examples of projects that have been carried out by Diesis Network in partnership with other EU organisations. Strengthening youth competences in social entrepreneurship and promoting an entrepreneurial mindset among young people are two key elements that make up the common goal of the three projects.

1 The Youth Social Entrepreneurship Hub

Programme	Erasmus+
Partners	Diesis network Romanian Centre for European Policies Consorzio Nazionale Meuccio Ruini Centre for Nonprofit Legislation
Timeframe	2019-2020
Description	The Youth Social Entrepreneurship Hub project aimed to strengthen competences in social entrepreneurship among youth workers and young people by developing learning materials and involving them in learning activities. The learning materials are innovative and intended to develop the knowledge and skills of young people to start-up and manage a social enterprise by involving them in creating and managing a virtual social enterprise. Through all the outputs and learning activities the project addressed the youth programme priority regarding “Promoting entrepreneurship education and social entrepreneurship among young people”.
Scope	Belgium, Romania, Italy
Outcomes	The project produced for European youth workers, school managers and teachers: <ul style="list-style-type: none"> - 2 national reports on youth entrepreneurship and the young entrepreneur profile - a comparative analysis of youth entrepreneurship in the partner countries - a European report on the young entrepreneur profile - a kit for start-up and management of social enterprises - e-learning materials which were available on the online platform - an active networking platform where youth workers shared their experience of developing virtual social enterprises in order to increase the quality of methodologies <p>The project offered 60 young people (15-22 years old) the opportunity to develop their entrepreneurial skills, and to understand the role of social entrepreneurship and its</p>

benefits for both personal and social development. The young people involved started a virtual journey where they had the opportunity to simulate real enterprises by developing virtual enterprises, in a guided and safe environment. During the project's activities both youth workers and young people became familiar with social entrepreneurship through interactive training methods and had the opportunity to exchange ideas, experiences and good practice models with specialists active in this field.

Diesis network contributed to the development of the [Kit for start-up and management of social enterprises](#). The kit provides both trainers and trainees with a step-by-step approach on how to develop social enterprises, starting with the understanding of basic concepts and institutional frameworks for setting up a social enterprise in Europe (specifically in Romania, Italy and Belgium), moving on to building and promoting the newly established enterprise. The kit also offers trainees the required knowledge and instruments to take their idea to the next level.

Additionally, Diesis was also involved in the production of the [Youth Social Entrepreneur Competences Profile](#) document, whose aim was to have a look at the social economy landscape and role of youth at the European level and in the three countries of the project (Italy, Romania and Belgium), and understand which competences a young person needs to create a successful social enterprise.

Challenges and Lessons Learned

The Youth Social Entrepreneurship Hub project is still ongoing. The project partners are currently working on the final results and more information on challenges and lessons learned can be expected at a later stage.

Website

<https://yseh.eu/>

2

Care2Entrepreneurship

Programme

Erasmus+

Partners

IARS
Diesis network
KMOP Social Action and Innovation Centre
Asociația Habilitas – Centru de Resurse și Formare Profesională
Anziani e non solo

Timeframe

2018-2020

Description

C2E's aim was to develop an entrepreneurial mentality among young carers and the professionals who work with them; to train them in entrepreneurial skills and mentality; and also, to make them aware of the abilities they already possess, derived from their care responsibilities. Young carers have limited chances to improve their situation through traditional employment, but entrepreneurship is a real opportunity for them to overcome these obstacles and achieve new goals. These objectives have been attained through face-to-face and online interventions.

Scope

C2E targeted young carers aged 18-30 in Greece, Belgium, Romania, Italy and the UK with a particular focus on women from low-income families.

Outcomes

Within its framework, the C2E project constructed new training curricula and courses (online and face-to-face) for young carers that allowed them to develop the necessary skills, knowledge and competences to become young entrepreneurs. In parallel, it tested and implemented the training material in the UK, Greece, Italy, Romania and Belgium and used the comparative learning to inform national and EU-wide practices and policies.

The C2E curriculum and courses were developed specifically to help young carers in Europe develop capacities in social entrepreneurship, build self-confidence, and realise the potential benefits of pursuing a career in social entrepreneurship.

Challenges and Lessons Learned

The Care2Entrepreneurship project faced and resolved a number of challenges:

- Entrepreneurship education is a known practice in some countries, e.g., Italy and the UK, even if not so widespread. Entrepreneurship education for young carers appears to be something new, because there is a lack of awareness and knowledge about young carers' issues across our partner countries. Identifying young people who belong in this group can be challenging, since often professionals are not sufficiently prepared for the task. Furthermore, they are not aware of how they could intervene.

- Often young people are not aware of being caregivers. Keeping this in mind is necessary to help them become aware of their status before starting any kind of interventions aimed at helping them. Therefore, training the general group of young people and not only the specific group of carers was extremely useful.

- In terms of the content of the training, young people appreciated least the theoretical part of the training, while the practical exercises were most appreciated. An adaptation of the theoretical part of the face-to-face training is necessary when the audience consists of young participants. The suggestion is to follow the "learning by doing" methodology, transforming part of the theory into practical activities.

- However, the theory element was particularly appreciated by professionals.

- Both groups of participants suggested increasing the number of hours provided for training: a better choice could be organising a 2-day training event (minimum 8 hours).

- Concerning the online course, as emerged from the feedback from both young people and professionals involved in the piloting, the usability of the platform needed to be improved.

Website

<https://www.c2eproject.org/>

3

Promyse – PROMoting Youth Social Entrepreneurship

Programme

Erasmus+

Partners

IARS International Institute
Diesis Coop
KMOP
Canary Wharf consulting
Diversity Development Group
Icse & Co

Timeframe

2017-2019

Description

The objective of the Promyse project was to promote social entrepreneurship in the health and social care sectors as an alternative pathway to youth self-sustainability, by developing the social entrepreneurship and business skills of unemployed youth, with relevant educational or professional backgrounds, and raising awareness of the benefits and added value of social enterprises to the community as a whole.

Along with EU attempts to foster youth social entrepreneurship, the project aimed to adopt a youth-led and EU-wide methodology. Since the needs are common to EU countries, the transnational character of the project was to produce valid tools that will be transferable and applied in other EU contexts with minor modifications and added benefits. Furthermore, the project built on the competitive advantages that arise from social entrepreneurship particularly in the new European and national economic context that calls for inherently flexible approaches to create social impact through self-sustainability.

Scope

Belgium, UK, Italy, Greece, Lithuania

Website

<https://www.promyse.eu/>



WESTERN BALKANS LANDSCAPE

The third chapter covers the background analyses of the six Western Balkan countries. For each country, we focus on the following points:

- The economic and social situation of the country, the social economy landscape and the role of young people in it;
- Support services available to young entrepreneurs, key activities and identification of two best practices;
- Mapping of key stakeholders in youth social entrepreneurship;
- Understanding of the needs and opportunities for youth getting started in the social entrepreneurship world;

Albania

Overview of socio-economic development

As part of Eastern Europe, Albania was the last country to transition from communism to democracy amid economic collapse and social unrest. Nonetheless, this new course of the country seeded great hopes especially among the young generation. Over the years Albania has implemented a range of structural reforms to integrate in the European market and boost economic development. However, despite many existing policies covering innovation and entrepreneurship and a bold policy push by the government to create a favourable environment for investors, it has not been able to attract significant foreign finance sources.²⁰

In the progress towards joining the EU, important organisational reforms are being implemented, to support balanced development, increased economic competitiveness and productivity, employment generation, enhanced civil service responsibility, accountability and good governance.

Today Albania has a population of 2,845,955, having seen a year-on-year drop of 0.6% on 1 January 2020, and has a median population age of 37.2 years (male 36.3 and female 38.2 years). Other key figures to consider are unemployment rate of 52% and an average gross monthly wage of 54,951 ALL (about €446).²¹

²⁰ Kate Hach & Eileen Trenkmann (2019), Entrepreneurial Ecosystem in Albania with Focus on Tirana, EU for Innovation, page

²¹ Bank of Albania Exchange rate on 31st March 2021.

According to annual basis data, current GDP was estimated at 15.3 billion USD, while GDP per capita is 5,325 USD for the year 2020.²²

On 26 November 2019 a destructive earthquake hit Albania. In response to the devastating consequences, the conference organised by donors in Brussels in February 2020 guaranteed about €1 billion from countries and financial institutions. The Covid-19 crisis only exacerbated the financial situation. Many organisations and donors have joined forces to collaborate with the Albanian government in overcoming these obstacles and re-establishing a sustainable development path.

The economic challenges have led to major demographic movements. The number of emigrants in 2019 was 43,835, an increase of 13.3% compared to the previous year. Meanwhile the number of immigrants was 20,753, a decrease of 12.3% compared to the previous year.²³

Although Albania has implemented a range of structural reforms, regulations to boost productivity and competitiveness, and thus create more jobs, are weakly implemented. The private sector remains underdeveloped and the focus of the government with regard to economic policies has been on creating a favourable environment for investors and on regional and European trade integration.²⁴

Being young today in Albania

- **General youth demographic trends**

Positive steps like NATO membership in 2009, the beginning of the EU accession process and successful reforms in fighting crime and corruption in the last two decades have created a positive environment for social and economic development. However, these positive steps have proved to be lacking in motivating young people to stay in Albania. There is in general a tendency to seek education and employment abroad among the youth.

In December 2019, Albania approved Law no. 75/2019 “For Youth” that defines “young people” as young persons aged between 15 and 29 years, and serves as the main recommendation for national strategies of education, training and employment under the youth umbrella.²⁵

Qark of Tirana has the most substantial proportion of youth on account of the accumulation of possibilities in education and employment: 27% as against the national average of 25%.²⁶

²² The world Bank, Albania Overview (2020), Available at: <https://www.worldbank.org/en/country/albania/overview>

²³ INSTAT, Albania's Population 1 January 2020, <http://www.instat.gov.al/media/6850/population-on-1-january-2020.pdf>

²⁴ Kate Hach & Eileen Trenkmann (2019), Entrepreneurial Ecosystem in Albania with Focus on Tirana, EU for Innovation, page 7

²⁵ Law No. 75/2019 “For Youth”, Official Gazette 171/2015 180/2019, <https://qbz.gov.al/eli/fz/2019/180/7d10ef94-7c6e-4988-8c5d-362df7023217;q=Ligji%20per%20rinine>

²⁶ B. de Bruijin, Gj.Filipi, M.Nesturi, E.Galanxhi, (2015), Youth in Albania: Challenges in Changing times, INSTAT, http://www.instat.gov.al/media/3548/youth_in_albania_challenges_in_changing_times.pdf

On the bright side, Albania has a young population, with a median age of 37.2 years compared to the EU-27 median age of 43.7,²⁷ foreign language skills and a high output of university graduates.

- **Youth and education**

Indicators of the social participation of youth show that during the academic year 2018-2019 the rate of drop-out from secondary education was 2.6%, the rate of young people enrolled in tertiary education was 59.5% and the rate of young people graduated from tertiary education was 26.7%. These indicators show improvement when comparing to the previous period.

In 2019 pupils graduating from upper secondary education²⁸ fell by 3.6% compared to the year before (47.9% boys and 52.1% girls) and the gross graduation ratio (GGR) was 84.6%. Graduates of vocational education make up 11.2% of the total graduates in upper secondary education.

Students graduating from tertiary in 2019 were 1.6% more than in 2018, (66.4% women and 33.6% men). Graduates of bachelor programmes made up 53.6% of all graduate students. The programmes where most students graduated were business, administration and law (27.8%).²⁹

- **Living conditions such as young people living with their parents, at risk of poverty and/or at risk of social exclusion, with a migrant background, or living in suburbs or rural areas**

The desire for financial autonomy has led to a shift of youth towards Albania's capital and some major municipalities. This shows a drive among youth to achieve autonomy and release from conventional household norms. Besides family, youth in Albania consider friends, social connections and way of life significant factors of their communal recognition.

Over 70% of young Albanians want to leave, with poverty, unemployment, social exclusion and corruption considered the main motives for migration. However, among the under-30 age group, which makes up approximately one-third of the population, participation in decision-making processes and social life remains very low.³⁰

As regards youth from vulnerable communities, INSTAT does not produce statistics on the ratios from Roma and Egyptian groups, youth with special needs or from the LGBTQ+ group.

²⁷ Eurostat (2020), Population structure and aging, Eurostat statistics explained, https://ec.europa.eu/eurostat/statistics-explained/index.php/Population_structure_and_ageing#Median_age_is_highest_in_Italy

²⁸ Upper secondary education is the equivalent of "high school", including grades 9 or 10 to 12. Term used by the National Institute of Statistics (INSTAT) in line with Albanian legal framework on education;

²⁹ INSTAT (2020), Graduation statistics, p. 2; <http://www.instat.gov.al/media/6958/graduation-statistics.pdf> Law No. 75/2019

³⁰ Partners Albania (2020), Youth (un)employment in Albania-An analysis of NEET and vulnerable youth, page 5

- Digital world

The digitalisation process has two sides: on one hand it has brought far-reaching changes in the way we live, while on the other it has revealed a new fracture in society, the so-called digital divide. The skills required to use the internet, and access to high-speed internet services, are unevenly distributed.³¹

The results of ICTS show that during 2020 72.2% of Albanians aged 16–74 years used the internet, of whom 88.2% used it every day. The highest percentage are individuals who access the internet via their mobile/smart phones rather than laptops or tablets.

Use of the internet by young individuals aged 16–24 was 94.8%. The highest percentages of internet use are recorded in the category “every day/almost every day”, for all age groups, including youth.³²

Albania’s growing IT services sector combined with the level of human capital and a well-educated diaspora – ready and waiting to support Albania with funds and knowledge – is an opportunity that has yet to be harnessed.³³

- The main challenges and needs

The main challenges and needs of youth in Albania are connected to perceptions and attitudes on issues such as lifestyle, family, education, employment, politics and religion. Since their years of study, young people try to build a professional identity which will help them confront the challenges of the national, regional and global labour market. However, the connection between education and employment continues to trouble them, as their investment in education is not translated into secure employment. On the other hand, youth participation in politics and their belief in the governing institutions represents a very important factor: for most, indifference and disbelief are the main drivers of youth migration.³⁴

- The enablers for promoting the youth empowerment in the country

The implementation of law no. 75/2019 will encourage municipalities to structure youth establishments, in order to be proactive and promote their work to the whole spectrum of stakeholders in the city. The main institutions responsible for youth empowerment in Albania include the National Agency of

³¹ Eurostat (2020), Being Young in Europe today – executive summary, Eurostat Statistics Explained, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Being_young_in_Europe_today_-_executive_summary#The_EU_is_growing_older_.E2.80.A6

³² INSTAT (2021), Survey on Information and Communication Technologies (ICT) usage in Households and by Individuals in 2020, Page 6.

³³ Kate Hach & Eileen Trenkmann (2019), Entrepreneurial Ecosystem in Albania with Focus on Tirana, EU for Innovation, page 4.

³⁴ G. Kamberi, A. Çela (2019), Youth study Albania 2018/2019, Friedrich Ebert Stiftung, <http://library.fes.de/pdf-files/id-moe/15261.pdf>

Vocational Education, Training and Qualifications (NAVETQ), the National Employment and Skills Agency (NESA), the State Labour Inspectorate and Social Services (SLISS), the Ministry of Finance and Economy and the Ministry of Education, Sport and Youth. Meanwhile some CSOs are active in addressing youth needs and working for their empowerment, including Social Centre Murialdo, YAPS Albania, Don Bosko Social Centre in Tirana, CRCA Albania and the National Youth Network in Albania (ANYN). According to NESS, there has been continuous donor support, through various funding mechanisms, for employment, VET and social inclusion policies in Albania.

Youth employment

- [Statistics on youth unemployment](#)

Despite economic growth, macroeconomic stability and social policies undertaken and implemented by the government, Albania continues to face troubling problems of poverty, unemployment and inequality, especially in certain areas.³⁵

In 2019, youth in Albania represented 23.5% of the total population and the official unemployment rate was 21.5%.³⁶ NEETs – youth aged 15-29 years old neither in employment nor in education or training– comprise 26.6% of the same age group. In the NEET group, 36.5% are labelled as unemployed while 12.7% are discouraged workers, 18.1% accomplishing domestic and family responsibilities and 32.7%³⁷ inactive for other reasons.

During 2019, informal sector employment remained high in Albania (36% of total employment). The official youth unemployment rate for 2020 in total is 20.95% (21.15% for females and 20.85% for males). On the other hand, youth employment rate for the year 2020 is 41.175%, while the youth labour force is 52.05%.

- [The trends of youth \(in choosing a professional path and/or choosing SE for a professional path\)](#)

Albania has a high percentage of tertiary educated people with about 10,000 graduates yearly, while only 4,000 jobs are created per year, which produces an elevated number of youths seeking self-employment.³⁸

There is therefore a remarkable resource of candidates to become entrepreneurs and boost the start-up ecosystem.

³⁵ Alida Kondi (2019), Assessment of potentialities for development social enterprises in Albania, Centre for Competitiveness Promotion, p. 9

³⁶ Partners Albania (2020), Youth (un)employment in Albania – An analysis of NEET and vulnerable youth, p. 3

³⁷ INSTAT, Labour Market 2019, p. 23.

³⁸ Kate Hach & Eileen Trenkmann (2019), Entrepreneurial Ecosystem in Albania with Focus on Tirana, EU for Innovation, p. 11

Additionally, Albanian youth is multilingual in languages other than English, because of the high proportion of youth educated abroad. The country's vicinity to EU countries has influenced a growing number of start-ups which are already harvesting the opportunities of entrepreneurship, in most cases cooperating with EU customers.

Young people starting a business already have a family business background and/or a strong entrepreneurship education. In the business environment they are driven by specific goals such as the work integration of unemployed and/or vulnerable groups.

In Albania, no data are available on the structure, type, number or economic sectors of young and social entrepreneurs. Young entrepreneurs are eager to become part of a well-established and free market.

One of the main needs for success is education (both formal and non-formal); there is a need for professionally tailored training, capacity building and mentoring support. Peer-to-peer support is perceived as important in terms of knowledge sharing and mentorship.³⁹

Some barriers to youth starting businesses are a complex mix of political, economic and administrative factors. Young and/or social entrepreneurs cannot access funding instruments, while 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.⁴⁰

State of the art of social entrepreneurship in Albania

Over the years, initiatives have been taken to promote the development of social enterprises, including: the establishment of the company "incentivising social business", through law no. 10 376, dated 10.2.2011, in order to achieve social and environmental objectives through the support and promotion of social business and microfinance; the start of the activity of Yunus Social Business

Albania in mid-2012 which has helped in the creation and financing of a number of successful social businesses; and the drafting of law no. 38/2012 "On Agricultural Cooperative Companies" which defines the rules, criteria and conditions for the establishment and administration of agricultural cooperatives.

The first law that specifically regulates the organisation and functioning of social enterprises in Albania is law no. 65/2016 "On Social Enterprises in the Republic of Albania".⁴¹ This law aims to

³⁹ J. Andjelic, T. Petricevic (2020), Regional Study and Guidelines on Social Entrepreneurship in the Western Balkans, RYCO, p. 30

⁴⁰ Kate Hach and Eileen Trenkmann (2019), Entrepreneurial Ecosystem in Albania with Focus on Tirana, EU for Innovation, p. 14

⁴¹ Law no. 65/2016 "On Social Enterprises in the Republic of Albania", Official Gazette 118, Available at: <https://qbz.gov.al/eli/ligj/2016/06/09/65-2016>

regulate the activity of social enterprises, in order to promote the social inclusion of vulnerable groups. There is no widely accepted definition of social entrepreneurship among the general public or within the sector.⁴² Due to this vagueness, it is almost impossible to determine the exact number of SEs operating in Albania.

Main characteristics of SEs: SEs registered as non-profit organisations mainly operate in 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). Albanian SEs may be considered as small entities, taking into account their human resources and financial capacities.

Legal forms of existing SEs: As stated by the law, only non-profit organisations that provide goods and services in the sector of development of local communities and disadvantaged 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.

The law overlaps work integration with social services provision; social enterprises have to provide a restricted list of social services to marginalised groups and simultaneously employ a considerable number of people from marginalised groups.⁴³

The Ministry of Health and Social Welfare allocated a fund of €322,500 (for 2020) to support the registered enterprises.⁴⁴ Only six NPOs were granted social enterprise status, and recognised under the law. Unfortunately, most of the SEs created by SCOs with the support of international donors did not manage to continue their activities after the end of the project.⁴⁵

Even though Nepos with economic activity with social impact are recognised as SEs, in practice legal forms operating based on the main principles of SEs include the models below:

- non-profit organisations (associations, foundations, and centres)
- businesses (sole proprietorships and limited liability companies)
- cooperatives (companies of agricultural cooperation)
- credit and savings associations

⁴² Hoxha J. & Haska E. (2019), Analysis of the Legal Framework on Social Enterprises in Albania, Partners Albania, p. 7

⁴³ J. Hoxha, A. Agolli & E. Haska (2019), Social Enterprises and their Ecosystems in Europe – Country fiche Albania, Publications Office of the European Union, p. 18.

⁴⁴ J. Andjelic, T. Petricevic (2020), Regional Study and Guidelines on Social Entrepreneurship in the Western Balkans, RYCO, p. 23.

⁴⁵ Partners Albania (2019), Overview of Social Enterprises Eco-system in Albania, p.5.

Social entrepreneurship and the opportunities for youth

In order to empower youth in Albania a number of national strategies and programmes have been put in place to support youth and social enterprise, including law no. 65/2016 “On Social Enterprises in the Republic of Albania” and law no. 75/2019 “For Youth”. Social entrepreneurship is perceived as an activity of for-profit organisations (private companies) with a social mission, while social enterprises are defined as non-profit organisations embedding the social aim and providing social services, as well as employing persons from marginalised groups (Hoxha J., Haska E. 2019). The law approved to adjust the social enterprises status and ecosystem recognises only Neposas eligible to be registered under it. Since 2016 the synergy of many organisations, donors and public institutions with a focus on social entrepreneurship has highlighted the contribution of social enterprises to the improvement of daily life and welfare in which youth are the most encouraging. Attention to social enterprise is growing, as has been noticed by concerned parties and organisations.

The Albanian habitat provides a variety of positive components that the start-up environment can develop. There is a lack of institutional communication towards future possible entrepreneurs to state that social entrepreneurship and youth are viable models. Consequently, the majority of potential entrepreneurs are not motivated to establish a business. Being an entrepreneur in Albania comes with a list of obstacles that one must overcome, with one being the lack of role models in entrepreneurship. With start-ups usually lasting around a year, those who wish to start businesses themselves find it hard to persevere with no current successful entrepreneurs as role models.⁴⁶

The main stimulus for youth to become entrepreneurs, besides monetary reasons, is the sense of liberty and autonomy. Moreover, the chance to forge a change and generally the chance to grasp and absorb useful labour qualifications. Entrepreneurship and social entrepreneurship are an unexplored area considering the data on youth entrepreneurs in social enterprises in Albania.⁴⁷

We now give some examples of support instruments during 2015-2017. The European Bank for Reconstruction and Development and Intesa San Paolo Bank Albania have funded 147 SMEs directed by women. The Microfinance Institution (BESA) and the European Investment Fund (EIF) have designed tools for employment and social innovation in small enterprises. These institutions have not specifically targeted social impact start-ups. An initiative of Credins Bank in collaboration with Partners Albania has supported seed funding for green start-ups during the past few years. Studies in Albania show that social enterprises apply four main strategies: a) work integration; b) fair trade; c) bottom of the pyramid; d) others operating in the field of tourism and cultural heritage using social innovation, which are in line with the main clusters identified by the European Commission in 2011. The two main strategies identified are work integration of marginalised groups and fair-trade enterprise. Among for-profit entities the fair-trade enterprise type dominates, followed by work

⁴⁶ Cormier Ch. Saikat Sh. R. MD, Rinkel B. Zheng J. (2016), Exploring Albania’s Entrepreneurial Ecosystem, WPI and Yunus Social Business Balkans, p. 16

⁴⁷ J. Andjelic, T. Petricevic (2020), Regional Study and Guidelines on Social Entrepreneurship in the Western Balkans, RYCO, p. 29.

integration, while among non-for-profit organisations the work integration and bottom of the pyramid strategies prevail. Only non-for-profit organisations embody the bottom of the pyramid strategy, which consists in delivering social/health/educational services to a certain group of beneficiaries. Social services are the exclusive domain of not-for-profit organisations, where neither public institutions, nor businesses can deliver. Meanwhile, cooperatives follow the fair trade strategy, putting the interest of farmers first as the main beneficiary of cooperatives.⁴⁸

The success or failure of changing the social enterprise status relates to specific factors, which are considered internal and external. Internal factors relate to the management of the organisation, finding qualified staff, know-how in business planning, skills in financial management, etc. In this perspective the heads of the organisations must have a business-oriented mindset analogous with the social mission. External factors are associated having a comprehensive institutional structure and a friendly habitat to access grants. Some organisations have the characteristics of a SE while lacking the SE status. Besides all obstacles social enterprises have been considered as an opportunity for employment and the introduction of innovative services which will serve to make further progress with regard to social and economic inclusion.⁴⁹

Entrepreneurial activity in the country is mostly focused on micro and small-scale business activity in areas such as handicraft, tourism and agriculture. High brain drain in the regions is further aggravating the problem and contributing to decreasing start-up activity as the best talent is seeking opportunities either in Tirana (Albania's capital) or abroad. In addition, there is a general lack of awareness about local opportunities among youth in rural areas in Albania, given the lack of exposure to entrepreneurship activities and low education quality.⁵⁰

Related to research, social entrepreneurship is not exploited and researched as an area and there are no education institutions with a specific course related to this topic. Besides PA, which has a specific focus through research and advocacy on social economy and social entrepreneurship, there are Epoka University with a dedicated programme on social businesses, a prototype of the Yunus Social Business, that has organised various scientific conferences. Metropolitan University has recently developed a module and various seminars on this subject. Regardless of the fact that the law anticipates a register for social enterprises, such a register is not yet functional. No information related to the number of social enterprises and other relevant, measurable data exists. Entrepreneurship and social entrepreneurship are an unexplored area considering the data on youth entrepreneurs in social enterprises.

There are some social enterprises registered as conventional businesses in the National Business Centre. 679 non-profit organisations (associations, foundations and centres) undertake economic activity, but the NBC does not provide any statistics on their economic activity category.

⁴⁸ Hoxha J. & Haska E. (2020), Characteristics and Challenges of Social Enterprises in Albania (Baseline Study), Partners Albania, p. 15;

⁴⁹ Partners Albania (2021), A snapshot of financial & support vehicles for Start-ups' growth;

⁵⁰ Hach K. & Trenkmann E. (2019), Entrepreneurial & Innovation Ecosystem in Albania, EU for Innovation; p. 16

Additionally, Albania has 58 agricultural cooperatives with a total of 1,000 employees. The 160,624 small to medium-sized enterprises (SMEs) correspond to 8% of the total number of enterprises.⁵¹

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.

The Covid-19 pandemic has aggravated the situation and its negative consequences, beyond the health aspect, have significantly affected the finances of young people, many of whom have lost their jobs since March 2020.

Apart from several measures and policies undertaken by the government, it is unclear what impact these measures have had on youth, considering that the Albanian labour force is mainly composed of youngsters and that the official data from the Institute of Statistics reveal that out of 33,000 people who lost their jobs during the period April-June, 61% were aged 15-29.⁵²

Analysis of services currently available to young entrepreneurs

In Albania at present there are many and growing support mechanisms for entrepreneurship. Some of these schemes have been established and growing while several others require more promotion in the sector.

There is in place a pool of support and financial instruments such as accelerators, business angels, venture capital and incubators, focused on start-up orientation and accessible support mechanisms. The table mapping potential key stakeholders in youth entrepreneurship and social entrepreneurship encapsulates the primary essential players involved in entrepreneurship ecosystem in Albania. Various of these instruments to support entrepreneurship in Albania and in the WB6 are grouped below as per their programme target, aiming at the support of start-ups.

Partners Albania has pioneered the analysis of social entrepreneurship in the country, covering the subjects of mapping, challenges and possibilities in local markets, funding opportunities and institutional support, the growth possibilities and the role of political and non-political bodies in social entrepreneurship progress.

⁵¹ J. Andjelic, T. Petricevic (2020), Regional Study and Guidelines on Social Entrepreneurship in the Western Balkans, RYCO, p. 24.

⁵² Memia A. (2021), The impact of COVID-19 on youth employment in Albania, Partners Albania.

Some of the best-known programmes that Partners Albania has identified in this regard are:

- **Green Ideas Competition** – a programme focused on start-ups and social entrepreneurship, supervised by Partners Albania as the counterpart of the Balkan Green Foundation; More information at: <https://partnersalbania.org/News/konkursi-i-bizneseve-te-gjelberta/>
- **Social Reuse of Confiscated Assets** (C.A.U.S.E – Confiscated Assets Used for Social Experimentations) – the first initiative of its kind, implemented in Albania and in the Western Balkans, aiming to establish a model of sustainable re-use of confiscated assets from organised crime by civil society organisations; More information at: <https://partnersalbania.org/publication/broshure-mbi-projektin-c-a-u-s-e-perdorimi-i-pronave-te-konfiskuara-per-sipermarrje-sociale/>
- **EMBRACE programme** – supported by the EU Delegation in Albania and managed by Partners Albania provides grant support and capacity building for social enterprises; More information at: <https://partnersalbania.org/embrace-modele-sipermarrjeje-qe-ndertojne-marredhenie-dhe-ekonomi-krijuese/>
- **Work 4 Youth** – a cross-border cooperation programme that contributes to increased employability and fosters social inclusion among young people in the Albania–Montenegro cross-border area; More information at: <https://partnersalbania.org/News/work4youth/>
- **Dua Partner Invest** – a platform supported by Partners Albania for start-ups with a focus in social entrepreneurship that will serve as a virtual accelerator in the region of WB6; More information at: <https://www.duapartnerinvest.com/homepage>

Through these programmes PA has supported 45 SEs and green start-ups, impacting directly on more than 145 individuals, and involving more than 3,500 direct beneficiaries.⁵³

Other supporting programmes and donors of entrepreneurship as part of their social impact activity in Albania are the following:

- RISE programme – a regional programme supported by RYCO which has established local structures in the Western Balkans to enhance youth social entrepreneurship;
- UK-Albania Tech Hub– supported by the British Embassy in Tirana, supports tech start-ups, but also ideas generating social impact;
- The EU’s Instrument for Pre-Accession Assistance in Rural Development (IPARD) – is an important support mechanism for Albanian agricultural cooperatives;

⁵³ Partners Albania (2021), Contribution of Partners Albania in the Green Start-Ups and Social Enterprises Ecosystem, Available at: <https://partnersalbania.org/publication/partners-albanias-contribution-in-the-green-startups-and-social-enterprises-ecosystem/>

- EU for Innovation (Challenge Fund) – is a competitive financing facility, used as a means of addressing the issue of access to finance for innovative companies at an early stage of development, as well as for organisations providing services to innovative start-ups and promoting the Albanian innovation system. Both start-ups and innovation service providers receive capacity building through various forms of technical assistance from GIZ and grants through Swedish Embassy in Tirana, funded by the European Union;
- The Swiss Entrepreneurship Programme – offers peer knowledge sharing, connections, community-building for start-ups; Albania is part of their coverage;
- Idea – a programme supported by GIZ (ProSeed) aiming to scale up entrepreneurial competences and business skills of young entrepreneurs;
- GrowPreneur – a growth accelerator programme for start-ups at early validation or growth phase (in any field) having at least an initial prototype/MVP, implemented by Yunus Social Business and powered by EU for Innovation;
- Tirana Municipality Go-green Grant – grants to stimulate and motivate entrepreneurs to start new businesses that are environmentally friendly, designed to increase environmental sustainability or to develop businesses that are aware of their impact on the environment and to take steps not only to mitigate the damage caused by their production methods and products, but to actively work towards a greener planet.

In recent years, however, the increase in the number of labour force participants with a degree has not been matched by a similar increase in the number of high-skilled jobs.⁵⁴ There are two existing programmes, at the Epoka University and Metropolitan University respectively (both located in Tirana, Albania's capital) that provide career path consultation (support in choosing a professional path).

Recently a new initiative led by Risi Albania in collaboration with Tirana Municipality has established the first Career Guidance Office at a local level. This service in the municipalities will provide an onsite helpdesk and online platform for students with information on professions, training and education; counselling services for all youngsters and more, choosing their field of study, entering the labour market for the first time or seeking to change their job; intermediation of internships and/or job fairs; close collaboration with education authorities to facilitate access to schools, curricula and employment services in order to ensure synergy and provide jobseekers with the required services.

Risi Albania is working with Partners Albania to advocate career guidance services in other municipalities aiming to replicate the example of Tirana. These new practices are however very limited so the rest of the youth pool is considered disoriented. There is a lack of statistics on the number

⁵⁴ International Global Organization (2020), Global Employment Trends for Youth 2020, page 22.

of young people employed in the public and private sectors and those selecting an entrepreneurial career.

Sustaining organisations such as Partners Albania for Change and Development, Yunus Social Business, ICTS Lab, Metropolitan Incubator, Destil Creative Hub, Swisscontact Albania, Coolab, Talent Garden and the Centre for Competitiveness Promotion ensure either incubator and accelerator infrastructures, or connected programmes.

Funding on national level focused on start-ups and social enterprise is almost non-existent. Among institutions that offer financial support to start-ups focused on women, youth, craftspeople etc. we can mention AIDA (Albanian Investment Development Agency) and the Municipality of Tirana. At ministerial level a small grant is envisaged based on the law “On Social Enterprises”, but it is yet to be operative. The National Scheme of Aid for Rural Development and Agriculture addresses agricultural cooperatives. Albania does not have a national network promoting and advocating the developmental needs and concerns of its social enterprises, which hinders their growth and is considered one of the main challenges to their further development. Considering research, entrepreneurship is not deeply surveyed and researched as a subject.

Best practices

1

Rinora Handmade

Name	Rakip Belishaku
Company / organisation	Rinora Handmade
Members / partners	3 employees, and registered as a sole proprietorship company; Rinora was supported with seed funding by Partners Albania.
Beneficiaries	In addition to the environmental impact that its products have by being ecological, its vision includes the aim of having an impact on the community by employing in short-time jobs (during the harvesting period of the loofah) women and young girls coming from marginalised communities.
Timeframe	Rinora Handmade was established in 2017, but its economic activity started recently, at the beginning of 2020.
Description	Rinora Handmade focuses on the production of natural skin care products from the loofah plant. It covers all stages from farming through processing to distribution of plant-based sponges. Its products are 100% biodegradable and are a sustainable alternative to synthetic products. It is an innovative, creative, ecological business and its purpose and vision is

focused on production handicraft and natural products “Made in Albania”. Rinora Handmade creates its own design and products with its main focus on the production of artisanal soap and natural loofah sponges.

Scope

Production of eco-friendly skin care products, natural sponges and artisan soaps. Currently all revenues are being reinvested in the enterprise for its growth and this trend is expected to continue for the next two years. This company donates 10% of the yearly profit to women and girls from disadvantaged groups, fulfilling its social mission.

Outcomes

Rinora’s initiative is supported by the EU start-up support programme for innovation in a partnership with Genome B2B that Rinora has made ahead launching of both products (sponges and soaps) on Amazon USA and Amazon FBA.

Challenges and Lessons Learned

Investments in infrastructure and raw materials are minimal, it is already present in the domestic market, raising awareness, educating it and marketing its products, but also the international market remains a target. A second product line, handicraft soap, was added from the beginning of the activity. It owns its workshop, which is equipped with all the necessary tools and materials for the soap production. The raw material like olive oil is sourced locally from the company’s own olive farm and, if that is insufficient, is bought from other farmers in the area where the activity is located. From the business perspective, ownership of the olive farm and soap workshop enhances the sustainability of the financial activity.

Website

<https://www.instagram.com/rinorahandmade/>

<https://www.facebook.com/rinorahandmade>

2

Aloe Vera Centre of Albania

Name

Albi Sulo

Company / organisation

Aloe Vera Centre of Albania

Members / partners

The company was established as a sole proprietorship. The staff number has increased from the foundation of the enterprise until now. In the first year it started with one permanent employee and one short-time employee during the harvest months. Today the number of employees has been doubled to:

- 2 permanent employees (employed throughout the year)
- 2 employees at harvest-time (with a short time work contract)

Beneficiaries

Aloe Vera Centre of Albania’s social mission is achieved by creating a concrete opportunity to implement sustainable development starting from the improvement of these factors: health, economic growth, environmental and also social impact, including the activation of marginalised communities. The main factors that make this financial activity sustainable are: the quality of the product, its extensive functionalities in health and cosmetic production, the innovation that it brings to the local market and the constantly growing demand for products of this type and quality.

Timeframe	The company was established in late 2018 and began its economic activity in 2019.
Description	<p>The main products of the enterprise are currently two:</p> <ul style="list-style-type: none"> - Aloe Vera leaves /BIO and HACCP certified according to EC standards; - Aloe Vera tea / BIO and HACCP according to EC standards; <p>In mid-2021 the company expects to release new processed aloe products onto the market.</p>
Scope	<p>The expansion, cultivation, processing and production to the highest quality standards and BIO certified by the European Commission are already a fact. This label helps a sustainable development which is enormously tangible for the environment. The vision is to achieve these goals by working together with vulnerable groups, in order to increase their social and economic inclusion. The key points that bring innovation to the enterprise are: the type of plants cultivated, the way of cultivation, the microclimate created, the production and its processing.</p>
Outcomes	<p>The enterprise got a boost in 2018, when a great part of revenue came from Partners Albania (donors) and private investors. From 2019 onwards all revenue is generated by economic activity.</p> <p>50% of the employees are women, and one person comes from a marginalised group of individuals who suffered from a severe psychological condition including anxiety and chronic depression. Today this person is successfully managing this situation thanks to the help of her co-workers and the welcoming work environment.</p>
Challenges and Lessons Learned	<p>Its revenues have had major changes from the first year to the second with an upward trend every 3 months. The first year saw an income of about 1,000,000 ALL, and the second about 175,000 ALL.</p> <p>60% of annual income has been invested in the organisation for growth. The company plans to expand social entrepreneurship in the future in terms of market, products, services, employees and social impact.</p> <p>With the increase of revenues, expansion is foreseen, maintaining the highest organic standards, intertwined with innovations in the field of spatial management or the creation of microclimates through third factors.</p> <p>Regarding market expansion, based on the data mentioned above, the present trend would bring about a rise in demand, and consequently the need for expansion and more production, automatically bringing the need for an increase in the number of employees of different marginalised communities in the area.</p> <p>The company's vision is strongly connected to its growth as an enterprise which consequently touches on some vital links, especially in sustainable development.</p>
Website	<p>https://www.facebook.com/Aloe-Vera-Center-of-Albania-306867919908944/?fref=tag</p>

3

Code Partners

Name	Arka Youth Centre
Company / organisation	Code Partners
Members / partners	Arta Nikolli / Arka Youth Council
Beneficiaries	The organisation focuses on civil society, youth etc.
Timeframe	This social enterprise was set up in 2012 by the organisation Code Partners which is registered as an NPO.
Description	Among its main products and services, the organisation carries out economic activity which consists of a bar and hostel. 100% of the income from economic activity is used for investments in the structure where the economic activity is generated. Currently, the company employs 13 employees, 8 of whom are women and 3 employees from marginalised groups of the categories long-term unemployed (over 1 year) and young people who have completed higher education but are unemployed (NEET).
Scope	The mission and scope of the organisation is to improve: the cultural, social and economic conditions in Shkodra and surroundings, the promotion and development of culture, the development of civil society, the creation of employment opportunities for youth, etc.
Outcomes	The social impact of this social enterprise consists in activities organised by the centre and the Arka Youth Council which both have a significant social impact on the target groups they work with.
Challenges and Lessons Learned	The challenges are in the area of the innovation this centre brings in generating activity to support the marginalised community, in terms of both employment and self-employment. The organisation receives 19% of annual income from the generation of financial activity and 81% from donations/grants that support social enterprises in Albania.
Website	https://arkayouthcenter.com/ https://www.facebook.com/qendrarinorearka/

Mapping of key stakeholders in youth social entrepreneurship in Albania

Below are listed key stakeholders that support youth social entrepreneurship in Albania:

RISE (Regional Incubator for Social Entrepreneurs)

Type

Project for youth (Consortium of Organisations)

Description

The objective of this project is to address a specific and crucial need in the region in relation to its current context and history: opening new spaces of reconciliation for the youth of the Western Balkans through social entrepreneurship. The project, due to its very regional nature, tends to increase the number of cross-border interactions around social entrepreneurship during the 3 years of the project and thereafter.

Website

<https://www.risewb.org/>

UK-Albania Tech Hub

Type

Programme

Description

This programme invites Albanian and Western Balkans tech start-ups and supports their applications.

Website

<https://ukalbaniahub.com/>

Yunus Social Business

Type

Incubator/ Accelerator

Description

Provide new entrepreneurs with the skills and tools to design, test, build and grow start-up initiatives that have the potential to positively impact the lives of people in the Western Balkan countries.

Website

<https://www.balkanimpact.com/>

RYCO

Type

Organisation of WB6

Description

Supports great ideas, promotes reconciliation, trust, cooperation and dialogue in the Western Balkans through supporting and funding projects which bring youth of the region together.

Website

<https://www.rycowb.org/>

ICTSlab

Type

Educational Centre

Description

ICTSlab is a regional innovation centre, a multifunctional laboratory with a focus on non-formal education which aims to prepare young people for the challenges of the 21st century. It was established in Tirana as the fruit of several years of successful experience of ICTSmedia and the support of the Association Nationwide ALBICT Technology.

Website

<https://ictslab.com/>

Metropolitan University and Metro-Research

Type

Education

Description

Offers the comprehensive capabilities and deep industry knowledge necessary to help solve the most complex issues of organisations. Since opening its doors in 2000, it has worked with a wide range of clients and helped them optimise their businesses.

Website

<http://www.metroresearch.com/>

Partners Albania for Change and Development

Type

Organisation

Description

An Albanian NGO, working to support civil society and facilitate inter-sector cooperation in order to strengthen democratic institutions and advance economic development. One of its four programmes is Entrepreneurship and Social Innovation, providing advocacy to advance the legal and regulatory network in support of entrepreneurship and social innovation, support the development of innovative start-ups through the provision of integrated services, advance the development agenda of social entrepreneurship in the country through involvement in networks in European level, promote employment and self-employment of women and youngsters through training and support programmes for entering the labour market etc.

Website

<https://partnersalbania.org/>

SIDA (The Swedish International Development Cooperation Agency)

Type

Donor

Description

The Swedish government agency for development cooperation. Through cooperation with civil society, multilateral organisations, public agencies and the private sector it works for sustainable development and to create conditions for people living in poverty and oppression to improve their living conditions. Sida also offers international training programmes and continuously develops methods and training materials.

Website

<https://www.sida.se/en>

GIZ Albania

Type

Donor

Description

Addresses the problems regarding unemployment. Doing so successfully requires a more competitive private sector. For this reason, companies receive support in strengthening their capacities. In the agricultural sector, programmes are helping to improve productivity as well as the economic perspectives of people living in disadvantaged regions. Another focus area is shortcomings in water supply. Moreover, in many cases waste treatment does not take place according to recent standards. Support in the environmental sector focusses on reducing pollution from solid waste, protecting biodiversity from overuse of the land and preventing floods, particularly in river basins, that might increase due to climate change. Getting closer to an accession to the EU is an integral part of the projects in Albania.

Website

<https://www.giz.de/en/worldwide/294.html>

United Nations Entity for Gender Equality and Empowerment of Women

Type

Organisation

Description

Dedicated to gender equality and the empowerment of women. A global champion for women and girls, UN Women was established to accelerate progress on meeting their needs worldwide. UN Women also coordinates and promotes the UN system's work in advancing gender equality, and in all deliberations and agreements linked to the 2030 Agenda. The entity works to position gender equality as fundamental to the Sustainable Development Goals, and a more inclusive world.

Website

<https://www.unwomen.org/en>

IDEA

Type

Project / programme

Description

A key element of the programme is to contribute to the Albanian Business and Investment Development Strategy 2014-2020 and its second pillar, the Smart Growth: Increasing Labour Force Qualification and the measures foreseen to "develop training programmes and respective modules on entrepreneurship".

The objective is to increase the entrepreneurial skillset among owners of new or existing SMEs, who want to expand their businesses, in order to increase their potential competitiveness in the national and global market.

The target group for this project is both men and women who are in the early stages of their entrepreneurial activity (in the process of setting up their businesses or have done so within the last 3 years) or who plan to innovate and invest in scaling up their business.

Website

<https://idea.cefe.net/>

EU for Innovation

Type

Project of 3 organisations

Description

Funded by the European Union with additional support from the German Federal Ministry for Economic Cooperation and Development (BMZ) as well as the Swedish International Development Cooperation Agency (Sida). EU for Innovation aims to strengthen the innovation ecosystem and to boost start-up creation in Albania.

Website

<https://euforinnovation.al/>

The Swiss Entrepreneurship Programme

Type

Programme

Description

Facilitates the strengthening of emerging entrepreneurial ecosystems to create a thriving, sustainable world. It does this by supporting local ecosystem builders – incubators, accelerators, co-working spaces, angel networks or VC funds – and entrepreneurs driving other meaningful activities focused on building the start-up community itself. It operates in Albania, Bosnia-Herzegovina, Kosovo*, North Macedonia, Serbia, Peru and Vietnam.

Website

<https://swissep.org/>

The Swiss Agency for Development and Cooperation (SDC)

Type

Donor

Description

Responsible for the overall coordination of development activities and cooperation with Eastern Europe, as well as for the humanitarian aid delivered by the Swiss Confederation. The goal of development cooperation is to reduce poverty. It is meant to foster economic self-reliance and state autonomy, to contribute to the improvement of production conditions, to help in finding solutions to environmental problems, and to provide better access to education and basic healthcare services.

Website

<https://www.eda.admin.ch/sdc>

USAID Albania

Type

Donor

Description

The current programme works with the Government of Albania and the private sector on transformational reforms to strengthen democratic institutions and sustain economic growth. Specifically, USAID helps Albania to strengthen rule of law, increase the ability of local governments to raise revenue and improve business competitiveness while strengthening the financial sector to better support economic development and financial security.

Website

<https://www.usaid.gov/albania>

Swisscontact Albania

Type

Organisation

Description

Through its projects, it contributes to equitable economic development, by building sustainable systems for vocational skills development and enterprise promotion. Innovation, labour-market oriented training and private sector involvement are at the core of Swisscontact's interventions in Albania. The goal is to provide more and better economic opportunities and perspectives to all, but especially to young women and men.

Website

<https://www.swisscontact.org/en/countries/albania>

Coolab

Type

Incubator / accelerator

Description

This is the place for entrepreneurs, freelancers, business professionals and technologists who want to be part of an active community.

Website

<https://coolab.al/>

Centre for Competitiveness Promotion

Type

Organisation

Description

The organisation supports business development, entrepreneurship, SME policy, social economy, employment, tourism and cultural heritage through project implementation and consultancy services.

Website

<https://ccp.al/>

Delegation of EU in Albania

Type

Donor

Description

The delegation's main tasks are the following:

- Facilitate the development of political and economic relations between the EU and Albania in the framework of the Stabilisation and Association Process (SAP), which is the strategy for helping Albania in its path towards integration into the EU.
- Manage EU Assistance programmes.
- Disseminate information on the EU, informing the Albanian general public, decision-makers and opinion formers about the integration process, EU institutions and its policies.

Website

https://eeas.europa.eu/delegations/albania_en

Albanian Investment Development Agency

Type

Governmental Agency

Description

The focus of the agency is to increase the competitiveness of the private sector, strengthen the country's export potential, promote and support foreign direct investment in Albania, as well as promote the country's tourism potential. As an intermediary between foreign investors and the Government of Albania, AIDA provides access to up-to-date information, provides an efficient way of communicating with government bodies and serves as a "one-stop-shop", supporting investors throughout the investment process.

Website

<https://aida.gov.al/sq/>

Balkan Green Ideas

Type

Consortium of organisations / federations

Description

BGI is a programme that supports the development of local and sustainable small green ideas in the Balkans. BGI aims to stimulate and encourage innovation for green ideas while engaging local communities to generate green businesses that utilise local resources and community-based markets. By supporting innovative, local sustainable economic development initiatives, Green Ideas aims to substantively contribute to building a peaceful, competitive, resilient and prosperous Balkans.

Website

<https://www.balkangreenideas.org/>

Recommendations

Based on the detailed description of the Albanian ecosystem of social enterprises and entrepreneurship and the challenges and obstacles it faces, but also in order to consider the possibilities and circumstances, we make the following recommendations:

- Launching education programmes, starting from secondary school level, in order to involve the citizens in entrepreneurial operations and the achievement of social economy;
- Provision of economic incentives for producers who bring green products to the market and which support social economies and social schemes (e.g. wrapping, accumulators/batteries, electrical and electronic hardware, machinery, taxation schemes etc.);
- Raising economic investment, raising awareness, educating all stakeholders and involving citizens throughout the social entrepreneurship economy;
- Data suggest that 1.4 million Albanians are living abroad and their remittances support the Albanian economy to a remarkable extent (in 2017 remittances made up 10.05% of GDP). This shows a great possibility to improve the use of the knowledge, funds and know-how of the diaspora to additionally expand onto the start-up ecosystem of Albania;

- It is important to ensure that university curricula are of high quality and also that there is sufficient demand for graduates' skills;
- It is critical to promote policies that generate decent jobs (meaning matching job profiles with university results) for young women and men;
- Providing know-how on implementing solid start-ups and social enterprises, also knowledge on accessing funds and approaching the right financial mechanisms;
- Reforms of the educational systems have been lasting for years and a dedicated curriculum for the formal education programmes on social entrepreneurship should be implemented. Considering the public and private finance markets for social and youth entrepreneurs, there is a need for solid programmes of social enterprise private investment and a significant strategic focus on start-ups and innovation across the country;
- The country needs more private programmes and initiatives that support start-ups and social enterprises, and further strategic efforts to engage youth in innovation and entrepreneurship;
- Engagement of governmental institutions with social entrepreneurs and deeper collaboration with European and global financing mechanisms in order to provide complete support toward the growth of the regional ecosystem;
- There is no integrated approach to the country. It is therefore recommended that Albania should transpose and implement EU directives related to the current economy.



Bosnia and Herzegovina

Overview of socio-economic development

Although it has potential for development, Bosnia and Herzegovina (here in after: BiH) is a transitional economy with slow and limited economic reforms. Economic development in BiH is marked by numerous challenges, of which the most important are high unemployment, an unfavourable structure of the economy based on low value-added sectors, the presence of the grey economy, and the lack of entrepreneurial spirit and culture.

The downward trend in economic activity both worldwide and in BiH was visible even before the outbreak of the global Covid-19 pandemic. According to the official data of the Agency for Statistics of BiH 2019, real GDP growth registered in BiH stood at 2.4%, which is a slightly lower rate of economic growth compared to the previous few years when the average rate of economic growth was about 3.5% annually. The slowdown in economic growth in BiH in 2019 was largely a consequence of the slowdown in economic activity in the international economic environment.⁵⁶

The impact of the global economic crisis in the previous period, as well as the current pandemic, caused a crisis in most economic sectors, and endangered the existence of a significant part of the population. The country needs targeted structural reforms, particularly in the financial sector and the labour market, to mitigate the potential long-term effects of the pandemic and socio-economic crises.

Being young today in Bosnia and Herzegovina

According to the 2013 census, there are 773,850 young people aged 15 to 30 living in BiH, that is 21.91% of the population are young people.⁵⁷

When identifying the priorities of young people, according to the Commission for Coordination of Youth Issues in BiH within the Ministry of Civil Affairs of BiH, the position of youth in Bosnia can be traced through their treatment in the several areas:⁵⁸ education, employment, health, social status, participation in public life, culture, sport and leisure.

Based on the Youth Study Bosnia and Herzegovina (2018/2019),⁵⁹ an empirical study which provides an analytical insight into thoughts, attitudes and value system of young people:

⁵⁶ BiH Directorate for Economic Planning (2021), Economic Reform Programme 2021-2023 file:///C:/Users/pc/Downloads/Economic_Reform_Programme_2021-2023__(ERP_BiH_2021-2023).pdf

⁵⁷ Agency for Statistics of Bosnia and Herzegovina (2019), Thematic Bulletin 2 Demography, p. 2

⁵⁸ Commission for Coordination of Youth Issues in BiH /Ministry of Civil Affairs of Bosnia and Herzegovina http://www.mladi.gov.ba/index.php?option=com_content&task=view&id=46&lang=en Retrieved 31 March 2021

⁵⁹ Turčilo, L, Osmić, A, Kapidžić, D, Šadić, S, Žiga, J, Dudić, A. (2018/2019), Youth Study Bosnia and Herzegovina, Friedrich-Ebert-Stiftung (FES) <http://library.fes.de/pdf-files/bueros/sarajevo/15288.pdf>

- In addition to unemployment, the inadequacy of the education system, the depressing political situation in the country, the feeling of lack of perspective for the future, etc. caused the continuation of the trend of mass emigration of young people to other countries.
- When it comes to lifestyle, they seem to look to certain role models, i.e. profiles of people who live healthily, dress well, enjoy shopping, are well connected and keep in touch, and from time to time do nothing (or become inactive) to rest and recover from exertion. Young people, therefore, tend to adopt this hedonistic lifestyle rather than an intellectual one (reading does not rank high on their priority list) and are more inclined to use free time to have fun and recreate themselves than to help others (volunteering is also not among their priorities).
- Young people in BiH society are still family-oriented, where important issues, such as the choice of occupation, spouse, place of residence, and way of raising children, are decisions that seem to be made autonomously, but still within the family.
- Almost every second young person in BiH who leaves the formal education system remains at the level of three years of secondary education or lower.

In January 2021, the number of registered unemployed in BiH was 415,027. If we take 2019 as a base year (2019 = 100) and compare January 2021 with the same month of 2020, we will notice that the number of unemployed increased by 2 index points, or in absolute terms the number of people registered as unemployed increased by 8,860.⁶⁰

According to the data from the Labour Force Survey in 2019, the unemployment rate in BiH was 15.7%, while in the same period in 2018 it was 18.4%. The unemployment rate was highest among young people aged 15 to 24 and stood at 33.8%.⁶¹

Although there are youth strategies at some levels of government, BiH should work on a youth strategy that would ensure the equal treatment of young people and stop them from leaving the country.⁶²

State of art of social entrepreneurship in Bosnia and Herzegovina

Social entrepreneurship is in the initial stage of development in BiH. In recent years, social enterprises have attracted the interest of stakeholders from diverse sectors – including policy-makers, civil society organisations (hereinafter: CSOs), the academic community, etc. There has been progress

⁶⁰ Agency for Statistics of Bosnia and Herzegovina (2021), DEMOGRAPHY AND SOCIAL STATISTICS (First release) http://www.bhas.ba/data/Publikacije/Saopštenja/2021/LAB_03_2021_01_1_BS.pdf

⁶¹ Agency for Statistics of Bosnia and Herzegovina (2019), Labour Force Survey http://www.bhas.ba/data/Publikacije/Bilteni/2019/LAB_00_2019_TB_0_BS.pdf

⁶² European Commission/ Commission staff working document (2020), Communication on EU Enlargement Policy, Bosnia and Herzegovina 2020 Report https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/bosnia_and_herzegovina_report_2020.pdf

in recognising social entrepreneurship through several public documents in the fields of employment, entrepreneurship, improvement of situation of persons with disabilities, rural development, etc. But there are no specific strategies or action plans dedicated to issues of social enterprise development. There is no official definition of social enterprise yet.

Although there are no precise records/evidence on social enterprises and their scale, in practice we can identify business entities similar to social enterprises in the European Union. These are: cooperatives, enterprises for the employment of persons with disabilities, associations of citizens conducting economic activities, etc.

Based on the Agenda for Social Entrepreneurship,⁶³ in one summary review, next to the lack of a legal framework for social enterprises, key challenges in this field are:

- Incomplete application of existing support measures for existing social enterprises
- There is no reliable information (statistics) on social enterprises, etc.
- There is no permanent financial mechanism of support for existing or new social enterprises
- Marginalised persons and CSOs do not have enough capacity for social entrepreneurship
- Success stories from social entrepreneurship are little promoted in the media, etc.

Social entrepreneurship and the opportunities for youth in Bosnia and Herzegovina

Social entrepreneurship opens up numerous opportunities to improve the position of young people in BiH. Young people need to be more encouraged to undertake social entrepreneurship, because they often face obstacles and prejudices in the business world. Among the most common obstacles for young people in entrepreneurship are: lack of resources like knowledge, information, etc. and systemic support (financial, advisory). The business environment needs to be improved in order to put the potential of young people at the service of social and economic development.

Issues of youth employment and entrepreneurship in BiH are dealt with by various stakeholders from the civic, public and private sectors.

Analysis of services currently available to young entrepreneurs

Some of the programmes that contributed / are contributing to the employment and self-employment of young people implemented by public institutions are:

- Self-employment co-financing programme “Start-up”⁶⁴ and Employment co-financing programme

⁶³ Developed by CDP “Globus”- the first Centre for the development of social entrepreneurship in BiH, within the project supported by the Embassy of the Kingdom of the Netherlands in BiH (and the systematic research on social entrepreneurship in BiH)

(“Your chance”)⁶⁵ of the Federal Employment Agency of the Federation BiH;

- By the Public Institution for Employment of the Republic of Srpska: “Employment support programme for young people with a university degree in the status of trainees”⁶⁶ and “Start-up Srpska”⁶⁷ -Entrepreneurship development programme for young people up to 35 years of age;
- Co-financing of employers for the employment of unemployed persons from the category of hard-to-employ,⁶⁸ among others, for younger people (up to 30 years of age) and “Self-employment in the Brčko District of BiH”,⁶⁹ by the Employment Bureau of Brčko District of BiH, where priority in selection is given to applicants under the age of 30.

⁶⁴ <http://www.fzzz.ba/ckFinderFiles/files/Projekti/2021/Program%20sufinansiranja%20samozapo%C5%A1ljava%20-%20START%20UP%202021.pdf>

⁶⁵ <http://www.fzzz.ba/ckFinderFiles/files/Program%20sufinansiranja%20zapo%C5%A1ljava%202021.pdf>

⁶⁶ http://www.zzzrs.net/images/uploads/javni_pozivi/JAVNI_POZIV_2020.pdf

⁶⁷ http://www.zzzrs.net/images/uploads/javni_pozivi/Javni_poziv_Start-up.pdf?fbclid=IwAR1WUbAqdlUIWdsarN0Xyl2cWyzRKIO-ArjkEFkAMq2piBMFORWdyGaD7WIg

⁶⁸ <https://www.zzzbrcko.org/dokumenti/JP%20TZ%202020.pdf>

⁶⁹ <https://www.zzzbrcko.org/dokumenti/jp%202019%20l.pdf>

Best practices

1

Mozaik Foundation

Name	Youth Bank
Company / organisation	Mozaik Foundation
Members / partners	List of partners: https://mozaik.ba/partneri/
Beneficiaries	Young people
Timeframe	From 2008
Description	Through the implementation of projects worth up to 1,500 KM and concrete work on improving their communities, young people acquire leadership and practical skills, and each step forward builds their self-confidence and enthusiasm for new work endeavours. This programme for young people also became the foundation on which they are building

the lonac.pro⁷⁰ community and the Start-up⁷¹ studio programme. Together with Youth bank, Start-up studio offers grants for starting businesses in FBiH and RS. After registration, these businesses enjoy their tailored support through training and technical support of Mozaik teams. The community lonac.pro brings together tens of thousands of people with ideas, knowledge, experience, money, acquaintances, contacts, solutions, opportunities and positive attitudes.

For young people, the community brings very concrete benefits:

- provides numerous and fair opportunities, regardless of nationality or social status, encourages professional and personal development of young people and encourages them to initiate and realise their philanthropic and / or entrepreneurial ideas
- publishes free, educational content that improves the skills of young people
- brings together human and financial resources, i.e. all opportunities for young people in one place
- enables a fair and transparent way of application, selection, monitoring and evaluation of submitted ideas for projects and businesses
- connects entrepreneurs and thus improves the business climate in the market

Scope

Bosnia and Herzegovina

Outcomes

- Trained and empowered close to 300 young people from the whole of BiH who work as coaches and support tens of thousands of other young people in the process of applying for and implementing projects and microbusiness
- Empowered young leaders in communities

Website

<https://mozaik.ba/programi/#1612817650539-bb617ea7-a1ad>

⁷⁰ <https://www.lonac.pro/>

⁷¹ <https://startupstudio.ba/>

2

The Youth Employment Project (YEP)⁷²

Name

The Youth Employment Project (YEP)

Company / organisation

German company GOPA mbH, through a representative office in BiH with the support of the Government of Switzerland through the Swiss Embassy in BiH

Members / partners

Employment Bureaus / Public Services for employment
 Relevant ministries and other state institutions
 Local (youth) non-governmental organisations
 Employers

Beneficiaries

Public employment services
 Young people

Timeframe

15.08.2007 – 31.03.2020.

Description

In the period from 2008 to 2016, the project made a contribution to positive changes in the labour market in BiH, among other things, through:

- Improving the work of public employment services
- Career programme in high schools

The project, in cooperation with line ministries of education, selected six high schools in six cities/municipalities, where a career management action programme was implemented, by working groups of school teachers and pedagogues, with the help of external experts. After over a hundred pedagogues and teachers were trained, six modern career cabinets were equipped in the schools. A greenhouse was also opened in one high school centre, where school students run a real business, from production to product placement. In cooperation with the school management, teaching materials oriented towards career management were prepared, all with the aim of easier integration into the labour market of those students who do not want to continue their education after successfully completing high school.

- Job search clubs

Within the RS Employment Service in Banja Luka and Gradiška, as well as in Tuzla, within the Employment Service of Tuzla Canton, an active measure of group counselling of the unemployed "Job Search Club" was introduced or piloted in the first phase of the project. The job search club is run by a club manager/adviser from the public employment service who has undergone special training thanks to which he/she has the opportunity to help and advise young people in looking for a suitable job. Job search clubs bring together unemployed youth 3-4 days a week during the three-week programme.

Offices that implement the club programme are located in Tuzla, Živinice, Kalesija, Lukavac, Travnik, Novi Travnik, Jajce, Fojnica, Bugojno, Busovača, Kakanj, Cazin, Goražde, Orašje, Sarajevo (FBiH) and Banja Luka, Gradiška, Srbac, Rudo, Modriča, Teslić, Novi Grad, Nevesinje, Visegrad, Zvornik, Derventa, Doboj (RS) and the club in Brčko at the Employment Bureau of the Brčko District. From the beginning of the introduction of this active measure until 29 December 2016, 6,605 unemployed young people participated in the programme of Job Search Clubs, of whom 2,909 (40%) found employment, of which 1,772 were women (61%).

- Entrepreneurship development

The project continuously supports the development of entrepreneurship in BiH, through a number of activities: Young Entrepreneur, Online School of Entrepreneurship and the development of mechanisms for the development of entrepreneurship.

Impact investment Foundation is established with the support of the Swiss Agency for Development within third YEP phase.⁷³

Scope

Bosnia and Herzegovina

Outcomes

- Improved work of public employment services
- Improved young people's access to public employment services, especially their active labour market measures
- Support to youth employment through cooperation with private employment agencies and other actors, the establishment of local employment partnerships and support for entrepreneurship development
- Raising awareness and informing the general public about youth issues in BiH

Website

<https://impakt.ba/bih/yep-projekat-zaposljavanja-mladih/>

⁷³ <https://impakt.ba/bih/home/>

⁷² Project Factsheet data (2017) https://www.swissinbih.ba/upload/documents/01_Project_Factsheet_BA.pdf and <https://impakt.ba/bih/home/>

Mapping of key stakeholders in youth social entrepreneurship in Bosnia and Herzegovina

Youth Council of the Republic of Srpska

Type

Youth organisation

Description

Umbrella youth organisation in RS

Website

<http://www.omladinskisavjet.org/>

Youth Council of the Federation of BiH

Type

Youth organisation

Description

Umbrella youth organisation of BiH

Website

<http://www.vijecemladih.ba/>

Youth Council of the Brčko District of BiH

Type

Youth organisation

Description

Umbrella organisation of youth in the Brčko District of BiH

Website

<http://www.vsmbd.org/>

Ministry of Civil Affairs of BiH

Type

Institution

Description

Issues of coordination and harmonisation, with the competent entity authorities and the Brčko District of BiH

Website

<http://www.mcp.gov.ba/>

Ministry of Civil Affairs of BiH

Type

Institution

Description

Issues of coordination and harmonisation, with the competent entity authorities and the Brčko District of BiH

Website

<http://www.mcp.gov.ba/>

● Foundation Mozaik

Type

Foundation

Description

Support to youth entrepreneurship

Website

<https://mozaik.ba/>

● Red Cross of the Municipality of Centar Sarajevo

Type

Red Cross / association of citizens

Description

Engaged in various activities such as first aid, social activities, health education, etc.

Website

<http://www.vijecemladih.ba/>

● Il Comitato Internazionale per lo Sviluppo dei Popoli (CISP) BiH

Type

International NGO

Description

Work on making better work and life conditions and perspectives for all

Website

<http://www.cisp-ngo.org/>

● Faculty of Political Sciences Sarajevo

Type

Faculty /educational institution

Description

Knowledge and skills usable in practice in the fields of political science, sociology, peace studies and social work, etc.

Website

fpn.unsa.ba

● Faculty of Economics Tuzla

Type

Faculty /educational institution

Description

Seeks to continuously adapt its curricula to market requirements for higher education staff in the field of economics.

Website

<http://ef.untz.ba/?fbclid=IwAR1PGHXefX-9jW3ewBkvalUgR1pg7Y3VxxaS-8OSBjbRL-jniFHhZnPq5kZs>

Recommendations

Combining the conclusions from the information presented above, we defined a set of recommendations with specific intervention proposals to:

- Strengthen cooperation and improve networking of all relevant actors in the field of education and employment (institutions, employment agencies, youth and other organisations);
- Ensure better connectivity of the education system and the labour market;
- Support research on the environment for youth entrepreneurship on a continuous basis, with reference to issues of encouragement of young people to start new (social) business ventures;
- Make youth social entrepreneurship, a key element of all relevant national policies on entrepreneurship, education, employment, youth development, culture, etc.;
- More active role of public employment services through information, consultation, counselling and training related to issues of youth (social) entrepreneurship;
- Expand existing youth training and entrepreneurship programmes through formal and non-formal education, including online platform/s, for the improvement of employability, leadership and entrepreneurship skills of young people;
- Establish funds for social entrepreneurship through cooperation with international donors and financial institutions and other sources of funding at all levels (municipal, cantonal, entity, state);
- Create new financial products and services tailored to the needs of young entrepreneurs, ensuring that vulnerable groups, including young women, are not excluded;
- Make better use of available EU and other international funds to create new opportunities for young people through cooperation, including youth mobility and entrepreneurship development programmes;
- Create social impact incubators with new services for social enterprises established by young people, especially to improve their access to markets;
- Introduce specific measures of support and stimulating tax treatment of young social entrepreneurs;
- Promote more examples of good practices in youth entrepreneurship

Kosovo*

Overview of socio-economic development

Kosovo is one of the countries in the region of the Western Balkans which has just recently emerged from war, which in addition to damage to people has caused great economic and material damage. Immediately in the 2000s Kosovo experienced an economic boom which was based on foreign investments which were concentrated mainly on the construction of houses and other assets damaged by the war.

Even today, Kosovo continues to be one of the poorest countries in the region. However, according to the British Council's *Study of the Challenges that Hinder MSME Development*, Kosovo has seen a slight improvement of the economy especially in the ease of doing business.⁷⁴ The same study shows that the economy of Kosovo is made up mostly of micro or small to medium enterprises, while the industry of Kosovo consists mainly of the retail and wholesale sector with a share of business volume of 56%, followed by manufacturing with 12% and construction with 10%.⁷⁵

As regards human power, Kosovo has an increasing population where young people under the age of 25 represent the highest percentage of the population. Economically, this implies a good potential for the labour force and also for national development, but this delightful potential is not offering the expected results. On the contrary, youth are being engaged poorly in activities that would result in developing their skills for future perspectives or employment

The Kosovo Statistical Agency's Labour Market Survey published in 2020 gives a picture of the situation of the labour market in Kosovo. According to this survey two-thirds of the population are of working age, while the total unemployment rate is 33.1%, while the most worrying part is youth unemployment which reaches the figure of 47%.⁷⁶

This situation disproportionately impacts on the most marginalised youth – those from rural areas, young persons living with disabilities, girls and women, displaced persons, and youth from non-majority communities. The same survey shows that 61% of young people feel excluded from decision-making processes, reporting that they have little opportunity to participate in such processes, leaving these groups with very little social and civic engagement.⁷⁷

⁷⁴ https://kosovo.britishcouncil.org/sites/default/files/country_report_republic_of_kosovo.pdf?fbclid=IwAR1aqNFafYwY6Qu37Y-4sUOexYHtQZ296QiejKTXyjNNSj53moz1QbgX84y8

⁷⁵ https://kosovo.britishcouncil.org/sites/default/files/country_report_republic_of_kosovo.pdf?fbclid=IwAR1aqNFafYwY6Qu37Y-4sUOexYHtQZ296QiejKTXyjNNSj53moz1QbgX84y8

⁷⁶ <https://ask.rks-gov.net/en/kosovo-agency-of-statistics/add-news/labour-force-survey-q3-2020>

⁷⁷ <https://ask.rks-gov.net/en/kosovo-agency-of-statistics/add-news/labour-force-survey-q3-2020>

Being young today in Kosovo*

Youth in Kosovo, specifically youth from rural areas, are facing a lot of challenges when it comes to professional development, especially in regard to engagement in community activities, career orientation, volunteering and employability skills. They are very poorly represented in policy-making and they do not understand their role as agents of social change (Qirezi, Nika, Xhemajli, 2018).⁷⁸ The lack of proper preparation in the education system, towards the development of skills, training and empowerment of youth in decision-making processes, and the lack of compliance between education, institutional policies and labour market demands, has left many youths excluded from these processes and opportunities to engage as active citizens.

Even though Kosovo has the Law on Empowerment and Participation of Youth (law no.03/L-145) which aims to enhance youth participation in decision-making processes, without any distinction or exclusion, the young population still has a lack of motivation and opportunity for political and community engagement.

Recently, municipalities have succeeded in establishing a Central Youth Action Council and Local Youth Action Councils which are formally registered under law 04/L-57 on Freedom of Association of the Republic of Kosovo. Youth can launch initiatives to meet their needs through these young centres operating as civil society organisations. However, the path for advocacy is unclear for these organisations, as it is for these young citizens who are facing the challenges.

State of art of social entrepreneurship in Kosovo*

Social entrepreneurship in Kosovo began to be recognised in 2011 by Kosovar institutions, which in 2016 took the first initiatives towards the creation of the law on social enterprise. Law no. 06/L-022 on Social Enterprises in Kosovo was voted in 2019. This law defines a social enterprise as a legal entity regardless of the manner of its establishment, which in its founding act contains social objectives, carries out economic activities, produces goods and provides services in the general interest of society and integrates into work persons from vulnerable groups. Overall, the law foresees that social enterprises will operate within the capacities of human resources and capacities of biodiversity.

On the other hand, social enterprises in Kosovo, although they have been active in the market for some times now, have not yet developed their capacity to be competitive in the market. Many of the social enterprises that the LENS organisation has identified during its research The rise of future leaders – social enterprises in Kosovo have been programmes of non-governmental organisations that aim at financial sustainability for their entities. Only a small number of them have developed good production, management and sales strategies in their businesses.⁷⁹

⁷⁸ <https://www.ngolens.org/wp-content/uploads/2018/12/RYEO-English-PRINT.pdf>

⁷⁹ https://www.ngolens.org/wp-content/uploads/2018/01/Research-on-Social-Enterprises_Kosovo.pdf

Social entrepreneurship and the opportunities for youth

Youth in Kosovo are more likely to find a job in any company (preferably in the public sector) rather than launch their own businesses. Even though there are some state incentives for self-employment and entrepreneurship, there are many obstacles to starting a business considering some of the challenges below:

- low standard of living and consumer spending power
- no state assistance/incentives/guarantees
- high taxes
- competition (from larger organisations)
- small market, low possibilities of regional cooperation

Although the law on social enterprise has been passed, amendments have not yet been prepared which provide explanations on how a social enterprise can be registered. There is currently no entity that provides exclusive assistance to social entrepreneurship, however organisations/institutions that are supporting or training young people in social entrepreneurship are based solely on the principles of social enterprise.

Young people who have good social business ideas can apply to the UNICEF Innovations Lab Kosovo programmes Upshift and Start-up which are implemented through local organisations. LENS also provides training on social entrepreneurship through USAID-funded projects.

Alternative sources of funding are available to SMEs, although it seems these are neither well known nor sufficiently well-resourced to make an impact. It is possible for SMEs to access a government portal which provides information about the sources of funding available (EIB, 2016). These sources include:

- Western Balkans Enterprise Development and Innovation Facility: an EU-funded initiative, headed by the European Investment Fund, which aims to increase the finance available to SMEs
- USAID
- European Bank for Reconstruction and Development
- Balkan Environmental Association
- European Training Foundation
- EU Regional Economic Development (EURED) grant scheme recipients
- Social Impact Lab
- KOSME / Swiss and ADA
- MDA Foundation

Whereas the existing opportunities for social entrepreneurship for youth are:

UNICEF Innovations Lab Kosovo

Funding or supporting

Young Entrepreneurs and organisations

Description

Provides funds, mentorship, equipment, and space through the Upshift: Social Impact programme and Start-up: Social Venture programme. The funds are given through UNICEF Implementing partners committed to the respective programmes.

Website

<http://kosovoinnovations.org/>

<https://www.facebook.com/KosovoInnovations>

Instagram: @unicef_innovations_lab_kosovo

Twitter: @KosInnovations

Innovation Centre Kosovo (ICK)

Funding or supporting

Young Entrepreneurs

Description

Innovation Centre Kosovo (ICK) promotes and supports the development of new social businesses that contribute to economic growth and job creation, through funding, co-working space, mentoring and training.

Website

<https://ickosovo.com/>

<https://www.facebook.com/ickosovo>

Instagram: @ickosovo

Twitter: ICKosovo

European Union

Funding or supporting

Young Entrepreneurs and organisations

Description

European Union provides grants for the development of social entrepreneurship programmes and social enterprises.

Website

https://ec.europa.eu/neighbourhood-enlargement/instruments/funding-by-country/kosovo_en

<https://www.facebook.com/EuropeanUnionInKosovo>

• Forum for civic initiatives (FIQ)

Funding or supporting

Organisations

Description

Forum for civic initiatives(FIQ) provides training, network, mentoring and funding opportunities for NGOs that have initiatives which impact on and empower disadvantaged groups.

Website

<https://fiq-fci.org/sq/home/>

<https://www.facebook.com/FondacioniFIQ>

Instagram: @fondacionifiq

Twitter: @FondacioniFIQ

• Ministry of Culture, Youth and Sports

Funding or supporting

Young Entrepreneurs and organisations

Description

Ministry of Culture, Youth and Sports through the Action Plan for Increasing Youth Employment, supports up to 100 new start-ups annually by funding support.

Website

<https://mpms.rks-gov.net/en/wpdm-package/plani-i-veprimit-rritja-e-punesimit-te-te-rinjve/>

<https://www.facebook.com/MKRS.MKOS.MCYS>

Analysis of services currently available for young entrepreneurs

Kosovo institutions, mainly ministries, have developed programmes that seek to increase the opportunities of young people in entrepreneurship. Some of the programmes are listed below:

- The Ministry of Trade and Industry has its programme of start-ups and collaborates closely with the Ministry of Labour and Social Welfare in order to provide people with opportunities related to self-employment. However, the number of enterprises supported is very low, and there is lack of data in this regard.
- At the moment one of the most successful measures to support youth in starting businesses is Active Labour Market Measures from Ministry of Labour and Social Welfare, which is being implemented from the UDNP programme in Kosovo. According to the last report of the Ministry of Labour and Social Welfare, Labour and Employment, 2017, 35 entrepreneurs were supported to start their businesses while of the 5,979 people who received vocational training 760 people were trained for self-employment. However, these measures do not have any specific categories for youth. Furthermore, according to the strategy of the Ministry of Culture, Youth and Sports, people who are starting businesses are mostly aged 36-45 (33.46%) while those aged 18-25

only make up 6.39%. Therefore, the Ministry of Culture, Youth and Sports finances up to 20 start-ups every year and trains around 200 young people for entrepreneurship and self-employment (Burim Mexhuani, Ministry of Labour and Social Welfare – Senior for youth employment).

- From 2017-2020, Kosovo had a new ministry, the Ministry of Innovation and Entrepreneurship, which was planning to boost entrepreneurship among the national market. This ministry created the strategy for 2017-2021 which aimed to help start-ups in the IT sector, carry out training related to entrepreneurship and also to enhance the capacities of SMEs in the European Union market. However, this ministry was abolished in 2021 by the new government. The main strategic goals of this ministry are now expected to be pursued by the Ministry of Education, Science, Technology and Innovation.

Best practices

The main activities in the field of entrepreneurship so far are divided into two areas. On the one hand there has been a wide-ranging discussion among stakeholders about social entrepreneurship with regard to linkages with the national ecosystem, areas, limits and opportunities under the law on social enterprises. On the other hand, there has been discussion with organisations, agencies and institutions which have directly supported youth initiatives that have operated under the principles of social enterprise, or have supported organisations that work with youth in increasing social entrepreneurship skills.

Among the best practices of supporting social enterprises, we can single out the UNICEF Kosovo programme with its Upshift project, and the grants from the Ministry of Culture, Youth and Sports, which are given to youth NGOs and social entrepreneurship initiatives.

1

Upshift: Social Impact Programme

Name	Upshift: Social Impact Programme
Company / organisation	UNICEF Kosovo programme
Members / partners	PEN, ICK, Ipko Foundation, YMCA, Avoko
Beneficiaries	Adolescents and youth aged 14-25
Timeframe	2010 – ongoing
Description	Through the Innovations Lab Kosovo and the Upshift programme, UNICEF seeks to build the skills of adolescents and youth, and provide spaces for them to exercise those skills in

addressing social problems. Some of the key transferable skills that beneficiaries of the Lab are endowed with are: work environment communication; higher order thinking skills, logical reasoning, problem solving skills; creativity; ability to make decisions; critical media literacy skills, advocacy skills, learning how to learn; teamwork and interpersonal skills; adaptability to dynamic environments, professional conduct, networking, and management of organisational processes, coding and technology skills.

Upshift combines some of the leading approaches to youth and adolescent development, social innovation, and entrepreneurship, to empower marginalised youth and adolescents to become social innovators and entrepreneurs by providing experiential learning in understanding community challenges and designing and building impactful solutions in the form of products or services.

Outcomes

More than 60 Upshift editions have been implemented so far in Kosovo, including more than 3,500 young people who gained social entrepreneurial skills through training. Additionally more than 250 social impact projects have been designed, led and implemented by these youngsters, reaching more than 500 young people who benefited from the funding programme.

Website

<https://www.facebook.com/KosovoInnovations>

2 Call for skill-building training and start-up grants

Name

Call for skill-building training and start-up grants

Company / organisation

Ministry of Culture, Youth and Sports

Beneficiaries

Youth aged 18-25

Timeframe

2018-ongoing

Description

The Ministry of Culture, Youth and Sports, based on the Action Plan for Increasing Youth Employment, supports youth in increasing their entrepreneurial skills through training, then gives them the opportunity to apply for grants to start their social enterprises.

Outcomes

There is no accurate data on the number of beneficiaries of such programmes from the beginning of implementation, however during 2020 alone the ministry supported 1,255 young people through (1) vocational training for labour market preparation (755 young people) and (2) training on social entrepreneurship (500 young people). 167 youngsters received funding to develop their social enterprise ideas through this programme.

Website

<https://www.facebook.com/MASHTI.rks>

Mapping of key stakeholders in youth social entrepreneurship in Kosovo*

Below are listed key stakeholders that support youth social entrepreneurship in Kosovo:

Ministry of Labour Social Welfare

Type

State institution

Description

The ministry is the initiator of the law on social enterprises and has a self-employment programme through active labour market measures.

Website

<https://mpms.rks-gov.net/en/>

Lens

Type

Local NGO

Description

Offers training on social entrepreneurship, and space and equipment for the implementation of youth initiatives.

Website

<https://www.facebook.com/ngolens>

Ministry of Education, Science, Technology and Innovation

Type

State institution

Description

The Ministry of Education, Science, Technology and Innovation is working on including entrepreneurship as part of the formal primary and secondary education curriculum.

Website

<https://www.facebook.com/MASHTI.rks>

Venture Up

Type

Local NGO

Description

Venture up is an NGO located within the University of Prishtina, which supports social enterprises set up by university students.

Website

<https://venture-up.org/>

● EYE - Helvetas Swiss intercooperation Kosovo

Type

International Organisation

Description

Supports the development of a business ecosystem to support social entrepreneurship in Kosovo

Website

<http://helvetas-ks.org/eye/>

● Kosovar Social Enterprises Foundation

Type

Local NGO

Description

Supports the development of a business ecosystem to support social entrepreneurship in Kosovo

Website

<https://www.facebook.com/SocialEnterpriseFoundation/>

● Jakova Innovation Centre

Type

Local NGO

Description

Supports youth with space and mentorship for youth social impact projects.

Website

<https://www.facebook.com/JakovaInnovationCenter>

● Ministry of Culture, Youth and Sports

Type

State Institution

Description

Provides annual grants for Start-ups led by youth, based on the Action Plan for Increasing Youth Employment

Website

<https://www.facebook.com/MKRS.MKOS.MCYS>

● Ministry of Culture, Youth and Sports

Type

State Institution

Description

Provides annual grants for Start-ups led by youth, based on the Action Plan for Increasing Youth Employment

Website

<https://www.facebook.com/MKRS.MKOS.MCYS>

Innovation Centre Kosovo

Type

NGO

Description

Implements the UNICEF Innovations Lab Kosovo start-up project. In addition ICK promotes and supports the development of new social businesses that contribute to economic growth and job creation, through funding, co-working space, mentoring and training.

Website

<https://ickosovo.com/>

Peer Educator Network - Innovation Lab Kosovo

Type

NGO

Description

Implements the UNICEF Innovations Lab Kosovo Upshift: Social Impact project, which aims to equip youth with entrepreneurship skills, and offers training, funding and mentorship for youth initiatives.

Website

<http://ngo-pen.com/>

CEDE

Type

NGO

Description

Provides know-how for new businesses, and supports them in building networks

Website

<https://ceed-global.org/kosovo/>

UNICEF Kosovo programme

Type

UN Agency

Description

Provides funds, mentorship, equipment, and space through the Upshift: Social Impact programme and Start-up: Social Venture programme. The funds are given through UNICEF implementing partners committed to the respective programmes.

Website

<https://www.facebook.com/KosovoInnovations>

Forum for civic initiatives - FIQ

Type

Local NGO

Description

Provides training, network, mentoring and funding opportunities for NGOs that have initiatives which impact and empower disadvantaged groups

Website

<https://ceed-global.org/kosovo/>

European Union

Type

EU

Description

Supports Law on social enterprises and provides grants for the development of social entrepreneurship programmes, and social enterprises.

Website

<https://www.facebook.com/EuropeanUnionInKosovo>

Recommendations

Although Kosovo institutions have taken various steps to support entrepreneurship in Kosovo, both in terms of facilitating business start-ups and other forms of support such as various grants and training, young people still face various challenges in starting their own businesses.

Therefore, our main recommendations are:

- The Government of Kosovo should create a national strategy that supports entrepreneurship;
- The Ministry of Trade and Industry should collaborate with the Ministry of Culture, Youth and Sports and the Ministry of Labour and Social Welfare to create action plans related to incentives for entrepreneurship;
- Youth should have more access to information, especially as regards government programmes that support entrepreneurship;
- Ministries should collaborate with local NGOs regarding mentorship programmes. NGOs have proven to have the capacities to support start-ups and businesses.



Montenegro

Overview of socio-economic development

Montenegro is a small Mediterranean country in what is now called the Western Balkans. It is a higher middle-income country, with fewer than 650,000 inhabitants. The UN Human Development Report assesses Montenegro as a country with a high level of human development and gives it 48th place among 188 countries analysed.⁸⁰ It is a country that declared its independence in 2006 after spending the 20th century in different forms of Yugoslavia and its successors. With a socialist past, after the breakthrough from a centralised economy, Montenegro currently finds itself in transition to a market economy. The transition as such can be considered to be complete, but various challenges are emerging in both the economic and social areas. In addition, Montenegro is an EU membership candidate, and opened accession negotiations in June 2012. So far, all of the 33 negotiation chapters have been opened, and three have been provisionally closed. With a provisional year for accession set for 2025, Montenegro is often considered the integration leader in the region.

The Montenegrin economy had high growth rates until 2010, thanks to a tourism and real estate investment boom, but since the escalation of the 2008 economic crisis, it has had to face a number of challenges and difficulties. In spite of the development of tourism, Montenegrin society is still dealing with serious problems such as unemployment, poverty, social exclusion and regional development disparities. The poverty rate is rapidly increasing due to high rates of unemployment and economic instability.

The unemployment rate in Montenegro is lower than in some other Western Balkan countries. However, unemployment has fallen only slightly in the past decade (2007: 19%, 2018: 14.2%) and is much higher than in the EU. The halt of economic activity introduced in March 2020 to contain the spread of Covid-19 had a negative impact on the labour market. According to the monthly report of the National Employment Agency, the unemployment rate has risen to 24.32%,⁸¹ which is a continuation of the negative trend, whereas at the beginning of pandemic was around 15%.

There are no differences in the unemployment rates of women and men. A worrying detail is that the share of long-term unemployment is very high (80% of all unemployed) and that the long-term unemployment rate is three times higher than in the EU (12% vs. 4%).

Montenegro has the highest wage level in the Western Balkans. However the wage distribution is very unequal as Montenegro has the highest incidence of low-wage workers in the Western Balkans (27%, EU average: 17%).⁸²

⁸⁰ International Labour Organization, Dignified work programme 2019–2021. Montenegro

⁸¹ <https://www.zzzcg.me/wp-content/uploads/2021/05/Statistical-Monthly-Report-30-April-2021.pdf>

⁸² World Bank, Montenegro, Achieving Sustainable and Inclusive Growth in High Volatility, Systematic Diagnosis of the Situation in the Country, 2016

Montenegro has a comprehensive social security system that includes social security contributions and tax-funded social assistance. Social protection expenditures in Montenegro are estimated at 17.4% of GDP, while the EU average is 28% (2014). However, existing programmes provide assistance to a relatively small percentage of the population. In particular, vulnerable groups have little access to social assistance and services.

Key sectors of Montenegro's open economy and potential drivers of long-term growth include tourism, services and other branches of the knowledge-based economy. The Montenegrin energy sector could also become an important source of growth and exports, provided that environmental impacts are adequately controlled.

The Montenegrin economy, as small and open, is characterised by:⁸³

- a high level of sensitivity to developments in the international economy;
- dependence on international markets and inflows of foreign investment, in the absence of domestic sources.

The number of small and medium enterprises is constantly growing. They are focused on the domestic market and need to become more competitive. Important mechanisms for increasing competitiveness are the efficiency and quality of higher education and strengthening the links between research, innovation and business.

Economic diversification is too small and more needs to be done to offer targeted financial and non-financial business support services, including entrepreneurship development. In order to ensure the continuity of economic growth, it is necessary to change the current drivers of that growth. Thus, increasing efforts focused on the development of the entrepreneurship sector, small and medium-sized businesses, especially in the sector of agriculture and processing industry.

Being young today in Montenegro

Young people comprise a fifth of the population of Montenegro. Decision-makers often lose them from focus, although young people should be at the centre of every politically important and strategic move. The success of the democratic transition of society is also measured by the extent to which young people are ready and motivated to assume the responsibility of helping shape social development via official as well as unconventional forms of political engagement and volunteerism. The vast majority of young people have not even performed voluntary work, and voluntary engagement and youth activism account for a worryingly low percentage of activities occupying the leisure time of young people. The socio-economic status of young people, according to all criteria, renders this group of people extremely vulnerable. Economic marginalisation and exclusion are reflected in the high rate of structural unemployment, generated by a disjuncture between the supply side (educational system)

⁸³ Directions of development of Montenegro 2018-2021, Government of Montenegro

and the labour market, but also by the general economic crisis. In Montenegro, there is a trend of creating new companies that generate demand for various types of appropriate financial and non-financial support. At the same time, Montenegro is characterised by structural unemployment and an unfavourable age and qualification structure. Therefore, it is necessary to take support measures, which will enable young people who are unemployed, as well as those who have lost their jobs, to increase their competencies and competitiveness in order to enable their reintegration into economic flows, by starting their own business or creating new jobs.⁸⁴

Less than one third of youth are active in the labour market. Most of the inactive, over 83% of them, are in the education system, while the remaining inactive young people are neither educated, nor working, nor looking for work. Youth unemployment is over 35%.⁸⁵

The education system in Montenegro can be improved in terms of learning outcomes and the results of international student assessments. The evaluation of the education reform⁸⁶ pointed to the fact that the classroom type of teaching and activities directly related to it are still largely practised. Complementarity of formal, non-formal and informal education is the most effective way to provide young people with a quality educational framework that includes the concept of “functional literacy”.

What characterises youth nowadays is the same as everywhere in the world: millennials are leaving the stage, and generation Z is the central group. It is a generation with significant digital competences, which needs to make a difference and which values personal impact, but which at the same time has significant insecurities about being able to make a difference. This ambivalence requires a change of support structures, and this emerges in different ways in which young people can be valuable actors of society, but is also a threat to be minimised.

Montenegrin society is characterised by the constant threat of a ‘brain drain’ due to the strong desire of the most educated young people to move out of the country, which poses a dangerous challenge for a small country urgently requiring a systematic approach, which has unfortunately been lacking so far. The reasons for leaving the country are predominantly economic in nature, such as the hope of finding a job based on merit and the quest for better economic conditions.

A recent survey by the Westminster Foundation for Democracy found that 70% of young people are considering leaving Montenegro. The survey was conducted in cooperation with the British Embassy in Montenegro. This data has been shaken up by the public and presented as alarming because it points to a deep crisis in terms of youth policies and the state’s attitude towards new generations.

⁸⁴ Youth Strategy 2017-2021

⁸⁵ Katnic, prof. Dr. Milorad: (Un) employment of young people in Montenegro: Policies to Increase Youth Employment, UNDP, Podgorica, 2017

⁸⁶ Bešić, Miloš, Reškovic, Tomislav, Evaluation of education reform in Montenegro (2010–2012), www.zzs.gov.me/ResourceManager/FileDownload.aspx?rId=119598

State of the art of social entrepreneurship in Montenegro

Social entrepreneurship as such is not specifically regulated by the law in Montenegro, and the first attempt to create a legal framework for it through the draft Law on Social Entrepreneurship in 2013 failed because lack of consensus among stakeholders. However, existing strategic documents related to the issues of social policies and the sustainable development of Montenegro indicate that the state has not given up on the creation of an adequate institutional and legal framework for the development of social entrepreneurship, but seeks to find adequate solutions to regulate this complex matter, and is creating different strategic documents concerning social entrepreneurship. Social entrepreneurship is recognised to a certain extent as a model for increasing social inclusion, integration and employment of disadvantaged groups of the population. The Strategy for the Development of Non-Governmental Organisations recognises social entrepreneurship as the use of innovative practices in the sale of goods and services in the market in order to generate income to be used to serve the public interest, referring mainly to the employment of hard-to-employ social groups and the social inclusion of marginalised social groups. The social enterprise sector in Montenegro is relatively limited, with an estimated number of 30-40 organisations. There are no reliable databases that would provide a clear picture of the social economy ecosystem in Montenegro.

In principle, social enterprises in Montenegro use the following legal forms: 1) non-governmental organisation (NGO); 2) limited liability company; 3) sheltered workshop; and 4) agricultural cooperative. As in most of the Western Balkan countries, most social enterprises identified are registered as NGOs.

The social enterprises identified in Montenegro are in their early stages of development. Most of them are in the stages of developing their business plans or testing their business model in practice. There have been only a few examples, identified by the stakeholders and the expert, where the SEs are at the stage of a validated business model and are exploring strategies for long-term growth and sustainability.

Individual SEs, being mostly focused on the employment and social integration of vulnerable groups, monitor the number of target groups they serve and document individual case studies. Since most of the funding is project-based, SEs would normally use the reporting requirements of the donor to report on their results and impact. Nevertheless, having in mind the nascent character of SEs, and the challenges they face in terms of financial sustainability, they often provide short-term engagement for their target groups and thus face challenges in consistently tracking long-term social return.

Social entrepreneurship and the opportunities for youth

As a model of business endeavour for youth in Montenegro, social entrepreneurship is far-fetched. Even though some breakthroughs have been made in the general advancement of the concept of youth entrepreneurship, there is still a vast need for inclusion in the market, and boosting youth

businesses. One of the country's main challenges is youth unemployment, which reflects the underuse of labour capacity. This results in a smaller volume of production and generally reduces the potential for economic growth. Recent data (2017) of the Ministry of Economy of Montenegro show that entrepreneurs do, after all, include young people: 17.4% of entrepreneurs were young (under 35), and the ownership structure of 24.7% of SMEs included young people.⁸⁷

Barriers that young people face in starting their businesses, according to the study conducted by UNICEF in Montenegro,⁸⁸ are the following:

- negative attitude towards entrepreneurship / insufficient support of society
- unreadiness to engage in entrepreneurship
- lack of experience, knowledge and business contacts
- lack of financial resources
- market competition
- regulation
- non-cooperation of institutions

According to the research conducted by the Institute for Entrepreneurship and Economic Development⁸⁹ the most common motive for young people in Montenegro to decide to start their own business is the desire to “be their own boss” (51% of respondents). The desire to create, self-realisation, express one's own creativity and love for the work one does is the second most common motive for entering entrepreneurial waters (15%). The environment in which they live also plays an important role in the choice of vocation, so 12% of respondents state that they decided on their own business based on the experience of people from the immediate environment; an additional 10% of respondents became involved in or inherited a family business. Only 12% of respondents state that they started their own business because they could not find a job.

Analysis of services currently available to young entrepreneurs

In Montenegro, various measures to support youth entrepreneurship have been implemented and are still being implemented, which can be grouped into several different categories, depending on the specific constraints that the measure seeks to compensate for or overcome. The following categories of support measures are in question:

- measures related exclusively to financial support, in various forms (loans, tax and other benefits)
- development of so-called “soft” skills, entrepreneurship training, advisory support, mentoring

⁸⁷ Andjelic J., Petricevic T. (2020) Regional Study and Guidelines on Social Entrepreneurship in the Western Balkans - Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia, Serbia. RYCO, Tirana

⁸⁸ Radevic, Dragana. (2017). Preduzetništvo mladih - Preporuke za javne politike u Crnoj Gori. Unicef Crna Gora

⁸⁹ <https://iper.org.me/project/motivi-barijere-i-savjeti-mladih-cg-u-biznisu/>

- a combination of financial and advisory support
- initiatives related to raising awareness of the entrepreneurial vocation and various support measures related to the education system
- support measures related to the provision of the necessary infrastructure for potential entrepreneurs, especially in the innovation and IT sector.

Considering the aforementioned streams of the support to youth entrepreneurship, there is a general lack of targeted support, and the main stakeholders have those services as side elements in the majority of cases. In these terms the main support organisations, programmes and services are the following:

Key funders and financiers

- **Fund for the Professional Rehabilitation and Employment of People with Disabilities**
 - Provides funding for professional rehabilitation of unemployed and employed people with disability
 - Supports active employment policies for people with disability
- **Investment and Development Fund of Montenegro (IDF)**
 - Provides a variety of financing mechanisms, such as co-financing and loans with favourable conditions;
 - Runs finance facilities for specific target groups, e.g. youth or women
- **National Employment Agency**
 - Implements active employment policies;
 - Finances or co-finances job creation and inclusion of the unemployed;
 - Self-employment grants and loans for starting business
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- **EU funds (IPA)**
 - Supports development of the social sector through know-how support, experience exchange and funding.

- **Finance in motion**
 - Partner in Montenegro of the European Fund for South East Europe (EFSE) that provides sustainable provision of additional development finance; notably to micro and small enterprises and private households, via qualified financial institutions.

- **Erste Bank**
 - Through corporative responsibility segment provides support to different programmes focused on community development.

- **Microfinancing**
 - The microcredit finance institution (MFI) Alter Modus is the only microfinance partner lending institution of EFSE in Montenegro (others include large banks such as Erste, NLB etc.).

Business support organisations

- **BSC Bar**
 - Provides comprehensive and integrated support to small and medium-sized enterprises;
 - Provides training for the acquisition and improvement of business skills, advisory services for starting business;
 - Offers micro-loans

- **Tehnopolis**
 - Incubation for micro, small and medium enterprises in Niksic Municipality
 - Tenancy support for companies and support services during incubations (soft skills + services)
 - Business plan development

- **Union of young entrepreneurs**
 - Membership based organisation that provides support to young entrepreneurs (trainings, promotion, networking)

- **Mtel Digital factory**
 - Co-working space for entrepreneurs, digital nomads, and freelancers
 - Start-up supporting programmes (start-up activator)
 - Possibility of finance for the best start-ups (digital sector)

- **Regional business centre Berane**
 - Tenancy support for business from north of the country
- **Other co-working programmes**
 - I2Space and Creative CBC provided by the ADP Zid and Upbeat hub
 - Nest co-working space in Podgorica intended for commercial usage
 - Co-working space provided by the CEPS

Support programmes and competitions

- **Social Impact award Montenegro**
 - Part of the larger initiative of building communities of early-stage social innovators, among which this programme is implemented in four stages: promotion, education, idea incubation and financial support – reward.
- **Digitalzuj.me**
 - Organiser of the annual spark.me conference, focused on digital transformation, while providing year-round educational support to youngsters especially in the area of start-ups.
- **Kreaktivator**
 - UNICEF innovation laboratory that aims to connect government institutions, the non-governmental sector and civil society with young people and adolescents, in order to work together to find creative solutions to problems identified in local communities.
- **IT companies education programmes**
 - Country renowned IT companies (Logate, Amplitudo, Bild etc.), provide education programmes, often commercial, but which support entrepreneurial skills in the IT sector, which can be a good boost for start-ups.

Despite the relatively large number of initiatives aimed at promoting entrepreneurship and supporting business start-ups, most of them are not exclusively youth-oriented. This is reflected in the weaker performance in the role of correcting market errors when it comes to starting a business from the position of a young individual. In addition, most of the measures identified are isolated, relatively small, ad hoc and discontinuous measures that are usually not part of a broader comprehensive policy to support the development of youth entrepreneurship. It is for this reason that the scope of such initiatives is limited.

Best practices

Youth entrepreneurs, especially those that intend to be social entrepreneurs, operate in an environment where there is a lack of support mechanisms for their operations, and everything is based on fiscal stimulus by government. The third sector economy enjoys little political support and suffers from a fragmented and unsupportive legislative framework. Social economy as a whole faces serious challenges related to legislation and access to finance. Existing social enterprises (the majority of which are in their start-up and validation phase) rely on infrastructural and financial support provided by CSOs.

When we consider best practices that encompass youth, social economy and success stories, it is hard to find all three under one umbrella, which says much about the state of play. There are now several initiatives at the regional level, such as the WB SEA project under which this research is implemented, or RISE implemented by RYCO with a similar scope of action.

The best practices we choose to present are activities with different positions on the spectrum, that tell stories about the different frameworks in which young entrepreneurs can work on their ideas. In short, competitive-based activities, with both economic and social aspects, that may or may not be stepping stone to starting a business.

1

Regional Socialton

Name	Regional Socialton
Company / organisation	ADP Zid
Members / partners	SEEYN network, Bosnia and Herzegovina National Association of Youth Workers (NAPOR Serbia) LENS, Kosovo Youth Cultural Centre – Bitola (YCC- Bitola), Macedonia Beyond Barriers
Beneficiaries	- Persons with basic knowledge of programming – unrelated to the programming language that they know - Young people with knowledge of web programming and design - Social activists and youth workers
Timeframe	December 2018
Description	Socialton is part of the “Regional Civil Society Organisations Platform for Advocating Social Innovation in the Field of Employment of Young People at Risk of Social Exclusion” project.

Socialthon as an initiative gathers young people who will represent their ideas and solutions for various problems affecting the community. Participants had the opportunity to exchange existing and gain new knowledge through a series of formal and informal activities and meetings, with different levels of experience, with the aim of training and networking with experts from various fields such as co-creative methodology and blockchain technology.

Outcomes

Socialthon – Prototype Pitches is a public event, of a competitive nature, where ideas and solutions are created for various problems that affect the community, and which are worked on in teams, with mentoring support, over a 48-hour period.

The three best teams were awarded prizes:

- first place was won by a team with the idea of “provjeri.me” which can become a great help during seasonal employment;
- second place was won by the “OSpectra” team, which presented a product that translates QR codes of articles into voice messages and thus facilitates shopping for the visually impaired;
- third place was won by the team with the “Montey” project, which could solve the problem of misuse of official vehicles, but also raise awareness of the environment among employees in the state administration.

Website

<http://zid.org.me/programi/program-socijalnih-politika/item/1098-prvi-socialthon-prototype-pitches-uspjesno-realizovan>

2

Start-up activator

Name

Start-up activator

Company / organisation

Mtel – digital factory

Members / partners

Mtel,
Ministry of Science,
digitalizuj.me,
ICT hub Belgrade

Beneficiaries

Early stage start-ups

Timeframe

Feb – September 2020

Description

Start-up Activator is a programme intended for start-ups at an early stage of development. It is an intensive six-month pre-acceleration programme consisting of two cycles. The ideation cycle is oriented towards the development of a business model, the conception of a minimally functional product and market research, while the validation cycle focuses on the development of a minimally functional product and testing of an idea on the market.

Outcomes	<p>Start-up Activator was an intensive six-month pre-acceleration programme consisting of two cycles, i.e. the ideation cycle and the validation cycle. Participation in the programme is free, and ten selected teams got the chance to participate.</p> <p>The six best teams have passed to the second round, in the validation cycle, in which, in addition to mentors and workshops, they also have a fund for the validation of the idea in the amount of €2,500. In addition, there is additional support of €2,500 for the first-placed team, and €1,500 for the second-placed team.</p> <p>Also, at least one selected team will, without the process of additional selection, take part directly on the Spark.me start-up competition, and the winner of that competition will have the opportunity to present their project to the world's leading investors and media at TechCrunch Disrupt 2020, San Francisco Entrepreneur Alley.</p>
Website	https://www.startupactivator.me

3

Fund for active citizenship

Name	Green ideas competition
Company / organisation	Fund for active citizenship
Members / partners	Different partners (in the last competition: Balkan Green Foundation, BTD, USAID, Rockefeller Brothers Fund)
Beneficiaries	Individuals, agro-households, small companies and NGOs developing innovative entrepreneurial ideas
Timeframe	2011 – ongoing
Description	<p>For the tenth time, the Fund for Active Citizenship is organising a national competition for green ideas, with the intention of encouraging individuals, farmers, small businesses and non-governmental organisations to develop innovative entrepreneurial ideas, which are based on the principles of sustainable development.</p> <p>The goal is to recognise and support ideas that have the potential to achieve significant social and economic impact in local communities, while preserving natural resources and the environment.</p>
Outcomes	<p>The three best rated ideas will participate in the regional competition Green Ideas of the Balkans. The total prize pool is \$40,000, with individual prizes ranging from \$5,000 to \$10,000, depending on the stage of development of the green idea.</p> <p>If none of the three ideas from Montenegro wins an award at the Regional Forum, the best ranked receives financial support in the amount of €2,000 to €4,000 from the Active Citizenship Fund.</p>
Website	https://www.startupactivator.me

Mapping of key stakeholders in youth social entrepreneurship in Montenegro

Below are listed key stakeholders that support youth social entrepreneurship in Montenegro:

Ministry of economic development of Montenegro

Type

Ministry

Description

Works on improving competitiveness, investment environment and cooperation with the business community. It contributes to improving the business environment, facilitating the business of small and medium enterprises and strengthening entrepreneurship.

Website

<https://www.gov.me/mek>

Ministry of Education, Science, Culture and Sports

Type

Ministry

Description

In charge for education system, here with a focus on introducing entrepreneurial learning in curricula, investing in science and fostering scientific research creation and creation and improvement of youth policy.

Website

<https://www.gov.me/en/mpnks>

Ministry of Education, Science, Culture and Sports

Type

Ministry

Description

In charge for education system, here with a focus on introducing entrepreneurial learning in curricula, investing in science and fostering scientific research creation and creation and improvement of youth policy.

Website

<https://www.gov.me/en/mpnks>

Ministry of Ecology, Spatial Planning and Urbanism

Type

Ministry

Description

Support to the sustainable development, being a stakeholder in activities that complement the social economy in the area of green and circular economy.

Website

<https://www.gov.me/mepg>

Investment and Development Fund of Montenegro

Type

Public financing institution

Description

Supporting small and medium companies (credits and guarantees);

Website

<https://www.irfcg.me>

EU Delegation in Montenegro

Type

International organisation

Description

Supported several initiatives regarding social entrepreneurship, and has shown clear will to back alternative solutions to resolve various socio-economic issues.

Website

https://eeas.europa.eu/delegations/montenegro_en

National Employment Agency Montenegro

Type

Public institution

Description

Creates and implements active employment measures, among which financial support for self-employment.

Website

<https://www.zzzcg.me>

Association for Democratic Prosperity – Zid

Type

NGO

Description

One of the country's leading NGOs, devoted to the community development and promotion of social innovation, as a pivotal element of social economy. Currently running innovation hub, UpBeat Hub.

Website

<https://www.zid.org.me>

Union of Young Entrepreneurs of Montenegro

Type

NGO

Description

Provides support to young entrepreneurs to improve their businesses through various training events, programmes, activities and networking.

Website

<https://www.umpcg.me>

Tehnopolis Nikšić

Type

Business incubator

Description

Innovation and Entrepreneurship Centre Tehnopolis is a place to support the development of micro, small and medium enterprises in the Municipality of Nikšić

Website

<https://www.tehnopolis.me>

Montenegro Chamber of Skilled Crafts

Type

NGO

Description

Promotion of crafts and the middle-class economy, implemented several initiatives related to the economy of the third sector.

Website

<https://www.zanapredak.jimdofree.com>

UNICEF Montenegro – Kreaktivator lab

Type

International organisation

Description

The Innovation Laboratory for Youth in Montenegro, named “Kreaktivator”, is the sixth laboratory of its kind in the world. Its goal is to connect government institutions, the non-governmental sector and civil society with young people and adolescents, in order to work together to find creative solutions to problems identified in local communities.

Website

<https://www.kreaktivator.me>

Association for Democratic Prosperity – Zid

Type

NGO

Description

One of the country’s leading NGOs, devoted to the community development and promotion of social innovation, as a pivotal element of social economy. Currently running innovation hub, UpBeat Hub.

Website

<https://www.zid.org.me>

Union of Young Entrepreneurs of Montenegro

Type

NGO

Description

Provides support to young entrepreneurs to improve their businesses through various training events, programmes, activities and networking.

Website

<https://www.umpcg.me>

Network for Youth of Montenegro

Type

Ngo Network

Description

An umbrella organisation of young people, i.e. an association of youth organisations, organisations that work with and for young people, and associations and unions of young people from Montenegro.

Website

<https://www.mmcg.me>

RYCO - Branch office

Type

Regional organisation

Description

Supports regional youth initiatives, exchange and reconciliation. Implements project such as RISE, devoted to increasing the number of cross-border interactions around social entrepreneurship.

Website

<https://www.rycowb.org>

FORS Montenegro

Type

NGO

Description

Has implemented several projects in various fields such as social entrepreneurship, green economy, environmental protection, sustainable development, agriculture, tourism etc.

Website

<https://www.forsmontenegro.org>

Centre for Economic Prosperity and Freedom – CEPS

Type

Non-profit foundation

Description

Initial signatory of Belgrade Declaration on the Development of Social Entrepreneurship. Supports initiatives in the field of social entrepreneurship and green economy.

Website

<https://www.faktcg.org>

Chamber of Economy of Montenegro

Type

Business association

Description

Main stakeholder when it comes to the development of economic legislation, and interested party if social entrepreneurship is to be regulated.

Website

<https://www.privrednakomora.me>

Local Democracy Agency Montenegro

Type

NGO

Description

Works on promotion of concept of social economy. Founder of service Centre for Social Economy Development.

Website

<https://www.aldnk.me>

Caritas Montenegro

Type

NGO with religious affiliation

Description

Founder of several social enterprises, and devoted actor in advocating their improvement of environment for social economy.

Website

<https://www.caritascg.me>

Centre for Development of NGOs

Type

NGO

Description

Active in promotion of legislative solutions regarding social entrepreneurship.

Website

<https://www.crnvo.me>

Juventas

Type

NGO

Description

One of the main stakeholders in youth sector, with long-standing experience. Active in promotion of social entrepreneurship, published study on social entrepreneurship in Montenegro.

Website

<https://www.juventas.me>

Foundation Business Start Centre Bar (BSC Bar)

Type

Business incubator

Description

Provides comprehensive and integrated support to small and medium-sized enterprises. Organised seminar on social entrepreneurship in 2016.

Website

<https://www.bscbar.org>

	Institute for Entrepreneurship and Economic Development (IPER)
Type	NGO Think – thank
Description	IPER carries out research on the most important social and economic topics, preparing recommendations for policy development. Provided support to the establishment of several social enterprises.
Website	https://www.iper.org.me

Recommendations

In Montenegro, social entrepreneurship which functions in a legislative and strategic framework that is unfavourable, and is often pushed into a grey zone, connected with the work of CSOs. A stronger bond need to be made with concept of youth entrepreneurship, and space need to be opened for youngsters to understand social entrepreneurship as an opportunity. The recognition of these needs can be presented in the following recommendations:

- Improvement of access to finance for the SE, to bring long-lasting sustainability along with improved human and organisational capacities;
- Development of policy and normative positions for the development of SE that are not restrictive, and focus on the improvement of side legislation;
- Inclusion of youth in initiatives that promote concept of the social economy;
- Development of sustainable incubation support for social enterprises, and opening of instruments available to SMEs also to SEs;
- Creating and managing a data collection and database system for social enterprises in Montenegro;
- Introducing models of social innovation, social economy and circular economy in the educational system;
- Promotion and support of the best practice examples, and creation of a system of acknowledgement;
- Ensuring access of SE to training, mentorship and advisory support programmes.

North Macedonia

Overview of socio-economic development

Since its independence in 1991, North Macedonia has undergone structural political and economic reforms aiming towards full membership and integration into the European Union (EU). This socio-economic transformation has resulted in gradual progress in the economic indicators and living conditions, yet the country remains one of the poorest in Europe. A significant amount of the country's manufacturing industry died off as a result of losing its captive former Yugoslav market. Nowadays, services are the main driver of the economy with 53.5%, followed by industry with 31.4% and agriculture with 15.1%. Small and medium-sized enterprises (SMEs) are the backbone of the economy representing 99% of registered companies and employing 80% of the labour workforce.⁹⁰ Furthermore, the Macedonian economy was influenced by the world economic crisis in 2008, which led to substandard growth of between 3-4% in the last ten years.⁹¹ Besides, there was a steady increase of GDP per capita to \$6,022 in 2019; however, at this pace, the country will need several decades to reach the EU average.⁹²

The lack of a population census (last undertaken in 2002) is a serious impediment to gathering more succinct and high-quality data regarding migration and the socio-economic position of citizens. Estimates state that 2,076,255 citizens are currently living in North Macedonia, of whom 50.1% are men and 40.9 women.⁹³ As a result of lower birth rates and the high emigration, North Macedonia is an aging country, which crossed the 12% senior population threshold in 2018.⁹⁴ According to the World Bank, in the last ten years alone, around 500,000 citizens have left the country, the majority of them skilled and educated individuals.⁹⁵ Even though the country reports positive data on the increase of the Human Development Index by 13.5% from 2000 to 2018, these emigration trends identify North Macedonia as one of the world's leading brain-drain countries.⁹⁶

Similarly, positive trends are noted in a decrease in the general unemployment rate and an increase of salaries. From 32.02% in 2010, the unemployment rate reached its historical minimum of 17.5%

⁹⁰ State Statistical Office, North Macedonia in figures 2020. Available at: https://www.stat.gov.mk/PrikaziPoslednaPublikacija_en.aspx?id=27

⁹¹ World Bank 2020, Country data, North Macedonia. <https://data.worldbank.org/country/MK>

⁹² World Bank, Country Diagnostic for FYR Macedonia: Seizing a Brighter Future for All, 2018. <https://pubdocs.worldbank.org/en/6063815434479145/MKD-SCD-2018-ENG-Web.pdf>. In comparison, the GDP per capita in 2010 was \$4,543.

⁹³ State Statistical Office, North Macedonia in figures 2020. Available at: https://www.stat.gov.mk/PrikaziPoslednaPublikacija_en.aspx?id=27

⁹⁴ Ministry of Labor and Social Policies, Revised Program for Reforms in Employment and Social Policies 2022, December 2019. Available at <https://www.mtsp.gov.mk/espr-espr.nspix>

⁹⁵ World Bank, North Macedonia Immigration Statistics 1990-2021. Available at <https://www.macrotrends.net/countries/MKD/north-macedonia/immigration-statistics>.

⁹⁶ World Economic Forum, Global Competitiveness Report 2020. Available at <https://www.weforum.org/reports/the-global-competitiveness-report-2020>

in 2019. Women and youth remained as the most risk-exposed groups in the labour market.⁹⁷ The unemployment decrease was followed by a complementary growth of the average monthly net salary from €325 in 2010 to €402 in 2019. However, 69% of the population have below-average salaries and the minimum wage, of €247 in 2021, is received by around half of the population.⁹⁸ In terms of distribution of income, the 2018 Gini index shows a relatively high inequality value of 36.1%.⁹⁹ Other available data also suggest the inefficiency of the social protection system that inadequately tackles inequalities and the risk of poverty and social exclusion. As an illustration, in 2018 41.1% of Macedonian citizens were at the margins of poverty and social exclusion.¹⁰⁰ The situation becomes more worrying if we consider the latest socio-economic impact assessment of the Covid-19 pandemic, which predicts an economic crisis of higher magnitude than 2008, with SMEs and socially vulnerable groups at the forefront of the crisis.¹⁰¹

Being young today in North Macedonia

Demographic trends show a declining number of young people in the country.¹⁰² The 2002 population census registered 480,210 young people, while by 2019, the number had decreased to 407,580. Youth constitute approximately 20% of the population.¹⁰³ Even though estimates of future youth demography are not available, recent research shows that youth are the most numerous category leaving the country. Moreover, around two-thirds of them showed a strong intention to move abroad permanently.¹⁰⁴ Adding the fact that the younger EU members such as Romania, Bulgaria and Croatia experienced stronger emigration after EU accession, likewise a volatile decline of the youth population can be predicted for North Macedonia in the near future.

In 2019, 12.7% of all youth were enrolled in tertiary education, of whom 57.1% were female students. The most common professional paths were medicine, IT, engineering, economy and philology, with these faculties registering almost two-thirds of the students.¹⁰⁵ On the other hand, quite a few young people attend non-formal education.¹⁰⁶ Available data show that almost 90% of youngsters have

⁹⁷ State Statistical Office, Labor Market Data, MAKStat Database 2021. Available at: <https://www.stat.gov.mk/>

⁹⁸ Ministry of Labor and Social Policies, Revised Program for Reforms in Employment and Social Policies 2022, December 2019. Available at <https://www.mtsp.gov.mk/espr-espr.nspix>

⁹⁹ Ibid.

¹⁰⁰ Jusić. M. & Obradović, N., Enlargement Policy and Social Change in the Western Balkans, Friedrich-Ebert-Stiftung, 2019. Available at <https://soe.fes.de/features/social-dimension-of-eu-enlargement>.

¹⁰¹ UNDP, Socioeconomic Assessment of COVID-19's Impact in North Macedonia, 2020. Available at <https://www.green-growthknowledge.org/research/socioeconomic-assessment-covid-19s-impact-north-macedonia>

¹⁰² The Law on Youth Policies and Youth Participation 2020 defines young people as persons aged between 15-29.

¹⁰³ State Statistical Office, North Macedonia in figures 2020. Available at: https://www.stat.gov.mk/PrikaziPoslednaPublikacija_en.aspx?id=27

¹⁰⁴ For example: Navanti (2019) Cross Sectoral Youth Assessment North Macedonia; FES Youth Studies Southeast Europe 2018/2019; Unicef, Born in Transition Situation analysis of young people in North Macedonia 2020; Brain-drain Prevention Network Macedonia: Analysis of the National Brain-drain Strategy 2013-2020 etc.

¹⁰⁵ State Statistical Office, Education Data, MAKStat Database 2021. Available at: <https://www.makstat.stat.gov.mk>

¹⁰⁶ Ibid.

never taken part in a civic initiative or CSO activity.¹⁰⁷ The Youth Participation Index further reveals that political, social, and economic participation are extremely low, positioning youth as one of the most excluded and marginalised groups. Comparing to the Agenda 2020 of the Council of Europe, youth in North Macedonia has almost ten times lower participation.¹⁰⁸ For instance, more than half consider that they cannot influence the work of the authorities, and almost 85% have never been involved in the creation of public policies.¹⁰⁹

The most severe problem for Macedonian youth is unemployment. The proliferation of youth employment policies in recent years (among which the EU's Youth Guarantee) has managed to mitigate the problem to some extent. A drop is noted in the unemployment rate from 40.6% in 2016 to 30.5% in 2019, as well as in the long-term unemployment rate from 29.7% to 23.1%.¹¹⁰ The main reason for the high unemployment is low skills, or skills mismatch i.e. the low quality of the educational system and its disconnection from the private sector. To a large extent, this disadvantaged position of youth in the labour market is also rooted in the problematic school-to-work transition amid concerns that educational programmes do not reflect labour market needs. According to the ILO, this transition lasts on average 31 months from graduation to the first job and much longer for youth with only primary and secondary education.¹¹¹

On the other hand, the high unemployment creates a snowball effect on the marginalisation and exclusion of young people, especially Roma, minorities, youth with disabilities, and youth from rural areas. As per Eurostat data, in 2019 the share of young people at risk of poverty and social exclusion is approx. 43%, equally distributed among men and women.¹¹² In connection with this, the percentage of youth not in employment, education, or training (NEET) remains traditionally high, reaching 24.5%¹¹³ in 2019. Having in mind this socio-economic position, expectedly, Macedonian youngsters spend their entire youth living with their parents, reiterating their weak economic power and financial dependence on the family. For men, the rate goes up to an extreme 96.6%, while the rate for women is 71.7%.¹¹⁴

Although youth unemployment is still the primary problem and most influential push factor for

¹⁰⁷ Westminster Foundation for Democracy, Youth in North Macedonia: Optimism, Apathy or Disappointment?, 2020. Available at: <https://www.wfd.org/2019/12/18/youth-in-north-macedonia-optimism-apaty-or-disappointment/>

¹⁰⁸ Youth Hub for Western Balkan and Turkey, Youth Participation Index 2019. Available at: <https://youthwbt.eu/youth-participation-index-2019/>

¹⁰⁹ Westminster Foundation for Democracy, Youth in North Macedonia: Optimism, Apathy or Disappointment?, 2020. Consequently, only 3.3% of MPs are young people, and there are no mayors or ministries according to the Youth Participation Index 2019. Youth Hub for Western Balkan and Turkey, Youth Participation Index 2019.

¹¹⁰ State Statistical Office, Labour Market Data, MAKStat Database 2021. Available at: www.makstat.stat.gov.mk

¹¹¹ UNICEF, Born in Transition -Situation analysis of young people in North Macedonia, 2020. Available at: <https://www.unicef.org/northmacedonia/reports/born-transition>

¹¹² Eurostat, Being young in Europe today, data for 2021. Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Being_young_in_Europe_today

¹¹³ State Statistical Office, Labor Market Data, MAKStat Database 2021. Available at: www.makstat.stat.gov.mk

¹¹⁴ Eurostat, Being young in Europe today, data for 2021. Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Being_young_in_Europe_today

emigration, other pressing issues such as corruption, politicisation, low quality of education, pollution, inefficient institutions, etc. are becoming more and more relevant.¹¹⁵ As stated in recent youth studies, all of these issues are adding to the frustrations and demotivation of youth to participate in public life. That said, youth are demanding a stronger voice, increased influence, and better living conditions where they will feel more appreciated, included, and safeguarded.¹¹⁶ The main channel for addressing these needs and challenges is the civil society sector supported by the strong international community in the country. Regrettably, the national institutions continue to be distant and closed for young people, as shown by the elaborations and data presented above.¹¹⁷

State of art of social entrepreneurship in North Macedonia

The concepts of social economy and social enterprises in North Macedonia are in the early stage of development. They firstly appeared in former Yugoslavia taking various forms such as cooperatives, sheltered workspaces, and social organisations and associations.¹¹⁸ After the discontinuation of the concepts in the early 1990s, they reappeared in the discourse on the third sector around 2009-2010. In the beginning, they referred to the enterprises that emerged from associations providing work engagement for disadvantaged people and associations working on the deinstitutionalisation of persons with disabilities.¹¹⁹ The perception of social enterprises in the public still goes in this direction. Narrowly, social enterprises are perceived as charities or connected to the social inclusion of vulnerable groups.¹²⁰

Current legislation in North Macedonia does not recognise or regulate social enterprise and social entrepreneurship, and nor does it have an operational definition of the concepts. The reason is the lack of common understanding among the stakeholders and social economy actors.¹²¹ To resolve this, a draft law on social entrepreneurship was proposed in 2015, but later withdrawn upon the pressure of social entrepreneurs owing to its restrictiveness and unsuitability to the existing ecosystem.¹²² Given the lack of a tailored legal framework, social enterprises in North Macedonia are functioning under

¹¹⁵ Icoski Marjan, Brain-drain prevention network, How to keep youth home? Brain-drain as the biggest challenge for North Macedonia, 2020. Available at: http://www.braindrain.mk/?page_id=152

¹¹⁶ See footnote 15.

¹¹⁷ For example, the law for youth participation and youth policies was adopted for the first time in 2020, almost 30 years after independence. Currently, there is no National Strategy for Youth, relevant action plans, youth councils etc. that give a vision of the youth's future and their mode of participation in the creation and implementation of the policies that directly affect them.

¹¹⁸ Klimentina Ilijevski and Aleksandra Iloska, Social Enterprises and their Ecosystems in Europe, Country fiche-FYROM, 2018. Available at: <http://public.org.mk/wp-content/uploads/2018/12/Social-enterprises-and-their-ecosystems-in-Europe.-Country-fiche.-Former-Yugoslav-Republic-of-Macedonia-1-1.pdf>

¹¹⁹ Ibid.

¹²⁰ Regional Incubator for Social Enterprises (RISE), Regional Study and Guidelines on Social Entrepreneurship in the Western Balkans, 2020. Available at: <https://www.risewb.org/>

¹²¹ Ministry of Labour and Social Policies, National Strategy for the Development of Social Enterprises in North Macedonia 2021-2024. Available at: <https://mtsp.gov.mk>

¹²² Ibid.

the Law on Associations and Foundations and are present in a variety of forms such as associations, sheltered workspaces and cooperatives. Other relevant legislative documents include the Law on Employment of Persons with Disabilities and the Public Procurement Law. Thus, municipalities play an important role in the social entrepreneurship sector, as they are typically the purchasers of products and services of the social enterprises.¹²³

The variety of legal forms alongside the absence of an official registry, definition, and comprehensive data on social enterprises makes the precise estimation of the size of the sector a challenging endeavour. Similarly, there is also no available data on the economic impact or the number of youth-led social enterprises in the country. Nevertheless, recent research estimates that the country has 89 associations/foundations registered as civil society organisations active in social protection/services and another 40 social enterprises as associations. Moreover, there are 411 registered sheltered workspaces and additionally 39 agricultural cooperatives.¹²⁴ The majority of these social enterprises provide a variety of products and services in the fields of education, health, culture, and social protection. These enterprises have several common characteristics. They are a) at the early development stage; b) micro-sized enterprises with few or without employees; c) donor-driven and unsustainable, and d) have small-scale business capacities.¹²⁵

It is noteworthy that the biggest step in the area was the recent adoption of the National Strategy for the Development of Social Enterprises in North Macedonia 2021-2024. For the first time, the strategic vision and objectives of social enterprises and the social entrepreneurship ecosystem were defined. The strategy identifies four key priorities as a joint action of all social economy stakeholders: a) creation of a culture of social entrepreneurship; b) capacity-building of social enterprises and other actors in the ecosystem; c) market development; and d) development of the social investment ecosystem.¹²⁶ Nevertheless, the results and impact of the strategy are to be seen.

Social entrepreneurship and the opportunities for youth

Youth in North Macedonia do not see (social) entrepreneurship as a professional path or a viable option for employment. Young people choose job security, a steady salary, and sufficient leisure time as most significant. Approximately 60% of youth consider that the best job is in the public sector while only 20% would like to start their own business.¹²⁷ Hence, according to the state statistical office, only 1.6% of the whole youth population in 2019 is registered as entrepreneurs, of whom

¹²³ Regional Incubator for Social Enterprises (RISE), Regional Study and Guidelines on Social Entrepreneurship in the Western Balkans, 2020.

¹²⁴ Ibid.

¹²⁵ 'Public' Association for Research, Communication and Development, Policy Study: Analysis of the capacities of social enterprises in North Macedonia, 2019. Available at: <https://public.org.mk/analiza-na-kapatsitetite-na-sotsijalnite-pretprrijati-ja-vo-severna-makedonija/>

¹²⁶ Ministry of Labour and Social Policies, National Strategy for the Development of Social Enterprises in North Macedonia 2021-2024.

¹²⁷ See footnote 15

83.6% are men.¹²⁸ Since the social entrepreneurship concept is not legally recognised, there are no data on the number of social entrepreneurs in the country.

Some studies attribute this low interest and fears around entrepreneurship to historical attitudes cultivated by the state-dominated economy of the former Yugoslavia, as well as the outdated educational system that does not reward innovation and punishes risk-taking.¹²⁹ The entrepreneurial education opportunities in the formal system are quite modest and are not focused on creating a new generation of young (social) entrepreneurs and an entrepreneurial culture. For instance, in high school, students have several subjects such as “innovation and entrepreneurship” and “business and entrepreneurship”, while on a faculty level, these subjects are part of the economics departments and recently, IT and technology science.¹³⁰ Integrally in these subjects, students have very little on social entrepreneurship, while separate subjects tackling social entrepreneurship as a distinctive topic exist only as elective courses at a few universities.¹³¹

In public policies, social enterprises are not recognised in the national programmes for the financing of businesses and start-ups, additionally limiting the available opportunities for young social entrepreneurs.¹³² Instead, state-sponsored opportunities for youth entrepreneurship are part of the active employment measures, where unemployed youth can apply their social business ideas as well. Although these measures are attractive for youth, according to them, they are heavily bureaucratic and provide modest funding.¹³³ For example, the budget for the self-employment measures is around €2 million per year, involving on average between 800-1,000 youngsters in the yearly programme.¹³⁴ On a positive note, starting from 2017, for the first time, social enterprises were specifically targeted by public employment policies. The measures prioritise social enterprises that provide work integration and social inclusion services for disadvantaged people but are not focused on the establishment of social enterprises. Instead, they serve to create new jobs for the socio-economic integration of vulnerable groups in existing entities.¹³⁵

On the other hand, the most prominent opportunity provider for entrepreneurship is the Fund for

¹²⁸ Youth Hub for Western Balkan and Turkey, Youth Participation Index 2019.

¹²⁹ UNICEF, Born in Transition – Situation analysis of young people in North Macedonia, 2020. Available at: <https://www.unicef.org/northmacedonia/reports/born-transition>

¹³⁰ Ministry of Labour and Social Policies, National Strategy for the Development of Social Enterprises in North Macedonia 2021-2024

¹³¹ Regional Incubator for Social Enterprises (RISE), Regional Study and Guidelines on Social Entrepreneurship in the Western Balkans, 2020. Notably, the Yunus Centre at the Faculty of Economics was founded in 2021 as part of the Global Network of Yunus Centres.

¹³² ‘Public’ Association for research, communication and development, Policy Study: Analysis of the capacities of social enterprises in North Macedonia, 2019

¹³³ Agency for Employment of North Macedonia, Annual Report 2020. Available at: <https://av.gov.mk/godishni-izveshtai.nspix>

¹³⁴ National Youth Council of North Macedonia, Analysis of the opportunities and perceptions of youth about entrepreneurship, 2021. Available at: <http://www.nms.org.mk/dokumenti/>.

¹³⁵ Agency for Employment of North Macedonia, Operative Plan for active programmes and measures for employment and services on the labour market 2017, 2018, 2019 and 2020. Available at <http://av.gov.mk/operativen-plan.nspix>.

Innovations and Technology Development (FITD), which works mostly with technological start-ups. Youth and social entrepreneurship as such are not recognised as a separate category, but FITD in cooperation with the CSOs and IGOs provides small grants and education and mentoring services for young social entrepreneurs, usually through competitions and challenges.¹³⁶

Analysis of services currently available to young entrepreneurs

In this constellation, youth social entrepreneurship and entrepreneurship as such are led by the civil society sector and small private companies, mostly CSO spin-offs. They are the ones who offer the most opportunities and services for young entrepreneurs. Similarly, like other third sector entities, support programmes and services offered by social enterprises, incubators, accelerators, and networks to large extent depend on the funding of international donors. Considering that the social economy and social entrepreneurship fields are rather small and at an early stage of development, the services for young social entrepreneurs are limited in scale and number. Roughly, the available services can be categorised as follows:

Social entrepreneurship education is the most available service for young social entrepreneurs. As mentioned, social entrepreneurship education has not yet been fully recognised in the formal system, so there are plenty of CSOs who work directly on creating a social entrepreneurship culture. This happens within the sphere of non-formal education based on training courses, workshops, and competitions with support predominately provided by the EU, USAID, and the Swiss Cooperation Agency.¹³⁷ If we analyse the programmes offered in the social economy sector, we can notice that social entrepreneurship education is a core component of the CSOs' work. Moreover, social entrepreneurship education is also the main service of the youth organisations through the Erasmus+ and similar programmes. They additionally provide an international learning experience and mobility, harvesting and bringing best practices and success stories to youth in North Macedonia.¹³⁸ In this regard, the CSOs also partner with the state institutions and IGOs, among which FITD, UNICEF, and UNDP are the most common collaborators. Noteworthy of mention is the role of the Agency for Employment, which provides entrepreneurial education courses as an integral part of the youth self-employment/entrepreneurship programmes.

Career guidance and counselling have been largely delivered as part of the wider lifelong learning or labour market strategies targeting unemployed youth. The Agency for Employment as the responsible institution on a national level, disperses its work around the country through its local branches. Similarly, as at the EU level, the YG scheme was used to enhance this measure, which

¹³⁶ Examples: Challenge for young researchers, high-school entrepreneurship education programmes, Up-shift Programme, Meal for all challenge etc.

¹³⁷ Klimentina Ilijevski and Aleksandra Iloska., Social Enterprises and their Ecosystems in Europe, Country fiche-FYROM, 2018.

¹³⁸ Examples: Association Public, Association Konekt, Association ARNO, Association HERA, NGO Go Green, Mladiinfo International, CEFE Macedonia, Youth Alliance Krusevo, National Youth Council of Macedonia

was not popular among youth. Under this framework, the entrepreneurship programmes offer youth mentoring and counselling for the development of business plans and running their own business. In these programmes, administrative simplification is also offered, easing the way for young people to navigate through the complex legislative and bureaucratic procedures. Nevertheless, in high schools and universities, and at the local level, these services are almost non-existent. The gap is filled by youth CSOs, which provide career guidance and counselling and work directly with high-school and university entities and students.¹³⁹

Incubation and acceleration: career guidance and counselling are also provided under exclusive programmes as part of business incubation and acceleration services, typically in the form of mentoring, coaching, and funding. Although these services are pre-oriented for traditional businesses and mostly tech start-ups, some of them have a social enterprise component. The incubators and accelerators for social enterprises are usually private companies established as CSO spin-offs or IGO programmes implemented in partnership with the CSOs. These incubation and acceleration services are for viable social business ideas and already established social enterprises. Thus, even though youth are not targeted as a special category, a large portion of the incubated and accelerated enterprises are youth-led or involve young team members.¹⁴⁰

Networking: the CSOs deliver networking services to young social entrepreneurs through projects funded by international funds and programmes, creating informal social economy networks on a regional and international level.¹⁴¹ In the national ecosystem, the networking is not structurally supported, and currently only several informal networks of social enterprises are in place. The Social Enterprises Network (SEN) is the most prominent and numerous, counting 10 members and 4 support partners. Therefore, networking for young social entrepreneurs goes through everyday work, events, and activities of the main social entrepreneurship actors (CSOs, incubators, accelerators), as well as the international donors, support programmes (UNICEF, UNDP, UNPFA), and the FITD, which plays an important role in the entrepreneurial ecosystem.

Financing: social enterprises in North Macedonia have relatively limited access to opportunities for funding. Young social entrepreneurs face this challenge as the biggest one at the beginning of their careers. Ordinarily, the support of foreign donors is oriented towards capacity-building of existing social enterprises or establishing new ones, while direct funding to social enterprises is not common practice. The funds directly allocated are minimal, ranging between €3,000 and €5,000. Other funding opportunities exist through the above-mentioned pivotal entrepreneurial programmes run by the Agency for Employment. Similarly, the funding ranges from €3,000 to €5,000 for establishing a (social) enterprise along with several other legal and administrative obligations. In the case of

¹³⁹ Examples: National Youth Council of Macedonia, NGO Lead, Youth Can, Youth Educational Forum, CEFE Macedonia, Association Multikultura.

¹⁴⁰ Examples: CEED Hub, Yes Foundation, Impact Foundation, RISE incubator, Social Entrepreneurship Observatory, Association ARNO, UKIM Business Accelerator, Fund for Innovation and Technology Development.

¹⁴¹ Examples: Regional Rise Incubator, Regional Balkan Green Ideas, Balkan Social Enterprise Research Network, Se4u Network, Social Innovators Network.

bankruptcy, the young (social) entrepreneurs are obliged to return the majority of the investment. Moreover, the Agency for Employment grants low-interest bank loans from €3,000 to €17,000 with an interest rate of 1% for which the young social entrepreneurs need to provide a bank guarantee.¹⁴²

Additional funding opportunities for social entrepreneurs are provided by FITD and the IGOs through various competitions. These are also small-scale grants of between €2,000 and €3,000. Last but not least, the scarcest funding opportunities are provided by the business accelerators and business investment clubs. Here, funding is determined on an individual basis

¹⁴² Agency for Employment of North Macedonia, Operative Plan for active programmes and measures for employment and services on the labour market 2017, 2018, 2019 and 2020.

¹⁴³ See footnote 47

Best practices

From the variety of youth social entrepreneurship services provided by the social economy actors, we will present three best practices we consider noteworthy: 1) Social Entrepreneurship and Innovation Programme by the Association ARNO; 2) Student Company Programme by Junior Achievement; and 3) Social Innovation Programme by UNICEF

1

Social Entrepreneurship and Innovation Programme

Name	Social Entrepreneurship and Innovation Programme
Company / organisation	ARNO – Organisation for Social Innovation
Members / partners	RISE Incubator, Balkan Green Foundation (BGF)
Beneficiaries	Youth 18-35
Timeframe	2015 – ongoing
Description	Established in 2013, over the years ARNO has become of the leaders in the field of youth social entrepreneurship and green entrepreneurship. It offers a social entrepreneurship and social innovation youth programme envisioned for youth from 18-35, which aims to unleash the creativity and capacities of the Macedonian youth. The programme consists of two pillars: first, on social innovation and social entrepreneurship support, and second, on education and support for green social businesses. The programme relies on two large regional projects: RISE (2019-2022) and the Balkan Green Ideas (2015-onwards), where ARNO leads the local incubator for North Macedonia

Scope	The youth programme is challenge-oriented and takes the form of national competitions. Youth teams are invited to apply with their social innovation or social entrepreneurship idea, which is assessed by an expert jury. The teams who have passed the initial phase enter into the intensive programme dedicated to developing their social entrepreneurship skills, knowledge and motivation. The teams undergo series of training courses, attend sessions with motivational speakers, have numerous individual meetings with experts, and finally receive mentor support from experienced experts who help them to fully develop or advance their social ideas. For the winning ideas from North Macedonia, the youth programme provides financial support in the amount of €2,000-3,000 and additional mentoring and support through the incubation process. Besides, media promotion, branding, and advertising are offered through ARNO's partners. Moreover, the national winners have the opportunity to compete on a regional level, where the awards go up to €10,000 and continue their journey in regional incubation programmes and social economy academies.
Outcomes	The youth programme in total has over €70,000 invested in the establishment and support of social and green businesses which are still active and running. Thus far, the programme has trained more than 100 youth from in North Macedonia on the topics of social entrepreneurship, social innovation and green entrepreneurship.
Challenges and Lessons Learned	Macedonian youth has the potential, creativity, and enthusiasm for social entrepreneurship and social innovation. The social entrepreneurship field is becoming more popular, yet further mechanisms and finances tailored for youth are necessary to boost and support youth social entrepreneurship.
Website	https://www.arno.org.mk

2

Student Company Programme

Name	Student Company Programme
Company / organisation	Junior Achievement
Members / partners	USAID, Fund for Innovation and Technology Development (FITD), High schools
Beneficiaries	Youth 15-19
Timeframe	2017- ongoing
Description	By challenging high-school students to solve a problem in their community through a business venture, the programme unleashes their entrepreneurial spirit. Students experience running their own company for one academic year, where they discover first-

hand how a company functions and how their talents could be used to set up a business. They elect a board of directors from amongst their peers, raise share capital, and market and finance a product or service of their choice. At the end of the programme, they present a report and accounts to their shareholders.

Scope

The programme is tailored for students aged 14-19 and aims to promote (social) entrepreneurship education in highschools around the country. The programme is comprehensive, leading the students from idea to realisation in the timeframe of one academic year. Integrally, the students have an opportunity to participate in national and international competitions with their ideas and receive certificates for entrepreneurial skills (Entrepreneurial Skills Pass™). Furthermore, to initiate innovations and critical thinking, the programme regularly organises Innovation Camps where the students have the limited time of 12 hours to develop a social innovation solution to a persisting problem. Also, the programme brings business volunteers into the classroom to share their experience and mentor, so the students can get a better overview of career opportunities and the skills needed and can consider entrepreneurship as a potential career path. At the same time, the programme has a capacity-building component for social entrepreneurship for the high school, offering them practical skills and knowledge to further lead and educate the teams and other students in their schools.

Outcomes

The programme has included more than 500 students from 64 high schools and certified 132 youth with the Entrepreneurial Skills Pass (ESP). Students have acquired attitudes and practical skills such as opening bank accounts, doing market research, establishing a business plan, marketing strategy, etc., as well as developed critical thinking, problem-solving, and other soft skills needed for the entrepreneurial profession. Additionally, within the programme, 89 student companies were registered and 401 students took part in the Innovation Camps. Further, 63 business volunteers and 30 jury members were involved in the competitions and 268 teachers from 64 high schools in North Macedonia were trained on the topic of social entrepreneurship.

Challenges and Lessons Learned

Students are interested to learn about (social) entrepreneurship and enjoy teamwork, non-formal education methods, and practical work. A bigger number of high schools and teachers are welcomed to deepen the impact and enlarge the programme.

Website

<https://www.jamacedonia.mk>

3

UPSHIFT – Social Impact Programme

Name

UPSHIFT – Social Impact Programme

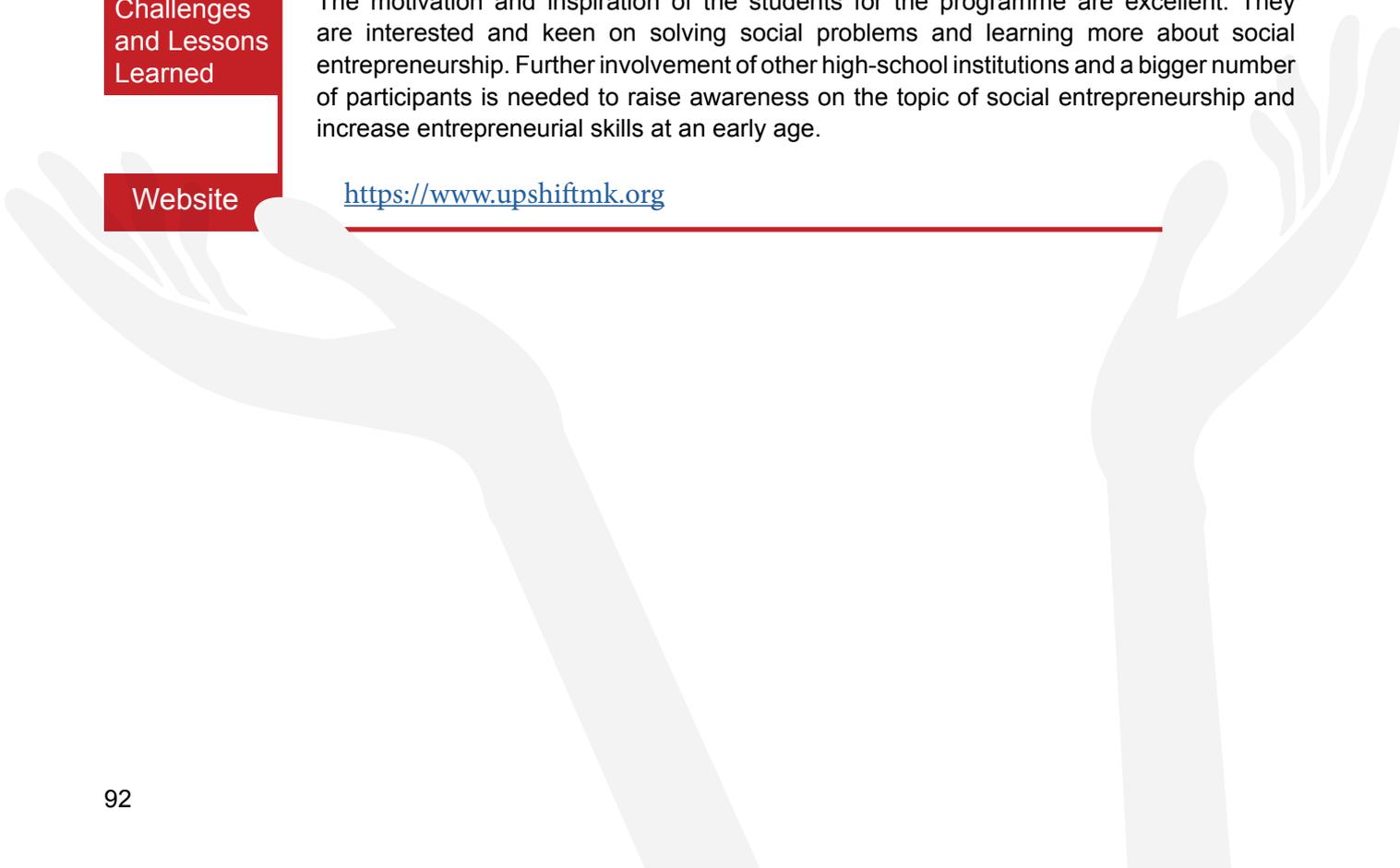
Company / organisation

UNICEF, Fund for Innovation and Technology Development (FITD), Ministry of education and Science

Members / partners

CEED Hub,
Elementary schools,
High schools

Beneficiaries	Youth 13-19
Timeframe	2018- ongoing
Description	UPSHIFT is a programme for social entrepreneurship education developed by UNICEF. It supports students in elementary and high school. The programme is based on competition and challenges as a method of acquiring practical entrepreneurial skills, learning, and first-hand experience. Youth are inspired to develop innovative solutions in terms of products and services to tackle real-life problems in their local communities.
Scope	The programme follows the UNICEF methodology relying on the notion that social entrepreneurial education needs to start already in the youth adolescence period. Therefore, UPSHIFT welcomes elementary and high-school students aged 13-19 educating them on social entrepreneurship and social innovation. Youth receive predefined social categories where they need to identify a social problem and create social innovation. During the programme, youth attend a three-day social impact workshop where they develop their ideas in teams. The competition awards €2.000 for the realisation of the idea, as well as three months of guidance by an experienced mentor to help the teams to advance their social business idea/social enterprise. The mentors transfer modern and practical knowledge to motivate critical and innovative thinking and build a strong entrepreneurial skillsset at an early age. Besides, the programme builds the networking and communication competencies of youth and builds bridges between youth from different regions of the country.
Outcomes	The programme has included 85 participants from more than 15 schools across the country. So far, 20 social impact ideas have been developed, of which 10 ideas were awarded €2,000 and received mentorship support.
Challenges and Lessons Learned	The motivation and inspiration of the students for the programme are excellent. They are interested and keen on solving social problems and learning more about social entrepreneurship. Further involvement of other high-school institutions and a bigger number of participants is needed to raise awareness on the topic of social entrepreneurship and increase entrepreneurial skills at an early age.
Website	https://www.upshiftmk.org



Mapping of key stakeholders in youth social entrepreneurship in North Macedonia

Below are listed key stakeholders that support youth social entrepreneurship in North Macedonia:

Ministry of Labour and Social Policies

Type

Governmental institution

Description

Key policy-maker in the field of socio-economic policies, (youth) employment, social economy, and social entrepreneurship.

Website

<https://www.mtsp.gov.mk>

Agency for Employment

Type

Governmental institution

Description

Key implementer of employment and entrepreneurship policies and active measures for youth employment.

Website

<https://www.av.gov.mk>

Agency for Promotion of Entrepreneurship

Type

Governmental institution

Description

Main promotor and implementer of SMEs policies and actions, including social economy enterprises.

Website

<https://www.apprm.gov.mk>

Fund for Innovations and Technology Development (FITD)

Type

Governmental institution

Description

Main actor in the support, financing, and promotion of technology start-ups and innovations.

Website

<https://www.fitr.mk>

Social Enterprises Network (SEN)

Type

CSO network

Description

Biggest and most influential network in social economy and social entrepreneurship in the country.

Website

<https://www.sen.mk>

RISE Incubator

Type

CSO network

Description

Regional incubator supporting developing impactful ideas into sustainable youth social businesses through six local incubators in WB.

Website

<https://www.risewb.org>

PUBLIC - Association for research, communications, and development

Type

CSO

Description

Leader in the social economy and social entrepreneurship field, founder of the Social Enterprises Network (SEN), and the widely known social enterprise Face to Face.

Website

<https://www.public.org.mk>

HERA - Association for health education and research

Type

CSO

Description

One of the biggest and most experienced CSOs working on the inclusion of Roma and women through social entrepreneurship and policy advocacy.

Website

<https://www.hera.org.mk>

Association for Development of New Options or ARNO

Type

CSO

Description

Organisation for social innovations and one of the ground-breaking leaders in social entrepreneurship and local incubator.

Website

www.arno.org.mk

Junior Achievement North Macedonia

Type

CSO

Description

One of key CSOs leading entrepreneurial and social entrepreneurship education programmes in elementary and high school institutions.

Website

www.jamacedonia.mk

Balkan Green Foundation

Type

CSO

Description

Regional organisation promoting inclusive and equitable progress in the WB, organiser of the Balkan Green Academy and Balkan Green Ideas competition.

Website

www.balkangreenfoundation.org

Pakomak

Type

CSO network

Description

Leading NGO in waste management support, awareness-raising and corporate social responsibility .

Website

www.pakomak.com.mk

Sparkasse Bank

Type

Private company

Description

Socially responsible corporation supporting the social entrepreneurship scene through the Social Impact Award competition.

Website

www.sparkasse.mk

CEED Hub

Type

Private company

Description

Accelerator that supports established social enterprises and business ideas

Website

www.ceedhub.mk

Eptisa South-East Europe Ltd.

Type

Private company

Description

Leader of the EU's Support to Social Enterprises Programme for long-term and sustainable employment and business opportunities for vulnerable and marginalised groups in North Macedonia.

Website

www.eptisasee.com

YUNUS - Centre for Social Businesses Faculty of Economy

Type

Educational institution

Description

Member of the Global Yunus Network aimed at education, networking, and support to social business and social innovations.

Website

www.eccf.ukim.edu.mk

European Union / EU Delegation to North Macedonia

Type

IGO

Description

Donor and supporter to the social economy and social enterprises, through grant-making, capacity-building and education.

Website

www.eeas.europa.eu

Swiss Agency for Development and Cooperation

Type

IGO

Description

Donor and supporter to the social economy and social enterprises, through grant-making, capacity-building and education.

Website

www.eda.admin.ch

UNDP in North Macedonia

Type

IGO

Description

UNDP Accelerator Lab – acceleration of social business towards the realisation of the Sustainable Development Goals.

Website

www.mk.undp.org

USAID North Macedonia

Type

IGO

Description

Donor and supporter to the social economy and social enterprises, through grant-making and capacity-building.

Website

www.usaid.gov/north-macedonia

Recommendations

- Recognition of youth as a special policy category in the field of entrepreneurship and social entrepreneurship and creation of tailored programmes based on youth needs and potential;
- Equal treatment and inclusion of social enterprises in national programmes for financial support of businesses and start-ups i.e. increasing the availability of financial and non-financial support for youth social enterprises;
- Increasing the funding, efficiency and promotion of state-sponsored entrepreneurship programmes through the Youth Guarantee Scheme;
- Support in impact business model development for reaching sustainability and access to markets, and connection of young social entrepreneurs with international impact investors;
- Simplification of the bureaucratic and legal procedures for establishing and running social enterprises, as well as granting legal aid and assistance to young entrepreneurs;
- Establishment of national coordination and control systems between the institutional stakeholders and all other relevant actors in the field of social entrepreneurship;
- Systematic data gathering and analysis in the field of social economy and youth social entrepreneurship;

- Direct financial and technical support to CSOs and youth organisations working in the field of social economy and youth social entrepreneurship to increase their sustainability;
- Creation of formal and informal networks and initiatives in social economy and youth social entrepreneurship as interlocutors for policy advocacy and capacity-building;
- Developing a national mechanism for monitoring and impact evaluation of the social entrepreneurship ecosystem and youth-led social enterprises;
- Introducing social entrepreneurship education as a separate subject in the curricula of high schools and universities, and enhancing the cooperation between the educational institutions and the civil society sector;
- Awareness-raising on the topic of social entrepreneurship among youth and the general public to fight the existing narratives on social economy and social entrepreneurship;
- Intensive promotion of social entrepreneurship success stories of young people for further motivation and inspiration of their fellow citizens.



Serbia

Overview of socio-economic development

The Republic of Serbia is geographically located in south-eastern Europe, as one of the Western Balkans countries. Based on data of the Statistical Office of the Republic of Serbia,¹⁴⁴ the estimated population of Serbia in 2019 was 6,945,235, 17.8% of whom were young people aged 15 to 30 – 1,237,628 citizens.

In the last two decades, the economy of Serbia has recorded economic growth despite the negative impacts of the global financial crisis and the Covid-19 pandemic. In comparison with 4.2% of annual GDP growth in 2019, the Serbian economy recorded negative growth of 2.5% in 2020 because of the Covid-19 crisis. The unemployment rate in Serbia is the lowest in the region but higher than the European average. According to the Official Labour Force Survey¹⁴⁵ for 2020, “the unemployment rate amounted to 9.0%, which is a drop of 1.4 percentage points (p. p.) compared to 2019, while the employment rate amounted to 49.1%, which is a growth of 0.1 p. p.”

One of the main problems Serbia is facing is migration, both internal (from undeveloped to urban areas) and external. According to Westminster Foundation for Democracy (WFD) and Institute for Development and Innovation research “Serbia has one of the highest youth emigration levels in the Balkan region.”¹⁴⁶ Serbia does not have official data about external migration but the OECD “estimates that 598,200 people have emigrated from Serbia in the last 20 years, and this number is only for people who immigrated to the countries members of this organisation.”¹⁴⁷

In April 2008, Serbia signed a Stabilisation and Association Agreement (SAA) with the European Union. After that, according to the recommendation of European Commission and the decision of European Council, Serbia achieved candidate status for European Union membership in March 2012 and officials started negotiation in 2014. Government officials expect that Serbia can join the Union by the end of 2026.

Being young today in Serbia

According to data of Statistical Office of the Republic of Serbia,¹⁴⁸ Serbia, with an estimated population of 6,945,235 in 2019, has 1,237,628 young people aged 15 to 30 or 17.8% of the general population. This population includes 48.7% of women (602,212) and 51.3% of men (635,416).

Beside negative natural population growth, Serbia is facing continuous external migration, especially

¹⁴⁴ Statistical Office of the Republic of Serbia

¹⁴⁵ Statistical Office of the Republic of Serbia, Labour Force Survey in The Republic of Serbia, 2020

¹⁴⁶ WFD, Youth emigration costs Serbia €1.2 billion a year

¹⁴⁷ Strategy on Economic Migration of the Republic of Serbia 2021-2027

¹⁴⁸ Statistical Office of the Republic of Serbia

among young people. *Research on the Situation and Needs of Young People in the Republic of Serbia*,¹⁴⁹ published by CeSID in 2019 for the Ministry of Youth and Sports, shows that 11% of young people plan to emigrate, and 18% plan to leave the country for a certain period. Meanwhile 51% of young people do not plan to leave the country at all. The share of young people in the total population of Serbia is similar to the average share of young people in the population of the EU-27.

The Statistical Yearbook of the Republic of Serbia¹⁵⁰ shows that “in the 2018/19 school year, a total of 1,255,332 persons participated in any of the education levels, whereof preschool education comprised 17.4%, primary and lower secondary education 42.7%, upper secondary 20% and tertiary 19.9%.” *Research on the Situation and Needs of Young People in the Republic of Serbia*¹⁵¹ reports that in 2020 8% of respondents dropped out of school at some level. The reasons are mostly related to finances and employment. Also, 25% of respondents, mostly woman, have completed additional education and courses that are not related to the school or study programme.

Unemployment is one of the biggest challenges of the young people in Serbia and economic uncertainty is the most common reason for the internal and external migration of youth. The comparative analysis of the situation of young people in Serbia and other European countries¹⁵² compared SORS¹⁵³ data and reported that the unemployment rate of young people aged 15-30 was 20.4%. Since in 2014 it was 35.6%, there is an evident decrease in the unemployment rate. The rate of young people aged 15-30 who are not in education, employment, or training (NEET) was 25.7% in 2014 and 19.3% in 2019. The data show that the unemployment rate of NEET youth has decreased, but that it also remains high for the age group 15-30.

From the social perspective, the *Survey on Income and Living Conditions*¹⁵⁴ showed that in 2019 the at the risk of poverty rate was 23.2% and the at risk of poverty or social exclusion rate was 31.7%. Children (28.9%) and young people (25.6%) are most exposed to the risk of poverty. According to comparative analysis of the situation of young people in Serbia and other European countries¹⁵⁵ “the risk of poverty or social exclusion rate for young people living with their parents in the EU-27 was 24.1% in 2018, and in Serbia, it was 35.6%. The risk rate in Serbia decreased by 9.6% compared to 2013, when it was 45.2%. The risk of poverty is significantly higher in rural areas and among the population with lower levels of education.”

¹⁴⁹ CeSID, *Research on the Situation and Needs of Young People in the Republic of Serbia*, 2019

¹⁵⁰ Statistical Office of the Republic of Serbia, *Statistical Yearbook of the Republic of Serbia*, 2020

¹⁵¹ Ninamedia, *Research on the Situation and Needs of Young People in the Republic of Serbia*, 2020

¹⁵² Snezana Klasnja, *Key indicators of the situation of young people in Serbia – Comparative analysis with other European countries and trends*, Ministry of Youth and Sports, 2020

¹⁵³ Statistical Office of the Republic of Serbia, *Labour Force Survey in the Republic of Serbia*, 2019

¹⁵⁴ Statistical Office of the Republic of Serbia, *Survey on Income and Living Conditions*, 2020

¹⁵⁵ Snezana Klasnja, *Key indicators of the situation of young people in Serbia – Comparative analysis with other European countries and trends*, Ministry of Youth and Sports, 2020

*Research on the Situation and Needs of Young People in the Republic of Serbia*¹⁵⁶ in 2020 reports that about 90% of respondents are not part of a sports club, political party or civic association. Also, 69% of respondents do not participate in volunteer activities, and more than 84% have no time to participate in initiatives to improve the quality of life on the local or national levels. In the last four years, 47.4% of young people, mostly in suburban areas, voted at the local, regional, parliamentary, and presidential elections.

Comparative analysis with other European countries and trends¹⁵⁷ in the field of youth in the digital world analysed Eurostat data “on the use of computers and the internet on a daily basis, as well as on interaction with public authorities and other various forms of internet use for active participation in society and expression of views and opinions. According to Eurostat data for 2017 for 33 countries, 76% of young people aged 16-29 used a computer every day in the EU-27, and 83% did so in Serbia, while in 2017, the internet was used every day by 91% of young people in the EU-27 and 93% of young people in Serbia.

State of the art of social entrepreneurship in Serbia

The first evidence of social entrepreneurship in Serbia can be recognised in the 19th century through the establishment of cooperatives. Today, the sector of social economy comprises cooperatives, civic associations, limited liability companies and registered entrepreneurs – legal entities which work on the principles of social economy. Therefore it is difficult to determine the exact number of social enterprises in Serbia. According to *Economic impacts of social enterprises in the Republic of Serbia*¹⁵⁸ in 2012 1,196 social enterprises were operating in Serbia. Also, the report *Economic activity of civil society organisations*¹⁵⁹ shows that 8,100 organisations and foundations include economic activities in their founding document but only 1,905 reported economic activities in the business register.

Social entrepreneurship in Serbia is based on production and service provision, with the social mission mostly being achieved through the economic empowerment and employment of vulnerable social groups.

The public sector in Serbia lacks the capacity to understand the importance of social entrepreneurship and usually looks on it through the perspective of economic empowerment – the employment of vulnerable social groups. The Republic of Serbia has still not adopted a law on social entrepreneurship, but some activities can be legally framed through the laws on Cooperatives, Associations, Social Protection, Professional Rehabilitation and Employment of Persons with Disabilities, Business, Profit Tax, Value Added Tax and other legal, regulatory and strategic documents.

¹⁵⁶ Ninamedia, *Research on the Situation and Needs of Young People in the Republic of Serbia*, 2020

¹⁵⁷ Snezana Klasnja, *Key indicators of the situation of young people in Serbia – Comparative analysis with other European countries and trends*, Ministry of Youth and Sports, 2020

¹⁵⁸ Statistical Office of the Republic of Serbia, *Economic impacts of social enterprises in the Republic of Serbia*, 2014

¹⁵⁹ Civic Indicatives, *Economic activity of civil society organizations*, 2017

The most important contribution to the development of social entrepreneurship in Serbia is based on the activities of non-governmental networks and associations which provide support at different levels – from individual actors to governmental and strategic levels.

Social entrepreneurship and the opportunities for youth

The employability and employment of young women and men is the first of nine strategic goals of the National Youth Strategy 2015-2025,¹⁶⁰ which goal includes “creating conditions for the development of social entrepreneurship among youth, based on social understanding and support to entrepreneurship and innovation. This means:

- Developing mechanisms for supporting young people who are engaged in innovation and research in entrepreneurship;
- Supporting activities that connect innovation, social entrepreneurship and corporate social responsibility and establishment of social enterprises;
- Ensuring the development of entrepreneurial culture among youth, dissemination of information about best practices of young entrepreneurs and positive impact on society and community.”

Apart from strategic levels and some parts of programmes for the implementation of strategies, Serbia cannot be praised for the opportunities provided to youth directly focused on social entrepreneurship. The educational system covers entrepreneurship as a part of general economics, entrepreneurship or social policy lectures and courses. Measures to support young people in business often include social criteria in the evaluation but thematically are not focused on social entrepreneurship.

A good example of an education and support programme for young people interested in social entrepreneurship is Social Impact Award Serbia,¹⁶¹ an education and incubation programme based on events and workshops aiming to raise awareness of social entrepreneurship, teaching the necessary skills to navigate from vague intentions to promising ventures, providing access to networks, and promoting the best teams with the Social Impact Award.

Analysis of services currently available to young entrepreneurs

Serbia is a developing country with a high rate of unemployment, especially youth unemployment. From this arises the need for the realisation of various services – educational programmes and business and financial support for young entrepreneurs.

The Ministry of Youth, through a public call to local authorities with youth offices and civic associations,

¹⁶⁰ Ministry of Youth and Sports, National Youth Strategy 2015-2025 of Republic of Serbia

¹⁶¹ SIA Serbia, <https://serbia.socialimpactaward.net/>

stimulates various forms of employment, self-employment and youth entrepreneurship that focus directly on youth and are measured according to specific criteria in line with the National Youth Strategy 2015-2025.

The Ministry of Innovation conducted a public call for the promotion and popularisation of innovation and innovative entrepreneurship with the aim of encouraging citizens, especially youth, to think in an entrepreneurial way, and to establish their own innovative and technological start-up companies. In line with this, the government supported regional innovation start-up centres and opened Science Technology Parks in Belgrade, Niš, Novi Sad and Čačak.

The Ministry of Industry developed the Entrepreneurship Portal¹⁶² to provide, in one place, information to current and future entrepreneurs about what they need to start a business, how to get support for business development, and how to achieve good business results.

The National Employment Service annually publishes various public calls with the aim of increasing employability in Serbia through consulting, education and financial support.

International organisations support initiatives taken by academic and business support organisations aiming to support young entrepreneurs.

Young people in Serbia who are interested in starting a business can turn to various funds which support the development of business ideas on different levels – from the business plan to investment in product development. Major sources are the Fund for Innovations, the Fund for Development and the Ministry of Industry.

For the initial development of start-ups, young people can use various programmes run by government, business and non-governmental organisations, which are often available through public calls and use various educational and financial support methodologies.

¹⁶² Entrepreneurship portal, <https://preduzetnistvo.gov.rs/>

Best practices:

1

CREATIVE CARAVAN

Name	Creative Caravan
Company / organisation	Faculty of Economics in Niš
Members / partners	Young Ambassadors from Niš, Serbia Ivan Vazov Secondary School, Svoje, Bulgaria Kauzi Foundation, Sofia, Bulgaria
Beneficiaries	Young people and social enterprises in the IPA CBC region Bulgaria – Serbia
Timeframe	June 2019 – June 2020
Description	Creative Caravan is a project aiming to spread awareness and provide skills in entrepreneurship (focused on social entrepreneurship) among the general youth population in the IPA CBC region Bulgaria-Serbia, through innovations in the educational system based on new models of communication and presentation. The project was co-funded by the EU through the Interreg-IPA CBC Bulgaria–Serbia programme
Scope	The project's activities were based on business and creative industries education of a selected group of young people from Serbia and Bulgaria who worked with experts in real business environments with micro-enterprises (youth owners, social businesses etc.) to develop their business models and market placement. This process was recorded and broadcast on regional TV stations so as to share knowledge and promote entrepreneurship through all the phases of development of micro-enterprises in the real business environment of Serbia and Bulgaria.
Outcomes	<ul style="list-style-type: none">- Improved entrepreneurial skills of young people and supported their creativity, innovation and transition from education to work;- Developed a new model of on-the-job training and a mentoring programme for young people in terms of a work-based learning system in local educational institutions;- Contributed to knowledge transfer and provided cross-border interaction between young people who live in this region;- Contributed to the development of business models and market placement of local micro-enterprises in the IPA CBC region;- Contributed to the employability of young people in IPA CBC region.
Challenges and Lessons Learned	This project shows the importance of on-the-job training in real conditions for young future entrepreneurs, as well as the importance of networking between young people and micro and social enterprises.
Website	www.creativecaravan.eu

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STEP-BY-STEP

Name	STEP-BY-STEP
Company / organisation	Erste bank
Members / partners	Erste Stiftung ENECA Business Innovation Programmes (BIPS) Business Development Centre Kragujevac Smart kolektiv
Beneficiaries	Start-ups, social enterprises and civil society organisations
Timeframe	2016 – ongoing
Description	The Step-by-Step programme is the Erste Group's social banking programme which offers customised banking services to start-ups, social enterprises and civil society organisations.
Scope	Through the provision of special-purpose loans, Step-by-Step supports start-ups, social enterprises and civil society organisations to establish and develop small enterprises, increase employment and contribute to the development of the local community. The programme is specific because in addition to loans, it includes financial education (9 educational modules on the korakpokorak.rs educational platform) and mentoring support (business mentor for the period of 12 months). The programme is supported through a guarantee funded by the European Union within the EaSI programme for Employment and Social Innovation.
Outcomes	During the first three years of implementation, 165 start-up companies, social enterprises and civil society organisations received financial, educational, and mentoring support.
Challenges and Lessons Learned	Non-financial support such as financial education and mentoring is as important as finance for start-ups, social enterprises and civil society organisations.
Website	https://www.erstebank.rs/en/step-by-step

Mapping of key stakeholders in youth social entrepreneurship in Serbia

Ministry of Youth and Sports of Republic of Serbia

Type

Governmental institution

Description

Ministry in the Government of Serbia which is in the charge of youth and sports.

Website

<https://www.mos.gov.rs/>

The Social Inclusion and Poverty Reduction Unit (SIPRU) of the Government of the Republic of Serbia

Type

Governmental institution

Description

SIPRU's primary mandate is to strengthen the government's capacity to develop evidence-based social inclusion policies, as well as to coordinate and monitor their implementation in line with international standards and good practices in Europe.

Website

<http://socijalnoukljucivanje.gov.rs/>

Chamber of Commerce of Serbia (SCC)

Type

Business support organisation

Description

An organisation of business entities defined by law. With a tradition of more than 160 years, PKS brings together the Serbian economy into a single sectoral and regional system.

Website

<https://pks.rs/>

National Employment Service

Type

National employment service

Description

Public service that provides services to unemployed persons and employers in Serbia.

Website

<http://www.nsz.gov.rs/>

Faculty of Economics in Niš

Type

Institution of higher education

Description

An institution of higher education within the University of Niš which combines educational, scientific and research work as a part of a unique process of higher education.

Website

<http://www.eknfak.ni.ac.rs/en/>

Coalition for Solidarity Economy Development

Type

The coalition for solidarity economy development

Description

Network of organisations that support the development of solidarity entrepreneurship.

Website

<https://solidarnaekonomija.rs/en/main/>

Trag foundation

Type

Civic society organisation

Description

Offers support in the form of both knowledge and resources to encourage and support active involvement in improving the quality of life in Serbia.

Website

<https://tragfondacija.org/>

Smart kolektiv

Type

Civic society organisation

Description

Contributes to positive social change by connecting companies and civil society organisations, helping companies to adopt social values, and organisations to develop business skills, innovation and sustainability.

Website

<http://smarkolektiv.org/>

Erste Bank

Type

Financial institution

Description

Through the Step-by-Step programme offers customised banking services to start-ups, social enterprises and civil society organisations.

Website

www.erstebank.rs

Regional Development Agency Jug

Type

Business support company established by local self-governments, business and civic sector

Description

Influences the development of the region through establishing partnerships, planning, and creating strategies for sustainable development of the region, cooperation with government institutions and foreign and domestic donors, intersectoral networking, support to local governments and civil society organisations, education and direct project implementation.

Website

www.rra-jug.rs

Recommendations

Based on previous country analyses of the Republic of Serbia, key recommendations for the development of social entrepreneurship and including young people in the social economy are:

- Adaptation of Law on Social Entrepreneurship;
- Integration of strategic goals in national, regional and local policy documents, action plans and budgets;
- Adaptation of financial and support measures specific to social entrepreneurship and social economy;
- Development and adaptation of market support measures for products and services of social enterprises;
- Development and implementation of social enterprise register and national monitoring and evaluation model of important data on the social economy.
- Increasing capacity of public sector to understand and support the development of social entrepreneurship on the national, regional and local levels;
- Development of formal and non-formal educational curricula for young people in the educational system (from elementary level) and models of dual education in social enterprises.



CIRCULAR ECONOMY AS A DRIVING FORCE FOR YOUTH SOCIAL ENTREPRENEURSHIP

The Case of Italy

In Italy, the social economy represents a really important sector, contributing around 4% of GDP, and employing around 800,000 people (Venturi and Zandonai 2014). In April 2021 the [*IV edition of the Iris Network report*](#)¹⁶³ was presented in the presence of the Minister of Labour Andrea Orlando. It examined the size and characteristics of the sector, its contribution to economic and employment growth, the well-being of the recipients of services and social policies, and the reaction to the Covid-19 pandemic. Italy has over 22,000 social enterprises employing almost 650,000 employees. 57.5% are social cooperatives followed by associations (15.4%). Compared to the 2011 census, there was an increase of 10.2% in companies and 19% in employees. Over 40% of Italian social enterprises employ more than 10 employees, which is larger than the size of all for-profit enterprises. 46.3% have a turnover of less than €200,000, even if 10.8% exceed €2 million.

The reform of the third sector (law no. 106/2017) Has opened up new opportunities but also transformation challenges, mainly related to access to innovation in products and processes and the emergence of new players such as benefit corporations (law 208/2015) and start-ups with social impact (start-up a vocazione sociale) (law no. 179/2012) (Venturi 2016). This decree changed the landscape of the previous regulation, where third sector entities were almost exclusively regulated in fiscal terms. Now, thanks to the reform, third sector entities will operate under unified rules – a change that is expected to boost certainty in the social sector and decrease frictions among stakeholders. Moreover, legislative decree no. 112/2017 grants further flexibility to social enterprises. First, the decree expands the areas of engagement and the categories of intervention in which social enterprises can operate. Importantly, the categories in question now include the protection of cultural heritage, microcredit and sustainable tourism. This change is relevant as it will allow more organisations to operate as social enterprises and benefit from the Third Sector Reform. Second, social enterprises, if incorporated as for-profit companies, are now entitled to share profits and distribute dividends within certain limits. This amendment allows social enterprises to tap into new forms of funding, and move from grants to more complex social investment instruments, such as debt and equity instruments. Furthermore, fiscal incentives for both donors and investors engaging in social enterprises were included in order to attract more capital into the sector.

The [IV IRIS](#) report on the social economy published in April 2020 highlights the resilience capacity of social enterprises. However the capacity to tackle new sectors in the value chain, such as the green economy, while carrying through a strong digital transition, will remain crucial in upcoming years. In the light of our research, despite the dramatic conditions that are evident from an overview of the

¹⁶³ Iris Network, IV Rapporto Impresa Sociale in Italia, April 2021

socio-economic situation in Italy from the young generation's perspective, we would like to combine these data with a deeper analysis of some positive trends in which it is possible to invest further:

1. young people's increasing interest in protecting common goods;
2. social economy and third sector reform; and
3. the current market gap in the green economy sector.

According to the Rapporto Giovani 2020 the importance of the common good is widely recognised by the new generation: 93.7% of young Italians consider it very important and for the vast majority, it is the state and citizens who have to take charge of it. The role of the state is invoked more in Mediterranean countries, where it is less present and public welfare services are less efficient, but investment in the opportunities of young people is also less adequate. In Italy, three out of four young people believe that very little is done to promote the common good, while there is a wide demand for greater attention to the common good which is also linked to the need to lay the foundations for building a better future. What worries youth almost universally are the environment and social inequalities, which are both considered to be at greater risk of worsening if no effective action is taken today. However it is interesting to see how these priorities are associated with a growing attention to the more general theme of promoting a fair and sustainable model of well-being, which does not exclude economic growth but which covers wider dimensions and promotes new opportunities from volunteering to sustainable employability.

Social entrepreneurship and the opportunities for youth in Italy

Social entrepreneurship may have great potential to mobilise youth to engage in efforts to achieve major social objectives, including employment creation, poverty reduction, inclusion and integration. Dedicated to serving the common good, social enterprises established by young people can directly contribute to the achievement of a number of Sustainable Development Goals.

In general in Italy access to social entrepreneurship and entrepreneurship opportunities (education, start-up, finance etc.) represent two separate worlds in term of programmes, players, networks and strategies, that have only recently started to establish cross-sector collaboration, often converging through incubators, social incubators, research institutes and training centres.

Youth entrepreneurship policy is largely under the responsibility of the Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa (Invitalia). Invitalia manages all the national policy initiatives promoting entrepreneurship for youth and the unemployed, mostly targeted at disadvantaged regions. The agency is generally considered to offer high-quality support but the proliferation of youth entrepreneurship initiatives by numerous actors in the private, public and non-governmental sectors at the national and regional levels has led to concerns about the co-

¹⁶⁴ *L'Impresa Sociale in Italia Identità, ruoli e resilienza*, <https://irisnetwork.it/wp-content/uploads/2021/04/IV-Rapporto-IS.pdf>

¹⁶⁵ *La condizione giovanile in Italia*, <https://www.rapportogiovani.it/la-condizione-giovanile-in-italia-rapporto-giovani-2020/>

ordination of policy actions. Another important actor for youth entrepreneurship support is the Chambers of Commerce. In 2014, the Chambers set up a national network of one-stop shops for youth entrepreneurship (Sportelli per l'imprenditoria giovanile). This network provides youth with free start-up support services, including training, mentoring and support in accessing credit, microcredit and national or regional grants. These services appear to be effective, but there is scope to strengthen the linkages with other public policy actions. Also in 2014, the Youth Guarantee Initiative (2014-2020) was implemented. Applying the European Union Recommendation of 22 April 2013, the Italian government launched the Piano Nazionale della Garanzia Giovani (National Plan of the Youth Guarantee) in December 2013. This is a long-term plan to promote permanent jobs and self-employment, as well as to combat social exclusion in the regions of Southern Italy. Substantial support is expected for youth who are not in employment, education or training (NEETs), notably vocational training courses. The Youth Guarantee plan has an initial budget of €6 billion nationwide, including national and regional level resources and matching funding from the European Social Fund (ESF). Approximately 5.7% of the resources are dedicated to the promotion of self-employment and entrepreneurship, mainly within the SELF employment initiative. This initiative offers entrepreneurship training, coaching and consultancy services to help 18 to 29 year-olds develop entrepreneurial ideas and take them to market. The initiative has also established a fund to support youth entrepreneurs who are NEETs.

National youth entrepreneurship policies do not necessarily include an integrated approach to support for youth social entrepreneurship, which in Italy is led by the national federation and networks of social cooperatives, such as Confcooperative, Legacoop, CGM Group and connected academic research institutes such as AICCON and Euricse.

In Italy social enterprise mainly operates under the social cooperative form and movement, which started in the 1960s. Despite the fact that the sector is very flourishing and relevant socio-economically as well as politically, it is facing an important transition phase in terms of its capacity to attract the young generation and move into emerging sectors such as the green economy.

According to Stefano Granata, President of Confcooperative Federsolidarietà (national federation of social cooperatives): "The average age of the boards of directors of social cooperatives 15 years ago was 33.5 years. Today, only 15 years later, it is 52 years. The birth of social cooperatives has practically stopped for two years now. The problem is not to let young people in, but to go where the young people are. The point is that being a minority, unlike our generation, and having doubted the individualist culture of today, the young person does not take to the streets to challenge but shuns, moves away. Just think of the departure from politics, which is no longer considered credible. This is the risk that cooperation also runs – it risks being considered not credible. Not only that: if the young person cannot play a leading role, an experience that is unthinkable today when we have become managers in 30 years, it is normal for him to stay away. We are used to living on income. Cooperatives were born in places that are no longer generative today. There are other places, perhaps minority ones, but where things are happening. And what happens in these places where something can happen? There are young people. In Milan, where there are 200,000 young people who come from

outside, everyone is talking about finance. Nobody considers that the adrenaline and dynamism of the city is given by these young people who come with the idea that something could happen there. This theme concerns the south a lot, where young people emigrate with no intention of returning, but aim to establish themselves elsewhere. (Vita, 2020¹⁶⁶).

Despite the challenges that the social cooperative movement is facing in Italy in term of generational transition and R&D investment, it still represents an important non-formal youth social entrepreneurship incubation player, through the spin-off mechanism and various hybridisation models and resources (Venturi and Zandonai 2016), including the recent emergence of the community enterprise (cooperativa di comunità) model that is changing the urban regeneration approach especially in rural and deprived areas.

The national federation Confcooperative also launched in 2015 a cooperative incubation programme COOP-UP, a national open innovation programmes dedicated to youth wanting to start a cooperative business, where cooperatives in the federation that are at the growth stage can provide support, including business partnership and investments.

Incubators and social Incubators represent the main entry point for young people who want to start or be engaged in social entrepreneurship, in the light of the new SE reforms and emergence of SIAVS (start-up a vocazione sociale) and benefit corporations.

A report by [Social Innovation Monitor](#) counted 162 incubators in Italy, of which a sample of 88 were analysed. Here are some profile elements. The types of incubators identified were:

- Business incubators: 0% of incubated businesses had a significant social impact compared to the total
- Mixed incubators: from one to 50% of incubated businesses had a significant social impact compared to the total
- Social incubators: more than 50% of incubated businesses had a significant social impact compared to the total

From a legal point of view we find:

- Public incubators: organisations managed exclusively by public administrations or bodies, often through the creation of regional in-house companies
- Public-private incubators: organisations whose shareholder structure includes both public and private entities
- Private incubators: organisations managed exclusively by private entities. Data show that more than 60% of Italian incubators are private in nature

Only a small percentage (less than a fifth of the total) are public in nature. In Italy there are 15

¹⁶⁶ Vita, 31 October 2019, 'Imprese sociali, aprite le porte ai giovani', <http://www.vita.it/it/article/2019/10/31/impres-sociali-aprite-le-porte-ai-giovani/153155/>

university incubators and 9 incubators with the EC-BIC quality certification mark. About half of the incubators in the sample incubate organisations with significant social impact (mixed and social incubators).

Nine out of ten social incubators are private, while one in ten are public. Mixed incubators are also predominantly private in nature (63.6%), while business incubators are almost equally divided between public (30%), public-private (35%) and private (35%).

In 2019 the main typology of incubated organisations is made up of for-profit enterprises (80% in aggregate). Social incubators are distinguished from mixed and business incubators since their portfolio of incubated enterprises is made up of 50% hybrid enterprises and a fair percentage of non-profit enterprises. Compared to the previous year, there is a significant increase in the percentage of hybrid enterprises supported by social incubators (from 22.8% to 50%), where hybrid companies mean companies that, while being for profit, allocate part of the profits to social purposes or have explicit social objectives (e.g.: innovative start-ups with a social vocation (SIaVS, benefit companies, B corps).

In Italy, education and training on social enterprise are developed at different levels and with various durations. The same representative organisations and social cooperative consortia have been delivering training activities since the 1980s. Several universities now offer courses and programmes on social enterprise and related topics. The most consolidated courses are the following:

- Bocconi University in Milan (SDA Bocconi School of Management) in 1993 became the first Italian university to offer a bachelor's degree in economics for non-profit, cooperative and social organisations. A few years later, it established a master's in the management of social, cooperative and NPOs, now the Master's in the Management of Social Enterprises, Not-for-Profit Organisations and Cooperatives.
- The University of Trento and Euricse have, for 24 years, run a master's programme in the management of social enterprise. The GIS master's programme has so far helped to train about 370 students, of whom 87% have found employment in a social enterprise within one year of obtaining their master's degree.
- The University of Bologna offers master's degrees in social economy; economics and the management of NPOs and cooperative enterprises; and fundraising for NPOs and public bodies, the latter in its 18th edition.
- The Catholic University of the Sacred Heart in Milan offers an executive master's in social entrepreneurship that is now in its sixth edition.

Green economy and the new opportunities for youth and the social economy movement

The green economy in general represents and imports pillars in terms of social and economic development. On 15 January 2020, the European Parliament voted a resolution which, in approving the Communication of the European Commission on the Green Deal, contains a series of proposals to accelerate the transition to a circular economy. In Italy the budget law (legge di bilancio) for 2020 contains some first measures for the European Green Deal, with the institution of a fund for public investments with an endowment of €4.24 billion for the period from 2020 to 2023 and the forecast of a €33 billion plan to support the reconversion of the Italian economy. The fund, fed with the proceeds of CO₂ emission quotas, will be used to support projects and innovative investment programmes with high environmental sustainability. They can also flow into the resources of the FRI (Revolving Fund for Business Support and Research Investments). The budget law provides that the Minister of Economy shall grant guarantees for consideration and to the maximum extent of 80% to support specific investment programmes and operations, including in public-private partnership. Through these methods, investments in the circular economy will be supported, as well as those in the decarbonisation of the economy, urban regeneration, sustainable tourism, and the adaptation and mitigation of risks deriving from climate change.

Italy is the European leader in waste recovery, recycling and in the circular economy ([Fondazione Symbola, Unioncamere 2021](#)). This is proved by four key indicators – the rate of waste recycling, the use of secondary materials in the economy, productivity and the per capita consumption of resources – which together make Italy's the most "circular" of the large European countries. This record is still little known despite being based on consolidated data and which is often attributed to the historic poverty of raw materials and energy resources in Italy (for example the high percentage of recycling). It is so, but only in part. The analysis of the data shows us that it is not just a virtuous adaptation to an evident fact but also the result of innovative system processes of companies and sometimes of public management of environmental policies. These have introduced into the system governance models (above all the consortium system) that are capable of generating high-quality production chains.

According to a study conducted by Legambiente and Green Factor¹⁶⁷ the national productive fabric is increasingly hungry for "green" professional skills. Young people who, in their training courses, increase this know-how will have a privileged place in the job market. How big? 1,672,000 jobs. The analysis investigated not only the potential in terms of the number of jobs available but also the type of green skills sought. This latter aspect is certainly interesting. The report highlights that green skills do not only concern the classic jobs most closely linked to the circular economy (food industry, textiles, manufacturing, recycling, metallurgy, transport, public energy, gas and water utilities). Alongside these, with sometimes even higher demand percentages, come professions linked to trade, logistics, catering, tourism, finance, insurance, health and cultural services. Professionals such as cooks, B&B

¹⁶⁷ Legambiente, Indagine sui green jobs nell'economia circolare, 2020

and agro-tourism managers, carers of adults and children, carpenters, beauticians and webmasters are among those that show a high “green index”, a percentage that measures the energy saving and environmental sustainability potential of each profession. Of more than 50 professions analysed, “two classes of professions were analysed. A first group of 29 categories, with about 1,500,000 positions open on the labour market in 2019. All are potentially involved in bottom-up circular economy processes or in increasingly structured companies up to large ones with over 50 employees,” says Marco Gisotti, director of Green Factor. “In the second group, 22 other professional categories were classified. Istat explicitly places repairers and maintenance workers in them: a market of 234,140 positions available in the last year alone.” Particularly striking are some of the results contained in the Excelsior Information System, created by Unioncamere to map the skills that are in greatest demand in the labour market. Almost 80% (78.8%) of scheduled contracts (open-ended or fixed-term, but in any case, lasting more than one month) by Italian companies are intended for people who can boast green skills in their professional curriculum.

In the light of the new reform of the third sector and the urgency of a green, smart and sustainable transition of production models, also highlighted by the devastating effects of the Covid-19 pandemic, the circular economy and the green economy in general represent an opportunity for a relaunch, both for social enterprises and for youth employment. Social enterprises in Italy (in the form of social cooperatives) have always invested in green and sustainable technology methodologies, but today more than ever they have the possibility to amplify their social impact, by equipping themselves adequately to face this challenge that requires specialised skills, competitiveness and investments in R&D.

Good practices of green social enterprise in Italy

Social economy organisations are able to optimise their economic, social and environmental resources, so that the results are more than the sum of their parts. They are able to intercept emerging needs in society and to develop innovative responses addressing social and environmental issues. Based on the special characteristics of their territory and community, they promote a specific strategy of action in order to achieve their goals more efficiently. In this framework, greenness seems to be implicitly assumed, rather than explicit in social economy policies and support programmes.

In the light of the recent Italian reform of third sector and social enterprise and the emergence of benefit corporations as impact players, the following best practices have been selected in order to enable a comparison of three legal forms and social impact business models and their history across their social impact and green goals.

Best practices:

1

FUNGO BOX

Name

Il Giardinone scs

Legal form

WISE - work integration social enterprise, social cooperative type B

History and local context of operation

This social business relies on the principles of mutuality and solidarity. In 1996, Il Giardinone's founders decided to take charge of an abandoned building renovation in order to start a new social business. Everything took place in Locate Triulzi (Milano), where some fragile people worked mainly in environmental services. Since then, its aim is to pursue the general community interest towards human promotion and to push the citizens' integration into society. To achieve its goals, it made relationships a fundamental asset and the enabler for new entrepreneurial visions, like its circular economy path. It operates strictly in its local context, i.e. Milan metropolitan area, Pavia and Lodi, collaborating with public entities and institutions

No. of employees

In 2019, Il Giardinone was composed of 38 workers, of whom 20 were women and 18 were men. Working relationships: In 2019, the total number of workers was 38, of whom 28 were ordinary workers and 10 belonged to fragile categories. Permanent contracts numbered 28 while 6 were fixed-term. Age: In 2019, 7 workers were under 30; 20 workers were between 30-50; 11 workers were over 50.

Revenue 2019-2020

In 2019, turnover reached €1,951,716, (70% from public clients and 30% private), and grants totalled €86,574

Primary Services

The primary activity consists of 3 key areas: environmental services (green maintenance), cleaning and cemetery services.

Primary Social Impact

The cooperative is committed to integrating fragile workers into its reality. This represents a positive impact on communities and local territories.

Circular economy sector

Its circular economy sector deals with the recovery and transformation of coffee grounds both at the urban (with the Fungo Box© project) and at the industrial (Coffeefrom©) waste level. With Fungo Box, the recovery of coffee grounds takes place in collaboration with local bars, while Coffee from operates in the industrial food sector. From 2015 to 2020, their cooperative invested €482,116 in research and development.

How the process started

Fungo Box is its first circular economy product. This means that, after 20 years in the services industry, it started moving towards consumers and sustainable market needs. It all began during Expo 2015, when Lavazza Group was looking for a social business to test research carried out by Polytechnic of Turin on mushroom cultivation from coffee grounds. The cooperative started recovering coffee waste from Expo Lavazza bars. Then it decided to mix its environmental skills and know-how with the new circular economy experience to make Fungo Box© – the DIY kit cultivation of mushrooms from coffee wastes. The knowledge it acquired – together with market trends – made it believe it could do more. This is why in 2019 it started a new project called Coffeefrom©, which focuses on food industry coffee waste and the opportunity to transform them into new design objects. Its new aim

is to help industries which have to dispose of huge amounts of coffee to reduce their CO2 emissions and costs. In this way, it can make Extended Producer Responsibility happen and contribute to achieving the SDG goals.

Current status

Fungo Box is distributed in Italy, Spain, Germany and France through 3 channels: website, Amazon and on-site. In the past, it was also distributed by the GDO and premium food stores. As for production, Fungo Box was able to dispose of 365 quintals (36.5 tonnes) of coffee grounds, mainly originating from companies (88%), bars (11%) and events (1%). Through the activity of Fungo Box, the cooperative has been able to place two young workers with mental disabilities (in the care of local specialist services) through extracurricular internships. The work tasks of the production cycle comprise coffee waste collection, kit production and boxing. Generally, these activities have been adapted to the characteristics of the individuals, taking account of their pathologies and learning skills. Thanks to the assistance of the tutors, the workers have achieved autonomy in carrying out their tasks.

Challenges for the future

The main challenges for the future are mainly connected with the acquisition of specific know-how about the energetic enhancement of coffee wastes. This is a brand new industry, where big players are able to invest more in innovation and to create worldwide partnerships. Moreover, the application of coffee grounds is the subject of an increasing number of scientific researches. The cooperative has to keep up with all market trends and technologies in order to maintain and improve its business. Finally, it is constantly looking for funds and calls which requires smart people and network support.

Opportunities

Actually, the cooperative's challenges can be considered as its opportunities too. The Fungo Box and Il Giardinone experiences helped to expand its network, and to spread ideas and projects. It noticed that big companies and sustainable projects are moving towards inclusion and cooperation models. Over the years, it has been able to establish a certain reputation which pushes companies and people to believe in its present and future ideas. This means that it is a valuable partner for those who are searching for credibility and inclusiveness in a single subject. The recovery of coffee grounds and their transformation will be an ever-evolving field in which to build and experiment with evolving green skills.

How the circular economy sector contributes to the social impact of Il Giardinone.

As a social business, of course the main social impact is connected to the integration of all categories of workers. But if we go beyond this side, we will see a bigger social impact. For example, Fungo Box focuses on the recovery of coffee grounds from bars. This means that café owners have become more aware of the impact of coffee waste and of the project. They choose not to send coffee to landfill but to give it a second chance. Fungobox itself is the cooperative's first product, and it represented a huge change in its organisation structure. Coffee from is still in the making but has already shown network potential, starting from the involvement of companies and industries to feed the whole circular supply chain.

The role of the inter-generational dialogue to boost social enterprise innovation.

New competences and skills are crucial for the evolution of all the sector, overall in term of completeness in the green economy, and young generations can play an important role in this context. Youth are able to connect the first generation of social enterprise founders to new opportunities for inclusion, like the circular economy does. If cooperation is a must, this means that it can be a priority for both young and older generations. In social enterprises, it is important to share and acquire new skills. While older generations go out of their comfort zone by learning new ways of doing their job, young generations learn from the past to improve the future. In this way, it is a dynamic way of interpreting inclusiveness.

Website

- <http://ilgiardinone.it/>
- <https://www.fungobox.it/>

Name	Treedom B corporation
Legal form	Company srl (B corp)
Mission	<p>Treedom is the first site that allows you to plant trees remotely and to follow the history of the project they will help to implement online.</p> <p>Since its foundation in 2010 in Florence, more than a million trees have been planted in Africa, Latin America, Asia and Italy. All trees are planted directly by local farmers and contribute to environmental, social and economic benefits.</p> <p>Thanks to this business model, since 2014 Treedom has been a certified B corporation, and is thus part of the network of companies that stand out for their high environmental and social performance.</p> <p>The idea was to bring together real and virtual life, utility and pleasure, by creating a website where anyone could choose a tree to plant anywhere in the world and follow it online, plus giving a farmer the opportunity to plant that actual tree.</p>
Year of creation	2010
Yearly turnover	€ 4.000.000 (2019.)
Green and social impact	<p>Each Treedom tree has an online page, is geolocated and photographed, can be kept or virtually given to third parties. Thanks to these characteristics, the Treedom tree involves people and is at the same time a communication and marketing tool for companies.</p> <p>Treedom directly finances small holder farmers, supporting the initial costs of planting new trees, providing training and technical support and encouraging sustainable land management practices. So far, the company has planted 933,647 trees, in 15 countries, which Treedom estimates have already absorbed 296,405,510 kg of CO2.</p> <p>Almost 370,000 people have used Treedom so far and the company hopes to plant 10 million trees by 2022. The company is based in Florence but has an office in Munich, Germany and is hiring 25 more employees in 2020 to add to the 35-strong team.</p> <p>“Our revenue in 2019 was €4 million, with €300,000 profit, all reinvested to build our European network,” Treedom’s Federico Garcia says. “Our goal for 2020 is €10 million in revenue.”</p>
Website	<ul style="list-style-type: none"> ● https://www.treedom.net/it/



3

Clean and efficiency energy for third sector organisations

Name

FRATELLO SOLE

Legal form

Consortia of cooperatives/social enterprise srl

Mission

Mission Fratello Sole was born from the intuition of Fabio Gerosa, pedagogist and Director of the Diocesan Council of Genoa, to help social organisations to reduce their energy costs and make their structures more efficient in order to dedicate more resources to their missions.

It is possible to read Fratello Sole's action as a generative response – a creative, productive novelty which is of value for many and is enabling, sustainable and exemplary.

It answers a widespread demand for innovation and regeneration of structures, tools, practices and logics that is increasingly arriving clearly and consciously from the third sector in the framework of a broader energy transition.

This need is however suffocated by a gap in technical knowledge and the lack of resources in the third sector, which is always in a state of emergency and is therefore fatigued by lack of liquidity. Fratello Sole copes with all this by offering both technical skills and financial support.

Year of creation

2014

Yearly turnover

€ 900,000 (2019.)

Green and social impact

The action of Fratello Sole is therefore recomposing and constructive: it provides for an aggregation of demand and the creation of new alliances; an ability to intercept specific needs and develop a tailor-made technical response; a good ability to raise the funds necessary for the implementation of the interventions through planning; building relationships of trust between different subjects, between profit and non-profit, within the framework of shared objectives of environmental and human sustainability.

Not secondarily, Fratello Sole acts with the logic of a holding company: it creates new companies – escaping the customer-supplier relationship to enter the corporate, equal and co-responsible one – of which it maintains the majority to guarantee the statutory purposes. In this logic, next to the Fratello Sole.org Consortium, Fratello Sole Energie Solidaliwas also born in September 2018, the first ESCO – energy saving company – in the form of a social enterprise in Italy.

Website

- <http://www.fratellosole.org/en/>

Mapping of key stakeholders in youth social entrepreneurship in Italy

COOP-UP

Type

Incubator, co-working

Description

CoopUp is the Confcooperative project aimed at co-working and the incubation of new business ideas.

Website

<http://www.coopup.net>

BASE

Type

Incubator, co-working, community hub

Description

BASE is a project of cultural contamination between arts, businesses, technology and social innovation.

Website

<https://base.milano.it>

Italiacamp

Type

Incubator

Description

Italiacamp is an organisation that develops social innovation processes with a positive impact on the country, creating connections between institutions, companies, associations and universities.

Website

<https://italiacamp.com/it/>

Social Fare

Type

Incubator

Description

Research, community engagement, capacity building and co-design are at the basis of its work to develop innovative solutions to contemporary societal challenges, while generating new economy via social ventures.

Website

<https://socialfare.org/en/>

GET IT

Type

Incubator

Description

Support to start-ups with social, environmental and cultural impact.

Website

<https://www.getit.fsvgda.it>

Cariplo Factory

Type

Incubator

Description

An innovation hub that actively fosters a chain of young talent, offering experiential training courses, entrepreneurial mentoring programmes, open innovation projects, venture capital investment, and activities designed to boost an international profile.

Website

<https://www.cariplofactory.it/en/>

Progetto Manifattura

Type

Green economy incubator

Description

Business park for green economy start-ups

Website

<https://progettomanifattura.it>

Rinascimenti Italiani

Type

Accelerator

Description

Convergence platform and physical place to accelerate knowledge and entrepreneurship with a social impact

Website

<https://rinascimentsociali.org/en/>

Social Innovation Teams

Type

University incubator, accelerator

Description

This community creates and sustains projects for social innovation and supports social entrepreneurs who have created social enterprises or non-profit organisations in Italy or abroad.

Website

<https://en.socialinnovationteams.org>

FABRIQ

Type

Incubator

Description

Social innovation incubator of the Municipality of Milan .

Website

<http://www.fabriq.eu/en/>

Recommendations

- Optimise the overall business environment

Make youth entrepreneurship, including youth social entrepreneurship, a key element of all relevant strategies, policies and regulatory frameworks. Clear provisions for the support of young entrepreneurs can be integrated in national development strategies and in national policies on business and finance, employment, social protection, youth development, education, rural development, infrastructure, trade, innovation, ICT, gender equity, the inclusion of persons with disabilities, and immigration.

- Enhance tailored support for social entrepreneurs in the green economy sector

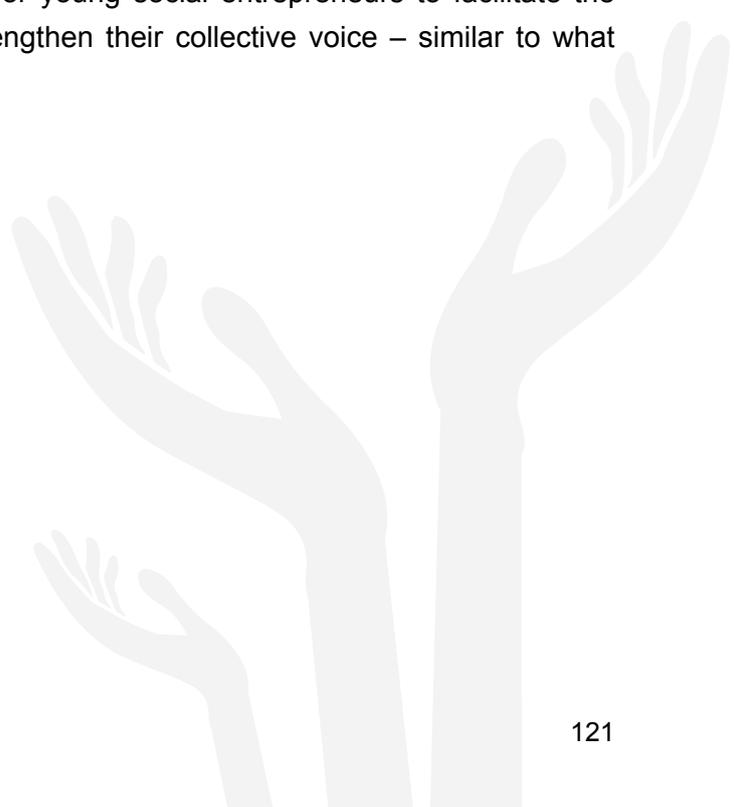
Green economy requires the acquisition of knowledge and technology that should be supported through access to specific financial instruments for innovation, that are not always tailored to the reality of social enterprises.

- Support the generational transition among the boards of social enterprise

Local network and confederations can play an important role in supporting social enterprises in promoting a transition to the young generation in the decision-making process. According to the data this will increase the capacity of social enterprises to adapt to challenges and expand both their impact and their economic performance.

- Strengthen entrepreneurial education and training

Encourage incubators and accelerators to offer services adapted to youth social entrepreneurship. Business incubators and accelerators are gaining recognition as effective support mechanisms for young entrepreneurs endeavouring to start and grow their businesses. These structures take a variety of different forms, including physical institutions, virtual platforms, or combinations of the two. Their focus can be sector-specific (such as incubators in the ICT and agribusiness sectors) or designed to provide targeted services (including market linkages and access to investors). Promote physical and online shared spaces and networks for young social entrepreneurs to facilitate the exchange of knowledge and resources and to strengthen their collective voice – similar to what cooperatives do for their members.



CONCLUSION

This study has examined the evidence on existing support services for youth in social entrepreneurship and the positive impact of social economy enterprises on youth employment, and thus economic and societal development of the Western Balkan region. Additionally, it has showcased some emerging trends for youth in social entrepreneurship that the region can largely benefit from in terms of a significant increase in innovativeness leading to economic growth and climate change mitigation in the region.

Challenges of the six WB countries

In the last two decades, the impact of the global financial crisis and the Covid-19 pandemic have plunged the economy of the region into a deep recession, like in the rest of world. However, the downward trend in economic activity in the Western Balkans was visible even before the outbreak of the pandemic. The partners concerned stressed the challenges and issues faced especially by youth in the national context, which seem to be very common across almost the whole region. A number of root causes of these perceived obstacles can be identified:

- high levels of unemployment
- inadequacy of the education system
- political situation in the country
- mass emigration of young people

As argued by the partner countries, the region suffers the consequences of political actions and economic measures which make business operations considerably more intricate to perform. Doing business in such an environment is not well supported centrally for traditional businesses let alone for social enterprises. Unfortunately, the grey economy, corruption and political instability are considerable problems for the whole region. Nevertheless, the untapped potential and opportunities, and the eventual EU accession of the Western Balkan countries, would enable the region to overcome some of these negative effects of economic recession.

There is a little institutional understanding of the social economy sector among the key designated institutions and stakeholders. Social economy is on the sidelines of the political agenda in all six countries. In the public discourse, the social economy concept is considered as a social policy of inclusion and/or employment targeting vulnerable groups, in the majority of cases people with disabilities as well as other vulnerable groups such as women, young people, children, elderly persons, the Roma minority, people with addictions, etc.

In recent years, social enterprises have attracted the interest of stakeholders from diverse sectors including policy-makers, civil society organisations and academics. There has been progress in recognising social entrepreneurship through several public documents in the field of employment,

entrepreneurship, improvement of situation of persons with disabilities, rural development, etc. Nonetheless, social enterprises have not yet developed their capacity to be competitive in the market, nor do specific strategies or action plans exist dedicated to issues of social enterprise development.

Being an entrepreneur in the region comes with a list of obstacles that one must overcome, starting from the lack of resources like knowledge, information and systemic financial and advisory support. The main stimulation for youth to become entrepreneurs, besides the monetary reasons, is the sense of liberty and autonomy. Social entrepreneurship remains an unexplored area for many young entrepreneurs (according to the data on youth entrepreneurship across the six countries).

When asked to list some of the support services available to young social entrepreneurs, it is clear that WB countries already have some support infrastructures in place in the form of intermediary organisations, incubators, accelerators, training centres, mentoring and coaching programmes coupled with funding as well as various networks advocating the interests of social economy actors.

Despite the lack of institutional frameworks and inadequate legislation in the WB countries, the partners identified a number of support services and programmes, including some examples of social enterprises set up by youth that are changing perceptions of the sector, and producing a great social impact. The mapping of key stakeholders and of good practices in six countries demonstrated that the ones which offer the most opportunities and services for young social entrepreneurs are civil society organisations (CSOs) and small private companies. Similarly, like the other third sector entities, the support programmes and services offered by social enterprises, incubators, accelerators, and networks, at large are dependent on the funding of international donors

Furthermore, the report has shown a lot of communalities in the challenges that WB countries are facing. Similarly, the study also recognises common recommendations that would benefit social enterprise ecosystem development. A summary of their recommendations is given below:

Legislation

- Adapt laws on social entrepreneurship.
- Make youth social entrepreneurship a key element of all relevant national policies on entrepreneurship, education, employment, youth development, culture, etc.

Education

- Develop formal and non-formal educational curriculums for young people in the educational system (from elementary level) and models of dual education in social enterprises.
- Education programmes, starting from secondary school level, in order to involve citizens in entrepreneurial operations and the achievement of social economy.
- Expand existing youth training and entrepreneurship programmes through formal and non-formal education, including online platform/s, for the improvement of employability, leadership and entrepreneurship skills of young people.

Financial support

- Equal treatment and inclusion of social enterprises in the national programmes for financial support of businesses and start-ups i.e. increase the availability of financial and non-financial support for youth social enterprises.
- Increase the funding, efficiency and promotion of state-sponsored entrepreneurship programmes through the Youth Guarantee Scheme.

Cooperation

- Support the development of impact business models to achieve sustainability and access to markets, and connect young social entrepreneurs with international impact investors.
- Improve use of the knowledge, funds and know-how of the diaspora to additionally expand the start-up ecosystem.
- Strengthen cooperation and networking of all relevant actors in the field of education and employment (institutions, employment agencies, youth and other organisations).

Social and environmental impact

- Provide economic incentives for producers who bring green products to the market and who support social economy enterprises and social schemes (e.g. wrapping, accumulators/batteries, electrical and electronic hardware, machinery, tax schemes etc.).

Awareness-raising

- Raise economic investment, raise awareness, educate all stakeholders and involve citizens throughout the social entrepreneurship economy.

Opportunities and trends for youth in social entrepreneurship in the Western Balkans

Firstly, given that the Western Balkans is one of the regions in Europe most heavily impacted by climate change, circular and green economy could certainly drive the region to look for options to reduce the consumption footprint and increase the circular material use rate, which in turn will boost economic growth. The green economy in general represents and imports pillars in terms of social and economic development.

The study refers to Italy as the EU country model highlighting the growth of the circular economy in the field of the social economy, which can be seen as an emerging trend which is showing remarkable growth in the WB region and overall. This is mainly due to the fact that Italy is the European leader in waste recovery and recycling and in the circular economy.¹⁶⁸ This is proven by four key indicators:

¹⁶⁸ [Fondazione Symbola, Unioncamere 2021](#)

the rate of waste recycling, the use of secondary materials in the economy, productivity and the per capita consumption of resources – which together make Italy the most “circular” among the largest European countries.

In the light of the new reform of the third sector and the urgency of a green, smart and sustainable transition of production models, also highlighted by the devastating effects of the Covid-19 pandemic, the circular and green economy presents an opportunity to boost youth employment through social entrepreneurship. Social enterprises have proved to be adequately skilled and competent to compete in the green economy, and are therefore attractive for the new generation entering the labour market.

Lastly, it is important to highlight the cross-border collaboration of WB countries, mainly facilitated through EU channels. The cross-border collaboration programmes are considered to have contributed to strengthening relations between neighbouring countries by bringing stakeholders from different countries together at national and local levels. The presence of international institutions plays a significant role in shaping the social economy ecosystem in the region, by streaming the funding to implement initiatives focused on youth and offering opportunities to scale them up on the regional (cross-border) level. As we have seen in the report, those initiatives are channelled through EU projects (Erasmus+ programme). Further, the circular economy is closely linked to the EU’s social economy policy framework and actions, where the social economy is described as “a pioneer in job creation linked to the circular economy”; as well as to the SME strategy, both connected to the Green Deal. The social economy today offers combined opportunities for youth: first, accessible jobs for those who find themselves blocked on the labour market; second, jobs that are useful to society contributing to its cohesion at a time of fast increase of exclusion risks; and finally jobs that can accelerate the green and digital transitions, a shift towards the circular economy, where recycling and reuse are the rule, while the use of natural resources is significantly reduced.



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Link: http://riinvestinstitute.org/uploads/files/2017/May/19/Klima_e_Biznesit1495199071.pdf

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ANNEX

Guideline for background research WB SEA Project 2.1



General Information

This document is meant to drive you in the process of implementation of the 2.1 Research and, more specifically, of the local analysis. Before disclosing the main guidelines, we're kindly asking you to read the introduction and methodology part, framing the overall work.

2.1 Deliverable is a desk and secondary data research that will be conducted in order to **depict current state of affairs** in the field of **youth employment** and **social entrepreneurship** in the target countries; Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia, Serbia.

The 2.1 Research will include:

- Analysis of existing research on national level;
- identification of stakeholders;
- Collection of best practices;
- Drafting recommendations on potential strategies and improvements for youth programmes in the social entrepreneurship at the national level

Methodology

Standardized criteria and research priorities are fundamental to ensure homogeneous local analyses. The guidelines included in this paragraph are precisely meant to pursue this objective.

Collection of data and topic to be covered

The project partners come from very different realities, mirroring different situations in terms of population and density. The analysis of the research should be diverse and look at research done by diverse stakeholders

- not only the usual suspects (e.g., check if Universities and Academia have done the relevant research of the topic).

Style of the research

The background analysis (chapter 1) should contain useful information and be very concise. We recommend you to not to exceed 4 pages.

Good practices: please include 2-3 good practices per country.

Potential key stakeholders: circa 10 identified potential stakeholders per country

Recommendations: max 1 page

Font: Please use the font Calibri – size 11 (Line spacing 1,15)

Language: English

Use of images: You can use images (for stats/graphs, etc) as long as they're original or you are authorized by the image owner.

Type of publications / statistics to be taken into account.

Please try to use the following sources, being sure they are sufficiently reliable:

- Official statistics published from national institutes or regional authorities;
- Official publications issued by local agencies and municipalities;
- Reports and studies published by NGOs, think tanks, universities or further local institutions;
- Interviews, articles, documentaries or further studies released by experts of the sector or professionals covering the main topics.

NOTE: Each data or assertion should be anchored to a footnote, specifying the source you're using (database, website, article, publication, etc).

At the end of the analysis, you're also required to create a short bibliography by listing your sources. Please use the following pattern:

AUTHOR NAME or INSTITUTION (YEAR) TITLE OF THE PUBLICATION, PUBLISHER or WEBSITE or WEB SECTION, PAGES or LINK

Example 1:

European Commission (2017), *The contribution of youth work to preventing marginalisation and violent radicalisation*, Publications Office of the European Union, pages 21-22

• Example 2:

Eurostat (2017), Statistics on rural areas in the EU, Eurostat Statistics Explained,

https://ec.europa.eu/eurostat/statistics-explained/index.php/Statistics_on_rural_areas_in_the_EU

Further sources

The following links can be useful for having a better idea of current trends at the EU and national level.

However, we highly recommend you to rely on local, regional and national publications and statistics, since Eurostat does not cover the geographical level that we tend to focus on (mainly for youth statistics).

https://ec.europa.eu/eurostat/statistics-explained/index.php/Young_people_-_social_inclusion

IDENTIFIED TOPICS

- Living with parents
- Young people at risk of poverty or social exclusion
- At-risk-of-poverty rate of young people
- Severe material deprivation
- Living in households with very low work intensity

DATABASE

<https://ec.europa.eu/eurostat/web/youth/data/database>

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Being_young_in_Europe_today

DEADLINE

12th of April 2021. Please, do not hesitate to share with Vesa/Marta from Diesis Network some draft, part of the research before the deadline.

I. Guidelines for the preparation of background analysis (chapter 1)

In the chapter 1, we would like to focus on the following aspects:

A) General socio-economic overview about your country

B) Being young today. Demographic trends and other relevant data about youth gives an insight into the past, current and future situation of our youngest fellow citizens. The objective is to shed the light on what it means 'to be young in Europe today', ranging from attending school and participating in sport and leisure activities, to leaving the parental home and entering the professional life. (see in the annex the detailed data required). To develop this part, take a look also at EU database (see below).

C) A short paragraph of the state of art on Social Entrepreneurship in your country. Brief overview what is the situation in terms of law for SEs and how are they perceived by the society and what is the current number of SEs and (indicate how many of those are set up by youth).

Please use the template in the annex where you can find some examples that can help you to conduct the national research.

II. Social Entrepreneurship and the opportunities for youth (2-3 good practices)

In this part, we ask you to describe the good practices you have identified. How you reach out to the good practices is at your discretion; website, email or interview. What is important is that you provide adequate information about each of the good practices, more accurately, by following the elements below:

Identify currently available support services for young people in the field of social entrepreneurship:

- Services provided/ existing programmes/ courses/ mentoring programmes/ incubators/ accelerators/ University courses/ etc.
- by established institutions, support organisations for SE and youth organisations, public institutions, teaching institutions (Universities, etc)
- in the field of social entrepreneurship
- Scope of the programme – description (duration, methodology/tools, etc)
- Outcomes (if exist, it could be an ongoing programme)
- Lesson learnt
- Challenges

III. Mapping of key stakeholders in youth social entrepreneurship

- Identify potential key stakeholders (circa 10 identified potential stakeholders per country)
- Stakeholders can be the ones who help you identify and find the good practices

Some of the main objectives for involving the stakeholders in the project:

- Ad-hoc advice and feedback on some of the project outputs (e.g., research);
- Potential audience for the project events and/or engage them as speakers;
- Create a potential stakeholders' group and give them visibility (include their name and logo) on the WB SEA website.

Please use the table below to list the potential stakeholders for the WB SEA at the national level.

POTENTIAL STAKEHOLDERS	TYPE (teaching institution, youth organisation, etc)	WEBSITE LINK	DESCRIPTION

IV. Recommendations

- based on the identified good practices and the basic research on youth employment and entrepreneurship, draft recommendations on potential strategies and improvements for youth programmes in the social entrepreneurship at the national level.

Country background analysis template:

Please use the template in the annex to conduct the research. In the annex, you can find some examples that can help you to conduct the national research.

A) General socio-economic overview about your country

In this section, you can show an overview about social and economic situation of your country.

Here an example:

Since 2008, Romania has experienced a number of economic and social transformations. The economic growth registered until 2008 was followed by the economic crisis that hit Romania in the fall of 2008, having effects in all branches of society. The first consequence of the economic crisis was that young people went to other European Union countries in search of better living, the number of small entrepreneurs and small and medium-sized companies declined, and employees' incomes decreased, along with growth pressure on the social security budget. This situation is reflected in EUROSTAT data related to the evolution of gross domestic product and labor force-related outputs, and in the data of Romanian National Institute of Statistics. GDP decreased with 1600 euro per capit from 2008 to 2009, followed by an increase after 2013. There are regional development disparities in Romania, the poorest regions being North East and South West Oltenia. GDP values recorded before the economic crisis will be reached after our years of austerity and spending cuts in the public sector, without being granted salary increases for employees.

B) Being young today

This section should show some demographic trend about youth in your country and give an overview about the role and the needs of the young generation in your country.

We recommend including this info in this chapter:

- General youth demographic trends
- Youth and Education
- Living conditions such as: young people living in households with their parents, at risk of poverty or \ and at risk of social exclusion, young people with a migrant background, young people living in suburbs or rural areas
- Digital world
- What are the main challenges and needs?
- What are the enablers for promoting the youth empowerment in your country?

Here an example how to develop this part:

The goal of the EU2020 strategy that 47% of people aged between 30 and 34 have a higher education diploma is in Belgium in 2018 achieved. This is now the case for 47.5 % of them. Women perform much better than men in this area. In Belgium, 54.4 % of women aged between 30 and 34 have a higher education diploma, compared to 40.6 % of men of the same age group. Among the total Belgium do not have a secondary education diploma.

The results of the 2016 Labour Force Survey show that on average 33% of people living in Belgium have little or no qualifications, as they at most, obtained a lower secondary education diploma.

The activity rate of the entire population of Brussels 15-64 years is 66% in 2017 (Figure 4). Thus, 34% are said inactive in the labor market: they are either studying (for the youngest), housewives, (pre) pensioners (for the older ones), etc.

C) Youth Employment

- Stats on youth unemployment
- What are the trends of youth (in choosing professional path)?
- How many of them are choosing SE for professional path?

D) Social Entrepreneurship

A brief description and some statistic data (if any) on the Social economy enterprises in your country and the role/ involvement of young people in it.

Here an example on how to develop this part:

In France the social and solidarity economy (ESS) is constantly growing with 164077 number of social economy enterprises in France. 221.136 employers and 2,372,812 employees that represent 10.5% of employment in France (and 14% of private employment) be part of the ESS. Social economy enterprises are demonstrated an economy anchored in the territories:

- 3 regions in which the social economy represents more than 12% of jobs
- 14 departments in which the ESS represents more than 15% of jobs
- More than half of the municipalities (58%) has at least one institution employer of the ESS.

More than 5,000 social economy enterprises created on average each year and more than 11,000 social employers created on average every year. In France the EES represents 60% of jobs in the social action sector and 57% in sports and leisure sectors. 26% of jobs of Arts and entertainment sectors comes from EES

Social Enterprises – Best Practice Interview Templates

Interview with _____

1. What year were you founded?
2. You are registered as:
 - a) NGO;
 - b) natural person;
 - c) limited liability company?
3. What is the purpose and vision of your company?
4. What are your main products and services?
5. What is your annual income?
6. What percentage of annual income do you reinvest in your organization to expand / grow?
7. What is the current number of employees?
8. Has the staff increased from the beginning of the social enterprise until now? If yes, in which proportions?
9. Of the total number of employees, how many are women?
10. Do you have employees from marginalized groups, part of the staff? If yes from which groups? What is the number of employees from marginalized groups in comparison to the total number of employees?
11. What is the social impact of your social enterprise?
12. What is the innovation your activity brings to the market?
13. What makes your financial activity sustainable?
14. What is your plan for expanding social entrepreneurship in the future in terms of market, products, services, employees, social impact?
15. In percentage perspective what are the differentiation of annual income from the generation of financial activity and donations / grants?



