



## Macedonian trends in Social Entrepreneurship

### Development of social entrepreneurship:

Development of social entrepreneurship in Republic of Macedonia resembled “mission impossible” until few years back. After discovering and understanding of the potential of SE for creating positive societal changes in a financially sustainable way, there was more significance given to this alternative model of entrepreneurship in our society. Still, this concept in Republic of Macedonia is relatively new, and at the start of this sphere in our society.

Within the proposed Law for SE is proposed the following definition: “SE is an organized action with the goal of creating possibilities, shapes, organizations and measures that result in sustainable societal values or services where the gain is not just one or main goal of that activity, and gain is used for employing some socially-excluded or vulnerable societal groups and solving problems and societal issues”.

The study “Legal and fiscal framework of development for SE in Macedonia” suggests the following criteria for defining of SE/enterprise: - Social enterprise is above all an enterprise based on local needs and specifics; - Main criteria for recognizing of social enterprises should be democratic managing or the possibility for the founder, employee or the member, to suggest or decide for the functioning of the social enterprise; - Social businesses can work with employees and volunteers; - Social businesses deal with societal and/or ecological issues.

The analyses show that the first social enterprises in Macedonia appear in 2008. After all, then and now, the civil sector and associations are leaders behind the development of this sector.



## Identified challenges:

Lack of suitable marketing/market analyses for the local market of potential development of social enterprises; - social enterprises lack suitable marketing strategy; - there is no access of social enterprises to investment funds for capital investments; - lack of suitable entrepreneurial staff and skills alike in social enterprises. All based social enterprises have problems with finding finances for capital investments for developing of their social businesses. Key barriers for financial sustainability: - no investment funds for capital investments for finding social enterprises; - no finances for additional work and preparing the persons who are unemployed long term and/or vulnerable: - lack of market analyses for the demand of products/services to social enterprises; - no marketing strategy and focus on sales: - large competition.

To encourage the development of this concept of enterprises, it is needed much more education and mentorship of all relevant in the society who want to start their own SE.

Local and national policies are much needed, and they would enable: - defining of SE and identifying criteria of what are social enterprises in a Macedonian context; - removing of all legal obstacles for actions through creating flexible mechanisms, possibility for social innovations and fiscal and tax benefits and – well planned out, balanced and all-covering local and national strategies and programs for encouraging and development of social enterprises, taking into consideration all territorial challenges and needs.

Even though in the last years there are a lot of efforts made for improving the situation with SE in Macedonia, there is a lot of work to be done. In that sense, according to the research for SE within the project Smart Start, a modest number of civil associations (participating in the research) had experience with SE. still, some part of them are interested to create a social enterprise. More precisely, 47% do have an idea, but no business plan, while 39% are interested, but have no precise idea. Not having a business plan or an idea for a social enterprise is also confirmed from the answers on knowing the SE overall as concept in Macedonia.



### Trends and expectations:

Social enterprises constitute an emerging sector, without significant repercussions on the Macedonian economy yet. Their potential in terms of increasing social inclusion, boosting local socio-economic development and opening decent workplaces for marginalized groups has not been fully harnessed yet.

These entities operate in a challenging ecosystem with a lack of capacity and knowledge at the institutional level and an absence of a favorable fiscal framework. On the other hand, the key factor supporting social enterprise development in the former Yugoslav Republic of Macedonia is the presence of strong social enterprise leaders, who promote and raise awareness of the concept and motivate the development of other social enterprises through individual mentoring, conferences, roundtables, media appearances, meetings, etc.

Moreover, continuous cooperation among all stakeholders who are part of the ecosystem occurs.

A favorable trend is the new Act on Social Protection, currently under development, which will introduce the possibility for social agreements that will be reserved for existing social enterprises. The entry of the former Yugoslav Republic of Macedonia in the EU is also perceived as a positive development: it will enable access to a variety of EU funds, and cooperation has been established with stakeholders from other countries in previous EU projects. The capacities in existing associations, in terms of the development of business plans, strategic planning, sales and marketing are already built, and now they need to scale. Some research projects were conducted in the field and they provide some basis for the capacity of the sector; however, additional research efforts are needed.

## References:

- <https://library.fes.de/pdf-files/bueros/skopje/12619.pdf>

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