



Making Learning Fun  
and Ecological

## POLICIES FOR SOCIAL ENTREPRENEURSHIP IN THE REPUBLIC OF NORTH MACEDONIA

### Current state:

In Macedonia, the model for SE started to gain more meaning in the last few years, or when there was a potential to create positive social changes and a sustainable functioning of the organizations. In any case, the country is still starting about this and there is a lot of work until the final goal is reached.

The Republic of North Macedonia has a constitutional and legal basis for developing the concept of social enterprise. On the level of governmental strategies, the concept is usually introduced through broader strategies for cooperation with the civil society sector, recognising social enterprises as facilitators of the transition of disadvantaged people from social exclusion to the open labour market.

The operational plan for active measures for employment is a key policy document providing specific measures for the development of social enterprises for the first time in late 2017. The operational plan introduced two measures that explicitly targeted social enterprises providing financial and advisory support to steer their development.

However, the planned support proved inadequate to existing social enterprises so, as a result, the new operational plan anticipates financial support only for the creation of jobs for disadvantaged people in social enterprises. The Republic of North Macedonia, social enterprise and social entrepreneurship emerged in the third sector discourse during 2009-2010. In general, there is an existing conceptual confusion when they are discussed publicly. Furthermore, there is no agreed definition of social enterprise among stakeholders or within the Government. The concept of “social enterprise” was introduced by the third sector to refer to the work integration social enterprises which emerged from: i) associations providing work engagement for disadvantaged people (mostly for Roma and persons living with addictions) and ii) associations working on deinstitutionalization of persons with disabilities or providing day care services for the same target group.



NATIONAL AGENCY  
for European Educational  
Programmes and Mobility



Erasmus+



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

As a result, the general understanding of the concept of social enterprise among policy makers, the donor community, civil society and social enterprises remains limited to work integration social enterprises. The rise of the concept is mainly attributable to some recent developments. These include limited public support for the services provided to associations and the decentralization of social welfare.

At the same time, attention from a foreign donor community, especially the European Commission, continues to increase. Currently, the entities that comprise the social enterprise spectrum in The Republic of North Macedonia are diverse.



There are no specific institutional forms designed for social enterprises. They utilize diverse legal forms, which are regulated by specific legal acts within the Macedonian regulatory framework, such as: > associations, > sheltered workspaces, and > cooperatives. The research findings indicate that the predominant legal form of the existing social enterprises in the former Yugoslav Republic of Macedonia is the association. In the analysis of the legal environment and the historical legacy, Ilijevski et al. (2016) identified the following social enterprise typology in the former Yugoslav Republic of Macedonia: i) non-profit organisations (NPOs) registered as associations and foundations providing goods and services; ii) sheltered workspaces as work integration type of social enterprises; and iii) cooperatives.

## Policy and legal framework

Law for social entrepreneurship a proposal text is submitted for the law of social entrepreneurship that is an ongoing matter. The goals of the draft law are adjusting of the questions and institutional solving of the basics for working of multiple organizations and subjects in the area of social entrepreneurship, precisely to define the regulative and assigning of the roles for carriers, obligations and responsibilities of the authorities and institutions in the area of social entrepreneurship, as well as inclusion of the local authorities, the civil sector and other forms of action, to raise the potential that would influence the growth and development positively, reduce the unemployability, and strengthening of the social cohesion, and through increasing of the possibilities for employment, reducing the poverty and less costs for social needs.

With this law are encouraged new shapes of organizing, employment and working and are also ensured social innovations in this sphere. At the same time are created possibilities for expressing of social innovations on a practical basis and for education of the citizens and their usage, with which are created conditions for encouraging of the economic and social development. The guidelines on which the law is based are: solidarity, voluntarist, equality, and no discrimination, actions based on non-profit basis and increasing of employability and encouraging of employment in social enterprises and non-profit individuals. Public support and initiatives.

## Strategy for development of social enterprises:

The national strategy for development of social enterprises defines the basic goals and activities for the period 2021-2024, with the goal of creating a legal, financial and institutional framework for development of the social enterprises in Republic of North Macedonia. The goal of this strategy is development of a sustainable eco-system that will be encouraging and enabling for the social enterprises in this country. It predicts measures and activities that are grouped in four strategic priorities:

- 1) Creating a culture of social entrepreneurship;
- 2) Development of capacities of social enterprises and the actors in the eco-system;
- 3) Development of markets for social enterprises and
- 4) Building of financial eco-system for social enterprises.

### Inclusion in the development of policies and initiatives for encouragement of social entrepreneurship:

Even though the government bodies, such as the Ministry of Labor and Social Policy, and Ministry of Economy are included in the development of policies and initiatives for encouraging of social entrepreneurship in our country, there is still an insufficient public (professional) support for setting or forming of social enterprises.

### Markings, labels and systems of certification

In Republic of Macedonia there is a lack of labels, markings, and systems for certification of the social entrepreneurship. Social investment markets.

### Access to financial means and resources:

There is a lack of financial means and resources available for social enterprises, especially for a start up and investment projects. Since the financial institutions do not make a difference between social enterprises and traditional ones, there are not specifically developed financial products and services for the social enterprises. As such, the social enterprises depend mostly on the EU programs and all available sponsor funds. Furthermore, since most social enterprises come from the civil sector (organizations/associations), there is an evident lacking of entrepreneurship capacity, technical and practical skills, and also experience on the market that could inhibit the social enterprises from attracting investors.