



---

## DEVELOPMENT OF SOCIAL ENTERPRISES AND THEIR IMPACT ON SOCIETY: ALBANIA CASE

Juljana LAZE<sup>1</sup>

1 Dr., Lecture at Faculty of Education, Department of Sociology, Aleksandër Moisiu, University, Albania; [julilaze@gmail.com](mailto:julilaze@gmail.com)

### Abstract

Social enterprise has special attention to the developed countries by researchers from different fields. In Albania, this concept is relatively new, consequently, there are no many studies of socioeconomic character. This study intends to analyze the impact of social enterprises in Albania society. The information used was based on multiple sources, considering the nature of it. The aim of the study was the exploration of the model of social enterprise. Data was gathered using direct observation. Interviews were analyzed using thematic analysis. Literature research was conducted, such as: legal framework, reports, theory, and research studies. The main findings showed that social value created depends on the nature of entrepreneurs in the Albanian context. As a result, it contributes to a better understanding of the role of social enterprises and the impact in social development. It ends up with an effort to reflect the conclusions emerging from the study.

**Keywords:** *Social Enterprises, Social Value, Challenge.*

## 1. INTRODUCTION

In the last decade, social enterprises are considered an important vehicle towards a fair society, by contributing to economic and social development. In many European countries, there is a growing trend of social enterprises contributing to social issues (Partner Albania, 2019). For this reason, many governments and political-economic institutions, like OECD (2013) and the European Commission (2011) final are shifting their focus towards stimulation, and support of social enterprises (DISOCI, 2020). Although there is no widely accepted definition of social enterprises, the most common knowledge is that it is uses of start-up companies and other entrepreneurs to develop, fund, and implement solutions to social, cultural, or environmental issues (Twuijver M., et al 2020). The social enterprises are deemed as socially entrepreneurial organizations where business and nonprofit organizations merge. It can be understood as an intercessor that combines social purpose with the spirit of the entrepreneur (Partner Albania, 2019). The latter field was social entrepreneurship is regularly cited is microfinance, since the Nobel Peace Prize was awarded to Mohammad Yunus (Benjamin H. & Alex N., 2012). The concept has become increasingly evident in commercial markets, academic discourses, and policymaking. It has become a fashionable construct in recent years.

Social entrepreneurship has got special attention to the developed countries by researchers from different field. Even nowadays, entrepreneurship and enterprise have become an important research area. Still, in Albania, it is nearly absent in academic research until the end of the 1990s, because of the context of the country (IDEA, 2020). This paper aims to examine the different factors shaping the social enterprise and proposes some current differences like the development of social enterprise in Albania. In this process, it was shown how specific factors have differently shaped the conceptualization of social enterprise, including its organizational forms, legal structures, and supportive environment. The development of social enterprises in Albania is still in the early stages of its development. It is relatively new, and consequently, there are no many studies. The first social enterprises have developed their activity before 2000, and have mainly had a nonprofit status. Over the years, two main forms have been known in the country: i) Traditional enterprises that are business organizations that produce, sell a product, and service to maximize personal benefits (“shareholder value”) and (ii) development organizations (nonprofit organizations, charities) that aim to maximize social benefits (“social value”) through their social problem - solving activities, mainly by donated funds (donations, grants).

In Albania, social enterprises are regulated by the Law (No. 65/2016) “On Social Enterprises in the Republic of Albania,” followed by several bylaws issued over three years. The legal package, as time goes by, is not implemented yet, due to unclear and cumbersome regulations, marking a missed opportunity for the social enterprises in Albania (Partners Albania, 2019). However, some laws dealing with social issues or environmental issues cover some areas. This area needs to be further researched. Developing a social model is complex. The importance of social entrepreneurship, is not only in the economic context, but also in the social field, consequently, social entrepreneurship seeks to be recognized and addressed in the Albanian context.

## **2. LITERATURE REVIEW**

### **2.1. Nature and Size of the Social Enterprises**

It is commonly agreed that the entrepreneur is an agent of change, especially in a growing world of free enterprise and capitalism. It is believed that social enterprises are related to the development of society (changes in science and technology, innovation, electronic literacy, new legislation, etc.) and for deepening social problems (rural development, the inclusion of persons with disabilities, equality). Ducker (1985) defines entrepreneurship as the ability to do something independently by responding to change and taking advantage of opportunities. An entrepreneur is a person who visions a particular business venture and then creates it, basically, the originator of a new business venture and a new organization for that venture. The entrepreneur perceives opportunities that other business executives do not see or not care about it. Other definitions of entrepreneurship include innovation, the production of a new product or service, risk-taking (EJBM, 2015). It was found (Laze, 2019) that social entrepreneurship or initiatives are predominantly younger than their traditional entrepreneurship and are mainly represented in the pre-start-up or infancy stage of the entrepreneurial process, which at first sight could be attributed to the relative newness of the phenomenon in Albania. A group of researchers, (Rawhouser, Cummings and Newbert, 2019) argued that the goal of these entities is the creation of social impact and tried to define social impact to be able to measure it correctly. Social entrepreneurs are described as “new engines for reform” (Dees, 2007). Social entrepreneurs are in pursuit of “sustainable solutions to problems of neglected positive externalities” (Santos, 2009). Social enterprise combines economic development with social, business with social inclusion, brings innovative solutions to social problems (INSEAD, 2009). The social enterprise achieves its social mission through: i) Reinvesting profits; ii) Employment of those who are striving to come to work or are left out of the labor market; iii) Provide social,

medical, and education services to vulnerable individuals or groups who do not have them at their disposal; iv) Investments or changes in the business to protect the environment; v) Contributing or developing cultural activities in the community. Although no single definition exists, it is commonly agreed that the entrepreneur is an agent of change, especially in a growing world of free enterprise and capitalism.

Under social entrepreneurship in this paper is meant a process through which social problems are solved innovatively. In other words, in social entrepreneurship, there are innovative solutions for social problems that change the system and motivate the entire society to move in a new direction (Hervieux and Voltan, 2018). So, in social entrepreneurship, success is measured by positive return to society by achieving various social-economic and environmental goals. Meanwhile, social impact has been conceptualized in the literature using different concepts: social value, (Santos, 2012) social performance (Mair and Marti, 2006), social returns, (Emerson, 2003) social return on investment (Hall, Millo and Barman, 2015) and social accounting which, although similar, represent distinct constructs. Nicholls (2006), “Innovative and effective activities that focus strategically on resolving social market failures and creating new opportunities to add social value system by using a range of resources and organizational formats to maximize social impacts and bring about changes” (Tayşir, 2019). Moreover, social impact has been studied in education, health care, environmental sustainability and poverty (Rawhouser, Cummings and Newbert, 2019). Analysis based on value generation, value capture, and value sharing (Rispoli and Servantie, 2016) provides important insights into the specificity of social enterprise research.

There are two schools of thought, introducing the concept of social enterprises, emerged in the USA. *First*, the “earned income” school of thought has embedded a strategy undertaken by organizations, which generate incomes supporting their social mission (Partner Albania, 2019). Later on, this approach expanded, involving even for-profit organizations, with a social aim (Yunus, M., 2010). *The second* school of thought, “Social Innovation,” emphasizes the central role of social innovation dynamic led mainly by the social entrepreneur, who possesses the features to follow a social mission such as dynamism, creativity, and leadership (Petrella and Battesti, 2014).

While in Europe, European Commission has defined a social enterprise as being “an operator in the social economy whose main objective is to have a social impact rather than make a profit for their 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 openly and responsibly, in particular, involves employees, consumers and stakeholders affected by its commercial activities” (Twuijver M. et al., 2020). There is growing recognition across the EU of social enterprise as a business model supporting economic growth and social progress. Since 2012, the European Commission has been promoting a series of policies on social enterprise under the Social Business Initiative, focused on creating the right ecosystem of support to drive the growth of social entrepreneurship (ESELA, 2015). According to the European Commission (2013) the social enterprises are: “those for which the social or societal objective of the common good is the reason for the commercial activity, often in the form of a high level of social innovation, those where profits are mainly reinvested with a view to achieve this social objective, the method of organization or ownership system reflects their mission, using democratic or participatory principals, or focusing on social justice”. In Europe, social enterprises are active in a wide spectrum of activities and many different fields, including social services, education, housing, the environment, culture, the arts, and tourism, through new activities such as renewable energies, fair trade, and transport (EC/OECD, 2013). Meanwhile, three main dimensions of a Social Enterprise that have been developed in the scientific literature are: i) *social dimension*: a primary and explicit social purpose; ii) *entrepreneurial dimension*: engagement in continuous economic activity; iii) *governance dimension*: the existence of governance mechanisms to ensure prioritization of the social purpose and which demonstrate sensitivity to different stakeholder interests (ESELA, 2016). *The first dimension*, “sociality,” refers to the social and environmental focus of social entrepreneurship. Such a focus may be identified through the creation of public goods and positive externalities. Six fields or domains are natural settings for social entrepreneurship initiatives: 1. welfare and health services; 2. education and training; 3. economic development; 4. disaster relief and international; 5. social justice and political change, including race and gender empowerment; 6. environmental planning and management. *Second dimension*, “innovation,” has much in common with models found in commercial entrepreneurship (e.g., Schumpeter’s idea). *The third dimension*, the market orientation that is manifest in a variety of ways in social entrepreneurship, most obviously for-profit social enterprise form (Nicholls and Cho, 2006). Based on how social enterprises integrate these building blocks, different typologies of social entrepreneurship have been proposed.

In Western Balkans countries where SEs could have positive impacts, yet the concept of SE and social investment is not widely known, often lacking a legal framework and support structures for SEs to develop and flourish (Phillips, De Amicis, and Lipparini, 2016). The sector

of social enterprise in all the Balkan countries and Albania is still at its beginnings. There is little or no quantitative or qualitative data on the size of the SE sector, on the scope of services, and on the impacts, it delivers (Partner Albania, 2016). However, no measured data exist about the number of social enterprises amongst Albanian SMEs. (Agolli, Haska and Hoxha, 2019). The number of social enterprises in the country is still quite small because of many reasons, often contradictory, such as: the economic level, the low level of responsibility towards society, the way understanding of the role/contribution of the individual in society, overestimating the role of the state. Law mentions the possibility of developing support schemes apart from some initiatives of private projects or organizations, there is no strong public support scheme for social enterprises. The focus of social enterprise development in Albania has been the creation of jobs paid to those people who are usually unable to hire or undertake an income-generating activity (Partners Albania, 2019). Nevertheless, attempts have been made to give a snapshot of the field in different contexts.

In Albania, the development of social enterprises has mainly had a nonprofit status. Existing social enterprises in Albania are incorporated as: i) nonprofit organizations (associations, centers, and foundations), ii) sole proprietors or limited liability companies, and iii) companies of reciprocal cooperation and cooperatives (Law No. 65/2016). Social enterprises in Albania are generally focused on providing basic social services dependent on the needs of the environment in which they operate. These include social services for people: children with disabilities, health and community services, kindergartens, and other social services targeted at vulnerable groups (Project idea, 2018). So, the Albanian context, social enterprises are seen as hybrids at the end of their non-profitable and profitable goals. The social value they create depends on the motive of entrepreneurs. Social entrepreneurship is positioned between these two forms. It lends out the best elements of both: from a traditional enterprise it lends "financial sustainability approach" (self-generating the necessary income through an economic/trade activity), and by developing organisms, lends itself to the primary goal of "maximizing social benefits" (by taking on contributing to solving one or more social problems). Both traditional entrepreneurship and development organisms have a huge impact and importance for society.

According to the interview with Marku Sh., (Yunus Managing Director for the Balkans) he explains: "The fact that in our country is trying to promote social entrepreneurship does not shadow their importance at all and do not try to replace them, rather they are complementary and fill a gap that exists between them" (Project idea, 2018). Social enterprises in Albania face with many additional difficulties compared to traditional enterprises such as:

-Need more support, including technical, financial, fiscal, promotional support, etc.

-Need more clarity on public sector policies and simplified procedures. Many of these initiatives are being undertaken individually by private entrepreneurs who wish to contribute to a particular social issue or sometimes from a non-profit organization within the scope of their mission /objectives.

-They are meeting more conditions to exercise their activity as a social enterprise for what their counterparts or other non-profit organizations or private businesses offer similar services (see law no.65/2016).

-They are meeting many problems in the current law itself, despite an apparent government commitment to being present in this sector. The law provides for unnecessary over-regulation. “Without get into the details of the law, I am convinced that any over-regulation of this new sector of the economy can, in many cases, be discouraging in the emergence of new social enterprises or hampering the exercise of the activity of those who choose to enroll” (Marku, 2019).

-Shortcomings of public and private models, to focus on the importance of social enterprise. The list of difficulties faced by social intercourse is by no means exhaustive, especially in the Albanian context.

In the 21<sup>st</sup> century, entrepreneurship has been extended the way they act, taking in consideration environmental or humanitarian goals, and even the concept of the political entrepreneur. Though a modern movement for social enterprise appears to be developing simultaneously around the world, there are important regional differences in what the term means and how it is supported and developed (Kerlin, Medford and Mass (editors), 2009). Differences in the regions appear to be explained, at least in part by the different regional socio-economic contexts. Most importantly, the social enterprise appears to draw on those dominant socio-economic factors that offer the most strength in the region (Kerlin, 2006). Meanwhile, OECD, (2013) argued that the national context plays an important role in shaping the characteristics of social enterprises in terms of sector specialization, funding, and employment.

Today, many activities in the field of local community development, and in the field of achieving higher goals of society, can be classified as social entrepreneurship (Mair and Marti, 2006). Social entrepreneurship is seen as differing from other forms of entrepreneurship in the relatively higher priority given to promoting social value and development versus capturing economic value. Interest in social entrepreneurship grows when the state and enterprises face challenges such as growing inequalities in society and social exclusion.

## 2.2. Challenges and Perspective of the Development of Social Enterprises

Social entrepreneurship is a modern concept. In developed countries, social enterprises develop faster than government-funded activities. In developing country, including Albania, social enterprises aim to improve areas that lack government support. A social enterprise is a business that operates differently, striving to achieve a social purpose.

Today more companies that act as social enterprises in Albania operate with non-profitable more than profitable status. Initiatives were undertaken over the years to promote the development of social enterprises. The first successful social business models have been set up in Albania; however, social entrepreneurship, social enterprise, and social business are still new and less widespread. Our research showed that still very few have embraced the principles of social enterprise and most of them are NGOs that depend on grant funding.

The first attempts to draft a law on social entrepreneurship have started in 2010. In 2016, the Law No.65/2016 “On Social Enterprises in the Republic of Albania” (Partner Albania 2019) is approved by the parliament without the consent of the social enterprises’ sector in the country. The law was seen as an important step in institutionalizing efforts to support marginalized groups suffering from social exclusion and non-integration into the labor market. Furthermore, the areas where social enterprise operate are defined by the law and limited in scope to include: employment of marginalized people, social services, education, health protection, environment, promotion of tourism, culture, and heritage, promotion of the development of local communities, sports activities and youth employment. After the approval of the law and the bylaws, still, no nonprofit organization has obtained the status of social enterprise. Some of the debates raised on this new regulatory framework are argued in the paper “Analysis of the Legal Framework on Social Enterprises,” such as: i) Lack of a clear definition of the concepts such as “social entrepreneurship” and “social enterprise”; ii) Granting the status of “social enterprise” only to nonprofit organizations by leaving out all other existing legal forms (private companies, cooperatives, credit-savings associations) which meet the principles of social entrepreneurship, is one of the major concerns of the legal framework; iii) Determination of a set of economic and social criteria accompanied by a range of penalties and ambiguities on which criteria apply to obtain the status and which to maintain it creates a burden for social enterprises if one takes into account their insufficient capacities; iv) Failure to consider support forms from the local government and public procurement is one of the main gaps in the legal framework; v) The use of profit entirely for the development and expansion of social enterprise’s activity without determining the forms, moreover being subject to profit tax



(regardless that the profit is reinvested), is an essential constraint for social entrepreneurs (Partners Albania, 2019).

Social enterprises are businesses set up to fulfill a social and, or environmental mission (e.g., tackling social problems, improving communities, people's life chances, or the environment). They generate revenue from selling goods and services in the open market, but they reinvest their profits back into their social mission. Social enterprises can operate in most fields of business and industry. They typically fulfill the following requirements: i) Continuous economic activity; ii) An explicit aim to benefit the community; iii) A high degree of autonomy; iv) A citizen-led initiative (civil society); v) A significant level of economic risk; vi) Democratic decision-making, not based on capital; vii) Some level of paid work; viii) A participatory nature, involving those affected; ix) Limited profit distribution (WISE Report, 2009). This model tested in other Balkan and European countries has not resulted successful, when social enterprises have been considered exclusively as mechanisms to involve marginalized groups. (Partners Albania, 2019).

In terms of economic criteria, the law envisages that social enterprises will constantly produce goods and, or provide services (Agolli, Haska, and Hoxha, 2019). Regarding social criteria, the law generates some confusion by not clarifying the separation between a non profit organization and its social enterprise's activities: the law presents the social enterprise as a completely new entity. However, as other instructions should have been issued are still pending, the law is not yet functional. Therefore, no organization has yet received its social enterprise status (Borzaga et al, 2019).

The concept of social enterprise is still unclear and far from being fully acknowledged in Albania. Generally, the social enterprise achieves its social mission through: Reinvesting profits; Employment of those who are striving comes to work or are left out of the labor market; Provide social, medical, and education services to vulnerable individuals or groups who do not have them at their disposal; Investments or changes the business to protect the environment; Contributing or developing cultural activities in the community. Social enterprise has a very important role in significant consequences in the labor market to polarization and exclusion of people in society (Agolli, A., Haska A., Hoxha J., 2019). So, the development of social enterprises will ensure the financial stability, contribute for the development of the Albanian economy, and social inclusion of vulnerable and marginalized groups. Although some of the leading Albanian promoting social entrepreneurship has been active in the regional network, still there is a lack of network support infrastructure for social enterprises in the country

(Partners Albania, 2017). Also, there is a lack of systematic inclusion of entrepreneurial learning and university-business cooperation within academia in Albania. Social enterprises are not subjects of formal education system.

Stakeholders to strengthen the capacity have to identify and to develop innovative policies that enable the development and empowerment of social enterprises in Albania. As it was argued by Andjelic and Petricevic (2020) the biggest challenge is the awareness among key stakeholders and recognizing the value of social entrepreneurship. Other challenges include facilitating supportive mentorship and widening of the social business support network, creating diversity and new technology start-up enterprises, development of disadvantaged and/or distant areas, funding, the absence of business angels or investors. Most of the challenges correlate with the need for funding for the support structures, in order to continue to work on their and the capacities of other enterprises. Some of the challenges are also seen in the insufficient networking at the regional and EU levels.

The findings of the paper showed that the law does not contribute to a clear definition of social enterprise in Albania: i) according to the law; only nonprofit organizations are eligible for social enterprise status; ii) it is mandatory for social enterprises must employ marginalized groups and provide social services to disadvantaged groups. Besides, the sector still suffers from the lack of a comprehensive legal framework and fiscal incentives such as subsidies and tax exemption on profits. The approach of the Albanian legal framework is focused entirely on the Work Integration Social Enterprise Model. According to the law; only non-profit organizations providing goods and services in the sector of development of local communities, social services, promotion of health, education services, culture and cultural heritage, promotion of tourism, environmental protection, employment mediation, and youth employment. Law could be a very good incentive to develop the area of social intercourse. Still, since often such incentives do not agree with interest groups and have not become part of the wider public debate, it seems that it has brought and a widespread lack of implementation. The social enterprise profile in Albania is focused on four dimensions: the general identity, the nature of the social mission, ownership structure, governance, and financial structure. Some social enterprises operate in the country and are registered with different legal status. Challenges for the development of social enterprise remain: i) lack of legal framework; ii) investment in capacity and consultancy; iii) lack of understanding of values; iv) lack of training and capacity building; v) lack of funds to foster their development; vi) lack of knowledge of positive practices in the region and international level.

Despite progress being made to put social entrepreneurship on the political agenda, far, no policy is tailored specifically for the implementation of social enterprises (Agolli, Haska and Hoxha, 2019).

### 3. RESEARCH METHOD

Determining the study methodology is a key process in conducting research, given that the research methodology orients the path that the study will follow to answer the questions raised and determines the tools needed to conduct the research (Robson, 2002). The research approach is based on the descriptive method through the collection of primary data using a semi-structured interview and secondary data obtained from national and international reports studies in the field of study.

This paper aims to highlight the importance of the need to understanding the nature of social enterprises and their impact on society. The purpose of this research was the exploration of the main factors, situation, and development of social enterprises in society, with a focus on the model of social enterprise in Albania. It also identifies and addresses the challenges of social enterprises as agents of creating social value. In able to achieve the goals of the paper, the following research questions are used:

- What is the situation and the nature of social enterprises in the country?
- Which is the factors model of social enterprises?
- What are the challenges and perspectives of the development of social enterprises in society?

The information used for this study is based on different sources, considering the nature of it. Study instruments:

*Analysis of documentation*, study with the qualitative method, making a historical presentation of the nature and challenges of social enterprises in Albania, review of the literature as well as a policy analysis of government initiatives in the impact of social enterprises. Literature research was conducted with documents and analysis affecting issues that focus on social enterprises sector.

*Meetings / Interviews / Focus Groups with key stakeholders* - interest was interviewed based on semi-structured individual interviews / meetings as well as through focus group techniques based on the discussion guide. Taking in consideration the recent situation, the opinion was obtained through teleconferences and e-mail.

*Discussion Guide* - semi-structured interviews and discussion guidelines was prepared to receive information from stakeholders. The main use is to be used in order to guide the report through balanced and impartial interviews.

*Comparison analysis*, qualitative method, making this study the comparison and the ideal model of development of social enterprise in Albania.

*Interview* - qualitative interpretation of the findings, includes 15 semi-structured interviews with people who lead social enterprises, which have been identified by their positions in the field.

A qualitative methodology involving 15 interviews with people who run institutions that focus on social entrepreneurship, based on the law operational definition of social enterprises No.65/2016 “On Social Enterprises in Albania.” The primary means of data collection involved semi-structured interviews, which were self-administered by the respondents using an online tool for the data collection. Also in some case free conversations (on line) are used. Free conversations are a method that can gather very interesting information, as the Albanian sociologists Zyhdi Dervishi points out, in such conversations the participants are more relaxed, speak longer and more openly (Dervishi, 2003). The online videos calls resulted to be very valuable for the study by offering more deep and extended information on the subject.

At the beginning of the study it was intended to conduct 50 interviews, but at its conclusion 15 interviews were successfully conducted. The interviews took place in the period of June - July 2020, while the enterprises had started working under strict safety protocols. The choice of social enterprises involved in the study was conditioned by the possibility of finding and setting contacts with them and on their willingness to be part of this study. For achieving the propose the database of Partners Albania is used, as it has a great experience working with social enterprises and non-for-profit organizations. By the data, it resulted that 10 of the persons interviewed were female and 5 of them male. Regarding to the type of the social enterprises 8 non-for-profit organizations, 7 forprofit entities are involved.

Also, secondary data were used by direct observation, analysis of various articles in the written media; as well as the use of relevant literature resources. Literature research was conducted such as: research of the legal framework; studies of organization reports operating locally, regionally, and internationally; theory and research studies of authors that have contributed to this field, as well as analyzing the needs of target groups and documents affecting issues that focus on social enterprises.

The study was conducted in three main phases:

- A. Qualitative documentary study and literature review, the information obtained from which serves to design questionnaires for the second phase, the qualitative one.
- B. Qualitative study through interviews with experts, persons or stakeholders who are engaged in this field.
- C. Data were analyzed using thematic analysis. More importance has been given to qualitative methods due to the nature of the problem in this study.

The limitation of this study was the lack of quantities data regarding the impact of social enterprise. Also, the findings cannot be generalized to the entire social entrepreneurship sector. *Second*, the study focuses only on Albania experiences, which limits its international applicability. *Third*, the analysis concerned the institutions, which were difficult to measure their manifestations, quality, and strength of impact. Besides all, the study contributes to the answer to the call for more quantitative and qualitative research and, at time argues the need for more in-depth studies suggesting a variety of challenges to practice, policy, and research in this area to Albania context. Based on these findings, conclusions, as well as recommendations for practice and research, are offered.

## **4. ANALYSIS**

### **4.1. The Factors Model of Social Enterprises in Albania**

Entrepreneurship is not a new concept. It can be traced back as far as the 18<sup>th</sup> century. Today, entrepreneurship is developing very quickly in all countries. Social enterprises are considered the best solution for addressing existing gaps in social service delivery. Entrepreneurship is often discussed under the title of the entrepreneurial factor, entrepreneurial initiative, and entrepreneurial behavior and is even referred to as the entrepreneurial “spirit.” The entrepreneurial factor is understood as an entrepreneurial function that refers to the discovery and exploitation of opportunities or the creation of an enterprise. Entrepreneurial behavior is seen as behavior that manages to combine innovation, risk-taking, and pro activeness (Miller, 1983). In other words, it combines the classic theories of Schumpeter’s innovative entrepreneur (Schumpeter, 1976). Entrepreneurial initiative covers the concepts of creation, risk-taking, renewal, or innovation inside or outside an existing organization. Meanwhile, the entrepreneurial spirit emphasizes exploration, search, and innovation, instead of the exploitation of business opportunities on managers.

The entrepreneurial function - can be conceptualized as the discovery of opportunities and the subsequent creating new economic activity, often via the creation of a new organization (Reynolds, 2005). Therefore, according to the research studies (Domingo and Salvador, 2005) three basic ideas explain the appearance of entrepreneurial activity: *first*, focuses on the individual; in other words, entrepreneurial action is conceived as a human attribute, such as the willingness to face uncertainty (Kihlstrom, and Laffont,1979). Accepting risks, the need for achievement McClelland, (1961), which differentiate entrepreneurs from the rest of society. *The second* fundamental idea emphasizes economic, environmental factors that motivate and enable entrepreneurial activity, such as the dimension of markets, the dynamic of technological changes (Tushman, and Anderson, 1986) and the structure of the market –normative and demographic (Acs and Audretsch, 1990) or merely the industrial dynamic. *The third* factor is linked to the functioning of institutions, culture, and societal values. These approaches are not exclusive (Shane, Scott and Andrew, 2000) given that entrepreneurial activity is also a human activity and does not spontaneously occur solely due to the economic environment or technological, normative, or demographic changes.

Meanwhile, Kolvereid and Obloj (1995), through a study involved 11 different transition countries, identified the following as the most important environmental factors affecting social enterprise development: i) Government policies; ii) Social-economic conditions; iii) Financial and non-financial assistance; iv) Environment stability; v) Workforce readiness. Considering these factors, we will try to argue how environmental factors and the profile of the Albanian entrepreneur affect the development of social enterprises in Albania as a country in transition.

*Government policies:* Social enterprises are recognized in two of the Albanian government's policy documents: The National Strategy for Employment and Skills 2014-2020 and the Investment and Business Strategy for 2020. Despite progress made to put social entrepreneurship on the political agenda, far, no policy is tailored specifically for the implementation of social enterprises (EU, 2019). Government funding is still undeveloped, as stated by support structures and stakeholders. Foreign aid for development projects is usually very structured and implemented through grants while private funds often lack structure. Moreover, there are some incentive schemes for cooperatives – special financial schemes for agriculture and tourism (Andjelic and Petricevic, 2020). According to the interviews “the Albanian Government's investment in social protection must increase, if the country is to reach European standards. Also, exchanging positive experiences with colleagues working outside Albania is very enriching for us because it gives us new ideas and helps us create new networks to be able to replicate initiatives in the country”.

*Social-economic conditions:* Albanian social enterprises face a daily survival challenge in an informal market. At these issues most of the findings of the interviews showed that social enterprises stressed a lack of public recognition and the absence of a ‘solidarity culture.’ Social enterprises deal with an unfair competition associated with administrative burdens and bureaucracy, which reduces their chances of creating consistency and financial sustainability. As Ribotta, (UN Women Officer in Albania) said: “The passion of women and men who put a social mission at the heart of their business creates added value that benefits the most vulnerable or marginalized. Social entrepreneurs are citizens who do not stop in front of inequalities but instead decide to act, find a need and meet it – supporting sustainable change.”

*Environmental factor stability:* The Albanian social enterprise debate has not yet reached the public. Neither have academic institutions begun researching the topic. The concept is understood and used only by social enterprise practitioners, and some institutional actors. Some social enterprises have attempted to cooperate and network with one another, but these attempts have not yet materialized in concrete actions. The findings showed that there is a lack of awareness campaigns, practical guidelines, procedures that can deal with the status of social enterprises, etc.

According to a study by Partner Albania (2018) the fiscal regime is very restraining. The components are not in line with EU Directives for social enterprises and European practices. The law; does not provide space for social enterprises to use different forms of investments, or remuneration, or increase wages for their employees This restrictive approach puts into question mark the sustainability of social enterprises in terms of human capacities and does not enable them to absorb talents and experts. Overall, still, the legal and regulatory framework presents many challenges and issues to be addressed to create a supportive environment for civil society organizations. The legal framework on social enterprises needs to be amended, addressing the actual legal barriers to social enterprises.

*Financial and non-financial assistance:* The European Commission (EC, 2017) is biggest and most important funder of Albania’s non-profit sector. Overall, Albanian social enterprises absorb fewer funds, than any other country in its region, due to a lack of information and staff capacities to chase funding opportunities. Most of the social enterprises consider tax treatment and the current legal framework as challenges, which are affecting negatively the development of the sector. The absence of fiscal incentives even for social enterprises employing marginalized groups, accompanied with the vagueness and the restrictions posed by the legal framework in place put a big question mark on the future growth of social enterprises in the country (Haska and Hoxha, 2020). Working to support these SEs through financial and non-

financial support, investment readiness, and capacity building is key to advancing the SE agenda towards its potential positive social, economic, and environmental impacts (Phillips, De Amicis, Lipparini, 2016). According to Williams., B (UN Resident Coordinator in Albania, 2019) it is necessary to underline the importance of social enterprises and emphasize the need to allocate public resources to support social enterprises, not only at the national level but also at the municipal level.

The Agency for Support of Civil Society (ASCS) is the only state-funded body that supports non profit organisations through grants that draw on the state budget (Partners Albania, 2018). Despite the legal forms, none of the social enterprises included in the study have diversified sources of income. None of them receives income from state subsidies or other investment schemes. Most of them primarily rely on grants from foreign donors, as any financial support from the Albanian business sector is sporadic and restricted. Partners Albania is a research-based non profit organisations aimed at developing social entrepreneurship by better understanding social enterprise features, models, and developmental challenges. It assists social enterprises with capacity building and financial support.

In general, most social enterprises are either in an early growth stage of their business lifecycle and do not have enough financial or human resources to apply for funding. Albania is amongst few countries without any crowdfunding platform, which is otherwise seen as a good potential opportunity for social enterprise fundraising (Borzaga et al, 2019). From the analysis of the study it is clearly shown that the most important environmental factors affecting social enterprise development are: i) Social-economic conditions; ii) Financial and non-financial assistance; iii) Environment stability; iv) Workforce readiness (human resource capacities); v) Legal framework Overall, Albanian social enterprises are taking financial risks.

## **5. DISCUSSION**

Regarding to the first question of research, *on the situation and the nature of social enterprises in Albania*, is argued that they are in the early stages of development. The majority of them are in the start-up and validation phase (Partner Albania, 2016). Some of the reasons highlighted by the observation of the analysis of the study and the most distinctive features are: i) partial institutional support; ii) incomplete legal framework; iii) lack of a proper understanding by key institutional stakeholders on what a social enterprise is; iv) low public funding; v) limited tax relief; vi) a lack of an agreed and properly defined plan to develop the social economy among the key stakeholders.



Entrepreneurial activity is low, and employment and social structure are often based on self-employment, family, and clan connections that may not represent the best solutions for the development of social entrepreneurship, which is rooted in high-level entrepreneurial spirit, civic culture, and solidarity beyond the family lines. In such a context, the existing policies on social entrepreneurship, create more confusion for the emerging social enterprise sector.

The finding showed that most social enterprises operate in the provision of services, which guarantee the inclusion of marginalized persons and produce a positive impact on their quality of life with a potential risk of social exclusion, but the nature of their action is short-sighted and closely linked to the economic resource, which in most cases is not created by the economic activity of the organization, but by donations or grants. The finding showed that the dependency on grants or donations raises issues about the financial sustainability of social enterprises in the country, consequently many social enterprises suffer to transition from grant dependency to financially sustainable commercial activities, not being safe and stable. The findings of the study showed that long-term support to ensure their full sustainability would be needed, especially for enterprises that help marginalized groups.

Regarding to the second question research *on factors model of social enterprises*, it seemed that the form of organizing social enterprises could not be reduced to one model because some companies act in the form of social cooperatives, some as private companies. In contrast, others are organized in the form of non-governmental organizations (NGO, associations, volunteer organizations, charities, foundations). Therefore, the study showed that the environmental factors and the profile of the Albanian entrepreneur affect the development of social enterprises in Albania.

Albania lacks quantitative and qualitative data regarding its social enterprises, especially in terms of organization and employee numbers, contribution to GDP, the scope of their services, and impacts generated (Borzaga, 2019). In practice, the existing social enterprises do not receive public recognition, do not enjoy any benefits, and are struggling with the administrative burden and inconsistent implementation of the regulation. The existing law brings a few major concerns to the development of social entrepreneurship. Finding the right legal form is as important as the other stages in social development as it will directly affect the social value created. When choosing a legal form, must considered: the type of activity, social-economic conditions, and financial form and governance priorities.

Governments can work, for instance foster public-private community partnerships between civil society, government and financial institutions. The legal form of establishment

in Albania conditions the financing area of social enterprises. So, providing sustainable finance is a challenge to strengthen the social enterprises in Albania. This decision will influence on how they will record revenue: coming from regular or coming from other activities.

The development of appropriate legal, regulatory and fiscal frameworks must emerge from the national and local environments in which social enterprises operate. High-quality institutions are those that cause socially desirable behaviors of social and economic organizations. So it is necessary to build enabling legal, regulatory, and fiscal frameworks, based on the models which best fit to Albanian nature of society. According to UN (2020), social entrepreneurs need a favorable and enabling business ecosystem to thrive and to bring their impact to scale. These entrepreneurial ecosystems require the collaboration of different stakeholders as well as specific interventions and programmes supporting innovations to scale particularly in the rapidly growing area of social entrepreneurship.

Regarding to the third question research, *on the challenges and perspective of the development of social enterprises*, the findings showed social entrepreneurship is a relatively new form of economy, and the development of such a perspective model invokes the economic system of the state as a whole, and the factors of economic development change. Nevertheless, the social enterprise sector is still quite young, and the definitions are still relatively unspecified. The all stakeholders must undertake all necessary activities to achieve a partnership with such enterprises, better understand them, the more social value created.

Some more incentives to offer business development services and support structures are necessary to be taken. This step may increase the understanding of social enterprise within the traditional sector. Various initiatives exist to encourage the development of social enterprise through seed funding support for startups; exchanges and cooperation among organizations and entrepreneurs, investors and private sector at national and international level; facilitation of dialogue with state actors to encourage incentives for development of SEs; networking and promotion of best practices through media programs and articles, especially focused in education and public awareness, research, collaboration platforms to support them, but more networking in nacional and internacional level is needed, particularly focused on the long-term development of these efforts. It is required that the education system be more organized and involved in these issues, including social enterprises in their curricula and programs.

Development of social enterprise is not related only to legislation, but to the lack of knowledge of how they function, are realized and organized. Research on social entrepreneurship creating new jobs can be viewed from a social and scientific point of view.

The scientific theory, therefore, suggests that social entrepreneurs are and should be the agents of change. Social enterprises are nowadays largely diversified in terms of types of general interest services delivered and target groups served.

Some of the challenges comes out of the the stakeholder involved in the study for the development of social enterprise are as follow: i) lack of legal framework; ii) investment in capacity and consultancy; iii) lack of understanding of social values; iv) lack of training and capacity building; v) lack of funds to foster their development; vi) lack of knowledge of positive practices in the region and international level. Meanwhile, based on a recent study by Andjelic and Petricevic (2020), it was found that some of the key obstacles and limitations for youth starting a business include: i) The unstable political and economic situation in Albania; ii) Obstacles and limitations created by the Law on SE; iii) Complex administrative procedures; iv) Lack of education on entrepreneurship; v) Inadequate access to professional support and mentorship; vi) Lack of business contacts among youth; vii) Lack of start-up capital; viii) Lack of support in their immediate surroundings; ix) Inadequate access to professional support and mentorship; x) Limited duration of programs run by the governmental and non-governmental organizations; xi) Underdeveloped entrepreneurial culture and mindset, etc.

More quantitative and qualitative research is required to carry out in-depth studies suggesting a range of challenges for practice, policy, and research in this area in the context of Albania. The support of further research in the field of social entrepreneurship by public/private research institutes and governments may increase the role of social enterprise in society and putting it in focus. These contribute to the identifying of specific needs of both social enterprises and the communities in which they are based.

When we want to understand the impact of social enterprises, it is necessary to consider the development of them focused on the solution of social problems in their contexts, because it may condition the relevance that other factors have to the society. Analysis of framing social problems in social entrepreneurship reveals that social actors are concerned with creating an ecosystem to support social entrepreneurs. The scientific theory, therefore, suggests that social entrepreneurs are and should be the agents of change. Taking into account the importance of Social entrepreneurship, they impact not only in the economic but also in the social field as the challenges faced in their activity, interchange an approach to recognize and evaluate their development in our society.

The study results shown that social enterprises have not been understand much in society. However, to develop further, social entrepreneur's need support and funding, as well as

strengthening their expertise to increase the impact on society. In developing countries, such as Albania, entrepreneurs, as well as the community itself, think that solving environmental, health, educational, and social problems are the responsibility of the state. Thus, the exchange of experiences with other countries with more developed practices in this field will be a valuable contribution to the field of social enterprise: type enterprises, leading to a new stage of development of the type of social enterprises, such as an important element in responding to social issues. The study showed that the success of these policies could be due not only to their effectiveness, but also to the social enterprise nature also plays a fundamental role in the Albanian context. The most relevant findings of this paper show the need for more in-depth studies on develop of social enterprises in Albania society. These is a very important implication, especially for policymakers. This means that the design and implementation of policies to support social entrepreneurs must consider the effect depending on the development of social entrepreneurs focused on the solution of social problems in the country. Moreover, the study results are important for public decision-makers to design good quality solutions supporting the creation and development of social enterprises.

Finally, this study was subject to certain limitations. Based on this research, different recommendations for further analyses to gain a better understanding of the phenomenon can be indicated. Further studies in Albania and other countries with similar backgrounds need to be conducted to focus on the performance of social enterprises as on stability, sustainability, and social impact, in the context of different types of factors that characterize social entrepreneurs. As North and Douglas (2017) and some other institutional scholars (Helmke and Levitsky, 2004) argued an important direction of research on social entrepreneurship development might include coherence between formal (legal regulations) and informal institutions (social norms and values, mental models). In this regard, the use of a mix method to more quantities and qualitative data has many advantages and makes the study more comparable. An analysis of the quality of institutions that provide the conditions for the development of social activities may also be of interest. Also, further research may concern examining of the nature of social entrepreneurs (the values they adhere to) differentiates the results obtained by social enterprises.

As we pointed out in our paper, there is no consensus about what is understood by social entrepreneurship, so the impact in some countries may be different. Analyzing the importance of institutional factors provides new insights and knowledge about the studied phenomenon. It indicates the need to include in further research studies the institutional context.

## 6. CONCLUSION

The development of social enterprises nowadays is effective and innovative model to the challenges facing societies today (IDEA, 2019). Acting in the public interest, social enterprises create employment opportunities, provide innovative products and services, and promote social inclusion and economic development. Promoting positive attitudes towards social entrepreneurship can be a preliminary step towards social enterprise creation. This can be a key element in broader strategies for promoting social entrepreneurship amongst young people. Based on the findings of our research, we are presenting some of the following conclusions:

The review of literature research and reports showed that over the years the emphasis has been on issues of shape and size of social enterprises systems. Moreover, we notice significant differences in views and controversies about quantitative and structural developments. Social enterprises find the current legal definition of society extremely narrow and restrictive, thus limiting their creativity to use business to solve social problems and challenges. It seems that the development of social enterprises in the country does not come from below, as a need of society or the entrepreneurial spirit of the people but is driven by the existence of legislation, which creates some favorable spaces and financial incentives for these type of structures.

*From an international perspective*, the EU is developing specific policies, instruments, and programs for technical and financial support to develop social enterprises. European experience, and beyond, could be an incentive for the development of social enterprises. Social enterprises and their activities are very little known to government institutions, to other social actors, and the community in general. Consequently, there is a lack of the level of existing support services. According to European Commission, (2020) in Europe, social enterprises typically operate in the fields of: Work integration, such as: a) Training and integration of people with disabilities and unemployed people; personal social services; health, well-being and medical care, professional training, education, health services, childcare services, services for elderly people, or aid for disadvantaged people; b) Local development of disadvantaged areas; c) Remote rural areas, neighborhood development/rehabilitation schemes in urban areas, development aid and development cooperation with third countries; d) Other - including recycling, environmental protection, sports, arts, culture or historical preservation, science, research and innovation, consumer protection and amateur sports

*From a national perspective*, Albanian context is very little known by the central and local government institutions, other social actors, and the community in general. There is no standardized or widespread impact assessment for social enterprises conducted by local and

central government in the country. In some cases, impact assessment is completed individually, but they are similarly hindered by their own institutional resource constraints. Despite the fact that the Law foresees the register for SEs, such register is not functional yet. No data about the number of social enterprises and other relevant, measurable data exists. Thus, setting up a database for social entrepreneurship in the country is necessary, in order to develop more data on their progress, challenges, and trends. As a result, the concept of social enterprise today is still ambiguous, and debatable in Albania. Social initiatives are predominantly young, and are mainly represented in the pre-start-up or infancy stage of the entrepreneurial process. So, exchanges experiences of good practices on its implementation in practice.

*From a comparative point of view*, the main area in a socially implicating enterprise is well-being. In the local context an approach to public support is necessary to understand and develop it. Social enterprises in Albania during the last decades are required to address new social challenges, such as: managing waste, climate change, migration and those of social cohesion through cultures and arts. The research showed that at the national level most of the operating social enterprises are registered as NGOs, which develop social enterprise programs, but they are dependent on grants or donations for their income, consequently, they looks more like a charity than as social enterprise. Most the social enterprises act as non-profit organizations, and they get supported for programs and projects from foreign donors (Agolli, Haska and Hoxha, 2019). Among the main areas of social enterprise, activities are employment, education, economic development, childcare, and social care. Most of social enterprises serve the youth, disadvantaged girls, women, children, and persons with special needs. Development of social entrepreneurship directly influences the creation of jobs, the development of local self-government, strengthening and spreading awareness of environmental protection, social innovation, health care, education, and other segments that affect the quality of life. The development of social entrepreneurship has a directly impact on the society, as it aims to respond directly to social challenges. Social enterprises contribute to helping keep those people at risk of social exclusion. They address the social needs of groups that government agencies find hard to reach. So considering the impact on society social entrepreneurship must be considered as a vehicle and agent of change. So it requires to be supportive and understanding. Meanwhile, at the international level studies have shown that social enterprises do not usually focus on disadvantaged communities, or employ people from disadvantaged groups, although they may choose to do so.

When it comes to the *social point of view*, launching of social entrepreneurship directly influences the creation of jobs, the development of local self-government, the creation, strengthening, and spreading of awareness of environmental protection, social innovation, health care, education, and other segments that affect the quality of life. Social enterprises have been subjected to an extensive debate with stakeholders and interest groups. It has great importance because of the lack of agreement and confusion about the term itself, focus, and the activities of social enterprises in the country. It is necessary and very important that in this public debate, good practice has been known, to advance further in this direction, on various issues, including social enterprises. Social entrepreneurship is a relatively new form of business. Introduction of such a system invokes the economic system of the state, and the factors of economic development change. So, promoting social enterprise activity, and increasing knowledge of the public, in general, is very important to the role and social enterprise activity, in order to recognize them, increased confidence, and interact with them. Social entrepreneurship addresses the social needs of groups that government agencies find hard to reach. They play an important role in addressing social, economic, and environmental challenges while fostering inclusive growth, shared prosperity, and social inclusion. Moreover, social entrepreneurship contributes to job creation, especially at the local level, and to democratic participation and improved welfare delivery services.

The succession of entrepreneurs has to be evaluated by numerous factors, such as business growth, investment pattern, government policies, social-economic conditions, financial, and non-financial assistance, environmental stability and workforce readiness. To all of these, the major factor that determines the success of entrepreneurs is the policy framework, which plays a major role on Albania entrepreneur's success. Research on social entrepreneurship, creating new jobs, has to be viewed from a social and scientific point of view. Support further research in the field of social entrepreneurship increases more the ability of society to answer faster the social problems in society. These would help in the pursuit of a strong relationship between researchers, policymakers, and practitioners, which may have a very positive impact on social enterprise and its development.

## References

- Acs, Z.J. & Audretsch, D.B. (1990). *Innovation and Small Firms*, Cambridge, MA: MIT Press.  
 additional-entrepreneurship.html.
- Agolli, A., Haska A., & Hoxha J., (2019). Country fiche ALBANIA – European Commission.  
<https://ec.europa.eu/social/BlobServlet?docId=21733&langId=en>.

- Álvaro, C. Domingo & R., Salvador R., (2005). Entrepreneurship: Concepts, Theory, and Perspective. Universidad Complutense de Madrid and Universidad de Valencia. p, 3.
- 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. <https://www.risewb.org/wp-content/uploads/2020/11/RISE-Regional-study-on-social-entrepreneurship-in-WB6.pdf>
- Benjamin H. & Alex N., (2012). Social entrepreneurship: definitions, drivers and challenges Centre for Social Economy, HEC Management School, University of Liege; Skoll Centre for Social Entrepreneurship, Saïd Business School, University of Oxford, 1-3.
- Borzaga C., Galera G., Franchini B., Chiomento S., Nogales R., & Carini CH., (2019). European Union, Social enterprises and their systems in Europe, 2019, p, 27-28 <http://ec.europa.eu/social/publications>.
- Communication from the Commission to the European Parliament, The Council, The European Economic, and Social Committee and The Committee of the Regions (2011). Social Business Initiative Creating a favorable climate for social enterprises, key stakeholders in the social economy, and innovation Brussels, 25.10.2011 COM (2011) 682.
- Dees, J. G. (2007). Taking social entrepreneurship seriously, 2007. P, 44; 24-31.
- Dervishi, Z. (2003). *Vështrime të kryqëzuara në det. Sociologji kulture 1*. Tiranë: Jerusalem 2003, p.13.
- DISOCI (2020). Raising awareness on social entrepreneurship | DISOCI <http://disoci.eu/node/371>.
- EJBM, (2015). Occupational Stress and its Impact on the Succession of Entrepreneurs in the Jaffna District. European Journal of Business and Management [www.iiste.org](http://www.iiste.org) ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol.7, No.22, 2015.
- Emerson. J., (2003). The Blended Value Proposition: Integrating Social and Financial Returns, 2003 <https://doi.org/10.2307/41166187>
- Entrepreneurship - Society For Effectual Action <https://www.effectuation.org/wp-content/uploads/2017/06/The-Entrepreneurship-of-Resource-based-Theory-1.pdf>.
- Entrepreneurship ElimuTanzania. <http://elimutanzania.com/entrepreneurship/entrepreneurship.html>
- ESELA (2015). Social Enterprise in Europe -emins.org <http://arhiva.emins.org/uploads/useruploads/vesti-soc.-pred./---Mapping-Publication.pdf>.
- ESELA, 2015. Social Enterprises in Europe Developing Legal Systems Which Support Social Enterprise Growth, European Social Enterprise Law Association, 2015, p. 6. [https://esela.eu/wpcontent/uploads/2015/11/legal\\_mapping\\_publication\\_051015\\_web.pdf](https://esela.eu/wpcontent/uploads/2015/11/legal_mapping_publication_051015_web.pdf).
- ESELA, (2016). Social Enterprise in Europe Developing Legal Systems Which Support Social Enterprise Growth, European Social Enterprise Law Association.2016, p,16 <http://arhiva.emins.org/uploads/useruploads/vesti-soc.-pred./ESELA---Mapping-Publication.pdf>.
- ESELA, (2019). Social Enterprise in Europe -emins.org <http://arhiva.emins.org/uploads/useruploads/vesti-soc.-pred./ESELA---Mapping-Publication.pdf>.



- European Commission, (2020). [https://ec.europa.eu/growth/sectors/social-economy/enterprises\\_en](https://ec.europa.eu/growth/sectors/social-economy/enterprises_en). (Accessed: 5 December 2020).
- European Commission/OECD, (2013). Policy Brief on Social Enterprises, Entrepreneurial Activities in Europe Entrepreneurial Activities in Europe. Luxembourg: Publications Office of the European Union, p.4,2013.[https://www.oecd.org/cfe/leed/Social%20entrepreneurship%20policy%20brief%20EN\\_FINAL.pdf](https://www.oecd.org/cfe/leed/Social%20entrepreneurship%20policy%20brief%20EN_FINAL.pdf)).
- European Union, (2019). Social enterprises and their ecosystems in Europe, 2019, p.34 <http://ec.europa.eu/social/publications>.
- Hall, M., Millo, Y., & Barman, E., (2015). Who and what counts? Stakeholder prioritization and accounting for social value. *Journal of Management Studies*, 52 (7). pp. 907- 934. ISSN 1467-6486 DOI: 10.1111/joms.12146: <http://eprints.lse.ac.uk/62354/>.
- Haska and Hoxha, (2020). Characteristics and Challenges of Social Enterprises in Albania baseline study.pdf, p.33 [http://partnersalbania.org/wp-content/uploads/2020/09/Characteristics\\_and\\_Challenges\\_of\\_Social\\_Enterprises\\_in\\_Albania\\_baseline\\_study.pdf](http://partnersalbania.org/wp-content/uploads/2020/09/Characteristics_and_Challenges_of_Social_Enterprises_in_Albania_baseline_study.pdf)
- Helmke, G., & Levitsky, S., (2004). Informal Institutions and Comparative Politics: A Research Agent. *Perspectives on Politics* 2: 725–40.
- Hervieux, C., & Voltan, A. (2018). Framing social problems in social entrepreneurship. *Journal of Business Ethics*, 2018, p, 279-293. <http://www.inworkproject.eu/toolbox/index.php/glossary-resources/glossary/social-enterprises>.
- <https://www.igi-global.com/chapter/value-creation-through-social-change/208415>.
- <https://orbi.uliege.be/bitstream/2>
- <https://ccp.al/portfolio/develop-social-enterprises-albania>.
- <https://www.northeastern.edu/sei/2013/04/socialentrepreneurship-global-oridiosyncratic-phenomenon>.
- <https://www.sciencedirect.com/science/article/pii/S109095160500>.
- <https://www.freshwatercleveland.com/features/socialenterprise020416.aspx>.
- IDEA, (2020). Investment Development and Empowerment Action <http://www.projectidea.eu/wpcontent/uploads/2019/05/Newsletter-6.pdf>.
- Interview Sh. Marku., 2019. Yunus Managing Director for the Balkans. <https://ekonomix.al/sipermarrja-sociale-e-pazhvilluar-shkelzenmarku-arsyeja-kapitalizmi-i-eger-dhe-deshira-per-tu-pasuruar-shpejte/> [1.2.2019].
- Janelle A. Kerlin, (2006). A Comparative Analysis of the Global Emergence of Social Enterprise, Working Paper 06-06 November 2006, p.17. DOI: 10.1007/s11266-010-9126-8 [https://www.researchgate.net/publication/225688147\\_A\\_Comparative\\_Analysis\\_of\\_the\\_Global\\_Emergence\\_of\\_Social\\_Enterprise](https://www.researchgate.net/publication/225688147_A_Comparative_Analysis_of_the_Global_Emergence_of_Social_Enterprise).
- Janelle A. Kerlin, Medford, Mass (editors), (2009). *Social Enterprise: A Global Comparison*, Tufts University Press, 2009.
- Kihlstrom, R. E., & Laffont, J. J., (1979). General equilibrium entrepreneurial theory of firm formation based on risk aversion. *Journal of Political Economy*, 87, 719-748.

- Kolvereid & Obloj (1995). Entrepreneurship in emerging versus mature economies: An Exploratory Survey, 1995, p. 21-25, [www.researchgate.net/publication/247738550\\_Entrepreneurship\\_in\\_Emerging\\_Versus](http://www.researchgate.net/publication/247738550_Entrepreneurship_in_Emerging_Versus).
- Law No. 65/2016. On social enterprises in the Republic of Albania 2016. Legal Package: On social enterprises in the Republic of Albania: No. 716/2017; No. 602/2018; No. 16/2018; No. 56/2018.
- Laze, Juljana, Social entrepreneurship vs. Traditional entrepreneurship: A qualitative approach to understanding social entrepreneurship as a social value, 2019, p.208 <http://iscbf.org/>.
- Lot 2 of IPA CSF 2016-2017 describes its aim to “promote civil society capacities and support initiatives on social economy fostering inclusive development”. The EU contributes about 400,000 EUR for capacity building programs and social enterprise establishment and development grants.
- Mair J., & Marti I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business* 41 (2006) 36–44 <https://www.sciencedirect.com/science/article/pii/S109095160500>.
- McClelland, D.C. (1961). *The achieving society*. Princeton, NJ: Van Nostrand.
- Miller, D. (1983). The correlates of entrepreneurship in three types of firms. *Management Science*, 29, 770-791.
- Nicholls, A. & Cho, A. H. (2006). “Social Entrepreneurship: The Structuration of a Field,” in A. Nicholls (Ed.), *Social Entrepreneurship. New Models of Sustainable Change*, Oxford University Press, Oxford, 99-118.
- Nurgül K. Tayşir (2019). Value Creation Through Social Change: An Ashoka Fellow case. [Creating Business Value and Competitive Advantage With Social Entrepreneurship](https://www.igi-global.com/chapter/value-creation-through-social-change/208415), p.19. 2019. DOI: 10.4018/978-1-5225-5687-9.ch016 <https://www.igi-global.com/chapter/value-creation-through-social-change/208415>.
- OECD (2013). Policy Brief on Social Entrepreneurship Entrepreneurial Activities in Europe, Luxembourg: Publications Office of the European Union, 2013. Retrieve from: [https://www.oecd.org/cfe/leed/Social%20entrepreneurship%20policy%20brief%20EN\\_FINAL.pdf](https://www.oecd.org/cfe/leed/Social%20entrepreneurship%20policy%20brief%20EN_FINAL.pdf) [25.9.2020].
- Partner Albania, (2019). Analysis of the Legal Framework on Social Enterprises in Albania, p. 5, 2019. Available at Url: <https://partnersalbania.org/wp-content/uploads/2019/07/Analyses-of-legalframework-on-social-enterprises-in-Albania.pdf>.
- Partners Albania, (2016). Challenges and opportunities for employment of marginalized groups by social enterprises, 2016.
- Partners Albania, (2017). Monitoring Matrix on Enabling Environment for Civil Society Development: Country report for Albania 2016- 2017.
- Partners Albania, (2018). Monitoring Matrix On Enabling Environment For Civil Society Development-Country Report Albania 2018, p. 35 <http://partnersalbania.org/publication/monitoring-matrix-on-enabling-environment-for-civil-society-development-country-report-for-albania-2/>.
- Peter F. Ducker, (1985). [Innovation and Entrepreneurship](https://www.amazon.com/Innovation-and-Entrepreneurship-practice-principles/dp/0020719438) practice and principles, 1985, p.28.

- Petrella, F., & Richez-Battesti, N., (2014). Social entrepreneur, social entrepreneurship and social enterprise: semantics and controversies. *Journal of Innovation Economics & Management*, 2014, pg. 143-156.
- Phillips, J., De Amicis, L., & Lipparini, F., (2016). Social entrepreneurship in the western balkans: state of play. [http://www.pvtest.org/wp-content/uploads/2017/02/se-in-w-balkans\\_state-of-play.pdf](http://www.pvtest.org/wp-content/uploads/2017/02/se-in-w-balkans_state-of-play.pdf).
- Project idea (2018). <http://www.projectidea.eu/wp-content/uploads/2018/10/IDEA-2nd-Newsletter.pdf>  
pub/89-20-0001/ch/ch05-eng.htm.
- Rawhouser, H., Cummings, M., & Newbert, S. L. (2019). Social impact measurement: Current approaches and future directions for social entrepreneurship research. *Entrepreneurship Theory and Practice*, 43(1), 82-115.
- Reynolds, P.D. (2005). Understanding business creation: Serendipity and scope in two decades of business creation studies. *Small Business Economics*, 24, 359-364.
- Rispa H.M., & Servantie, V., (2016). Deconstructing the Way in which Value Is Created in the Context of Social Entrepreneurship. *International Journal of Management Reviews*, Vol. 00, 1–19 (2016) DOI: 10.1111/ijmr.12113. <https://onlinelibrary.wiley.com/doi/abs/10.1111/ijmr.12113> Social Entrepreneurs ‘Communities as a way to Sustainably Develop Smart Territories.
- Robson, C. (2002). *Real World Research, (2nd edition)*. MA: Black Well Publishing, 2020, p.76.
- Santos, F., (2009). A Positive Theory of Social Entrepreneurship 2009, Faculty and Research Working Paper, Social Innovation Centre, INSEAD, 2009/23/EFE, <http://knowledge.insead.edu/>. Journal 4 <https://www.slideshare.net/pginin/groem/journal-4-55568888>
- Shane, Scott & Andrew (2000). *A General Theory of Entrepreneurship: The Individual-opportunity Nexus*. Edward Elgar Publishing. ISBN 978-1-78100-799-0. [https://en.wikipedia.org/wiki/Entrepreneurship#cite\\_note-33\[24.9.2020\]](https://en.wikipedia.org/wiki/Entrepreneurship#cite_note-33[24.9.2020]).
- Schumpeter, J. A. (1976). *Capitalism, Socialism and Democracy*. Rutledge. ISBN 978-0-415-10762-4.
- Tushman, M.L. & Anderson, P. (1986). Technological discontinuities and organizational environments. *Administrative Science Quarterly*, 31, 439-465.
- Twuijver M., Olmedo L., Shaughnessy O., & Hennessy TH., (2020). Rural social enterprises in Europe: A systematic literature review. *Local Economy* 2020, Vol. 35(2) 121–142 <https://journals.sagepub.com/doi/full/10.1177/0269094220907024>.
- UN (2019). [First social enterprises in Albania to boost the employment of women and disadvantaged groups](https://eca.unwomen.org/en/news/stories/2019/05/first-social-enterprises-in-albania). Available at: <https://eca.unwomen.org/en/news/stories/2019/05/first-social-enterprises-in-albania> (Accessed: 5 December 2020).
- UN (2020). <https://sustainabledevelopment.un.org/partnership/?p=33475>. (Accessed: 4 December 2020)
- WISE Report, (2009). <http://inworkproject.eu/toolbox/index.php/glossary-resources/glossary/social-enterprises>.

Yunus, M., (2010). Social Business. Retrieved from <https://www.forbes.com/2010/06/15/forbes-india-muhammad-yunus-social-business-opinions-ideas-10-yunus.html#147f49896522>.