



YDEAS II Project

# Green Paper on Social Economy in the Western Balkans

# Green Paper on Social Economy in the Western Balkans

OSCE extrabudgetary project  
Young Developers and Entrepreneurs  
Advancing Start-ups (YDEAS)



Office of the Co-ordinator of OSCE  
Economic and Environmental Activities

# Contents

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Foreword	04	<b>V</b> Urban and rural development	30
Acknowledgements	06	<b>VI</b> Circular economy and waste management	32
Green Paper on Social Economy in the Western Balkans Introduction	07	<b>VII</b> Tourism and cultural heritage	34
Acronyms and Abbreviations	08	<b>VIII</b> Digital transition	36
A Western Balkans Region Overview	09	<b>IX</b> Transport and urban mobility	39
A Note on Terminology	10	<b>X</b> Alternative and renewable energy and CO2 emissions	41
<b>SOCIAL ECONOMIES AND THE WESTERN BALKANS</b>	<b>12</b>	<b>WHERE DO WE GO FROM HERE? A ROADMAP WITH SOME POSSIBLE DIRECTIONS AND PERSPECTIVES</b>	<b>43</b>
<b>WHAT'S GOING ON - SETTING THE SCENE</b>			
European and global policies supporting the social economy	12	<b>I</b> Recommendations for EU institutions, UN institutions and agencies, and other global players present in the Western Balkans	44
A focus on the Western Balkans	16	<b>II</b> Recommendations for regional Western Balkan bodies (RCC, RYCO, etc.) and local authorities (e.g., NALAS)	45
<b>THE SOCIAL ECONOMY WITHIN THE "TWIN TRANSITION" AND TOWARDS A COMMON REGIONAL MARKET</b>	<b>21</b>	<b>III</b> Recommendations for the OSCE	46
<b>I</b> Employment opportunities and training programmes building in-demand skills for members of vulnerable groups	22	<b>IV</b> Recommendations for local economic institutions in the Western Balkans	47
<b>II</b> Social service provisions for marginalized groups	24	<b>RELEVANT PUBLICATIONS</b>	<b>48</b>
<b>III</b> Agriculture and rural development	26	<b>BIOGRAPHIES</b>	<b>49</b>
<b>IV</b> Food production and public health	28	<b>DISCLAIMER</b>	<b>50</b>

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## Foreword

### **Ralf Ernst**

Acting Co-ordinator of OSCE Economic and Environmental Activities

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Socio-economic disparities, unemployment and economic uncertainty are among the root causes of instability and conflict. While technological innovation is developing at breakneck speed, this is having an adverse impact on job prospects for those less equipped to adapt to a fast-evolving economic environment. Skills development, quality education and life-long learning, sustainable and innovative business models, and equitable working conditions can limit the potentially disruptive impact of digitalization on labour markets and support the economic empowerment of individuals, particularly women and youth.

The social economy business model offers a sustainable approach that can address growing economic, social and environmental challenges, and foster inclusive and equitable development. Social and green enterprises are increasingly recognized as tools for social and financial inclusion, particularly for groups at risk of marginalization such as youth and women.

Fostering an eco-system to support innovative entrepreneurship, particularly socially-impactful and green businesses, is an integral part of the work of the Office of the Co-ordinator of OSCE Economic

and Environmental Activities (OCEEA). The Office supports these efforts based on various commitments, including the 2003 OSCE Strategy Document for the Economic and Environmental Dimension, the Vilnius Ministerial Council Decision 10/11 on Promoting Equal Opportunity for Women in the Economic Sphere, Ministerial Council Decision 8/17 on Promoting Economic Participation in the OSCE region, Ministerial Council Decision 5/18 Human Capital Development in the Digital Era, and MC Declaration 3/18 on the Role of Youth in Contributing to Peace and Security Efforts.

This Green Paper on Social Economy in the Western Balkans is a key output of the OSCE/OCEEA extrabudgetary project Young Developers and Entrepreneurs Advancing Start-ups (YDEAS), which aims to provide opportunities for skills development, networking and job creation for young women and men in the Western Balkans, as well as promote an enabling environment for innovative, socially-impactful and green start-ups in the region through policy-relevant dialogue. YDEAS also provided scholarships for 30 young social entrepreneurs to attend a three-week acceleration programme, where they worked with leading start-up coaches and mentors to further develop and scale the social and environmental impact of their business ideas, particularly in the areas of employment/training, sustainable transport, sustainable tourism, waste management, energy, sustainable agriculture and pollution reduction.

The information, insights and recommendations found in this Green Paper aim to provide input towards a conducive and enabling eco-system for innovative, socially impactful and green businesses in the Western Balkan region. The Paper should spur reflection and discussions among decision makers from governmental institutions, NGOs, academia, and the private sector, as well as among individuals in the general public. It should result in improved policymaking at the regional, national and local levels to allow a new generation of social innovators and entrepreneurs in the Western Balkans to flourish.

This Green Paper and the YDEAS project would not have been possible without the generous support of our donors, namely the Governments of Italy, Germany and Poland. Thank you for your unwavering commitment to a more peaceful, prosperous and secure OSCE region.

# Acknowledgements

This OSCE *Green Paper on Social Economy in the Western Balkans* was drafted and compiled through the collaborative efforts of experts within and outside the OSCE, in particular: Ms. Dina Rakin – Founder and Director of the Coalition for Solidarity Economy Development in Serbia; Ms. Juliana Hoxha – Founder and Executive Director of Partners Albania for Change and Development; and Mr. Gianluca Pastorelli – President of the Diesis Network.

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The OSCE acknowledges also the following organizations that provided vital input to this paper: ADP Zid (Montenegro), Arbeiter-Samariter-Bund Deutschland (Serbia), ARNO (North Macedonia), Balkan Green Foundation (Kosovo), Caritas Šabac (Serbia), Center for Educational Initiatives Step by Step (Bosnia and Herzegovina), Coalition for Solidarity Economy Development (Serbia), ENGIM (Albania), Erste Bank, European Commission Delegation in Serbia, Free Libre Open-Source Software Kosova (FLOSSK), German Development Cooperation – GIZ, Joscelyn Foundation – Tradita ime Artizanele (Albania), Local Democracy Agency (Montenegro), Men of Economy Kosovo, Ministry of Economy (Kosovo), Montemedical (Montenegro), Mozaik foundation (Bosnia and Herzegovina), Organization for Economic Co-operation and Development (OECD), Partners Albania, Public (North Macedonia), Pulse-groupe SOS BALKANS (Serbia), Qendra e Gruas Hapatë Lehtë (Albania), QSNN (Albania), Smart

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This Green Paper and the YDEAS project (Young Developers and Entrepreneurs Advancing Start-ups) would not have been possible without the generous support of our donors: the Governments of Italy, Germany and Poland.

This publication was conceptualized, co-ordinated, reviewed and edited at the Economic Governance Unit of the Office of the OSCE Co-ordinator of Economic and Environmental Activities by Vera Strobachova-Budway, (acting) Senior Economic Officer, Head of the Economic Governance Unit and Petronela Durekova, Project Associate.

Thank you all for your unwavering commitment to a more peaceful, prosperous and secure OSCE region.

# Green Paper on Social Economy in the Western Balkans

A Green Paper is generally seen to be a preliminary report on a specific policy area that aims at stimulating an informed debate among relevant stakeholders. A Green Paper usually contains no commitment to action, but offers a detailed description of the issue under discussion and points out possible courses of action in terms of policy development, including legislation.

By outlining challenges and opportunities offered by the current trends, this Green Paper on Social Economy in the Western Balkans<sup>1</sup> draws up those measures that could foster a positive ecosystem for social economy at both the local and regional level.

This Green Paper consists of the following components:

1. An introduction describing the topic under discussion;
2. An analysis of the current situation in the Western Balkans, describing current hindrances and opportunities for social economy organizations;
3. An outline of the current enablers of social economy, namely the Digital and Green Transitions as well as the Common Regional Market;
4. A roadmap: a set of possible courses of action, including policymaking options.

The compilation of this Green Paper was assigned to a pool of experts on the subject matter, under the co-ordination of Diesis Network<sup>2</sup> and under the supervision of the OCEEA/Economic Governance Unit. Regional and local players such as the Regional Cooperation Council (RCC), the Network of Associations of Local Authorities in South-Eastern Europe (NALAS), the International Labour Organization (ILO), the various relevant chambers of commerce and social entrepreneurs, and intermediary organizations and networks from the region were also consulted to provide feedback and guidance.

This Green Paper serves as a policy dialogue tool for all regional and local stakeholders, including governments.

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<sup>1</sup> “Western Balkans” is a political term referring to Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, and Kosovo in accordance with United Nations Security Council Resolution 1244 and Serbia.

<sup>2</sup> Active at the global level and federating more than 50 national support networks and platforms from 27 countries, Diesis Network is one of the widest networks specialized in supporting the development of social economy, social entrepreneurship, and social innovation

# Acronyms and Abbreviations

<b>CSO</b>	Civil Society Organization	<b>RCC</b>	(South-Eastern Europe) Regional Cooperation Council
<b>EC</b>	European Commission	<b>RCM</b>	Regional Common Market
<b>EU</b>	European Union	<b>RDA</b>	Regional Development Agency (of Montenegro)
<b>ERP</b>	Economic Reform Programme	<b>RYCO</b>	(Western Balkans) Regional Youth Cooperation Office
<b>GDP</b>	Gross Domestic Product	<b>SEAP</b>	(EU's) Social Economy Action Plan
<b>ILO</b>	International Labour Organization	<b>SEE WEST</b>	Social Economy Ecosystem in Western Balkans (CSO alliance)
<b>IPA</b>	Instrument for Pre-Accession	<b>SMEs</b>	Small and Medium-sized Enterprises
<b>NALAS</b>	Network of Associations of Local Authorities in South-Eastern Europe	<b>UN</b>	United Nations
<b>NGO</b>	Non-Governmental Organization	<b>UNTFSSSE</b>	United Nations Inter-Agency Task Force on Social and Solidarity Economy
<b>OCEEA</b>	(OSCE) Office of the Co-ordinator of Economic and Environmental Activities		
<b>OECD</b>	Organisation for Economic Co-operation and Development		
<b>OSCE</b>	Organization for Security and Co-Operation in Europe		



# A Western Balkans region overview

According to the most recent World Bank review on the resilience of the Western Balkans,<sup>3</sup> the Western Balkan region has been facing several external challenges: Russia's invasion of Ukraine, higher energy and food prices, unfavourable weather conditions, tightening financial conditions, and significant uncertainty. That being said, while the Western Balkans are resilient, with regard to the purposes of this paper, the pace of poverty reduction and job creation have slowed down.

The cost of living for the poor has risen: households at the bottom end of income distribution spend a much higher proportion of their income on food and energy – the two items in the consumption basket with the highest price increases – compared to those at the top of income distribution. Due to the slowed pace of inclusion, only 160,000 persons moved out of poverty in 2022. Social protection systems are still very underdeveloped: the spending on social protection in the region is lower than in the EU, ranging from 9.6% of the GDP in Albania to 13.6% of the GDP in Serbia. There were 878,000 people unemployed in the region at the end of 2022. While the unemployment rate declined across all countries to 13.2% by end of 2022, the youth unemployment rate, although also declining, is still double the overall rate. Roma, youth, and women remain the most vulnerable groups of the population.<sup>4</sup> Women's participation in the labour markets of the Western Balkans are characterized by low rates of activity, low employment, and high unemployment. Even though significant improvement was noted in

some countries, regional disparities remain. The most pronounced increase of female participation was in Montenegro with a 4.3% increase in 2022, Albania with 3.5%, and North Macedonia with 3%. With a 57.4% female participation rate, Albania sets the record for the region. The female-to-male participation gap for the region declined by 4% over 2023 to 15.6 %, with a stark difference of over 33% in Kosovo.<sup>5,6</sup>

EU integration has been the main driver of strategic reforms and the main direction in foreign policy for the Western Balkans. Regional alignment with the EU integration path is happening under the EU–Western Balkan summits. The European perspective has been confirmed through the allocation of funds of a total of 30 billion euros over the next seven years from the European Investment Fund and the Instrument for Pre-Accession (IPA III). A new growth plan involving 6 billion euros should also help boost economic growth and speed up socio-economic convergence.<sup>7</sup>

<sup>3</sup> <https://openknowledge.worldbank.org/server/api/core/bitstreams/fde84e0e-1b8f-4889-a971-06ff64d1f1c6/content>

<sup>4</sup> <https://www.esap.online/observatory/docs/202/regional-overview-of-western-balkan-economies-regarding-the-european-pillar-of-social-rights-2022>

<sup>5</sup> All references to Kosovo in this text, whether to the territory, institutions or population, should be understood as being in full compliance with United Nations Security Council Resolution 1244.

<sup>6</sup> <https://www.esap.online/docs/188/rcc-esap-2-regional-comparative-report-on-womens-employment-in-west>

<sup>7</sup> <https://www.europeaninterest.eu/a-new-e6-billion-growth-plan-will-bring-western-balkans-closer-to-the-eu-membership/>

These resources should ensure socio-economic development, green and digital transition, accelerating sustainable connectivity, regional integration and trade, and the strengthening of co-operation and compliance with the EU's climate and other sustainable development goals in its Green Agenda. An EU candidate negotiation process has been opened with Albania, Montenegro, North Macedonia and Serbia. Bosnia and Herzegovina was granted

candidate status in December 2022, and Kosovo was granted visa liberalization, entering into force from January 2024.<sup>8</sup> The Western Balkans Agenda for Innovation, Research, Science, Culture, Youth and Sports for the Western Balkans,<sup>9</sup> a document promoting scientific excellence and contributing to the region's economic and societal development and co-operation was published, with one of its aims preventing brain drain.

## A note on terminology

In order to set a common ground on the terminology used within the paper, the definition of basic terms is provided below. The definitions are inspired or taken from the European Union, keeping in mind the process of EU integration and the aligning of the Western Balkans with the EU. The terms on which the EU has come to an agreement are widely accepted and rarely debated.

### **Social economy**

The “social economy”<sup>10</sup> encompasses a diverse range of entities, including non-profit associations, co-operatives, mutual societies, associations, and foundations. These organizations share a common goal of prioritizing people, generating positive impacts on local communities, and championing social causes. Social economy business models emphasize reinvesting profits into the organization or social causes, coupled with participatory and democratic governance.

Characterized by values such as solidarity, participation, and co-operation, the social economy fosters socio-economic cohesion by operating at the local level. It spans various economic sectors and interconnects

with different industrial ecosystems. Up to 160 million people in Europe are members of social economy enterprises, particularly in retail, banking, agricultural co-operatives, and mutual societies. These enterprises contribute significantly to the objectives of the EU, including employment, social cohesion, regional and rural development, environmental protection, consumer protection, agricultural policies, third-country development, and social security. Despite their impactful contributions, social economy entities are predominantly micro-, small-, and medium-sized enterprises (SMEs).

### **Social entrepreneurship and social enterprise**

Within the social economy, a social enterprise<sup>11</sup> prioritizes social impact over

<sup>8</sup> [https://home-affairs.ec.europa.eu/news/kosovo-visa-liberalisation-signed-entry-early-2024-2023-04-21\\_en](https://home-affairs.ec.europa.eu/news/kosovo-visa-liberalisation-signed-entry-early-2024-2023-04-21_en)

<sup>9</sup> <https://op.europa.eu/en/publication-detail/-/publication/22b8829d-b786-11eb-8aca-01aa75ed71a1/language-en/format-PDF/source-233221374>

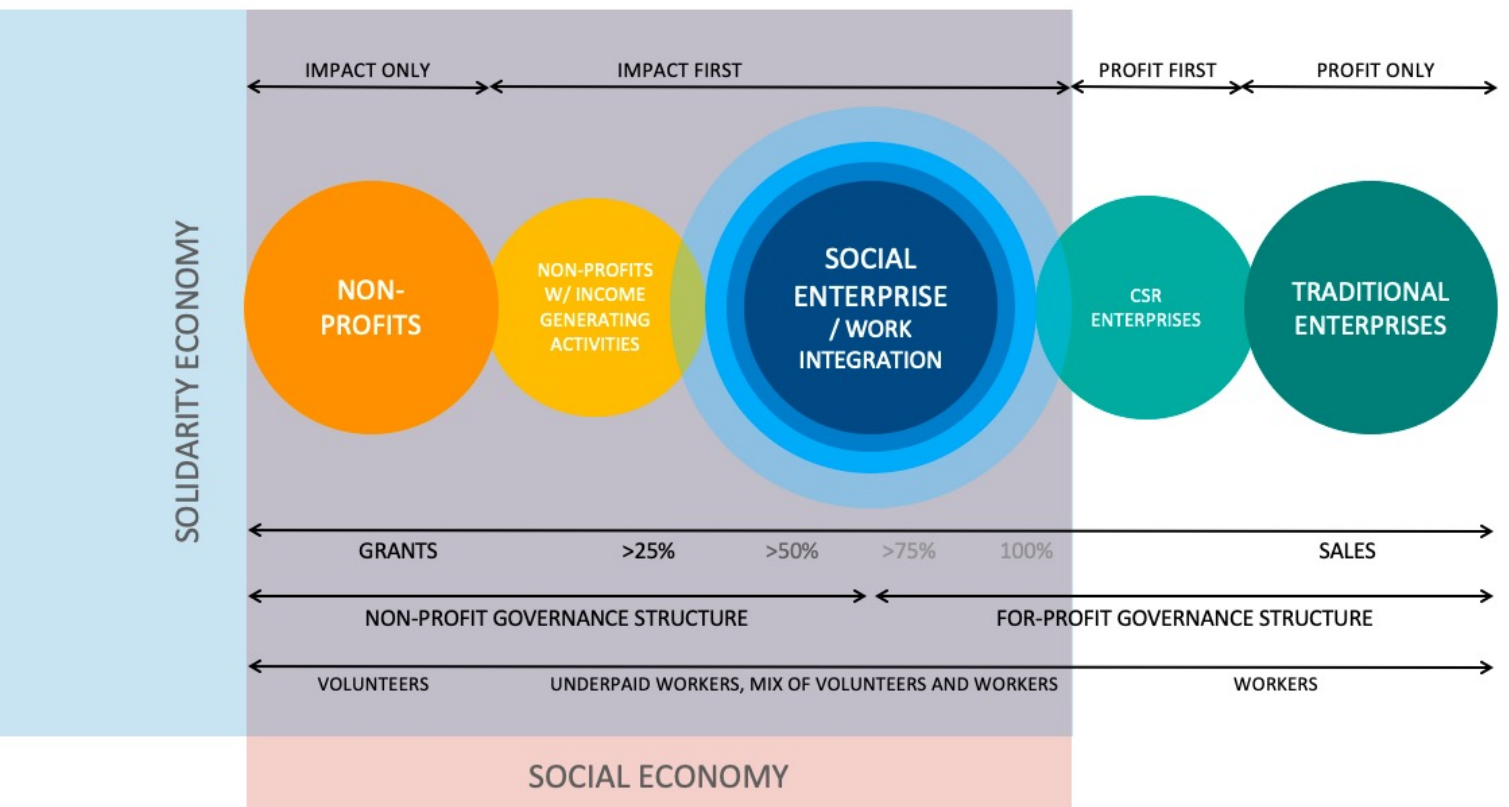
<sup>10</sup> [https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu\\_en](https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu_en)

<sup>11</sup> [https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/social-enterprises\\_en](https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu/social-enterprises_en)

profit for owners or shareholders. It operates in an entrepreneurial and innovative manner, utilizing profits primarily for social objectives, while maintaining open and responsible management that involves employees and relevant stakeholders, as well as consumers. The term “social enterprise” includes businesses driven by a commitment to the common good, businesses that often feature high levels of social innovation. Profits are largely reinvested to fulfil social objectives, and organizational methods or ownership systems reflect a mission-oriented approach, often employing democratic or participatory principles for social justice. Social enterprises have diverse legal forms, such as social co-operatives, private companies limited

by guarantee, mutuals, and non-profit organizations such as provident societies, associations, charities and foundations. Despite this diversity, social enterprises operate predominantly in four main fields: work integration (training and integration of people with disabilities or the unemployed), personal social services (health, well-being, medical care, education, childcare, services for the elderly, aid for disadvantaged people), local development in disadvantaged areas (rural development, urban rehabilitation schemes, development aid), and areas such as recycling, environmental protection, sports, arts, culture, historical preservation, science, research, innovation, consumer protection, and amateur sports.

## SOCIAL ENTERPRISE SPECTRUM





# 1. Social economies and the Western Balkans: What's going on – setting the scene

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## *European and global policies supporting the social economy*

The Social Business Initiative<sup>12</sup> is the first EU document that contains a commitment to creating a conducive financial, institutional and policy environment for social economy organizations as social enterprises. Such an environment will help social economy organizations to become equal players with other economic subjects. The Social Business Initiative provides the first definition of social entrepreneurship, a definition that is relevant for both the EU and its partners.

### ***A social business/social enterprise is an undertaking:***

- Whose primary objective is to achieve social impact rather than generating profit for owners and shareholders;
- Which uses its surpluses mainly to achieve these social goals;
- Which is managed by social entrepreneurs in an accountable, transparent and innovative way, in particular by involving the workers, customers and stakeholders affected by its business activity.

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<sup>12</sup> [http://ec.europa.eu/growth/sectors/social-economy/enterprises\\_en](http://ec.europa.eu/growth/sectors/social-economy/enterprises_en)

The EU's recently adopted Social Economy Action Plan (SEAP)<sup>13</sup> is the next step on this path. The EU has moved from understanding social economy as an actor providing social services and integrating vulnerable groups, to promoting social economy as a substantial driver of change in the global economy and an actor in building resilient communities. Significant new knowledge has been provided in terms of the role that legislation and policy can have in promoting social economy and engaging various actors in developing the social economy. Analyses have shown that political support must be more than proclaimed acts. Legislation and policy must be powerful but also flexible enough to adjust to the dynamic nature of social economy organizations and their ecosystems. Building the capacities of various stakeholders and promoting social economy among citizens must result in the secure mainstreaming of social economy across diverse economic sectors, the development of various (financial) instruments, and the security that the transitions for individuals taking part in the emerging changes are just. The SEAP is part of a larger framework of transition pathways towards proximity and social economy within the Single Market. It provides important guidelines on how to overcome challenges in industrial ecosystems, integrate transformative initiatives, achieve both a green and a digital transition, and increase resilience.

With the goal of “setting out the path to make the EU’s social economy and local businesses more resilient, green and digital”, in November 2022 the European Commission published, as announced in the SEAP, another major policy document: “Co-creation of a transition pathway for a more resilient, digital and green retail ecosystem”.<sup>14</sup> This document was developed by relevant parties in the social economy sector to help social economy entities and

small local businesses become greener and more digital.

This working document puts forward a set of thirty actions in fourteen different areas. For instance, the transition pathway proposes actions to help social economy entities improve their energy efficiency in order to reduce their electricity consumption. It also encourages public authorities to support the creation of local green partnerships, such as local value chains for circular waste management, clean energy production, or sustainable local food markets. To improve digitalization, the report lists actions such as supporting the development of a code of conduct for social economy entities and local businesses to better manage their data transparently.

The European Commission also launched an open call for pledges, inviting relevant parties to present concrete commitments and express their interest in working together on implementing the EU’s social economy and local business transition pathway.

In a significant move to promote social inclusion, drive sustainable economic development, and foster social innovation, as a next step the European Commission has adopted a **proposal for a Council recommendation on developing social economy framework conditions**.<sup>15</sup> The draft Recommendation was adopted by the European Commission on 13 June 2023. Member States reached a political agreement on the proposed text on 9 October, and formally endorsed the Recommendation on 27 November 2023. The Act was published in the Official Journal on 29 November 2023. The document aims to support Member States in integrating the social economy into their policies, creating a favourable environment, and implementing supportive measures for the sector.

<sup>13</sup> <https://ec.europa.eu/social/main.jsp?catId=1537&langId=en>

<sup>14</sup> [https://single-market-economy.ec.europa.eu/system/files/2023-07/SWD\\_2023\\_283\\_F1\\_STAFF\\_WORKING\\_PAPER\\_EN\\_V4\\_P1\\_2864349.PDF](https://single-market-economy.ec.europa.eu/system/files/2023-07/SWD_2023_283_F1_STAFF_WORKING_PAPER_EN_V4_P1_2864349.PDF)

<sup>15</sup> <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&furtherNews=yes&newsId=10594>

The Recommendation emphasizes the importance of expanding access to labour markets, enhancing social inclusion, and contributing to territorial cohesion across the European Union. By recognizing the diverse array of entities and business models within the social economy, the proposal provides recommendations in areas such as skills development, social innovation, access to funding, public procurement, State aid, taxation, social impact measurement, and visibility and recognition.

It is an ambitious document, since it encourages Member States to take further responsibility for social economy development, including fostering access to labour markets, social inclusion through the social economy, and the creation of enabling social economy frameworks. It also offers a concrete set of measures to be developed.<sup>16</sup> However, it has already provoked some legitimate criticism, since it limits the definition of social economy to social inclusion and employment, leaving little room for understanding the role of social economy in social innovation or recognition of its impact on economic, industrial, and local development.<sup>17</sup>

In a parallel effort to support the social economy, the European Commission has launched the **EU Social Economy Gateway**.<sup>18</sup> This dedicated platform serves as a one-stop hub for information related to the social economy in Europe. It offers valuable resources, including information about the concept of social economy, details about the social economy action plan, relevant EU funding programmes, and insights into the social economy ecosystems across EU Member States. In this, the EU has provided an example of how the fairly new phenomenon of social economy can be institutionally supported to give it

stronger impact in the areas where it naturally emerges.

In the aftermath of various crises (including the economic crisis of 2008 and the Covid-19 pandemic), it has been acknowledged by many global actors that social economy actors have been pioneers in promoting responsible business practices and in developing supportive agendas. This is relevant not only in terms of the financial resources provided by the social economy, but also in terms of the various approaches that have been taken by stakeholders from different backgrounds, which has provided a range of directions for the social economy to develop. Their engagement has provided an opportunity to globalize the definition of social economy, as well as to share experiences, assure global recognition, and of course pull in the needed resources for further development. The “Resolution of the United Nations on Social and Solidarity Economy”<sup>19</sup> is one such initiative, an initiative that could have a global accelerating effect on social economy development. The importance of the resolution is twofold. First, it acknowledges the social economy’s contribution to alleviating global risks such as hunger, social exclusion, and the climate crisis, and thus its contribution to achieving the UN’s Sustainable Development Goals. Second, the resolution’s agenda is aimed at influencing governments to develop instruments that support the social economy.

The social economy is also experiencing a momentum of acknowledgement and expansion at the global level due to the recognition of its inherent ability to create more inclusive, sustainable, and innovative economic systems. This ability was highlighted during the Covid-19 pandemic, since at that time social enterprises played a vital role in healthcare, welfare services,

<sup>16</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_23\\_3188](https://ec.europa.eu/commission/presscorner/detail/en/ip_23_3188)

<sup>17</sup> <https://www.socialeconomy.eu.org/2023/06/20/the-council-recommendation-on-developing-social-economy-framework-conditions-is-out/>

<sup>18</sup> [https://social-economy-gateway.ec.europa.eu/index\\_en](https://social-economy-gateway.ec.europa.eu/index_en)

<sup>19</sup> <https://social.desa.un.org/sdn/new-un-resolution-on-social-and-solidarity-economy>

and the distribution and logistics sectors. In particular, during the pandemic social enterprises demonstrated their resilience and their capacity for regeneration. By coupling social objectives with economic value creation, the social economy addresses social challenges in innovative ways. It contributes to boosting local development through job creation, through integrating disadvantaged individuals into labour markets, and through supporting digital and energy transition.<sup>20</sup>

International interest in the social economy has been signalled by an increase in policy initiatives recognizing the importance of social enterprises and civil society organizations. To ensure the development of social enterprises and to unleash their potential, it is of utmost importance to come to a consensus regarding their legal forms, defining characteristics, and organizational and financing mechanisms.

The United Nations Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSSE) gathers together 18 UN agencies and 14 other organizations, including the Diesis Network, an organization whose mission is specifically aimed at supporting the development of the social economy. The Task Force has noted the need to consider the social economy an important means for transforming the systems that have led to climate change, persistent poverty, rising inequality, and recent financial and food crises. Within this framework, social economy is a key factor for achieving the UN's 2030 Agenda for Sustainable Development. Both the International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD) have recently come forward with publications recognizing the role of social economy when facing future challenges, as well as

its intrinsic ability to prioritize human dignity, environmental sustainability, and decent jobs within the legitimate quest for profit.<sup>21</sup> These publications also highlight the need to concur on shared conceptual and legal definitions.

The lack of conceptual clarity is mirrored in the lack of policy alignment, since policymakers, practitioners, and researchers use different terms to refer to social enterprises.<sup>22</sup> This essentially prevents social enterprises from finding and claiming their place within the social landscape and the general economy. It also hinders comprehensive representation in national institutions, since it restricts proactive dialogue with policymakers who could design coherent and enabling policies and legal frameworks.

Nonetheless, a historic moment for the social economy was taken at the 66th plenary meeting of the United Nations in April 2023, where the **UN General Assembly adopted the resolution “Promoting the Social and Solidarity Economy for Sustainable Development”**. This resolution provides an official definition for social economy, and acknowledges that it can contribute to achieving the UN's Sustainable Development Goals.<sup>23</sup> Recognizing the role of the social and solidarity economy in promoting democracy and social justice, the resolution encourages Member States to promote and implement national, local, and regional strategies, policies, and programmes for supporting and enhancing the social and solidarity economy as a possible model for sustainable economic and social development. As the resolution states, this can be done by, “inter alia, developing specific legal frameworks, where appropriate, for the social and solidarity economy, making visible, when feasible, the contribution of the social and solidarity

<sup>20</sup> OECD, Legal frameworks for the social and solidarity economy, OECD Global Action – Promoting Social and Solidarity Economy Ecosystems, 2022.

<sup>21</sup> UNTFSSSE, Position Paper: Advancing the 2030 Agenda through the Social and Solidarity Economy, 26 September 2022.

<sup>22</sup> OECD, Boosting Social Entrepreneurship and social enterprise development in Lithuania – In depth policy review, OECD LEED Working Papers, 2019.

<sup>23</sup> <https://social.desa.un.org/sdn/new-un-resolution-on-social-and-solidarity-economy>

economy in the compilation of national statistics and providing fiscal and public procurement incentives, acknowledging the social and solidarity economy in education curricula and capacity-building and research initiatives and reinforcing entrepreneurship and business support, including by facilitating access for social and solidarity economy entities to financial services and funding, and encourages the participation of social and solidarity economy actors in the policymaking process.” The resolution also “encourages multilateral, international and regional financial institutions and development banks to support the social and solidarity economy, including through existing and new financial instruments and mechanisms adapted to all stages of development.”

### *A focus on the Western Balkans*

The process of European integration has been a strong engine in the Western Balkans for the development of the social economy.<sup>24</sup> Not only has the integration process provided financial resources, mainly through grants, it has provided strategic direction and guidelines. This has helped various stakeholders to integrate social economy perspectives into their scope of work. Over the past two decades, the EU has made great progress in mainstreaming and promoting the social economy across various sectors and at different levels of governance. This has connected complementing actors to create a diverse social economy ecosystem. This can serve as an inspiration for all actors to select policies aimed towards developing the social economy.

Already in 2014, the social economy was perceived in the Western Balkans as a tool for reconciliation and greater integration. It was also seen as means for linking the Western Balkan societies on their path to

becoming Member States of the European Union. The Western Balkan Regional Cooperation Council (RCC) initiated the first regional study on social economy as part of its development strategy 2010–2020.<sup>25</sup> The strategy assessed the potential of the social economy for a more just transition to a competitive economy, for enhancing the employability of the most vulnerable, and for improving social services. The study provided a regional overview of the sector and its ecosystem, identified opportunities for its development, and offered specific national insights, including particular local traits. The conclusion was that in a more supportive environment, the social economy could in fact increase employment and raise the quality of community-based services, generate social innovation in various sectors, and enhance social capital.

The study’s recommendations are primarily directed towards legislative and policy changes to foster social economy development from the institutional point of view. But they also highlight building the capacity of all stakeholders to engage in the sector more effectively. In particular, financial actors are called on to design and offer adequate financial services to social economy organizations. Another important point is raising the general public’s awareness of the social economy, including how it can be supported by consuming its products and services. The study also recommends research on the sector to understand trends, assess needs, and reach an agreement on its definition.

Broadly speaking, the same aspects are still relevant today, even if it is possible to see significant improvements in the social economy ecosystem in certain societies at both the local and regional level. While most of the Western Balkan economies have

<sup>24</sup> <https://www.routledge.com/Social-Enterprise-in-Central-and-Eastern-Europe-Theory-Models-and-Practice/Defourny-Nyssens/p/book/9780367747312>

<sup>25</sup> <https://emes.net/publications/members-publications/strategic-study-on-social-economy-development-in-the-context-of-the-south-east-europe-2020-strategy/>



introduced laws on social entrepreneurship and social economy organizations, there is still no data about the sector for the region, since this legislation is new. In 2016, Albania adopted Law No. 65 “For Social Enterprises in the Republic of Albania”; in the seven years since it came into effect, eight new social enterprises have been registered.<sup>26</sup> Kosovo adopted a social economy law in 2018; the law is also seen as a tool for the social and employment integration of marginalized populations.<sup>27</sup> Republika Srpska adopted the Law on Social Entrepreneurship in 2021; however the adoption procedure was not transparent, which has led to stakeholders finding it unsatisfactory.<sup>28</sup> Serbia enacted related regulation in 2022 (Law on Social Entrepreneurship<sup>29</sup>), and despite the fact that the law does not bring any incentives for the sector, there has been no negative feedback. Montenegro is still drafting a related law. North Macedonia has adopted a strategy on social entrepreneurship,<sup>30</sup> which at the time seemed a better approach than a law, since it allowed a broader and more systematic approach to social enterprise development. However, it has proven inadequate for existing social enterprises. A new operational plan anticipates financial support for social enterprises only based on their creation of jobs for the disadvantaged.<sup>31</sup>

Most of the above-mentioned laws and policies are restrictive or bring no incentives for developing social economy organizations. A main weakness of most of the relevant regulations in the Western Balkans is their narrow definition of the sector, with most describing work integration as a key element of social economy organizations. There is a lack of financial instruments tailored to social economy organizations, and no favourable tax treatment is provided.

Narrow definitions of social economy or social economy organizations has led to inadequacies in the institutions chosen to oversee social economy development or to implement policies and laws. In most cases, the ministry in charge of social policy has been put in charge of social entrepreneurship. However, North Macedonia has established a Centre on Social Entrepreneurship, as has Serbia, with its Centre for Social Entrepreneurship established at the local level in the City of Kruševac. Both institutions have the mandate to develop and promote social entrepreneurship. Most chambers of commerce in the region have implemented projects promoting the social economy. As a result of one such project in Serbia, the Chamber of Commerce and Industry has established a Section on Social Entrepreneurship. It plans to develop programmes for regional chambers to promote a new related law and help build the capacities of various actors to develop the social economy ecosystem.

Nonetheless, after more than two decades of promoting the sector, most Western Balkan societies have started mainstreaming social economy within other policies. This is strongly supported by the EU integration process as well as the global agenda, namely, the UN’s Sustainable Development Goals. It is thus possible to identify social economy subjects as relevant players in various structures: in public procurement systems, youth empowerment programmes, agriculture and rural development, energy development, circular economy programmes, etc. This process additionally strengthens the accountability of local institutions to deliver programmes directly responding to the needs of citizens and local communities.

<sup>26</sup> <https://www.partnersalbania.org/publication/the-status-of-social-enterprise/>

<sup>27</sup> <https://gzk.rks-gov.net/ActDetail.aspx?ActID=18187>

<sup>28</sup> <https://www.paragraf.ba/dnevne-vijesti/29112021/29112021-vijest3.html>

<sup>29</sup> <https://www.paragraf.rs/propisi/zakon-o-socijalnom-preduzetnistvu.html>

<sup>30</sup> <https://centarosp.mk/en/national-strategy-for-development-of-social-enterprises-in-north-macedonia/>

<sup>31</sup> <https://green-entrepreneur.net/wp-content/uploads/2021/11/polices-republic-of-north-macedonia.pdf>

Various crosscutting sectors have engaged donors to develop the social economy in addition to the EU, including the UN, SIDA (the Swedish International Development Cooperation Agency), USAID (the United States Agency for International Development), GIZ (the Deutsche Gesellschaft für Internationale Zusammenarbeit), or the foundations of political parties (Heinrich Böll Stiftung, Friedrich Ebert Stiftung, etc.). These donors operate at both the national and regional level. In terms of financial support, their contribution is obvious. But they also bring experience from their respective countries of the origin regarding specific initiatives. Still, to be recognized as important actors within the social economy ecosystem, their actions need to be better co-ordinated.

In the Western Balkans, civil society organizations (CSOs) have been strong advocates for more incentive policies and more funding for the social economy, as well as greater understanding of the contribution it can make to sustainable development. They thus represent substantial resources for the further development of the social economy at both the national and regional levels. Most innovative funding in the Western Balkans comes from the efforts of CSOs to engage investors in supporting social economy measures. In Serbia, the Coalition for Solidarity Economy Development has pushed the legislative process to address the needs of the sector. Smart Kolektiv,<sup>32</sup> also in Serbia, initiated the first investment fund for social enterprises. The “Mozaik” foundation<sup>33</sup> in Bosnia and Herzegovina focuses on supporting youth social entrepreneurship, providing holistic support to young people who have entrepreneurial ideas. Partners Albania offers various incentives to social entrepreneurs in Albania and the Western Balkans.<sup>34</sup> All of these initiatives have been

followed by wide and intensive promotion of the social economy, which has increased awareness of it in the general public.<sup>35</sup>

Despite facing a fragmented sector, there are a number of advocacy organizations and platforms in the region that are able to represent the social economy sector at the national level and implement co-ordination at the regional and international levels. An alliance among the main organizations active in all of the Western Balkan States was recently established: SEE WEST (Social Economy Ecosystem in Western Balkans).

The EU considers the Western Balkans an integral part of Europe and a geostrategic priority. Thus, in 2020 the European Commission prepared the Communication “An Economic and Investment Plan for the Western Balkans”. Its aim is to unleash the untapped economic potential of the region, backed by a green and digital transition. The Communication is accompanied by the “Green Agenda for the Western Balkans” (as foreseen in the European Green Deal), a new growth strategy for the region. It presents a move from traditional economic models to a sustainable economy, in line with the European Green Deal. Regional leaders have taken action to embrace the Communication and the Agenda through the “Sofia Declaration on the Green Agenda”<sup>36</sup> and its accompanying ten-year Action Plan.<sup>37</sup> The action plan allows the Communication’s alignment with the most important international and European policy objectives, such as the UN’s Sustainable Development Goals, the European Energy and Climate Policy Framework for 2030, the EU Biodiversity Strategy by 2030, the Farm to Fork Strategy, the Circular Economy Plan, and the Zero Pollution Action Plan.

<sup>32</sup> <https://smartkolektiv.org/en/social-inovations-development/>

<sup>33</sup> <https://mozaik.ba/en/programs/#youth-bank>

<sup>34</sup> <http://www.partnersalbania.org>

<sup>35</sup> <https://www.youtube.com/watch?v=d5yCeZOBuZM>

<sup>36</sup> <https://www.rcc.int/docs/546/sofia-declaration-on-the-green-agenda-for-the-western-balkans>

<sup>37</sup> <https://www.rcc.int/docs/596/action-plan-for-the-implementation-of-the-sofia-declaration-on-the-green-agenda-for-the-western-balkans-2021-2030>

The EU Agenda for the Western Balkans offers a few incentives for recognizing social economy as an important actor in assuring the digital and green transition of the Western Balkans. And if interpreted according to principles of sustainability and environmental protection in the region, it is a great push for developing the social economy in the region in terms of job creation, social inclusion, capacity building, and funding and investment. In this way, it helps mainstream relevant trends into Western Balkan societies. However, without a quality debate regarding the outcomes of such transitions, it leaves space for the actors involved to interpret these trends in ways that are not necessarily based on sustainability and common interests. Indeed, it is common for both governments and businesses to undertake greenwashing, that is, making a product or policy appear more environmentally friendly than it really is.

In November 2023, the European Commission adopted a new “Growth Plan for the Western Balkans”. It foresees every Western Balkan partner preparing a Reform Agenda based on existing recommendations, including recommendations from the annual Enlargement Package and each country’s Economic Reform Programme (ERP). This Reform Agenda will be consulted, assessed, and adopted by the Commission. By pooling funds available in the Western Balkans, the Growth Plan is expected to support the implementation of serious reforms. Half of the financial support will be processed through the Investment Framework for the Western Balkans. The rest will be allocated to the Western Balkan Governments if they fulfil the proposed reform agendas. The four pillars of the plan also focus on the sustainability of the reforms, meaning that the impact of the reforms must also be taken into account. The Growth Plan is an opportunity for bringing the perspective of social economy

into the reforms related to the EU integration process.<sup>38</sup>

Due to the joint EU perspective of the Western Balkans, many actors have initiated actions that might be used for fortifying the regional ecosystem for social economy organizations. The Regional Youth Cooperation Office (RYCO) has implemented various projects targeting the social economy for youth. Partnering with national knowledge hubs, national institutions, SOS Pulse, and as part of the Western Balkans RISE project (Regional Incubator for Social Enterprises), various elements of a social economy system have been established: availability of funds, advocating for more supportive policies, empowering various institutions, networking of stakeholders, and raising awareness among citizens of the Western Balkans, especially youth, about social economy as a tool for reconciliation and socio-economic development. Dua Partner Invest, a regional initiative of Partners Albania, has provided funding, expertise and networking opportunities to regional start-ups.<sup>39</sup> With the aim of limiting the potentially disruptive impact of digitalization on labour markets and to support the economic empowerment of individuals, particularly of women and young people, the OSCE initiated the YDEAS project in the Western Balkans (Young Developers and Entrepreneurs to Advance Start-ups). It focuses on promoting skills development, quality education, life-long learning, sustainable and innovative business models, and equitable working conditions. In line with these commitments and in support of ongoing education and nurturing efforts, it also aims at expanding opportunities for skill development and job creation, improving the employability of young people and women, and promoting an enabling environment for innovative, socially-impactful and green start-ups.

<sup>38</sup> [https://neighbourhood-enlargement.ec.europa.eu/news/commission-presents-new-growth-plan-western-balkans-including-eu6-billion-grants-and-loans-2023-11-08\\_en](https://neighbourhood-enlargement.ec.europa.eu/news/commission-presents-new-growth-plan-western-balkans-including-eu6-billion-grants-and-loans-2023-11-08_en)

<sup>39</sup> <https://duapartnerinvest.com/homepage/entrepreneurs/what-we-do#main-content>

Sector specific networks in the region should also be mentioned. These offer substantial platforms for their members. By creating a joint position towards various stakeholders, such networks can consolidate their topics and potential. One such network is the IRIS Network,<sup>40</sup> which gathers national service provider CSOs from Bosnia and Herzegovina, Croatia, Kosovo, Montenegro, and Serbia. Its more than two-hundred member organizations provide various types of social services to vulnerable groups: people with disabilities, children and youth at risk, women victims of family violence, refugees, asylum seekers, etc. The IRIS Network aims to strengthen the role of not-for-profit social service providers throughout South-Eastern Europe, and to ensure that these organizations are recognized as equal partners by the public sector.

The Regional Common Market (RCM) is also a potential infrastructure tool for fostering the development of the social economy in the Western Balkans. Regional chambers of commerce are important stakeholders with regard to implementing the RCM action plan. By targeting regional trade lines, investments, digitalization, industrialization, and innovation, avenues can be created in

which social economy can contribute to just transitions during the inevitable changes that will accompany the ambitious RCM plan. The Western Balkans 6 Chamber Initiative Fund,<sup>41</sup> established by regional chambers of commerce representing the private sector, has already recognized youth and innovative entrepreneurship as relevant for integrating aspects of the social economy into its programmes.



<sup>40</sup> <https://iris-see.eu/>

<sup>41</sup> [https://www.wb6cif.eu/portfolio\\_page/kfw-regional-challenge-fund/](https://www.wb6cif.eu/portfolio_page/kfw-regional-challenge-fund/)



## 2. The social economy within the “twin transition” and towards a Common Regional Market

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The Western Balkans is committed to an ambitious transformation agenda as laid out in the “Action Plan for a Common Regional Market” and the related “Green Agenda”. These key strategies are interconnected and complementary. They both aim to foster economic development, regional integration, and alignment with EU standards in the region.

Successful implementation implies not only State-actor co-operation, but multi-stakeholder involvement and partnerships. The “twin” transition to a greener and more digital economy and the creation of an integrated regional market cannot be achieved by governments alone. They both require the active participation and collaboration of businesses, social economy, civil society, and other stakeholders. This creates the potential for the social economy to contribute and consolidate further by using opportunities created by strategies currently in place and supportive measures still to be introduced. Due to

their nature, social economy organizations tend to prioritize social and environmental objectives over profit. This makes them an important contributor to most of the sectors supported in the twin transition. They are also an important social partner for creating sustainable and inclusive solutions to pressing societal challenges, as well as for spurring social innovation and for promoting sustainable and inclusive growth.

In the following, the potential role in specific sectors of the social economy in the Western Balkans is discussed through concrete examples.

## EMPLOYMENT OPPORTUNITIES AND TRAINING PROGRAMMES BUILDING IN-DEMAND SKILLS FOR MEMBERS OF VULNERABLE GROUPS



In the Western Balkans, high unemployment rates present a significant socio-economic challenge, especially among youth, women, minority groups, and migrants. In the Western Balkans, employment slowed in the second half of 2022, resulting in a slight (1%) employment contraction (72,000 fewer jobs). Nonetheless, unemployment still surpassed pre-pandemic levels. Despite an overall unemployment rate decline to 13.2% by the end of 2022, regional disparities remained. Youth unemployment continues to be high at 27.1%; women's labour force participation is 53%.

To enhance partnerships for women's economic empowerment and address disparities in the labour market, in 2022 the West Balkan RCC launched the Regional Network of Women in Entrepreneurship.<sup>42</sup> This initiative aims to create an inclusive environment, address challenges faced by women entrepreneurs, and promote an inclusive regional market.

Social economy initiatives have the potential to play a crucial role in both skill training and employment creation, since they often address barriers and can lead to social innovation. In the employment and training context, such organizations serve a dual role: they provide employment opportunities for individuals who might struggle to find work in traditional labour markets, and they deliver training programmes building in-demand skills, thereby mitigating the skills mismatch often found in labour markets.

Social economy in the Western Balkans is predominantly led by women and most of its workforce are women, although reliable statistics are lacking. Social enterprises, especially co-operatives in rural and remote

areas, represent an important vehicle of employment for women, in particular women with few skills.

Women's handicraft co-operatives are found all over the Western Balkans. Many small-scale women's co-operatives engage in traditional crafts such as weaving, pottery, and embroidery. These co-operatives often sell their products locally or through online platforms.

An example of this is the women's co-operative in Dervician, the largest Greek minority village in Albania. The women working in this co-operative have turned the traditional food products of the region into souvenirs for sale. Led by a woman who returned to the village after living for many years abroad, the co-operative is experimenting with natural cosmetics using medicinal plants, fruits, and wildflower aromas from the area. This co-operative not only provides a means for women to exchange ideas and generate income, but also aims to revitalize the region's general potential.<sup>43</sup>

Another example is in Serbia, where the Good Bag<sup>44</sup> social enterprise gathers women from various associations across the country who lack steady employment or regular income. The money earned from selling bags made by these women directly benefits the women who reside in communities with limited economic opportunities and challenging social circumstances. Each sale of a Good Bag provides substantial support to these women, and serves as evidence of their potential to improve their own lives and support their families when given the opportunity.

<sup>42</sup> <https://www.rcc.int/news/750/western-balkans-rcc-to-present-women-who-launch-regional-network-of-women-in-entrepreneurship>

<sup>43</sup> [https://www.youtube.com/watch?v=7CxJN\\_5tVxA](https://www.youtube.com/watch?v=7CxJN_5tVxA)

<sup>44</sup> <http://www.dobrotorba.rs>

**The social economy can help mitigate skills mismatch in the labour market by offering targeted vocational training and lifelong learning opportunities. Social enterprises and NGOs often have programmes focused on reskilling and upskilling.**

An example of an organization offering training is the Joscelyn Foundation in Albania. Its social enterprise, “My Craft Tradition”, supports the employment of women in need by providing upskilling in weaving and looming. The enterprise operates in a building that was a confiscated asset from organized crime. The women working there produce carpets, rugs, bags, and threaded covers, selling them to local and international markets.<sup>45</sup>

Migrants often face challenges in entering labour markets due to language barriers, unrecognized qualifications, discrimination, and barriers in legal representation. Social economy organizations can provide language and vocational training, validation of skills and qualifications, and assistance in job search and integration. In Bosnia and Herzegovina, the organization “Vaša prava” provides free legal aid to asylum seekers, refugees, migrants, displaced people, and minority groups, aiding in their integration into society and the labour market.<sup>46</sup>

**Such organizations often specifically target their initiatives towards marginalized communities, creating thereby a more inclusive labour market. For instance, social enterprises design vocational training programmes aimed at equipping Roma or migrant communities with the necessary skills for specific local industries.**

The Roma initiative “Versitas Albania” works to increase the number of Roma students who graduate from school and enter the labour market, as well as to develop a core of Roma professionals, intellectuals, and leaders who are successful in their careers.<sup>47</sup>

**Social economy organizations often work in partnership with public authorities and private companies to promote employment and training.**

These partnerships can take various forms, including public–social–private partnerships, where public authorities contract social economy organizations to deliver employment services, or corporate social responsibility initiatives, where companies work with social economy organizations to provide training and employment opportunities for disadvantaged groups. In Albania, groups like “Down Syndrome”<sup>48</sup> and “Jonathan Centre”,<sup>49</sup> service providers for children and youngsters with Down’s syndrome, have agreements with local businesses that provide on-job training and employment for the beneficiaries of these groups.

Another good example is found in North Macedonia, where ARNO,<sup>50</sup> a support organization for social entrepreneurship, has been collaborating with the state gastronomy school “Lazar Tanev” for the past ten years under the programme “Coolinari.mk”.<sup>51</sup> This programme is designed to impart essential skills to cooking students to ensure an easier transition from school to the labour market. The cooking classes are not only educational, but their products are also sold, with the profits reinvested in the students.

<sup>45</sup> <https://traditaimertizanal.com/about-us/>

<sup>46</sup> <https://pravnapomoc.app/ba>

<sup>47</sup> <https://romaversitasalbania.org/>

<sup>48</sup> <https://www.dsalbania.org/>

<sup>49</sup> <http://www.downsyndromealbania.com/>

<sup>50</sup> <https://arno.org.mk/>

<sup>51</sup> <https://arno.org.mk/mk/vesti/smisligokrugot/>

## SOCIAL SERVICE PROVISIONS FOR MARGINALIZED GROUPS



In the Western Balkans, social services have historically grappled with the challenge of inclusivity, often failing to fully meet the needs of marginalized groups. These groups include the Roma population, migrants, women, people with disabilities, and other socially disadvantaged communities who encounter systemic barriers to access essential services. Whether due to a lack of resources, entrenched stigma, or systemic inequality, these shortcomings can deepen socio-economic disparities and hinder the region's overall development. The social economy, with its ethos of prioritizing social and community benefits, provides a potential pathway for addressing these gaps.

**Social economy organizations can deliver a wide array of services adapted to meet the diverse needs of marginalized groups.**

An innovative model in this regard is “Ke Buono”<sup>52</sup> pastry shop in Fier, Albania, the first example of a social enterprise in the Western Balkans established with assets confiscated from criminal groups being reused for social purposes. The enterprise offers dessert baking training to single mothers, female victims of family violence, and youngsters at risk of criminal activity. Ke Buono is part of a larger group of social enterprises that have been established with confiscated assets, an initiative (CAUSE Program<sup>53</sup>) of the NGO “Partners Albania for Change and Development” that was begun in 2016. It is continuing with the implementation of a second phase (TWIST Program<sup>54</sup>).

**Social economy organizations can offer disability support services, such**

**as employment opportunities and personalized care.**

For instance, the “Association of Paraplegics and Quadriplegics of Montenegro”, a non-profit organization, supports individuals living with paralysis by providing rehabilitation programmes, ensuring accessible environments, and advocating for their rights. By delivering these critical services, the organization improves the quality of life for its beneficiaries, facilitating their social inclusion, and fostering greater community awareness and acceptance.<sup>55</sup>

**Social economy organizations can also provide integration assistance for migrants, offering language courses, cultural orientation programmes, legal aid, and other forms of support to help newcomers navigate their new environment and become self-reliant.**

An example of this is the Yunus Social Business Balkans (YSBB), another organization working in the social economy sphere in the region. YSBB operates as a social enterprise accelerator, supporting local social businesses in Albania, Kosovo, North Macedonia, and Serbia.<sup>56</sup> Their portfolio includes organizations focused on various social issues, such as “NaTakallam”,<sup>57</sup> which provides employment opportunities for refugees through language teaching, and Eco Vision, which promotes sustainable waste management.

**Social economy organizations operate with an explicit social purpose, and they are often deeply embedded in the communities they serve.**

<sup>52</sup> <https://www.facebook.com/KeBuonoPasticeriSociale/>

<sup>53</sup> <https://www.partnersalbania.org/publication/cause-confiscated-assets-used-for-social-experimentation-initiative/>

<sup>54</sup> <https://www.partnersalbania.org/News/the-twist-project-towards-a-new-social-entrepreneurship-model-in-confiscated-assets-in-albania/>

<sup>55</sup> [https://www.facebook.com/osipodgorica.me/?locale=sr\\_RS](https://www.facebook.com/osipodgorica.me/?locale=sr_RS)

<sup>56</sup> <https://www.balkanimpact.com/>

<sup>57</sup> <https://natakallam.com/>



This enables them to understand and respond to local needs effectively, bridging gaps in existing service provision and tailoring their services to meet specific community needs. An example is the “Albanian Disability Rights Foundation” (ADRF), which works to increase the chances of integration of persons with disabilities into the social, economic, political, and cultural life of the country by providing technical and policy-level advice and raising public awareness. ADRF operates Albania’s only wheelchair production factory to address the needs of the estimated 7,000 people with mobility needs.<sup>58</sup>

The social enterprise “The Ideas Partnership” in Kosovo is another organization of this kind. Working with marginalized communities, particularly Roma, Ashkali, and Egyptian groups, it offers various programmes, including pre-school education for children, adult education, and health awareness campaigns. These initiatives are aimed at reducing poverty and social exclusion, promoting integration, and empowering these communities.<sup>59</sup>

The “Mozaik” foundation in Bosnia and Herzegovina is another organization contributing significantly to social services in the region.<sup>60</sup> Their lonac.pro platform is one of the largest resources for young social entrepreneurs in the Bosnian language in the Western Balkan region.<sup>61</sup> Through their youth funds, they support the development of local initiatives aimed at improving the quality of life for young people, particularly those from rural areas.

### **Co-operatives also play a significant**

**role.** The “Centre for Economic Empowerment of Roma” (CEUR) from Sremska Mitrovica operates as part of the circular economy. It provides education for textile recycling and equipment such as sewing machines, etc.<sup>62</sup>



<sup>58</sup> <https://adrf.al/index.php/en/>

<sup>59</sup> [http://theideaspartnership.org/wp/?page\\_id=16](http://theideaspartnership.org/wp/?page_id=16)

<sup>60</sup> <https://mozaik.ba/en/>

<sup>61</sup> <https://lonac.pro/>

<sup>62</sup> <https://ceursm.weebly.com/?fbclid=IwAR3MTqHxYOCVluCJKAznaQnTrVXckyzthPUZNnloGqQ5rnS-M5QuxTukAc>



## AGRICULTURE AND RURAL DEVELOPMENT



According to the Action Plan of the Green Agenda for the Western Balkans, the region's economies need to prioritize the greening of agriculture and rural economies to achieve natural resource conservation, increased efficiency, reduced environmental impact, and climate resilience. However, there is a lack of adequate policies, harmonization with EU standards, and capacity in areas such as food control systems, organic farming, compliance with quality and safety standards, innovation adoption, waste management, or climate change adaptation.

### **Social economy organizations can contribute with their practices to promote sustainable and organic farming in the Western Balkans.**

For instance, the PREPARE Network, active across Europe, also in the Western Balkans, supports rural development initiatives, including organic farming.<sup>63</sup>

### **Social economy organizations can help farmers access markets, both local and international.**

An example is the "Greenhouse Cooperative" in Kosovo, which connects small-scale farmers to larger markets, providing a stable income for its members. Agrohub Balkan, based in Serbia, works to empower small-scale farmers and promote sustainable agricultural practices. These organizations provide training, resources, and support for local farmers, help them improve productivity and adopt more sustainable methods, and facilitate their access to markets and fair-trade opportunities.<sup>64</sup>

### **Another area where social economy can help is promotion of agritourism, adding a vital income stream for rural communities.**

In Montenegro, the Regional Development Agency (RDA) for Bjelašica, Komovi, and Prokletije supports the development of rural tourism, including agritourism, by assisting farmers in offering tourist services.<sup>65</sup> The initiative "village hosts" originated in one project. It is now considering the establishment of a movement in order to overcome the limitations of individual efforts, which most initiatives in rural areas are. By increasing the dimensions of the group, village hosts are convinced that their service will be improved and will also have greater recognition and impact.<sup>66</sup>

### **Social economy organizations can provide training and support for farmers to adopt climate-smart agricultural practices.**

An example of this is the "Centre for Development and Promotion of Agricultural Practices" (CeProSARD) in North Macedonia, which works to educate farmers about environmentally friendly practices.<sup>67</sup>

### **The social economy can play a role in enhancing food security and improving public health.**

In Bosnia and Herzegovina, the "Mozaik" foundation helps fund social enterprises and agricultural co-operatives, some of which focus on the production of healthy, locally grown food.

<sup>63</sup> <http://www.preparenetwork.org/>

<sup>64</sup> <https://balkanagroconsult.rs/>

<sup>65</sup> <https://bjelasica-komovi.me/en/>

<sup>66</sup> <https://cdop.rs/2023/11/23/pokret-seoskih-domacina-domacinki/>

<sup>67</sup> <http://m.ceprosard.org.mk/ceprosard/>

The Regional Expert Advisory Working Group (REAWG) on Organic Agriculture, part of the Green Agenda for the Western Balkans, represents an opportunity for social enterprises to contribute with their know-how, but also foster their experience regarding guidance, control, and traceability of organic farming and products.<sup>68</sup>

The social economy in the Western Balkans can also benefit from the establishment of the regional Agricultural Knowledge and Innovation System (AKIS) and its related innovation network (AKIS REAWG), which facilitates the transfer of innovative and environmentally friendly technologies and farming methods. AKIS supports the development of strategic plans, upgrades educational programmes, and promotes research, innovation, and digitalization in agriculture.<sup>69</sup>



<sup>68</sup> <https://seerural.org/news/kick-off-meeting-of-the-regional-expert-advisory-working-group-reawg-organic-3-5-november-palica-serbia/>

<sup>69</sup> [https://ec.europa.eu/eip/agriculture/sites/default/files/eipagri\\_agricultural\\_knowledge\\_and\\_innovation\\_systems\\_akis\\_2021\\_en\\_web.pdf](https://ec.europa.eu/eip/agriculture/sites/default/files/eipagri_agricultural_knowledge_and_innovation_systems_akis_2021_en_web.pdf)



## FOOD PRODUCTION AND PUBLIC HEALTH



The twin challenges of ensuring food security and improving public health have long been recognized as key components of sustainable development. In the Western Balkans, these challenges intersect with issues of rural development, economic growth, and environmental sustainability. They are supported by the Green Agenda for the Western Balkans, which focuses, among other things, on achieving sustainable agriculture and food supply, as well as protecting nature and biodiversity in the region.<sup>70</sup>

**Social economy organizations can help create and promote sustainable food production methods that prioritize the use of local resources, promote biodiversity, and reduce the use of chemicals.**

An example of this is the Balkan Seed Network (BSN), which promotes the conservation and sustainable utilization of plant genetic resources in agriculture by fostering multi-sector collaboration within resilient food system movements in the Balkans.<sup>71</sup> The individuals and organizations who are members of BSN are committed to working collaboratively towards food sovereignty for the collective benefit of farmers and consumers.

**Agricultural co-operatives can bring small farmers together, allowing them to pool resources, share knowledge, and access markets more effectively.**

For example, the Association of Essential Oil Plant Cultivators, Producers, and Exporters in Albania provides both

domestic and international training for its members regarding standards, quality, and cultivation methods of plants and plant essence production. They also assist in securing funding through foreign and Albanian donors, support their members in cultivation, enhancing production capacity, and accessing international markets, and foster collaboration by showcasing Albania as an excellent source of such plants. They also help members and third parties gain insight into international markets and their demands.<sup>72</sup>

Another illustrative example is in North Macedonia, where the Food Coop Good Earth,<sup>73</sup> the first consumer co-operative in North Macedonia, is committed to improving human health and supporting local communities by addressing social issues like pollution and the unsustainable use of resources. The co-operative aims at establishing environmentally and socially sustainable practices for local food sovereignty, offering a transparent, socially oriented alternative to traditional food production, distribution, and consumption methods. The co-operative also prioritizes member education and training to foster active contributions towards its further development, and focuses on the sustainable development of the local community. These principles shape Food Coop Good Earth into more than just a food distribution hub; it is a community-centric organization geared towards holistic growth and sustainability.

<sup>70</sup> [https://neighbourhood-enlargement.ec.europa.eu/system/files/2020-10/green\\_agenda\\_for\\_the\\_western\\_balkans\\_en.pdf](https://neighbourhood-enlargement.ec.europa.eu/system/files/2020-10/green_agenda_for_the_western_balkans_en.pdf)

<sup>71</sup> <https://www.arc2020.eu/the-balkan-seed-network-leading-the-way-to-agrobiodiversity/>

<sup>72</sup> <https://www.map-epca.com/rreth-nesh/>

<sup>73</sup> Food Coop Good Earth - Good Earth (dobrazemja.org)

## **Social economy can promote organic farming, enhance soil fertility, preserve biodiversity, and produce nutritious food.**

The “Organic Producers Federation” (NMOPF)<sup>74</sup> in North Macedonia is a national umbrella organization established by regional organic producers’ associations. Its aim is to co-ordinate and lead the organic movement in the country. It is active at the local, national and international levels.<sup>75</sup> Another example from North Macedonia is “Organika”, which aims to support the conversion of all its members (producers) to organic production in the next five to seven years and to cover most of the export of certified organic products.<sup>76</sup> A similar role is played in Serbia by the National Association for Organic Production “Serbia Organica”,<sup>77</sup> the “Organic Cluster Vojvodina”,<sup>78</sup> the “Centre for Organic Production Selenča”,<sup>79</sup> and the civic association “Luka znanja”.<sup>80</sup> Their sustainable approach to farming not only provides a livelihood for rural communities, but also contributes to regional food security and public health.

## **Furthermore, social economy organizations can play a role in shortening the food supply chain, combating food waste, and promoting healthy eating.**

Examples of this are food bank associations. In Serbia, the digital platform “Plate by Plate” provides direct access to information from humanitarian organizations about food availability from retail shops.<sup>81</sup> In Albania, the “Tirana Green Living” Community Shop (TGL) promotes social values and community

integration. It supports the local economy with affordable, high-quality food products by reaching over 1,800 individuals in need through meals, food donations, culinary training, and job opportunities.<sup>82</sup>

Social economy can provide direct sales outlets for local farmers, offering consumers access to fresh local products. In North Macedonia, “Biovita”, an association of organic food producers, focuses on organic production and encourages people to eat seasonal, local, and organic food in order to support local farmers.<sup>83</sup>

Another role the social economy can play is promoting healthy diets based on locally grown products. “Dobra Zemlja” is the first consumer co-operative in North Macedonia that works to tackle the disintegration of local communities and the suppression of local initiatives.<sup>84</sup> The co-operative focuses on food sovereignty as the basis for healthy local communities based on interconnectedness and trust through the protection of nature.

<sup>74</sup> [https://www.fpopm.com/index\\_en.php](https://www.fpopm.com/index_en.php)

<sup>75</sup> <https://seerural.org/wp-content/uploads/2022/12/State-of-art-of-the-organic-agriculture-in-the-western-balkans.pdf>

<sup>76</sup> <https://organika.mk/>

<sup>77</sup> <https://serbiaorganica.info/en/>

<sup>78</sup> <https://vok.org.rs/>

<sup>79</sup> <http://www.organiccentar.rs/>

<sup>80</sup> <https://www.undp.org/serbia/news/new-digital-platform-food-donation-%E2%80%9Eplate-plate%E2%80%9C-launched>

<sup>81</sup> <https://www.facebook.com/profile.php?id=100063967872759>

<sup>82</sup> [https://biovitaorganic.blogspot.com/?fbclid=IwAR0Tk3AEKkWAiDudQV2OFEqA0SGUg\\_cfa3pg3JdNweGI6K\\_xyOSEk87DRkg](https://biovitaorganic.blogspot.com/?fbclid=IwAR0Tk3AEKkWAiDudQV2OFEqA0SGUg_cfa3pg3JdNweGI6K_xyOSEk87DRkg)

<sup>83</sup> [https://dobrazemlja.mk/?fbclid=IwAR0Tk3AEKkWAiDudQV2OFEqA0SGUg\\_cfa3pg3JdNweGI6K\\_xyOSEk87DRkg](https://dobrazemlja.mk/?fbclid=IwAR0Tk3AEKkWAiDudQV2OFEqA0SGUg_cfa3pg3JdNweGI6K_xyOSEk87DRkg)

<sup>84</sup> [https://www.facebook.com/harbourofknowledge/?paipv=0&eav=Afb137WCh1tOw0pnMaaNM2tznRck7Wxdc-ty8c3FFE8PNgzwxDI7F2tuQ89vUVu5z7Y&\\_rdar](https://www.facebook.com/harbourofknowledge/?paipv=0&eav=Afb137WCh1tOw0pnMaaNM2tznRck7Wxdc-ty8c3FFE8PNgzwxDI7F2tuQ89vUVu5z7Y&_rdar)



## URBAN AND RURAL DEVELOPMENT



Urban and rural development represent key dimensions of overall economic growth and social cohesion. Nowhere is this more pronounced than in the Western Balkans, a region marked by significant disparities between urban centres and rural areas. As traditional economic models may not adequately address these discrepancies, the social economy emerges as a potent tool for fostering balanced development and bridging the urban–rural divide. The social economy is in a position to uniquely address specific local needs and foster development in ways that are both inclusive and sustainable.

**In urban contexts, the social economy can contribute to the revitalization of marginalized neighbourhoods, creation of social housing, and development of community services.**

An example of this is “Nova Iskra” in Serbia, a creative hub dedicated to the professionalization of designers and creatives, as well as to the promotion of the concept of social entrepreneurship.<sup>85</sup> The hub provides space, resources, and support for developing innovative, sustainable projects that contribute to urban and local development.

**Social economy organizations invest in urban farming initiatives that not only offer local employment, but can also contribute to food security and promote sustainable city living. In doing so, these initiatives alleviate urban poverty, foster social inclusion, and contribute to creating more resilient cities.**

An example of this is “Dom kulture Silosi” in Serbia, which has created a new home for bees in twelve hives in Belgrade surrounded by flowering plants. It promotes and practises beekeeping in urban environments along the Danube.<sup>86</sup>

**In rural areas, the social economy can play a pivotal role in preserving the social fabric, sustaining economic activity, and slowing down rural flight. Agricultural co-operatives can support local farmers by enabling collective bargaining and shared resources, leading to increased profitability and sustainability.**

“Zadruga” is an enterprise in Serbia that offers local farmers in Mačva County fruit and vegetable driers. Drying assures the least waste and most yield from a single piece of fruit. The enterprise also serves small local farmers as a place to distribute their produce, since it takes over the sale of their crops to big commercial chains.<sup>87</sup>

**Similarly, social economy in rural areas can focus on eco-tourism, local craft industries, or renewable energy, which creates jobs, preserves local traditions and resources, and injects economic vitality into these areas.**

An example is the “Rural Development Network of North Macedonia”, which works on various aspects of rural development, including the promotion of local crafts and sustainable tourism.<sup>88</sup>

<sup>85</sup> <https://novaiskra.com/en/>

<sup>86</sup> <https://silosi.rs>

<sup>87</sup> <https://www.facebook.com/ZaDruga2016/>

<sup>88</sup> <https://ruralnet.mk/en>

**In addition to job creation, social economy in both urban and rural settings can play a significant role in preserving and protecting local resources. This can involve initiatives in sustainable agriculture, waste management, or conservation efforts that align with environmental sustainability and contribute to the resilience of local communities.**

In Bosnia and Herzegovina, the co-operative “Zadruga Budućnost” produces organic, locally grown food, promoting sustainable agricultural practices and contributing to local development. Another example in the conservation area is the “Gjirokastra Conservation and Development Organization” in Albania, which works on the preservation and promotion of Gjirokastra as a UNESCO World Heritage site, encouraging sustainable local development and improving urban living conditions.<sup>89</sup>



<sup>89</sup> <https://www.gjirokastra.org/>



## CIRCULAR ECONOMY AND WASTE MANAGEMENT



The concept of a circular economy goes beyond recycling and waste management. It also involves retaining value in the economy and optimizing resource utilization. The Western Balkans region is making slow and limited progress in aligning waste management legislation, recycling, eco-design, and other provisions related to circular economy. This is mainly due to a lack of understanding or awareness of the concept of circular economy among its citizens and businesses.<sup>90</sup>

However, the region has significant potential for adopting principles of circular economy, provided they are mainstreamed with other policy areas and integrated across all sectors. The policy framework for a circular economy is laid out in the European Green Deal (EGD), including the new Circular Economy Action Plan,<sup>91</sup> the Industrial Strategy for Europe (updated),<sup>92</sup> and waste and industrial emissions legislation. The Green Agenda for the Western Balkans highlights the need for several measures that will facilitate the role of the social economy within the circular economy. These include developing a regional circular economy roadmap, establishing a regional circular economy platform, supporting innovation in circular economy practices, and promoting green public procurement.<sup>93</sup>

**In this model, social economy organizations are critical drivers of sustainable and transformative changes. They provide locally appropriate, community-driven solutions, and**

**create opportunities for disadvantaged individuals.**

With such a focus, the “Association Women’s Center of Užice”<sup>94</sup> and the SOS telephone for women and children victims of violence in Nikšić<sup>95</sup> have worked to enhance the employability of vulnerable groups, particularly women, in these two towns by establishing a system for collecting, processing, and distributing recycled textiles. The initiatives involve collaborations with national employment institutions, which provide expertise in the selection process of women candidates and offer training to enhance their qualifications. The training programme covers various aspects of textile production, including textile classification and sorting, sewing and tailoring skills, techniques for creating objects from recycled textiles, and workplace safety.

**The principles of the Green Agenda aim to achieve sustainable growth, boost competitiveness, create new jobs, and tackle environmental issues, providing an environment where social economy organizations can foster their role and increase their skills and involvement.**

An example is the citizens’ association “Hands” in Bosnia and Herzegovina, which organizes large-scale volunteer environmental actions. One example was a campaign of cleaning closets of unused clothes and shoes. The campaign supported the environment, created jobs, improved the lives of the less fortunate, and fostered a fairer

<sup>90</sup> Regional Cooperation Council | Action Plan for the Implementation of the Sofia Declaration on the Green Agenda for the Western Balkans 2021-2030 (rcc.int)

<sup>91</sup> [https://eur-lex.europa.eu/resource.html?uri=cellar:9903b325-6388-11ea-b735-01aa75ed71a1.0017.02/DOC\\_1&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:9903b325-6388-11ea-b735-01aa75ed71a1.0017.02/DOC_1&format=PDF)

<sup>92</sup> [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/european-industrial-strategy\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/european-industrial-strategy_en)

<sup>93</sup> [https://www.rcc.int/priority\\_areas/61/green-agenda-for-the-western-balkans](https://www.rcc.int/priority_areas/61/green-agenda-for-the-western-balkans)

<sup>94</sup> <https://zenskicentaruzice.com/en/>

<sup>95</sup> <https://sosnk.org/>



society.<sup>96</sup> The “Let’s Do IT” project, initiated in 2012, has engaged 151,745 volunteers who have successfully cleared approximately 12,000 tons of waste from illegal dumps and planted 314,886 seedlings of various types of trees.<sup>97</sup> They have established a textile recycling centre that shreds clothing, recycles cotton garments, produces cotton fabric for the manufacturing industry, redesigns old clothes, and exports clothing. This recycling centre operates as a social enterprise, providing employment opportunities for socially disadvantaged individuals. All of the profits that are generated fund the operations of a public kitchen and eco-friendly volunteer activities.

**The Western Balkans economies are aligning their waste management policies with EU standards. This may represent an opportunity to promote the role of social economy organizations in circular economy practices.**

In North Macedonia, Mirjana Josifoska,<sup>98</sup> a hat fashion designer, has started a social enterprise in which hats and hair accessories are made out of textile waste, leftovers, and deadstock fabric generated by the textile workshops in the country. Her aim is to create beautiful and elegant hats while protecting the environment.

Another example is Precious Plastic from “The Bunker” social enterprise, the first DIY-Recycling Workspace in Albania for unique design items made from 100% locally sourced plastic waste. The enterprise offers free educational workshops for schools, youth groups, and any interested individual. It has built a community of collection points and active citizens who are tackling plastic waste pollution in Albania.<sup>99</sup>

The company Bio Soap,<sup>100</sup> in Serbia, is focused on reducing bio-waste from peppers used to make *ajvar* by producing natural cosmetics and soaps. It is using an innovative industrial symbiosis based on the business model of the social franchise Bio Idea soaps. It is an example of good practice that not only benefits a business, but also contributes to environmental protection.

<sup>96</sup> <https://ugruke.com/o-nama/>

<sup>97</sup> <https://letsdoit.ba/o-nama/>

<sup>98</sup> <https://www.slobodenpecat.mk/en/mirjana-josifoska-dizajnerka-upotrebat-na-materijali-od-prirodno-poteklo-e-del-od-dnk-ta-na-mojot-brend/>

<sup>99</sup> <https://tekbunker.eu/projects/>

<sup>100</sup> <https://www.sapuni.rs/#h.mz8vjh8w0pa5>



## TOURISM AND CULTURAL HERITAGE



In the Western Balkans, the tourism sector holds significant potential for growth due to the region's rich cultural history, natural beauty, and geographic diversity. Before the Covid-19 pandemic, the region was visited by more than 12 million people a year, which brought a profit of 7.2 billion euros, making 10.2% of the region's GDP and accounting for more than 25% of exports.<sup>101</sup> In 2022, tourism played an especially strong role in the job market recovery in the Western Balkans.<sup>102</sup> It has become an important contributor sector in the economic growth of the region, including employment, and has facilitated reconciliation agendas. Economies in the Western Balkans are increasingly tapping resources to support the tourism sector. This is backed by the Regional Cooperation Council (RCC) through its Tourism Development and Promotion programme, which aims at enhancing regional co-operation and promoting shared tourist routes spanning the six Western Balkan economies. Key activities under this programme include developing joint regional tourism routes, consolidating tourism offers along these routes, improving tourism infrastructure, promoting regional tourism globally, and working towards the removal of administrative obstacles to enable the free flow of tourists. To support these initiatives, the RCC also operates a Tourism Expert Group, consisting of tourism-related ministry representatives from each of the Western Balkan economies, as well as members of tourism boards. The group focuses on promoting tourism in the Western Balkans, as well as aiding the post-pandemic recovery of the travel industry.<sup>103</sup>

The Tourism Engagement Group (TEG) aims to position the Western Balkan region as a responsible and secure destination for tourists. Their strategy emphasizes community involvement in tourism, focusing on both providing employment and preserving local traditions and cultural heritage. The group's approach to responsible tourism goes beyond typical travel concepts. It aims to establish a mutually beneficial relationship between tourists and local communities. This includes involving local residents in various tourism aspects, creating job opportunities, and enhancing economic empowerment and regional prosperity.

These developments not only offer opportunities for social economy organizations to contribute, such organizations can also benefit from them. **They create jobs that help preserve local culture and environment.** An example is the "Visit Gjirokastra Association" (VGA), dedicated to developing and promoting tourism in the Gjirokastra region, which spans seven municipalities in Albania. The association aims to position the Gjirokastra region on travellers' maps based on the richness and authenticity of the region's natural, cultural, archaeological, religious, and culinary treasures.<sup>104</sup>

**Another role social economy organizations play in this sector is promoting local traditions, crafts, and products that help create authentic tourism experiences by highlighting local culture.**

<sup>101</sup> <https://www.rcc.int/news/808/bregu-economic-importance-of-tourism-is-what-can-make-or-break-any-region>

<sup>102</sup> <https://www.worldbank.org/en/region/eca/publication/western-balkans-regular-economic-report>

<sup>103</sup> <https://www.rcc.int/>

<sup>104</sup> <https://www.visit-gjirokastra.com/about-visit-gjirokastra-association/>

An example of this is “My Craft Tradition”. It aims to preserve Albanian traditions with handicraft products and to support vulnerable women and girls in need of a secure job.<sup>105</sup>

**Social economy organizations are active in promoting responsible and sustainable tourism by prioritizing long-term sustainability over short-term gains, ensuring that tourism development does not harm local cultures or the environment.**

An example of this is again the “Gjirokastra Foundation” in Albania, whose work is dedicated to the conservation and development of Gjirokastra, a UNESCO World Heritage site. The foundation works to preserve the cultural heritage of Gjirokastra and its surroundings, and to develop it for the social and economic benefit of the area. The foundation offers tours and culinary experiences.<sup>106</sup>

**An important role of the social economy is supporting infrastructure development and improving services that benefit both residents and tourists.**

An example of this is the “Rural Tourism Association – Tourism in Villages” in Montenegro, a collective of agricultural households from all over Montenegro that provide tourism services. The organization was founded with the goal of supporting the growth and improvement of the rural tourism sector, and to contribute to the preservation of Montenegrin villages. It has seventy members and aims to assist agricultural

families in rural areas by providing them with additional income sources.<sup>107</sup>

**The development of joint routes and enabling the free flow of tourists facilitates networking and co-operation among social economy organizations in the tourism sector across the borders and within the Western Balkans.**

In this regard, an active actor in the region is the “SEE Heritage Network”, which protects and promotes the common cultural heritage with the aim of encouraging sustainable development in the region. The network works with various NGOs in the SEE countries to advocate for heritage preservation and related policy changes.<sup>108</sup>

<sup>105</sup> [https://traditaimartizanale.com/?fbclid=IwAR0mu\\_xRJQfpLOzQwW0WJe21D2I0Kv\\_06GuKSb3JRnquNoDxkyuM75295vM](https://traditaimartizanale.com/?fbclid=IwAR0mu_xRJQfpLOzQwW0WJe21D2I0Kv_06GuKSb3JRnquNoDxkyuM75295vM)

<sup>106</sup> <https://www.gjirokastra.org/>

<sup>107</sup> <https://www.ruralholiday.me/en/>

<sup>108</sup> <http://www.seeheritage.net/>



The digital transformation of the Western Balkans, including the strategic adoption of digital technologies and infrastructure across the region, is considered crucial for driving economic growth, innovation, and improved public services. The Digital Agenda for the Western Balkans aims to support the transition of the region towards a digital economy and society. Despite progress in the last years, there is still work to do.

The region has a high household internet penetration rate, ranging from 98.44% (Albania) to 83% (Serbia).<sup>109</sup> The percentage of individuals who use the internet has also seen an increase, varying between 84% and 89% in 2022.<sup>110</sup> Still, the percentage of citizens with knowledge of basic digital skills is low, varying between 32 and 67%.<sup>111</sup>

Through the efforts of Western Balkan working groups related to the broadband and radio-frequency spectrum as well as digital skills, in line with the Common Regional Market Action Plan and co-ordinated by the RCC, the region is working together on improvements in this regard. In the area of roaming, after successfully implementing the Roam Like at Home model in the region from 1 July 2021, there are no additional roaming charges for Western Balkan citizens when travelling within the region. On 1 October 2023, roaming charges between the Western Balkans and the EU were also reduced, bringing significant benefits to the citizens and businesses in both the Western Balkans and the EU.

There are specific areas in the Digital Agenda for which the social economy can provide

a direct contribution. This includes digital skills and literacy, digital inclusion, and digital innovation.

**By harnessing the power of digital technology in the service of social objectives, the social economy can help ensure that the digital transition is not only economically productive, but also socially inclusive and beneficial.**

**Social economy organizations can support education and training initiatives that help equip the population with necessary digital skills.**

This can involve creating training programmes for coding, digital marketing, e-commerce, cybersecurity, and other in-demand skills. An example is the organization “SEE ICT” in Serbia, which aims at helping tech professionals and digital entrepreneurs through education and resources. Their project “Startit” is one of Serbia’s most prominent tech and start-up community platforms.<sup>112</sup> Such initiatives not only enhance individuals’ employability in the digital economy, but they also support regional competitiveness. An example of this is Digitalizuj.me Montenegro, a social enterprise dedicated to promoting digital literacy and innovation in Montenegro. It offers a wide range of educational programmes and initiatives that aim at increasing the digital skills of individuals and organizations, including hackathons that focus on digital skills development.<sup>113</sup>

<sup>109</sup> [https://ec.europa.eu/eurostat/databrowser/view/ISOC\\_CI\\_IN\\_H/default/table](https://ec.europa.eu/eurostat/databrowser/view/ISOC_CI_IN_H/default/table)

<sup>110</sup> [https://ec.europa.eu/eurostat/databrowser/view/ISOC\\_CI\\_IFP\\_IU/default/table](https://ec.europa.eu/eurostat/databrowser/view/ISOC_CI_IFP_IU/default/table)

<sup>111</sup> <https://www.rcc.int/news/620/rcc-initiates-regional-working-group-on-digital-upskilling-in-the-western-balkans>

<sup>112</sup> <https://startit.rs/>

<sup>113</sup> <https://digitalizuj.me/>

## **Social economy organizations can work towards ensuring that the benefits of the digital transition are accessible to all, including women and vulnerable groups.**

This can involve initiatives that provide affordable access to digital devices and connectivity, or programmes that offer digital literacy training to seniors, rural communities, or low-income populations. An example of this is the “TUMO Centre” in Tirana, an initiative of the Albanian American Development Fund, established as a creative technology centre. TUMO applies a bottom-up approach in information and communications technology to enhance digital literacy in Albania. The main idea is to promote and create a place for Albanian teenagers to explore innovative paths and to diversify their skills. Beneficiaries are able to create their own personalized learning plans utilizing a virtual environment designed to facilitate the multifaceted curriculum.<sup>114</sup>

## **The social economy can help bridge the digital divide between men and women.**

Although data for the Western Balkans are lacking, at the European level it has been observed that fewer women are interested in studying or working in the digital sector. This is seen in the latest study of the European Commission “She Figures” (2021).<sup>115</sup> According to the study, women represent only 20% of information and communications technology graduates and only 17% hold tech sector jobs.

The social economy can play an important role in addressing this divide. An example of this is the Innovation Centre Kosovo, which in partnership with international donors and local actors offers scholarships for women and girls to learn coding.<sup>116</sup> Many

of the women who have been trained at the centre are today working for Google, Apple, Facebook, Amazon, IBM, UBER, LinkedIn, Cisco, HP, Tesla, and eBay.

Another example is Girls Coding Kosova (GCK),<sup>117</sup> an NGO in Pristina dedicated to promoting gender diversity in the technology sector. The NGO aims at increasing the number of women coders and programmers by providing skill development opportunities and encouraging involvement in start-ups and entrepreneurship. GCK educates women in software programming and coding, while combating gender stereotypes and biases in the tech industry. Its mission is to empower women to pursue careers, create applications, address issues such as sexual harassment, and improve their lives through technology.

Also the Free Libre Open-Source Software Kosova (FLOSSK) provides free training in visual storytelling and digital tools for girls and women.<sup>118</sup>

## **The social economy can drive digital innovation that addresses local needs and social challenges.**

This can involve developing digital solutions for social issues (such as platforms for community services, or apps for social care). It can support digital entrepreneurship with a social focus, such as the “Innovation Centre Kosova”, a centre for innovation and training that supports start-ups and promotes entrepreneurship and the development of digital technology.<sup>119</sup>

In North Macedonia, a digital platform runs the “Challenger”<sup>120</sup> mobile phone app. The aim of the app is to motivate people to bike, walk and run more. For every green kilometre

<sup>114</sup> <https://tirana.tumo.al/>

<sup>115</sup> European Commission, Directorate-General for Research and Innovation, She figures 2021 – Gender in research and innovation – Statistics and indicators, Publications Office, 2021, <https://data.europa.eu/doi/10.2777/06090>

<sup>116</sup> <https://ickosovo.com/news/post/bursa-per-mesimin-e-kodimit-nga-ick-dhe-coding-doj>

<sup>117</sup> <https://balkandiskurs.com/en/2018/03/05/girls-coding-kosova-empowering-women-programmers/>

<sup>118</sup> Thirrje për Aplikim për trajnimin në Digital Storytelling! – FLOSSK

<sup>119</sup> <https://www.ickosovo.com/>

<sup>120</sup> [play.google.com/store/apps/details?id=com.greenit.ChallengerSediDoma&pli=1](https://play.google.com/store/apps/details?id=com.greenit.ChallengerSediDoma&pli=1)

they accomplish, they receive Challenger points. With collected Challenger points, users can “buy” discount codes for products and services at local businesses where Challenger is present. The aim of Challenger is to create a community that brings green changes to every town. The same green start-up also runs Challenger actions for companies.





## TRANSPORT AND URBAN MOBILITY



The transport sector in the Western Balkans is a major contributor to emissions and pollution, with road transportation the primary offender. In the Green Agenda, pollution is priority sector. The Transport Community Permanent Secretariat (TCPS), together with regional partners, has developed a Sustainable and Smart Mobility Strategy<sup>121</sup> to decarbonize and digitalize the transport sector in the Western Balkans, focusing on sustainable, smart, and resilient mobility. This will lead to the creation of jobs in new, sustainable industries, such as electric vehicle production, renewable energy, and digital technologies for transport. The social economy can capitalize on this by promoting social enterprises in these sectors, or by training workers for these new industries.

### **Social economy can promote affordable and eco-friendly transport options like biking.**

A typical example of this is “YAPS Albania”, a social business that, among other services, offers the use of post bikes, a first in the country. Its aim is integration through employment and training for disadvantaged youngsters (Roma, orphans, youth with special needs, etc.).

The development and implementation of digital technologies for transport can create opportunities for tech-focused social enterprises. For example, app-based solutions for ride-sharing, route optimization, or multimodal ticketing can be developed by social economy organizations.<sup>122</sup> The European enterprise BlaBlaCar operates in

all Western Balkan countries; it offers car-sharing opportunities, assuring safe and economic transportation and thus reduction of CO2 emissions.<sup>123</sup>

Social economy organizations can lead initiatives to set up community-owned charging stations for electric vehicles or phones, or produce biofuels from local waste resources. “Strawberry Energy” is one of the first such social enterprises. Started by students in 2011 in Belgrade, it offers free public charging stations for phones. Now the enterprise operates in more than ninety cities around the globe, offering sustainable solutions for energy accessibility.<sup>124</sup>

Local governments and social economy organizations could collaborate to develop and implement sustainable urban mobility plans. This could involve community-based initiatives to promote walking and cycling, or social enterprises offering shared mobility services. “Sigurne staze Bor” in Serbia has developed the first GIS platform for sustainable public transportation in Bor, which supports the safe movement of pupils. It shows points where traffic accidents have occurred, maps critical points and locations, and offers the safest route to walk.<sup>125</sup> Another example is City&Me,<sup>126</sup> a product of the start-up JustStart in Niš, in partnership with the company Viber. The development of this digital tool builds on the City&Me application, which enables clear communication between the city and citizens, strengthens the activism and activities of citizens in the areas of recycling, cycling, and landscaping, and includes them in decision-making processes

<sup>121</sup> <https://www.transport-community.org/strategy-for-sustainable-and-smart-mobility-in-the-western-balkans-2/>

<sup>122</sup> <https://www.transport-community.org/wp-content/uploads/2023/01/Progress-Report-on-the-Strategy-for-Sustainable-and-Smart-Mobility-in-the-WB-2022.pdf>

<sup>123</sup> <https://www.blablacar.rs>

<sup>124</sup> <https://strawberrye.com/why-us/>

<sup>125</sup> <https://www.sigurnestaze.com/>

<sup>126</sup> <https://cityandme.app>

at the building and community level. Adapting transport infrastructure to climate change could provide opportunities for social enterprises in sectors such as green construction or environmental consulting. The resilience of communities could be improved by creating local jobs and strengthening infrastructure that fights climate-related threats.

Co-operative or community-led bike sharing or carpooling schemes can help reduce traffic congestion, lower carbon emissions, and promote healthier lifestyles.

Social enterprises can provide affordable and accessible transport services for people with mobility difficulties, or for those living in underserved areas, enhancing social inclusion and cohesion.

Since the Common Regional Market of the Western Balkans aims to accelerate regional co-operation and facilitate its co-operation with the EU, social economy organizations could leverage these frameworks to collaborate on cross-border projects, share good practices, and pool resources.





## ALTERNATIVE AND RENEWABLE ENERGY AND CO2 EMISSIONS



The Western Balkans are currently being confronted with critical challenges as they endeavour to transition towards a more sustainable, competitive, and integrated energy sector. As part of their Green Agenda and Energy Roadmap, the economies of the Western Balkans need to enhance the implementation rate of current commitments and adapt to evolving EU paradigms in energy, transport, and climate action. For this, the economies need to create functioning energy markets, diversify their renewable energy sources, improve efficiency, limit emissions, and introduce carbon pricing. In this strategy, importance is placed on monitoring mechanisms, long-term building renovation strategies, and legal framework upgrades to align with the EU's Green Deal. These reforms aim to ensure climate neutrality by 2050. They are crucial steps towards the region's integration into the EU energy market.

The emphasis on moving toward renewable energy creates opportunities for the social economy to play a role in this transition.

**Energy co-operatives, for example, can facilitate local investment in renewable energy production, thus fostering energy independence and contributing to climate change mitigation.**

One of the first initiatives of this kind in Serbia is the “Elektropionir Energy Cooperative”, a shared communal rooftop solar energy facility on the Stara Planina. This is an investment by members and community donations.<sup>127</sup>

**Such co-operatives not only produce green energy, but also promote energy conservation and efficiency among their members, further contributing to sustainability goals.**

“The Green Energy Cooperative”<sup>128</sup> in Bosnia and Herzegovina is a social enterprise that promotes renewable energy and energy efficiency. It relies on local renewable energy potential, such as forest biomass, manure, wind, and roofs of buildings for constructing solar systems. Members of such co-operatives join and share human, financial and material resources for investments in renewable energy projects in their communities.

**Social economy organizations often engage diverse stakeholders, such as local communities, marginalized groups, and others who might otherwise be overlooked in policy planning and implementation. They can help ensure the energy transition is equitable and inclusive, leaving no one behind.**

The Smarter Stoves Partnership<sup>129</sup> is a regional platform aimed at improving the sustainability of household heating practices across the Western Balkans. It replaces inefficient stoves, which contribute to CO<sub>2</sub> and black carbon emissions, by offering alternative technologies and financial implementation schemes, whilst considering the needs of the most vulnerable populations, who are often exposed to **energy poverty**.

<sup>127</sup> <https://elektropionir.rs/>

<sup>128</sup> <https://balkangreenenergynews.com/energy-cooperatives-innovative-business-model-for-energy-turn-bosnia-herzegovina/>

<sup>129</sup> <https://smarterstoves.resfoundation.org/smarter-stoves-platform/>

**Social economy organizations play an important role in policy advocacy, pushing for more ambitious climate and energy policies and holding governments accountable.**

There are a growing number of such organizations and networks in the Western Balkans, such as the Balkan Green Foundation, the Centre for Environment and Sustainable Development (CEDIS), the EDEN Centre, and the Eko-Svest Center for Environmental Research and Information. These organizations can play a significant role in raising awareness about energy transition, climate change, and sustainability. They can also offer education and training programmes to build the capacities and skills necessary for the green transition.

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<sup>127</sup> <https://elektropionir.rs/>

<sup>128</sup> <https://balkangreenenergynews.com/energy-cooperatives-innovative-business-model-for-energy-turn-bosnia-herzegovina/>

<sup>129</sup> <https://smarterstoves.resfoundation.org/smarter-stoves-platform/>



### **3. Where do we go from here? A roadmap with some possible directions and perspectives**

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This chapter provides a concrete roadmap and development lines, taking into account major areas identified by the Western Balkans Regional Common Market, including the regional trade area, regional investment area, regional digital area, regional industrial and innovation area, and academia/education systems. The following recommendations are based on the above analyses and target various stakeholders as possible carriers of the proposed measures. Some of these recommendations may target all stakeholders and sectors.

## RECOMMENDATIONS FOR EU INSTITUTIONS, UN INSTITUTIONS AND AGENCIES, AND OTHER GLOBAL PLAYERS PRESENT IN THE WESTERN BALKANS

- Promote the definition of social economy that has been agreed upon so far so that a common understanding of social economy is reached in the Western Balkans;
- Support governments to adopt and/or adjust enabling legislation and/or policies on social economy by engaging experts, peer-reviews and capacity-building programmes;
- Support Western Balkan statistic offices to initiate data collection on the sector, pilot research projects, and report on the gained data;
- Organize thematic/sectoral events targeting Western Balkan decision makers, creating space for their understanding, learning and exchange of experiences related to the social economy with their peers;
- Organize peer-learning events between policymakers and support organizations from the social economy in the EU with peers in the Western Balkans;
- Help establish new funding mechanisms through venturing new funding instruments and/or through partnering with existing financial institutions in providing innovative financial services;
- Initiate and fund extensive, dynamic, and intensive “buy social” campaigns in co-operation with intermediary CSOs and social economy practitioners in order to raise awareness in the general population about the social economy. Production of campaign material in various formats (video, audio, etc.), showcasing examples to help reach a wide range of citizens.



## RECOMMENDATIONS FOR REGIONAL WESTERN BALKAN BODIES (RCC, RYCO, ETC.) AND LOCAL AUTHORITIES (E.G., NALAS)

- In order to gain a common understanding of the social economy, offer space for reaching a regional agreement on the definition of social economy, including a set of criteria and guidelines endorsed with legal significance. This could be in the form of a forum or a standing body within a regional institution;
- Initiate extensive research on the current state of affairs in social economy in the Western Balkans to find concrete sectors in which social economy can tangibly contribute to the twin transitions or other sustainable and inclusive reforms;
- Offer insights through various studies on the role of social economy in assuring an inclusive Regional Common Market. Sectoral studies can offer a roadmap to job creation and contribute to social inclusion;
- Organize peer-learning events between policymakers and support social economy organizations in the Western Balkans with inspiring, concrete, and transferable examples from Europe or other global regions;
- Support the establishment and operation of support and advocacy organizations able to represent the social economy sector at the national level and implement co-ordination at the regional and international levels;
- Advocate and provide financial support to both social economy organizations and intermediaries to help them build a vibrant ecosystem within the Regional Common Market. As part of the Green Agenda, advocate for funds and attract investment in green projects and projects aimed at the twin transitions;
- Multiply regional learning and exchange of experience with EU Member States on a tax regime for social economy organizations and other emerging topics (Green transition, digital transition, circular economy, etc.)
- Assure co-ordination of donors in order to programme and implement co-ordinated support to develop the social economy ecosystem and to mainstream the social economy within strategic document as well as later instruments of its implementation;
- Provide capacity-building for public bodies, social economy organizations, and civil society on the opportunities for the social economy to deploy in various sectors (e.g., ensuring quality and accessible social services, job placement and security for the vulnerable, access to energy and energy alternatives, sustainable transport and mobility, digital transition, sustainable food production, access to quality health services, inclusive urban and rural development, sustainable agriculture and tourism);
- Engage organizations such as the ILO to offer technical assistance in developing labour policies that support the social economy.

## RECOMMENDATIONS FOR THE OSCE

- Organization of a series of high-level meetings with the aim to provide political support in the Western Balkans for deepening reforms helping to embed a social economy perspective across various sectors in the Western Balkans;
- Support greater gender mainstreaming across the social economy through awareness raising, capacity-building, and financial support;
- Build the capacities of social economy organizations and their support structures through networking and peer learning to implement circular economy initiatives and to advocate and promote them;
- Mapping, deepening knowledge about, and mainstreaming the social economy business model in sustaining the establishment of more peaceful societies;
- Create connections between efforts supporting the promotion of a more sustainable economic model that creates inclusion, social justice, and fair participation with the goal to prevent conflicts and restore peace.





## RECOMMENDATIONS FOR LOCAL ECONOMIC INSTITUTIONS IN THE WESTERN BALKANS

- Develop policies that specifically address economic inclusion, such as support for enterprises in disadvantaged regions or those employing marginalized groups;
- Develop strategies and detailed action plans with specific targets and timelines for implementing policies supporting the social economy by ensuring proper consultation processes with the social economy sector. Regularly review and update policies based on stakeholder feedback and changing economic conditions;
- Develop national funds or financial instruments modelled on EU mechanisms such as the European Social Fund or the Programme for Employment and Social Innovation specifically targeting the social economy;
- Launch national grant programmes or incentives for green initiatives, especially those that contribute to sustainable development and environmental conservation;
- Encourage public–private partnerships to fund and support local green projects, drawing inspiration from the European Green Deal. Consider here already on-going programmes at the local and/or regional economy level that have proven successful;
- Encourage local banks and financial institutions to develop special programmes or products for the social economy, such as low-interest loans or microfinance options;
- Develop national projects that align with the EU’s social and economic objectives in order to attract EU funding;
- Enact clear legal frameworks for public procurement that prioritize social and ethical criteria and establish monitoring mechanisms to ensure compliance;
- Conduct training for government procurement officials on the benefits and implementation of social procurement;
- Create national platforms or registries for the social economy to increase its visibility and accessibility to the public sector and large corporate buyers;
- Establish partnerships with EU financial bodies to facilitate knowledge transfer and funding opportunities for local social enterprises;
- Promote co-operative models through national legislation and support programmes, learning from EU good practices;
- Form regional councils or committees focused on the social economy, involve neighbouring countries to share good practices, and collaborate on joint initiatives;
- Set up inter-ministerial committees and/or councils to ensure co-ordinated policy implementation across different government departments.

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## Dina Rakin

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Ms. Rakin brings over a decade of dedicated service to the civil sector in Serbia. As the founder and director of the Coalition for Solidarity Economy Development, she leads the only advocacy network of intermediary organizations in the field of social economy in the country. Her expertise spans policy research, strategic advocacy, and capacity-building within the social economy domain. Leveraging her extensive background in fundraising and business development, she serves as a consultant for organizational development to numerous national and regional civil society organizations that span the media and social economy sectors. She has played a key role in establishing mentoring programmes for women in Serbia and South-Eastern Europe. Ms. Rakin has a background in journalism and holds a Master's degree in international relations.



## Juliana Hoxha

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Ms. Hoxha founded Partners Albania for Change and Development in 2001 and has been its Executive Director ever since. She has over twenty-five years of experience in institutional capacity-building in the non-profit sector and in local government. Her expertise extends to training and consulting in the Balkans, Middle East, and the OSCE's Eastern Partnership Countries. She has spearheaded several national advocacy campaigns over the years to create a supportive environment for civil society in Albania.

Prior to her work at Partners Albania, she managed two major USAID programmes focusing on civil society capacity-building in advocacy, service delivery, and infrastructure rehabilitation. She has a strong academic background, having led research-based advocacy in social entrepreneurship and philanthropy in Albania, and having authored numerous papers and studies on social enterprises, NGOs, and the philanthropy sector.

Ms. Hoxha has also served as an elected member of the Tirana City Council and as vice-president of the Congress of Local and Regional Authorities of the Council of Europe (2014–2015). Ms. Hoxha holds degrees from Tirana University and Sheffield University, and has been both a Chevening Fellow and a Harvard Kennedy School Fellow.



## Gianluca Pastorelli

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Mr. Pastorelli is in charge of the overall coordination and strategy of the Diesis Network, where he leverages his experience and expertise in creating and implementing new actions and partnerships. Over the years, he has coordinated and executed cross-border studies, research, and activities to cater to the needs and priorities of social and solidarity economy and social innovation across Europe and around the world. He collaborates with high-level stakeholders on an international scale, representing Diesis within the United Nations Task Force on Social and Solidarity Economy (SSE) and at the SSE International Forum.

As a European activist, Mr. Pastorelli is also the vice-president of the Jean Monnet Association – a European association dedicated to promoting and revitalizing the work and thought of Jean Monnet, one of the founding fathers of Europe.

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