

## SE – New Concept

- \* During the communist regime from 1944-1990 the concept of the philanthropy and charity activity completely disappeared.
  - The communist party took the role of the unique philanthropic.
  - The communist state destroyed private property.
  - Religious institutions were allowed to own only 20 hectares of land.
  - Volunteering and solidarity were forced labor on behalf of the communist ideal and the party-state.
  - The change of the system brought change of legislation but did not change the mentality of the people. According to their perspective the approach to social responsibility it belongs to the state.
  - In 2010 for the first time on the public institutions it was mention the new concept of social business and social enterprises.

# Entrepreneurship History

*Entrepreneurship and social enterprises in Albania, although in the early stages of development, are considered important forms in the fight against poverty, poverty alleviation and labor market integration of disadvantaged groups and have considerable development potentials.*

- The concept of social enterprise in Albania remains relatively unknown, except for a small number of organizations that apply business practices to social purposes, during the performance of their mission.
- NGO-s have been mainly partners of foreign organizations operating in Albania, benefiting financial support and technical assistance for a relatively long period of time for their non-profit activities.
- Foreign organizations (mainly Italian) have promoted the concept of social enterprises to their partners, in order to ensure financial stability in the future after their withdrawal from Albania.
- Only in the middle of 2017 Albania has the first law in SE field. In the end of the 2018 the framework legislation has been completed. Until now, unfortunately it is not applicable yet.

# The Challenges

- *For the Albanian NGO-s for the adoption of social enterprise approach is to ensure long-term sustainability by diversifying the funding base of income from economic activity.*
  
- The support from government with grants and the support from philanthropic initiatives have been and remain inadequate to meet the demands for the development of civil society.
  
- A considerable number of these organizations try to and realize economic activity in the areas of catering, crafts, cleaning, delivery of postal services, tourism, offering services to the community they serve.
  
- NGO-s carrying out economic activity, are subject to the same tax obligations as the business and any other productive and trade enterprise.
  
- The main problem is the application of VAT to services provided, which is an insignificant burden to the low incomes they generate.



# The Challenges

The development of social entrepreneurship it is needed to encourage the development of partnerships between:

- public institutions at central and local levels;
- civil society organizations;
- business organizations;
- universities and educational institutions;
- other interested stakeholders in order to strengthen capacities, identifying and developing innovative policies that enable the development and strengthening of social enterprises in Albania.
- Raising and enforced of the capacity building NGO-s: for fundraising and SE to become sustainable after the start-up phases

# The Responsible Institutions

The ministries responsible for the social enterprises activity, in particular the **Ministry of Health and Social Protection** in Albania in collaboration and partnership with NGO-s and other actors have an important role on :

- stimulating the perspective activity of these enterprises making applicable legal framework and the supporting social policies;
- the financial support from public funds and the know-how assistance by the responsible public institutions, through the operation of various financial instruments, access to public procurement, as defined by the Law ;
- raising and enforced of the capacity building NGO-s: for fundraising and SE to become sustainable after the start-up phases

# The Responsible Institutions

- **The Ministry of Health and Social Protection** responsible for the implementation of the SE Law and National Register of SE.
- **The Ministry of Economy and Finance** is one of the institutions that has a policy document, which treats the problems of creative economy and promotion of women entrepreneurship, a significant part of the business and investment strategy treats promotion and development of Small and Medium Enterprises (SME). This Ministry is a key actor for drafting and implementation of different state policies, so it is indispensable to have close cooperation between every policy-making and implementing institution.
- **The Ministry of Education** - regarding the education system, it would be of interest to note that this sector has started to develop in collaboration with universities, especially private ones, which have been the first that have shown interest in developing curricula on Social Business.

# YAPS – The First SE in Albania

## YAPS

Youth Albanian Postal Service (YAPS) – was established under the main important business in the country.

YAPS was initiated in 2001 and initially it employed 40 young people coming from:

- orphanages,
- young disabled
- minorities members (Roma and Egyptians communities.)

Its objective is to hire and train young marginalized and neglected people, in order for them to manage a Social Business, to create self-esteem and confidence in young people and create the conditions to switch to a higher level of education.



*125 employee in 2 social business activities from marginalized group*

*467 beneficiaries all over these years*

# YAPS – The First SE in Albania



## NY Bagels Tirana

“Different and equal” NGO focused on the field of gender rights, have initiated some economic activities , aiming to employ women in need:

- violated women
- victims of traffic
- women of the Roma community.

“New York Tirana Bagels” is one of the Social Businesses in its presentation it highlighted the social role of this economic activity.

Starting with a small economic NGO activity in 2013 they have NY Bagels Tirana shop who has been very successful in the market and its growing rapidly offering a large range of products.

31 beneficiaries were trained to produce the products and 20 were employed while the shop continues to offer different new product every year.

This business has impacted positively the life of beneficiaries employed by increasing self confidence, improving communication skills and competency and by having this new profession they have indirectly as well supported financially their own families.



## NY Bagels Tirana



# Pro-Permet Consortium

CESVI Organization, with the collaboration of its institutional and local partners (Municipality of Përmet, the locals NGO and local business in tourism sector, within the project **“Enhancement of the Përmet Tourist environment and its typical products”** has made possible the creation of the Consortium "Pro Përmet".

This Consortium is a voluntary association among entities active in the sector of tourism and accommodation, agro-food procedures, voluntaries, entities of artisanal activities that operate in Përmet District, Këlcyrë and other Communes.

There are about 60 members of SHBR **“PRO PËRMET”** who collaborate especially:

- to promote the region;
- development of tourism through the promotion of typical products;
- agro and handicraft products;
- the development of accommodation such as hotels, restaurants and environmental preservation.

## Pro-Permet Consortium



# Margarita Artisan Center

The center is established in 2016 in Berat Region.

Berat, designated a UNESCO World Heritage Site in 2008.

The Margarita Artisan Center provides a venue through which local Albanian artists and craftspeople can create and showcase their creations, connecting talent with fairs and other opportunities to interface with the public.

The center expand and promote native crafts beyond the local fairs.

According to Ottoman records, in Berat area, were registered 23 crafts and 638 craftsmen, in 1583. Today the number of crafts and craftsmen is much smaller. The Center have 50 masters members from different traditional technique (copper, wood, stone, textile products)

The center organize professional training with youth artisans in order to preserve and develop our traditional crafts combine with the modern and new style.

The Center has prepared and support about 100 youth artisans.

## Margarita Artisan Center



## Mrizi i Zanave- Poli Lab

Natural beauty, investment in infrastructure and domestic culinary tradition in village Fishta of Lezha have transformed this location into an attractive spot for tourism.

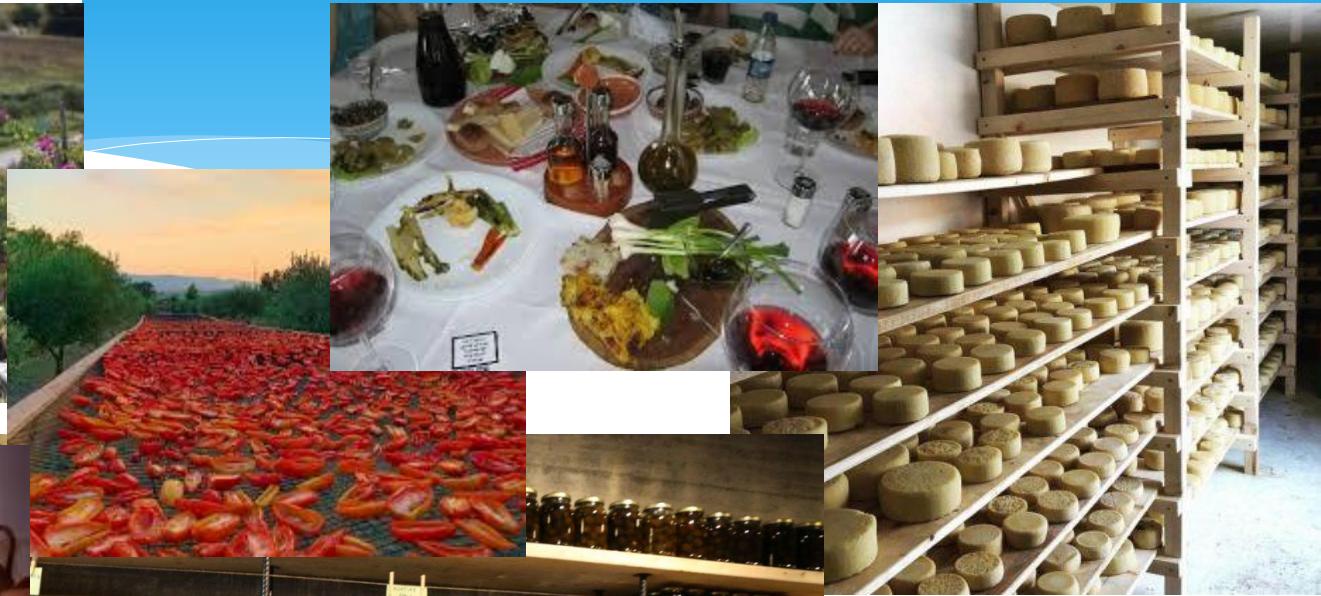
Brothers Altin and Anton Prenga and their father returned in Fishta after ten years of emigration in neighboring Italy. Investment works in the restaurant took two years from 2010 to 2011.

Restaurant Mrizi i Zanave is far-off from urban centers, plainly in the ‘middle of nowhere’. The rustic kitchen menu and food concept contain ancient cooking recipes of the region and authentic ingredients of the area.

Brothers Prenga and their father invested their savings from employment in emigration and received a bank loan. The loan was paid off within the first year and Mrizi i Zanave became the number one restaurant in Albania.

After laying the foundations of a successful private enterprise, the brothers decided to initiate another venture and set up a consortium. The consortium would incorporate families from region of Lezha. This enterprise is more challenging than Mrizi i Zanave and aims to contribute to economic development of the area. The consortium will include one-hundred farmers and stockbreeders and authentic products from Zadrima, where Fishta village lies. The core of this endeavor is the establishment of a poly-lab for assortment, processing and certifying dairy products, meat, grapes and wild fruit is the core of this endeavor.

## Mrizi i Zanave - Poli Lab



# INNOVENTER Connection

The management staff of these successful cases were involved on the INNOVENTER project activities.

- Training on trainers book and packages of curricula's.
- info for social enterprises based on their actual experiences.
- creating network for social enterprises.
- training in mentoring scheme.
- strong collaboration with staff and experts of the INNOVENTER.
- Good practice, successful stories from all the participants in joint-training sessions as the inspire ideas.

