

Social Enterprises in Albania - Reporting and Impact on the Economy

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Abstract

A social business is a new form of business that can be considered as a bridge between the community of profit-maximizing organizations and the community of non-profit organizations. The business model concept is currently attracting a lot of attention from researchers and seems useful in providing guidance on how to create social businesses. The

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purpose of this study was to investigate social enterprises, their reporting and impact on the economy, specifically stopping in the Albanian case and gathering perceptions and knowledge about this new phenomenon. The study, as a by-product, also aimed to understand the dynamics and potential of market development, but also of policies that may facilitate or even further hinder its development. The methodology used in this paper combines primary with secondary data. Two instruments (questionnaire) were used to collect the primary data in the study, to identify the concept of social business directed at the population, as well as those responsible or employees of certain businesses in Albania.

The study concludes that both businesses and individuals were proactive, in terms of developing this form of business in Albania. Although there were still difficulties in understanding the theoretical component or the legal component when it comes to social business, the respondents were positive against this new form of business. While individuals expressed a desire to work in such businesses, their businesses in most cases expressed a desire to introduce more social components in their own businesses. Results also highlighted the lack of regulatory framework, which in most cases becomes a constraint on the development of these businesses and their full development potential. It is noted that social businesses in Albania should strive to blend multiple institutional, legal and regulatory logic, by combining social and commercial missions in their business model, so that they have more market and a higher spread in Albania. Business has a high potential for economic development at country level.

Keywords: *social business, economy, entrepreneurship, influence, Albania, reporting.*

1. Introduction

Few can ignore the rise of critical social issues that plague our society today. Many experts and practitioners have begun to believe that traditional government approaches as well as the work of the non-profit sector are not enough to solve these problems. One of the emerging options is a new form of entrepreneurial organization, which joins the social purpose traditionally associated with the non-profit sector, and the economic rationality and market-based approaches traditionally associated with profitable businesses (Wilson & Post, 2013).

In recent years, the terms “social entrepreneurship” and “social impact” have gained popularity, especially in developed countries. The term “enterprise” has become increasingly popular and widely accepted both in the business world and in legal terms. However, although the above terms have been added to the use, as a concept they have remained ill-defined. The terms business or social enterprise are generally used to describe organizations that intertwine aspects of a lucrative business with a kind of mission that has the essential function not only of economic

benefit but also of societal appropriation. Until yesterday, this term was closely related to non-profit organizations, while today, social business has given another dimension and meaning to doing business. Many supporters of the nature and purpose of social enterprises have tried to give more precise definitions of “social entrepreneur” or “social enterprise”. However, definitions in this area still remain somewhat contradictory, and are almost always used only in the “social” context and benefit. Despite the lack of a complete definition, social entrepreneurship has been advocated as a new “Enlightenment” in solving social problems and described as a new “Fourth Sector” of society. These are private organizations that, while active in the market, usually pursue purposes other than profit: their main purpose is not to generate financial benefits for their owners or stakeholders, but to provide goods and services either to their members or to the community at large. Traditionally, these organizations have been included in the concept of “social economy” (Borzaga et al., 2014).

The gap in the explicit definition of social business has led even legal experts to highlight the fact that the social business movement requires the development of new structures of hybrid entities designed to accommodate the needs of social enterprises and to expand this new fourth sector (El Ebrashi, 2013). It should be said, however, that examining examples of existing social enterprises provides a basis for understanding how these organizations operate and why defining terms in this area has proved difficult. This, as the term “social” is used as the defining characteristic of a social enterprise, and it is necessary to define exactly what this term means. Despite the importance of this distinction for the above definitions, there has been a relatively rigorous explanation of what exactly is meant by the term “social” in this particular context. Several attempts have already been made for years to determine exactly what kind of missions or objectives these social businesses undertake (Hockerts, 2006).

2. Methodology

The methodology is always in function of certain objectives and goals from the beginning of the study. The methodology used in this paper combines primary with secondary data. Initially for this study, the necessary literature on the issues raised in the review was provided, based on which research questions were subsequently raised. The literature of this study served as a primary data as the literature helped us not only to raise research questions, but also to design the methodology adequate to be followed in this study.

The paper is based on the quantitative approach. This is a research procedure for collecting a large amount of raw data using question and answer formats (Zott

& Amit, 2007). Survey study methods are appropriate for descriptive and causal study situations (Ramdani, Binsaif & Boukrami, 2019). The choice of quantitative approach, through survey, for this study was informed by its applicability to the collection of standardized data. In addition, the data structures generated by the survey methods may enhance the researcher's ability to make general conclusions about the target population defined as a whole. The data generated in a survey can also be analyzed in many different ways according to the variety of variables. Furthermore, the use of the survey provided the researcher with the advantage of collecting data that are suitable for advanced statistical techniques.

Quantitative methodology was used in this study (Igwenagu, 2016). As regards the quantitative method, it was used as an instrument of study a questionnaire addressed to citizens and employees, who may also be business managers to give an attitude towards social business. The use of this method gives the research a more generalizing character as it enables statistical data to be obtained from a larger number of samples. Quantitative research methods deal mainly with the collection and processing of data that are structured and can be presented in numerical form (Igwenagu, 2016). The data collected were analyzed by manual and electronic methods using a data preparation network and SPSS version 25. The use of structured networks allowed specific responses to be found with relative ease and facilitated the identification of new models. Descriptive analysis was used in analyzing the collected data. Using descriptive analysis, it became possible to calculate the mean, frequency and percentage of respondents' responses. After calculating the data by means of the SPSS program, they were presented with tables and graphs from which their interpretation was made.

2.1. Instrument(s) used

Two instruments were used in the study, which are questionnaires used to identify the concept of social business directed at people, as well as at the representatives or employees of businesses as a whole. The questionnaire addressed to businesses as a whole is structured in two different main parts and it is composed of a series of different questions.

- **The first section** of the questionnaire contains general information about respondents, such as: gender, age, education, as well as what area their business operates in, etc. Demographic data is necessary to include this information in a study as this helps to understand and explain the perceptions, attitudes and management practices of respondents' social businesses and from this it may be possible to get a broader view of the community as a whole.
- **The second section** of the questionnaire provides information about the roles and responsibilities they have in this business that they are employed,

about the seniority that the business has, about how familiar they are with the concept of social business, whether they have attempted to return the objectives of the current business to the objectives that the social business has.

- As for the second instrument, which targeted citizens and individuals' perceptions on their knowledge, it is presented as follows:
- **The first section** of the questionnaire addressed to people contains general information for respondents such as gender, age, education, etc. Demographic data is necessary to include this information in a study as this helps to understand and explain the perceptions, attitudes and management practices of respondents' social businesses and from this it may be possible to get a broader view of the community as a whole.
- While **the second section** of the questionnaire therefore targets the undefined group, it includes questions on how well they know the social business, their perception of working in a social business.

3. Literature Review

3.1. *Social business as a business model innovation*

According to Grove & Berg (2014) the emerging field of social enterprises focuses on using business methods and practices to achieve positive social change. It is often described as “school capitalism”. Social businesses promote social objectives as primary, while also generating a profit. The difference is that, in a social business, management and investors does not get a share of the profits (although investors get their money). Profits are reinvested to expand the company and its positive social impact. Stakeholders receive a dividend from their investment in the form of social change.

Over the past two decades, strengths in various fields have emerged by promoting the notion that social problems can be better addressed through the use of business methods. Additionally, as According to Grove & Berg (2014) puts it, the context of this emergence of socially and non-profit businesses or NGOs with business methods is set in a multifaceted dissatisfaction with the ability of governmental and philanthropic agencies to address essential social problems such as poverty, health care needs and environmental sustainability. “Social entrepreneurship” is the most common phrase used to cover the various forms of this movement, including divergent approaches ranging from the sensitivity of large corporations to social issues and focusing on low-income emerging markets, to microfinance organizations using profitable models.

Social entrepreneurship is an important and very biased area (Zahra et al., 2009). Different authors argue that in many social entrepreneurship concepts about how social need is detected, social opportunities are pursued, and the wider social system is influenced. Social entrepreneurs adopt different innovative legal structures such as cooperatives (Ridley-Duff, 2010; Thomas, 2004), exclusivity (Tracey & Jarvis, 2007) and more traditional legal structures. Social entrepreneurship is also characterized as the act of meeting community interests using entrepreneurial approaches (Haugh, 2007). It includes a wide range of actions, such as reducing poverty, providing support to individuals, community groups and businesses, training and employment programs, and creating new jobs and products (Meadows and Pike, 2010). However, most definitions, like that of Nicholls (2008:23), relate to innovative and effective activities that strategically focus on resolving social market failures and creating opportunities to add to the social value system using a range of organizational formats to maximize societal change and bring about change. The practice of social entrepreneurship encompasses most of the basic internal operational processes of entrepreneurship (Meyskens et al., 2010).

However, social entrepreneurs differ in their purpose from entrepreneurs in general, in that their profit is used for a social purpose (Dees, 1998). They share a passion for dealing with social issues and focus on seeking opportunities to create social values for their communities (Luke & Chu, 2013). More precisely, the purpose of social entrepreneurship initiatives is to produce social change (Haugh, 2007; Luke & Chu, 2013; Wallace, 1999). As such, some studies develop methods for capturing societal change (Bloom & Smith, 2010; McLoughlin et al., 2009); for example, Bloom and Smith (2010) identify drivers that drive value creation and bring about change, including staffing, communication, alliance building, lobbying, profit generation and the reproduction and stimulation of market forces. However, Meadows and Pike (2010), also encourage the realization of qualitative studies to further our understanding of value creation and societal change. The way value creation flows can be managed in organizations is of interest to both researchers and practitioners (Hamel, 2000; Zott et al., 2011) as the discovery and design of such processes lead to opportunities to create knowledge and develop skills.

3.2. The main differences between the form of social and other forms of consciousness

A social enterprise is a business whose main objective is to have a social impact instead of generating profit for its owners or shareholders, who mainly use their surplus for these social objectives. It is managed by a social entrepreneur in a responsible, transparent and innovative way, involving the combination of employees, clients and stakeholders affected by its activities. As Okano et. Al

(2017) defines, in the capitalist system, two extreme types of corporate bodies can be distinguished. On one hand, companies can be seen as profit-maximizing businesses whose purpose is to create shareholder value. On the other hand, non-profit organizations exist to meet social objectives. As Yunus et. al (2010) prescribes, in the organizational structure, this new form of business is the same as profit-maximizing businesses: it is not a charity, but a business in every sense. Managerial mindset should be the same as in a business: when running a social business, think and work differently than you were running a charity, even though your objective is different from a profit-maximizing company. At the same time as efforts to achieve their social objective, social businesses need to recover their full costs, in order to be self-sustaining. Their owners never intend to make a profit for themselves, but they have the right to take their money if they wish. Instead of being passed on to investors, the surpluses generated by social business are reinvested in business and thus, ultimately, passed on to the target group of beneficiaries in forms such as lower prices, better service or greater access.

Thus, a social business is designed and operated just like a ‘regular’ business venture, with products, services, customers, markets, expenditures and revenues. It is a loss-free, dividend-free, self-sustaining company that sells goods or services and returns investments to its owners, but whose main goal is to serve society and improve the very poor. Here it differs from NGOs, most of which are not created to recover their total costs from their operations and are therefore obliged to devote part of their time and energy to raising money. While seeking self-sustainability, a social business relies only on its investors at the start of a development project. Social businesses can be seen as a subset of social entrepreneurship, which includes both for-profit and non-profit initiatives, and which can be distinguished from conventional entrepreneurship through the relative priority given to creating social wealth versus creating economic wealth.

4. Social enterprise and legal and regulatory framework

The development of a consistent and principled theory of social entrepreneurship is critical to the development of law and policy because of what “social enterprise” is like. If one’s starting point is to define “social enterprise” through a dichotomy that characterizes the social and economic functions of organizations as separate spheres of activity, then a logical conclusion is that new forms of legal entities are needed to accommodate these enterprises. However, if social enterprise is understood as a decision to focus on value creation, then social entrepreneurship is best conceived not as a unique type of business that requires a new legal entity structure, but as a strategic choice that can be implemented by any business organization. By

proposing the adoption and use of a theory of social enterprise value creation, we argue that the development of new types of entities is unnecessary and may have the unintentional consequence of limiting the growth of social enterprise. We advocate it rather than limiting social enterprises by creating new forms of entities, legal scholars and practitioners should focus on policies and legal reforms that highlight the ability of all organizational types to operate according to a social enterprise strategy of focusing on value creation.

According to Sparviero (2019), governance defines the systems and processes pertaining to direction, control and accountability; it defines what and to whom an organization responds. There are many different ways in which governance of (BS) can be structured, however the main difference stems from two main factors: the origin of the main sources of funding (e.g. philanthropic donations, government support or own revenues) and the way in which the organization's governing board is composed. Indeed, research in the field of organizational studies suggests that the source of funding plays a fundamental role in guiding organizational behavior and strategies, especially if an organization does not benefit from diverse revenues and needs to align its values with resource providers.

Moulton and Eckerd (2012) reported, for example, after conducting an empirical research by a large sample of non-profit organizations, that a higher level of donations from individuals is significantly and positively related to performance in the role of social capital (i.e., building mutual relationships and a sense of community) and negatively related to performance in the role of political advocacy (i.e. direct engagement in the political process to influence public policy outcomes), while on the contrary, higher levels of government revenues are strongly and positively related to performance on the role of political advocacy, but negatively related to performance in the role of social capital (Moulton and Eckerd, 2012).

Various studies have been done into the support that the government needs to give to social businesses, especially during very difficult times like COVID-19. According to a study conducted by (Bombardi and Ciampolini 2020) conducted in southwestern Europe on social businesses and coping with difficulties during periods of crisis, it turned out that being very young made it very difficult to cope with difficult periods. The COVID-19 crisis has provided an opportunity to highlight on a wide scale some topics and issues that the CSO sector has been claiming in recent years: the dramatic ecological crisis and its links to unsustainable social and economic patterns, the critical expansion of cities, and the consequent abandonment of rural areas, the reduction of biodiversity in local environments, the eruption of mobility and transnational migrations and the weakening of the state.

According to Bombardi and Ciampolini (2020) new community structures and public policies are needed to create a new alliance between civil society and state

institutions, aimed at achieving more sustainable development. Social enterprises can play an essential role in forming and growing this new coalition.

5. Reporting and impact of social businesses on the economy

As the name implies, the importance of social entrepreneurship lies in its “social” meaning. Therefore, understanding how social enterprises work requires explaining their unique social aspects. However, explaining these implications and what they mean in practice for the economic structure of social enterprises is difficult. Social entrepreneurship is defined differently and sometimes ambiguously, and its use in the social sciences may be inconsistent with its legal meaning or with the ways it is understood by many social entrepreneurs in the real world (Agafonow, 2015). Typically, the main economic difference between everyday entrepreneurship and social entrepreneurship is said to lie in their respective goals: in general, social enterprises are defined as “mission-driven”, while ordinary enterprises are profit-driven (Dees et al., 2001; Abu-Saifan, 2012). However, this distinction is inaccurate for two reasons, both of which make it difficult to establish a simple boundary between two types of entrepreneurship: first, profitable entrepreneurship is always to some extent social, and second, social entrepreneurship is always to some extent profitable (Austin, Stevenson and Wei-Skillern, 2006). The following two subsections explore each of these claims in turn and set the basis for a discussion of economic accounting in social entrepreneurship. Explain that social entrepreneurship is a subset of a larger social process that occurs through division of labour. *Moreover, the pursuit of monetary gain is necessary for social enterprises to achieve their goals.*

As we mentioned above, a term closely related to the social economy is social entrepreneurship, defined as “*the creation of structures, relationships, institutions, organizations and sustainable socio-economic practices that deliver and support social benefits*” (Fowler, 2000,). Social entrepreneurship brings the social economy closer to the business environment as it involves organizations aimed at solving various social issues, generating real economic benefits for members and their stakeholders. The tool of social entrepreneurship is social enterprise. Although a simple term, social entrepreneurship seems to have a complex range of meanings: any organization that generates revenues earned for public use; non-profit organizations that use efficient business measurements; a form of entrepreneurship that generates innovative solutions to social problems (Trexler, 2008); a business that has primarily social objectives and that reinvests its profits in business in order to continue to help the community or directly in the community, while not focusing on the distribution of wealth to shareholders or owners (Bull & Crompton, 2006).

A social enterprise can be defined by a number of characteristics (SEC, 2003): it participates in the production of goods or the provision of services in a market; it has a precise social purpose such as job creation, training or the provision of local services; the profits earned are mainly reinvested in order to continue to pursue their social goals; independent organizations whose management and ownership systems are usually based on the participation of stakeholder groups. Social enterprises represent 2 million organizations and provide employment to over 11 million individuals, they are present in all economic sectors, from agriculture and crafts to banking, insurance, commercial services, health and social services etc (European Commission, 2014). The importance of the social economy and social enterprises is also based on the fact that this sector is closely linked to local development.

Bouchard (2013) points out that social economy, a hybrid of market economy and public economy, concerns communities abandoned by “dominant” forms of development. The social economy plays a key role in the local development process (Galliano, 2003): being a labor - intensive sector; meeting local needs; reducing local disparities in service provision; access to goods/services and employment opportunities. Social enterprises produce benefits for society by lowering the real economic costs associated with unemployment and promoting local identity - building trust in communities and increasing ‘civil engagement’ (Galliano, 2003).

Audretsch and Thurik (2004) found that changing consumption patterns, increasing more flexible production processes and more competition among small and medium-sized enterprises were striking in the transition from a management economy to an entrepreneurial economy. In this perspective, the area related to entrepreneurship is social entrepreneurship. It is called the area in which entrepreneurs adapt their activities to connect directly with the ultimate goal of creating social value. It is attracting increasing amounts of talent, money and attention. However, along with increasing its popularity, there have been inconclusive discussions about what a social entrepreneur really is and what his influences are on society. In this sense, Social Enterprise applies an entrepreneurial approach to address social issues and create positive change in the community. Social enterprise is more responsible and does not rely on changing the priorities of government and key foundations, is about making the change that is needed within a community and (sometimes) grows to affect entire cities, countries and regions. Like all businesses, social entrepreneurship needs to make investments and sales in order to grow and meet the needs and priorities of the communities it serves, as opposed to traditional nonprofit programs which are often limited to funds available from government and philanthropic funders. It actively engages stakeholders and gives people a voice that helps them directly in the operation of the business - as owners, employees and paying customers.

There are several studies that establish a direct link between entrepreneurship and economic growth. A study conducted by Salgado-Banda (2005) introduced a new variable based on patent data as a proxy for productive entrepreneurship and alternatively a proxy based on self-employment data.

The main conclusion they reached was that there is a positive correlation between the proposed measure for productive entrepreneurship and economic growth and the alternative measure based on self-employment appears to be negatively related to economic growth. Van Stel etc. (2005) using the Global Entrepreneurship Monitor (gem) database at different times conclude that the effect of the entrepreneurship activity rate on economic growth positively affects the level of economic development. Another study by Wenneker et al. (2005) used the country's level of entrepreneurship as an independent variable, expressed by the rate of embryonic entrepreneurs defined in the gem 2002 database for 36 countries. The main conclusion was that the influx of young entrepreneurs tends to decrease with a level of development at a certain point, only to increase again from that point (function U). So, as we can see, social capital and entrepreneurship play a key role in development.

6. Discussion and interpretation of the findings

According to the European Union definition, social businesses are those companies that have as their main goal the social impact, rather than generating profit for their shareholders. This philosophy gained even more attention, especially after 2006, when the entrepreneur from Bangladesh, Muhammad Yunus, won the Nobel Peace Prize, precisely with the social business philosophy, which was at the foundation of his financial institution, Grameen Bank. In recent years, social business support schemes have been added, while in 2016, Albania adopted a separate law regulating these businesses.

Ymeraj (2021) stresses that in Albania, social business financing schemes are very scarce. The reality is not very different for the whole Balkans, where financing schemes for entrepreneurship have only been open for three years. The experience of social business here in Albania has been that business leaders are much more interested in engaging in social actions when their skills and expertise are used and they can see tangible social and business results. Thus, social business offers the opportunity to move from the traditional role of a businessman who provides funds passively to the point where they can have the strongest impact, creating wealth.

It is noted that recently established nonprofits (from 1 to 6 years) engage in revenue-generating activities from the beginning of their establishment. Social

business offers NGOs the opportunity to access additional resources to achieve their social action and empowerment goals (Ymeraj, 2021). According to the National Business Center (NBC), 319 non-profit organizations possess a license and provide social services and educational services. Different organizations target a diverse range of clients such as the general public, students, people with disabilities, teachers, businesses, political parties, municipalities and international institutions (Partners Albania, 2016). This shows the sector's need to diversify its funds and a growing tendency of social enterprises in Albania.

Continuing with the question, which is one of the most important about how they know social business, i.e. whether they had knowledge of the concept of social business, a large percentage of them responded positively. This shows that it has already arrived in Albania as a concept and that we are very close to practicing this type of business.

The results of this study showed that most businesses are less oriented towards social business, which shows that this practice is applied on a small scale by businessmen. Most of businesses surveyed said they had employed people with disabilities in their businesses, hired and trained people and this is an aid to people and an impetus to reduce poverty. They show a willingness to make a difference in the community where the business exercises the activity. Most of the businesses surveyed have made clear the concept that social business introduces a completely revolutionary dimension to the free market economy.

Based on the results of the analysis, we note that the majority of citizens surveyed know to some extent but not entirely the concept of social businesses. They said positively that they would like to work in a social business as well, and a very significant proportion of respondents in this study said that it would not be a problem for them to have colleagues with disabilities in their work environment.

6.1. Problems in the legal framework

The concept of social entrepreneurship continues to be unclear and little known in Albania. There are various legal forms, based on the principles of social entrepreneurship, such as associations, centers and foundations, agricultural cooperatives, and savings-credit associations. Based on Law no. 65/2016 "On social enterprises in the Republic of Albania", this sector is directly identified with the non-governmental legal form. Under this law, social enterprises must provide a defined number of social services to certain groups and employ a significant number of persons as part of these groups.

Currently, there is no policy for supporting social entrepreneurship. However, the main problem of the legal framework on social enterprises lies in the ambiguity of the definition of these enterprises. Particularly, some of the shortcomings identified

relate to the ambiguity of definitions between the concepts “social enterprise” and “social enterprise”, referred to in Law no. 15/2019 “On Employment Promotion” in social enterprises. The law creates spaces for overlap as social enterprises have to integrate disadvantaged groups into the labor market and provide social services, meanwhile, in European practices they are treated as two separate categories of social enterprises. Other shortcomings relate to the legal categories, which may receive the status of “social enterprise”, since the law only recognizes non-profit organizations excluding all other existing legal forms that meet the criteria of social enterprises.

In addition, the law contains other restrictions in terms of economic and social criteria. According to him, it is forbidden to distribute the share of profits or revenues of social entrepreneurship to shareholders or partners, while in the countries of the European Union, social enterprises can use a certain percentage of profits for expansion of activities and investments, as well as in bonuses for employees. It is also allowed to distribute a percentage of profits to entrepreneurs or members of social entrepreneurship. The current law provides for the profit generated to be reinvested entirely for the development of the activity of the social enterprise, as well as the tax on profit, hindering their development. In European countries, meanwhile, the tax on reinvested profits, on employee bonuses and reserve funds, as well as the distribution of a certain percentage of profits to their shareholders, are not applied.

The law also contains major restrictions on the number of employees, where businesses to obtain social business status must have at least 3 persons employed, 30% of whom must be from marginalized groups of society. This is considered to be very disadvantageous considering the fact that 3 persons employed from the beginning of the activity represent a huge cost for the business, while not motivating the business to undertake social initiatives.

7. Research limitations and ethics in research

The authenticity of this study relies on the will of participants to be honest and to carefully consider the answers given in the questionnaires. The names of the participants were not included in the questionnaire, in order to provide respondents or employees of businesses specifically with the confidentiality of their responses. In addition, the researcher assumes that he has instructed and allowed sufficient time for the participants to respond appropriately to minimize the risk of inaccurate responses as much as possible. Among the main limitations of the study we can list:

- A limitation of the instruments is due to the fact that the time the researcher had available was very short.
- Study limitation was the period during which the study was conducted, the study was administered online only. In the future it would be good for researchers to conduct focus interviews so that different groups can be together and openly express their opinions. A combined qualitative and quantitative methodology could give a broader view of the issue studied.
- Finally, another limitation is the fact that the study was conducted only by residents of the city of Tirana, and not throughout Albania. This limitation should be considered for the promotion of broader studies in this area.

8. Conclusions and recommendations

8.1. Conclusions

Social enterprises, as hybrid organizations, have dual social and financial objectives at their core, which are the reason for their existence. The purpose of this study is to research on social enterprises, their reporting and impact on the economy, focusing specifically on the Albanian case and gathering perceptions and knowledge about this new phenomenon. The study, as a by-product, also aimed to promote the development of the market, but also of policies which will further facilitate its development. The study used questionnaires to collect primary data. The instruments used in this study were divided into two parts: one was directed to businesses to look in more detail at the concept of social businesses and their willingness towards this new business. And the other was directed at individuals to understand the level of social business knowledge they know and how willing they would be to work in such a business. Each was divided into different sections with a certain number of questions. The findings are based on information collected from businesses in Tirana (50) and from different individuals on social businesses and their approaches in Albania (155).

As Haugh (2012) concludes, social enterprise has emerged as a phenomenon of practical and theoretical importance and has attracted the attention of practitioners, policy makers and scholars worldwide. Within the interest of academia a phenomenon of social entrepreneurship has shifted from the periphery of scientific research to a prominent position that is rich in opportunities for theoretical testing, outreach and development.

Social entrepreneurship brings the social economy closer to the business environment as it involves organizations aimed at solving various social issues, generating real economic benefits for members and their stakeholders. It plays a

key role in the local development process (Galliano, 2003): being a labour-intensive sector; meeting local needs; reducing local disparities in service provision; access to goods/services and employment opportunities. Social enterprises produce benefits for society by lowering the real economic costs associated with unemployment and promoting local identity - building trust in communities and increasing 'civil engagement' (Galliano, 2003).

Social enterprises represent 2 million organizations and provide employment to over 11 million individuals, they are present in all economic sectors, from agriculture and crafts to banking, insurance, commercial services, health and social services etc. (European Commission, 2014). The importance of the social economy and social enterprises is also based on the fact that this sector is closely linked to local development.

In the Republic of Albania, the activity of such enterprises is regulated by Law no. 65/2016 "On social enterprises in the Republic of Albania", which, according to the analyses and interpretations carried out, needs interventions and revisions, because on the one hand there is ambiguity, because there is a lack of legal specification in certain points, and on the other hand, there are aspects of it that do not comply with the legal provisions and European practices and instead restrain the development of social enterprises in Albania.

8.2. Recommendations

1. Policymakers and decision-makers should support these socially driven small businesses, in order to have a major impact on society and the community.
2. Encouraging responsible institutions to adopt or update their social economy strategies and measures in cooperation with social economy actors. Opening a wide public debate and consultations with stakeholders and interest groups, in order to further advance with the concept and regulatory and legal framework for the activity of social enterprises in the country.
3. Provision of government support services including establishment of financial support schemes and soft loans, establishment of financial incentives considering the social purpose of social enterprise activity, Potential Job Creation counseling for Disadvantaged Financial Groups, empowerment of NS capacities and assistance for the development of business plans, as well as support for promotion and networking domestically, regionally, European and beyond.
4. Encouraging profitable businesses to turn them into social businesses and supporting them in the context of poverty reduction in Albania.
5. Social Enterprises should focus on creating the necessary primary items (such as agricultural and food production, basic needs care and services).

6. Creating other funding opportunities in addition to the approved fund for social enterprise support.
7. Universities and vocational schools should update curricula by introducing social entrepreneurship as one of the most discussed areas of the 21st century.

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