SMEs as engines of inclusive growth: The Albanian business ecosystem within the Sustainable Development Goals framework

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Abstract

Purpose. *This paper explores the interlinkages between the Sustainable Development Goals (SDGs) and small and medium enterprise (SME) development in Albania, assessing how national policies and donor-supported initiatives to the business ecosystem contribute to reducing inequality and fostering inclusive growth.*

Design/methodology/approach. The study adopts a participatory multiple-case design within a mixed-methods framework. It triangulates national and regional policy documents, official SME performance indicators, and longitudinal field evidence collected through more than ten visits, interviews, and direct observations with each of the thirteen SMEs across a six-month period in three neighbouring municipalities of Albania.

Findings*. Results show partial alignment between SDG priorities and SME policies. Firms demonstrate tangible improvements in workplace organisation, innovation capacity, and gender participation, though systemic constraints limited finance, technological adoption, and rural inclusion persist.*

Research limitations/implications. *The study is based on extensive field engagement, including more than ten visits, interviews, and direct observations for each of the thirteen SMEs over a six-month period, complemented by national*

policy and statistical analysis. While these longitudinal observations provide rich qualitative depth and triangulated validity, the research does not aim to establish causal relationships or statistical generalisation beyond the observed sample.

Practical implications. *Strengthening SME access to finance, digitalisation, and capacity development can advance inclusive economic growth.*

Social implications. *Enterprise upgrading contributes to regional cohesion, household income stability, and women's participation in the labour market.*

Originality/value. *This paper provides field-verified evidence on how Albania's SMEs operationalise SDG 8 (Decent Work), SDG 9 (Industry and Innovation), and SDG 10 (Reduced Inequalities), offering insight into sustainable industrialisation in a transition economy.*

Keywords: *Small and medium enterprises (SMEs); Sustainable Development Goals (SDGs); Business ecosystem; Albania; Transition economies*

Introduction

The 2030 Agenda of the United Nations outlines 17 Sustainable Development Goals (SDGs) that serve as a universal framework for achieving economic progress, social equity, and environmental responsibility (United Nations, 2015). Within this framework, three goals: SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), and SDG 10 (Reduced Inequalities) form the core foundation for fostering inclusive and sustainable economic systems. SDG 8 in particular, recognises micro-, small-, and medium-sized enterprises (SMEs) as pivotal agents of formalisation, employment generation, and innovation diffusion (UN Albania, 2021; ILO, 2019).

Recent scholarship conceptualises the SDGs not merely as global policy aspirations, but considers them as strategic coordination mechanisms for firms and ecosystems (van Zanten & van Tulder, 2021). In this regard, enterprises operationalise sustainable development through interconnected networks of production, innovation, and governance. Montiel et al. (2021) emphasise that aligning business models with SDG priorities, requires a multi-approach to system-level adaptation, where stakeholder integration and institutional coherence merge into principles that resonate particularly strongly within emerging and transition economies. On the other hand, Kanda et al. (2021) argue that achieving SDG compatibility, necessitates a shift from firm-centred circular business models to circular business ecosystems, so that the creation of collective value and shared infrastructure serves as key determinants of a sustainable competitiveness.

In transition economies such as Albania is, SMEs represent the cornerstone of the national economy and a key vehicle for inclusive growth. According to

the most recent INSTAT data (2025), SMEs accounted for 99.9 percent of all active enterprises, employed 82.5 percent of the total workforce, and generated 81.3 percent of total business turnover in 2023. These indicators therefore reflect a steady improvement over 2019, when SMEs constituted 99.8 percent of enterprises, employed 81.6 percent of the workforce, and generated 78.9 percent of turnover (INSTAT, 2020, 2025). From this angle, the SME cluster determines not only employment and productivity outcomes, but also patterns of regional and social inclusion,ll, therefore consolidating its role as the structural backbone of Albania's trajectory toward an inclusive economy.

In a comparative analysis between 2019 and 2023 is confirmed an upward trajectory in SME contribution to employment and turnover in Albania, evidencing so a gradual consolidation of the business ecosystem (INSTAT, 2020; INSTAT, 2025).

TABLE 1 - Comparative SME performance indicators in Albania, 2019 -2023

Indicator	2019	2023	Source
Share of SMEs in total enterprises	99.8%	99.9%	INSTAT (2020; 2025)
Share of SME employment	81.6%	82.5%	INSTAT (2020; 2025)
Share of SME turnover	78.9%	81.3%	INSTAT (2020; 2025)
Share of SME investments	68.2%	n/a	INSTAT (2020)

These data reaffirm that SMEs are the backbone of Albania's inclusive economy. The data of the SME sector in Albania demonstrate higher relative employment (82.5%) and a much stronger value-added contribution (78.2%) compared to the European Union averages official data (64.2% and 48.9%, respectively) (INSTAT, 2025, p. 2). While this underscores SMEs' economic centrality, it simultaneously reveals structural vulnerabilities: limited diversification, modest innovation absorption, and restricted access to finance.

Despite their quantitative dominance, Albanian SMEs seem to face persistent constraints, including weak integration into regional value chains, low technological upgrading and limited digitalisation; factors identified as systemic bottlenecks in sustainable business ecosystems (Kanda et al., 2021). As per the European Commission (2021), productivity levels remain below the EU average,and on the other hand informality and skills gaps still limit inclusive growth. Similar trade-offs and synergies have been identified across the SDGs (Sharifi et al., 2024), emphasising the importance of collective, ecosystem-oriented strategies instead of narrow firm-level measures.

The link between inequality reduction and inclusive growth of SMEs, calls for a more integrated and ecosystem-oriented approach to analysis. Aligning Albania's

SME and business ecosystem policies with the SDG objectives, particularly SDG 8, 9, and 10, offers a pathway to strengthen equity, participation, and sustainable value creation. Nevertheless, empirical evidence which directly connect SME development with tangible reductions in inequality remains scarce. National SDG reports show partial progress on SDG 8 and SDG 10 but emphasise the need to improve data systems and deepen private-sector participation (Sinanaj & Krypa, 2023; UN Albania, 2024).

Accordingly, this study investigates how Albanian SMEs can contribute to reducing inequalities and building an inclusive economy within the SDG framework. The analysis integrates theoretical insights from SDG-compatible business ecosystem research (Montiel et al., 2021; Kanda et al., 2021; van Zanten & van Tulder, 2021) with empirical assessment of national data, institutional strategies, and cross-case evidence from thirteen anonymised enterprises. By bridging global SDG frameworks with SME-level realities, the research seeks to advance both academic and policy discourse on inclusive growth in transition economies.

Theoretical Framework and Literature Review

Conceptualising the Inclusive Economy and Inequality

Studies and secondary data considered for this paper show that an inclusive economy requires that economic growth translate into an equitable distribution of opportunities and well-being. The Organisation for Economic Co-operation and Development (OECD, 2018) defines inclusive growth as growth that creates opportunities for any segments of the population and makes it possible to distribute fairly the dividends of increased prosperity across society. Likewise, the World Bank (2022) emphasises shared prosperity, focusing on income growth for the bottom 40%, as an indicator of sustainable development.

Recent scholarship links inclusive economies to sustainable enterprise ecosystems. According to Brammer, Branicki, and Linnenluecke (2022), SMEs occupy a decisive position in reshaping the economic performance with social and environmental sustainability. Similarly, Ratten and Dana (2022) address the emergence of "sustainable business ecosystems", that integrate competitiveness with community well-being. These perspectives reinforce the idea that inclusivity is not merely distributive but also structural, relying on interconnected networks of innovation and collaboration. The findings of Kanda et al. (2021) argue that such perspective aligns with the principles of ecosystem thinking which are discussed in the circular economy, where proper coordination across firms, institutions, and communities supports inclusive growth. Drawing on Amartya

Sen's (1999) capability approach, this perspective asserts that development needs to be understood as the expansion of people's capabilities, not merely as an increase in income. In this light, inclusion might become both a moral imperative and an economic necessity, especially if multi-dimensional inequalities and asymmetries, and unequal access to opportunities shape economies.

The SDGs as a Global Orchestrating Framework

The 2030 Agenda for Sustainable Development, adopted by the United Nations (2015), offers the most comprehensive framework for achieving inclusive economies. Several SDGs directly address the causes and symptoms of inequality, most notably SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), and SDG 10 (Reduced Inequalities). Target 8.3 explicitly calls for policies that support or micro, s,mall and medium-sized enterprises (MSMEs) the formalisation and growth, aiming to position them as essential engiof for inclusive and sustainable development. Recent research interprets the SDGs as a global coordination mechanism aligning corporate and public actions toward shared societal outcomes (van Zanten & van Tulder, 2021; Montiel et al., 2021)

In Albania, SMEs are recognised as "key enablers of employment generation and community resilience" aligning with the government's commitment to SDG 8 as in National Strategy for Development and European Integration 2021-2030 (UN Albania).

SMEs as Vehicles of Inclusive Growth: Global Evidence

Empirical research identifies SMEs, as the primary source of job creation and innovation worldwide (ILO, 2019; OECD, 2021). Beyond their quantitative contribution, contemporary research emphasises the ecosystemic dynamics of SME growth. according to the evidence of Ferreira and Teixeira (2023) , the SMEs' capacity for sustained innovation is enhanced by entrepreneurial ecosystems, while, according to Georgescu (2022), digitalisation and associativity are core mechanisms for competitiveness in inclusive economies. The OECD (2019) similarly stresses that SME productivity and inclusion depend on coherent policy frameworks fostering innovation, finance, and human capital. According to ILO (2019), small economic units, including the self-employed and microenterprises, account for about 70 per cent of total employment across 99 countries. Similarly, the OECD (2021) reports that SMEs represent 99 percent of firms, 60 percent of employment, and roughly 55 percent of value added in OECD economies.

These global dynamics form the backdrop for examining how similar mechanisms operate in smaller transition economies such as Albania.

These data confirm that SMEs are not peripheral actors, on the contrary, they are fundamental components of inclusive-growth ecosystems; however, the extent to which their development reduces inequality depends on the broader institutional environment, particularly access to finance, digitalisation, labour regulation, and skills development (Beck & Demirgüç-Kunt, 2006). Scholars have highlighted that, at the global level SDGs offer a strategic framework for businesses and investors to align financial returns with social impact (Schramade, 2017). This investment-oriented perspective underscores that regardless of scale the sustainable enterprise models, can generate both economic and societal value. In the Albanian context, SMEs represent the primary channel through which within the national business ecosystem are materialised such dual-impact opportunities . Pedersen (2018) emphasises that the SDGs provide companies with a strategic roadmap for long-term competitiveness and innovation. This global perspective reinforces the logic that national business ecosystems such as Albania's can operationalise inclusive and sustainable growth when SMEs align their upgrading trajectories with SDG targets. However, achieving such alignment requires balancing co-benefits and trade-offs among SDG targets, as demonstrated in system-level analyses of sustainability transitions (Sharifi et al., 2024)

Western Balkans and Albania: Policy Environment and Structural Constraints

Earlier empirical studies have underscored similar dynamics in Albania. A strong positive relationship, between SME development and GDP growth, yet they also noted persistent barriers in innovation and access to finance are found by Kruja (2013) and Myslimi and Kaçani (2016). Although these studies predate the SDG framework, their findings clearly confirm long-standing structural dependencies, which continue to shape Albania's SME ecosystem. Continuing challenges inlcuding limited innovation capacity, constrained access to finance, and widespread informality are highlighted by OECD (2024). Similarly, the World Bank (2021) identifies perciencet barriers to inclusive growth notably on low productivity, skills gaps, and uneven regional development.

The EU accession process has generated incentives to align national policies with European standards on competitiveness, SME development, and sustainable industry (European Commission, 2024). A clear connection between SDG targets and SME ecosystem reforms emerges from these frameworks. According to secondary data real progress in reducing inequality can only be achieved when the two are effectively aligned.

Similar conclusions are reached by international studies. They emphasise that sustainability cannot be achieved through isolated firm-level initiatives. Instead, lasting impact requires coordinated transformations across the entire business ecosystem (Kanda et al., 2021; van Zanten & van Tulder, 2021)

These findings are consistent with regional analyses. They identify similar challenges in SME competitiveness, innovation, and finance across the Western Balkans (EBRD/EU, 2025; Regional Cooperation Council, 2024)

These observations are consistent with long-term World Bank analyses of SME competitiveness and private-sector performance in the region. As evidence shows, the Albanian firms continue to face productivity gaps and financing constraints (World Bank, 2019). At the same time, innovation and digitalisation are both recognised as essential for achieving inclusive growth (World Bank, 2023). Recent macro-assessments (World Bank, 2024) confirm these ongoing challenges and call for stronger, targeted SME policies under the EU accession framework.

National Strategy Context and SDG Localisation in Albania

According to NSDEI 2021-2030, Albania's development objectives are sustainable economic growth, innovation, social inclusion, and alignment with the EU acquis. Complementary national frameworks (Council of Ministers, 2021), (MARD, 2022 and (Ministry of Economy, Culture and Innovation, 2025), reinforce this alignment. SDG indicators are integrated into national planning, while agencies such as the Albanian Investment Development Agency (AIDA) and the Institute of Statistics (INSTAT) monitor progress on SME-related targets. SMEs are strategically important in reducing inequality. They represent 99.9 percent of all active enterprises, employ 82.5 percent of the national workforce, and generate 78.2 percent of total value added, underscoring their (INSTAT, 2025).

These national priorities of the country correspond with global policy frameworks that emphasise sustainable value chains and inclusive industrial ecosystems (World Bank, 2022; OECD, 2019). Taken together, the evidence suggests that SDG localisation at the national level requires institutional mechanisms that can convert strategic commitments into real impact at the enterprise level. Yet despite formal alignment with the SDGs, progress remains uneven, particularly in financing, innovation, and digitalisation.

Empirical Gap and Contribution of This Study

While global and national policy documents emphasise SMEs as drivers of inclusion, empirical studies in Albania rarely quantify the extent to which SME growth affects income or regional disparities. Available statistics show the structural weight of SMEs but reveal little about how their growth affects income distribution. This study links national SDG commitments to enterprise-level performance and examines the connections between entrepreneurship, job quality, and inclusive economic outcomes. The following methodology section outlines how these multiple evidence streams were integrated within a participatory mixed-methods

design. By drawing on six months of longitudinal observation and more than ten field visits and interviews for each enterprise, the study provides novel empirical insight into the micro-mechanisms linking SME upgrading and inclusive growth.

Methodology

Research Design

This study adopts a participatory multiple-case design situated within a comprehensive qualitative-dominant mixed-methods framework. The methodological orientation aligns with the interpretivist paradigm, which assumes that social and institutional realities, such as SME behaviour, inclusivity, and policy responsiveness, are best understood through contextual interaction and meaning construction rather than through isolated variables (Stake, 1995; Yin, 2018).

The study draws on the SDG-nexus approach proposed by van Zanten and van Tulder (2021). This framework views firm behaviour as part of wider social and economic systems and helps explain how SMEs contribute to the Sustainable Development Goals.

Accordingly, the study integrates documentary policy analysis, secondary statistical data, and longitudinal field engagement with thirteen anonymised SMEs operating in the municipalities of Berat, Belsh, and Lushnja. Over six months, the author, an experienced researcher in the field of SMEs, conducted more than ten visits, interviews, and direct observations for each enterprise, covering all five programme stages from initial diagnosis to sustainability review. Field engagement involved continuous data collection on performance indicators, production systems, and perceptions of inclusivity. The process allowed verification of enterprise data as it was collected and offered a more precise view of how each firm operates within its business context. It also enabled comparisons between programme records and actual practices, keeping the analysis close to field realities. The methodological choices follow recognised qualitative case study traditions (Chevalier & Buckles, 2019; Baxter & Jack, 2008).

The study adopts a pragmatic–interpretive stance, acknowledging that understanding how SDG principles are put into practice within Albanian SMEs carries practical significance. Such an approach requires both empirical verification and context-based interpretation.

Quantitative references to SME indicators support the qualitative core of the study Together, these elements allow analytical cross-validation between policy-level intentions and the enterprise-level realities of inclusivity.

The research specifically focuses on triangulation between: national and regional policy documents; official SME performance indicators; and programmatic enterprise-level evidence from donor-supported SME initiatives.

This study builds on Creswell and Plano Clark's (2018) framework, which combines quantitative and qualitative methods to explore system-level dynamics in transition economies. It also draws on recent approaches that link case-based analysis with performance benchmarking (Vega-Pascual, López-García, & Jiménez-Crespo, 2025). Similar methods have been engaged in Albania (Myslimi & Kaçani, 2016; Kruja, 2013).

Analytical approach

The study uses only verified, publicly available data and applies a structured three-tier framework for its analysis.

Policy alignment assessment. The analysis reviews national strategic documents against SDG targets, using UN ESCAP's (2022) guidance on SDG localisation. Key criteria are policy coherence, institutional coordination, and monitoring systems.

Indicator benchmarking. Quantitative indicators from INSTAT and the European Commission are normalised and compared across employment, turnover, and value added to assess SME contributions to inclusive growth. Comparative analysis with EU averages (64.2% SME employment; 48.9% SME value added) establishes Albania's relative performance (INSTAT, 2025).

Thematic case evidence. Enterprise-level evidence from donor-supported SME initiatives is reviewed to identify mechanisms such as access to finance, capability building, and women-led entrepreneurship that facilitate inclusivity at the micro level.

This tiered approach captures policy commitment (tier 1), measurable performance (tier 2), and behavioural/organisational change (tier 3), enabling integration of macro-policy frameworks with firm-level dynamics (Mayring, 2014).

Tables 2 and 3 operationalise the qualitative codes and quantitative indicators used in the cross-case analysis.

Data Validity and Limitations

Although official statistics are reliable, SME data in Albania are primarily cross-sectional rather than longitudinal, which limits causal inference about inequality reduction. In addition, policy-implementation assessments rely on documentary evidence rather than large-scale field interviews, which may under-represent informal or emergent practices.

To address these limitations, the author drew on a range of data sources and carefully cross-checked them against global standards, including those from the OECD (2024) and the World Bank (2021). Rather than trying to measure inequality reduction in strict numerical terms, the study focuses on tracing the

institutional mechanisms through which small and medium-sized enterprises (SMEs) help foster more inclusive economic growth.

TABLE 2 - Coded sample of 13 anonymised SMEs and SDG - linked indicators (Albania)

Code	Sector / Main Activity	Municipality	Years to 2025	SDG 9 Innovation / Quality Infrastructure	SDG 8/10 Inclusive-Growth Indicators
COS-01	Herbal & cosmetic production	Lushnja	6	Low-waste distillation; eco-packaging; process formalisation	Women-led enterprise; 100%local female employment; ~20 farmers
OIL-01	Olive-oil processing	Berat	2	Solar PV; nitrogen-sealed storage; GMP ≈95%; HACCP pre-certification	~260 farmers; Youth & women employed; seasonal formalisation
OIL-02	Olive-oil processing	Lushnja	7	Automation; GMP ≈92%; RE feasibility	~670 farmers Rural employment stability; supplier inclusion
DAIRY-01	Dairy processing	Lushnja	8	Energy audit; HACCP pre-certification; GMP ≈96%	~60 farmer contracts; women in production lines
OIL-03	Olive-oil processing	Belsh	7	5S & GMP ↑ (+23% to ≈92%); solar PV planning	~500 farmers; collective marketing
OIL-04	Olive-oil processing	Lushnja	3	Water-reuse plan; efficient lighting	~630 farmers; Gender-balanced management; youth jobs
AGRI-01	Fruit & vegetable export	Lushnja	8	Cold-chain modernisation; recyclable packaging	~500 farmers; formal supply contracts
TUR-01	Pickled vegetables	Lushnja	4	LED retrofit; wastewater design; HACCP pre-certification; 5S & GMP ≈93%	Women >60%; 1 international hire; ~260 farmers
OIL-05	Olive-oil processing	Lushnja	3	Solar PV planning; pomace valorisation (biofuel)	~250 farmers; youth seasonal employment
OIL-06	Olive-oil processing	Belsh	10	New equipment; 5S & GMP ≈90%	Women in leading roles; inter-village network ~400 farmers
TUR-02	Pickled vegetables	Lushnja	10	5S & GMP ≈94%; composting pilot	Women in mid-management; women >70%; ~300 farmers
OIL-07	Olive-oil processing	Lushnja	7	Solar plan; digital branding; 5S & GMP ≈95%	~250 farmers across three villages; youth jobs
OIL-08	Olive-oil processing	Berat	4	Solar PV; pomace reuse (biofuel/soil/cosmetics)	~450 farmers; youth seasonal engagement

Note. The data presented here is based on enterprise self-reports, which were verified through multiple site visits conducted between 2024 and 2025. Sector codes are used for classification as follows: COS (cosmetics), OIL (olive oil), DAIRY (dairy), AGRI (agriculture/export), and TUR (pickled vegetables).

Interpretive and Ethical Note

Alongside the national comparative overview in Table 1, Table 2 provides a coded qualitative sample, while Table 3 compiles the quantitative indicators. These indicators were self-reported by enterprises and then validated through a series of repeated site visits, at least 10 per business, and consultations carried out over a 6-month period. Each enterprise was visited multiple times across five methodological stages, allowing for iterative verification and longitudinal insights into progress.

The data in Table 2 is drawn from the programme's diagnostic and monitoring tools. All thirteen enterprises participated in donor-supported SME initiatives between 2023 and 2025. To protect confidentiality, company names are anonymous; therefore, each enterprise is coded (e.g., OIL-01, DAIRY-01, TUR-01). The specified years of operation up to 2025 are reported in this study to indicate the business maturity.

To operationalise SDGs 8, 9, and 10, one quantitative indicator of inclusion or innovation was selected for each enterprise (e.g., number of employees, proportion of female workforce, GMP compliance score, or number of contracted farmers). This approach enables cross-case comparison and strengthens the integration of qualitative and quantitative evidence. All identifiers remain anonymised, while information on location and year of establishment was obtained by the author directly from enterprise documentation and field observations.

Building on van Zanten and van Tulder (2021), this interpretive analysis employs a nexus approach to connect enterprise-level practices with wider SDG interdependencies. In parallel, assessing sustainability performance within circular business ecosystems requires the validation of multi-stakeholder (Kanda et al., 2021) . Such insight directly informs the triangulated verification procedures employed in this study.

Ethical and Transparency Considerations

The author serves as a national consultant within the programme Business Partnerships and Solutions for Sustainable Development Goals (2023–2027), funded by the Government of Sweden and implemented by UNDP in partnership with FAO, ILO, and UNIDO. This professional engagement provided structured access to primary data and opportunities for longitudinal observation of enterprise practices.

The interpretations offered in this study are anchored in a triangulated evidence base that integrates national and regional policy documents, official SME performance metrics and independently validated enterprises data. The analysis follows established principles of qualitative transparency and critical reflection, drawing on the methodological guidance of Baxter and Jack (2008), Chevalier and Buckles (2019), Stake (1995), and Yin (2018). As such, the findings reflect systematic observation and inquiry, rather than programme evaluation or advocacy

To safeguard confidentiality and uphold international ethical standards for applied research, all thirteen enterprise identifiers are anonymised. Locations and establishment years are sourced directly from verified documentation and field visits validation. This participatory approach not only ensures the authenticity of the data but also reinforces stakeholder ownership throughout the research process.

Building on the work of Montiel et al. (2021), who highlight the importance of reflexivity in balancing business performance with sustainable development goals (SDGs), the researcher recognises a similar dual position, both as a practitioner engaged in implementation and as an observer analysing its dynamics .

The study enables a reflexive stance , which supports the researcher to separate the practical demands of implementation from the analytical perspective used to interpret them. Drawing on Sharifi et al. (2024), the study considers how the interplay of co-benefits and trade-offs across SDGs 8, 9, and 10 contributes to shaping its ethical framing. These dynamics provide a foundation for critically assessing the tensions between inclusivity and competitiveness observed across the cases.

TABLE 3 - Quantitative indicators of inclusive and sustainable SME performance (Aligned with SDG 8, 9 and 10)

Indicator Category	Quantitative Metric (Average / Aggregate across 13 SMEs)	SDG Link	Interpretive Insight
Training intensity	18 hours of structured training per enterprise	SDG 8 Decent work & capacity development	Skills upgrading underpins formalisation and productivity.
Technical assistance	≈ 183 hours of personalised advisory support per enterprise	SDG 9 Innovation systems support	Sustained mentorship accelerates adoption of standards and technology.
Average employment	9 workers per SME (≈ 45 % women)	SDG 8 & 10 Inclusive employment	Gender participation improving; managerial roles rising in food sector.
Farmers / suppliers linked	≈ 3,000 farmers in total (≈ 230 per SME)	SDG 10 Rural inclusion	Enterprises consolidate rural value chains and local livelihoods.

Average profit margin	≈ 38 % (self-reported)	SDG 8 Economic growth	Profitability sustains job creation and regional stability.
Counterpart investment	≈ 2 000 000 ALL per enterprise	SDG 9 Infrastructure & process upgrading	Co-financing reflects commitment to long-term innovation.
GMP / 5S / HACCP compliance	90-96 % post-training average	SDG 9 Quality infrastructure	Standardisation raises quality and export potential.
Renewable energy/ efficiency measures	8 of 13 SMEs (≈ 62 %) installed solar PV or efficiency systems	SDG 9 Sustainable industrialisation	Transition toward cleaner production is accelerating.
Digital platform use	100 % SMEs online (avg. 4 platforms)	SDG 9 Digital innovation / market access	Digitalisation broadens market reach and visibility.
Credit access	46 % SMEs applied for or hold active loans	SDG 8 & 10 Financial inclusion	Finance access remains limited

Note. The data presented in this study are based on thirteen enterprises self-reports and on-site validation conducted by the author between 2024 and 2025. All indicators correspond to the thirteen anonymised SMEs listed in Table 1. Training and technical assistance hours were verified through programme records, while financial and operational figures reflect averages have derived from structured company interviews during the 6 months period. SDG 8 pertains to employment and decent working conditions; SDG 9 addresses innovation, energy, and digital infrastructure; and SDG 10 focuses on inclusion through gender equality and rural supply-chain participation.

The next section explores the observed cross-sectoral patterns across the participating enterprises. There is a particular emphasis on the intersection of inclusive employment practices, gender participation, and sustainability performance within Albania's SME ecosystem.

Findings and Discussion

Overview of the Dataset

This study focuses on thirteen SMEs, mainly operating within the agro-processing sector. In accordance with the confidentiality protocol outlined in Section 3, the identities of participating firms are anonymised, while key descriptive attributes are retained to support analytical rigour (see Table 1). Quantitative data are drawn from an indicator dataset developed through donor-supported SME programmes and reinforced by the author's longitudinal fieldwork, which included at least ten site visits, interviews and direct observations with each enterprise over a six-month period (Stake, 1995; Yin, 2018; Chevalier & Buckles, 2019).

Ownership and maturity: In 92 % of cases, the respondent is the legal representative or owner of the business, reflecting the owner-manager structure typical of Albanian family SMEs. Business age is skewed toward established firms: 38 % have operated for 10 - 15 years, 23 % for 15 + years, and 30 % are younger than five years. This maturity profile supports assessing SDG progress through organisational upgrading rather than start-up dynamics.

Sectoral composition: The participating firms are anchored in agri-food value chains, with olive-oil processing representing the majority (54%), followed by food processing (15%) and dairy production (8%). This sectoral spread provides a basis for cross-case comparison on SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), and SDG 10 (Reduced Inequalities).

Demographics of enterprise leaders: Among the participating enterprises, 77% are male-owned and 23% female-owned. Educational background is relatively high, with 46% of respondents having completed secondary education and 38% holding university-level qualifications. All respondents serve as primary household breadwinners, collectively supporting 34 dependents. These figures underline the household-level welfare significance of SME upgrading in rural municipalities, as an important link to SDG 10.

Human-capital formation and technical support: The donor-supported initiative delivered substantial capability building: enterprises averaged 18 hours of structured training and 183 hours of one-to-one technical assistance (totals 230 and 2,382 hours, respectively). Such alignment reflects the programme's theory of change, which centres skills, systems, and standards. Furthermore, it complements the study's mixed-methods design, which triangulates documentary records with direct observation (Creswell & Plano Clark, 2018; Baxter & Jack, 2008).

Link to the SDGs and to subsequent analysis: The dataset strengthens the empirical basis for evaluating progress under the three focal goals. SDG 8 is operationalised through employment, training, and formalisation; SDG 9 through adoption of GMP/5S/HACCP and investment in equipment or renewable energy; and SDG 10 through inclusion of smallholder farmers and gender participation. Sections 4.2 - 4.4 interpret these indicators thematically, and Table 2 consolidates the principal quantitative measures to support cross-case comparisons.

SDG 8: Decent Work and Economic Growth

National and regional policy assessments identify capability formation, including quality systems, managerial routines, and workforce skills, as a vital foundation for promoting decent work within Albania's SME sector (European Commission, 2024; OECD, 2024).

According to official indicators, SMEs are firmly positioned as the backbone of employment and value creation in the national economy (INSTAT, 2025).

Within this policy context, the thirteen SMEs analysed exhibit consistent patterns of skills enhancement and system formalisation. Field evidence shows that each enterprise received, an average of 18 hours of structured training and 183 hours of targeted technical assistance. These interventions primarily focused on GMP and 5S practices, financial record-keeping, and market system development. This integrated model which combines formal instruction with on-site support, serves as a micro-level mechanism through which decent work conditions take shape, fostering cleaner, safer, and more predictable workplaces grounded in structured management systems (Creswell & Plano Clark, 2018; Stake, 1995; Yin, 2018).

Examples (coded). Olive-oil processors OIL-02 and OIL-06 document full factory clean-ups and GMP/5S adoption; TUR-02 introduced HACCP formats and regularised inventory systems; OIL-04 and OIL-07 implemented signage, sanitation protocols, and standard operating procedures along with HACCAP. These field-validated improvements demonstrate that capability building has translated into daily practice (Chevalier & Buckles, 2019).

At the macro level, employment quality and inclusivity remain policy priorities (INSTAT, 2025; OECD, 2024). In this sample, employment structures are sector-specific: pickling firms (TUR-02, TUR-01) have female-majority teams, while several olive-oil firms (OIL-02, OIL-04, OIL-06, OIL-07) remain male-dominated but have formalised seasonal work and introduced OSH/GMP routines. All enterprise heads are household breadwinners, linking enterprise performance to family welfare an element of SDG 8.5 (productive employment) and SDG 10.2 (social inclusion).

The evidences report that regular training and skill-building have played a key role in keeping productivity up and making sure workers stay committed. The practices of family-based and intergenerational participation in many enterprises, with several household members contributing across production, packaging, administration, and sales, reveal to be equally important for the business. Together, these patterns strengthen local employment resilience and ease the pressure of outward migration..

Overall, such shifts indicate that progress toward SDG 8.5 is not limited to job creation but extends to qualitative improvements in stability, safety, and learning capacity within micro and small enterprises core attributes of inclusive and sustainable employment systems.

The The evidences show widespread adoption of GMP and 5S practices across the enterprises, backed by before-and-after documentation. In several cases like OIL-02 and OIL-06, final evaluations recorded a strong GMP compliance and HACCP pre-certification, aligning with SDG 9 indicators listed in Table 2. TUR-02 showed significant improvements across GMP sub-categories, while TUR-01 and OIL-07 demonstrated steady GMP scores and reorganised production areas.

These aren't just surface-level upgrades, according to the evidence gathered they've led to real gains in safety, order, and traceability, helping reduce rework and

downtime. All observations were carried out on-site, adding depth and reliability to the findings (Baxter & Jack, 2008).

Policy frameworks highlight that investment in standards, digitalisation, and equipment remains essential for enhancing productivity and improving job quality (European Commission, 2024; OECD, 2024). Field evidence supports this link: the SMEs studied reported an average co-investment of around 2 million ALL per firm, mainly directed toward equipment upgrades, improved packaging, and digital process enhancements. For example, OIL-01 and OIL-05 focused on energy-efficient machinery and modernising their operations, while TUR-02 invested in export-ready equipment. OIL-03 took a different route, prioritising collective marketing efforts and tools to boost visibility.

These targeted investments point to a steady shift toward more formal, safer, and higher-value employment structures closely aligned with SDG 8.2 (productivity growth) and SDG 8.3 (enterprise upgrading). Beyond acquiring new equipment or tools, many enterprises also reported meaningful improvements in how efficiently they operate, how well they track production, and the overall quality of their products, clear signs that the benefits of these upgrades extend well beyond the physical assets themselves.

Across the cases, a consistent trend was evident: profits were routinely reinvested into upgrading technology and improving workspaces. Rather than isolated spending, this reflects a shift toward a culture of ongoing improvement. National statistics and long-term field observations provide early signs of rising productivity, suggesting that these firm-level practices are beginning to align with broader national ambitions for competitiveness

Synthesis for SDG 8 (triangulated)

Together, these strands provide credible, triangulated evidence of progress toward SDG 8 targets 8.2, 8.3, and 8.5, with strongest support on workplace organisation, capability building, and early formalisation (Baxter & Jack, 2008; Stake, 1995; Yin, 2018).

- National/regional policy and official indicators (INSTAT, 2025; European Commission, 2024; OECD, 2024) emphasise SME upgrading for better jobs and productivity.
- Official SME statistics confirm SMEs' weight in employment and value added, framing the macro relevance of decent-work reforms.
- Field evidence from the 13 SMEs shows the mechanisms by which SDG 8 advances: skills formation, GMP/5S/HACCP standardisation, digital investment, and steps toward formalisation verified through longitudinal observation.

SDG 9: Industry, Innovation and Infrastructure

Technological modernisation and innovation identifies as central pillars of national and regional competitiveness strategies (European Commission, 2024; OECD, 2024). Recent SME data confirm for this study a steady uptake of new technologies across the sector, signalling early progress toward these policy goals (INSTAT, 2025).

Evidence from the 13 SMEs shows tangible progress: enterprises introduced new machinery, digital tools, and energy-efficient systems, improving productivity and quality. The average counterpart investment exceeded 2 million ALL, mainly for machinery, renewable energy installations, packaging automation, and digital infrastructure.

Coded examples. OIL-02 and OIL-06 installed solar panels and upgraded bottling lines; TUR-02 adopted semi-automated filling equipment and HACCP systems; OIL-05 and OIL-07 added energy-efficient lighting and temperature-control tanks; COS-01 developed eco-packaging and low-waste distillation.

These advances align with SDG 9 targets 9.4 and 9.5, as well as with the NSDEI 2021-2030, which identifies SME innovation as a driver of competitiveness (Government of Albania, 2021).

According to OECD (2024) the digital transformation continues to pose a significant challenge for Albania's SMEs. Several structural barriers hinder the progress across many firms. While ICT is identified in national strategies as a key driver of competitiveness, adoption is still uneven, especially among smaller enterprises and those operating beyond Tirana. National benchmarks confirm that progress in ICT uptake is moderate but steadily improving (International Telecommunication Union, 2024; WIPO, 2025).

All thirteen enterprises in this study maintain an active digital presence, using an average of 4 platforms, including Facebook, Instagram, Google Business, email, and B2B sites. Firms including OIL-01, OIL-03, and TUR-02 have expanded their outreach through ExportAlbania, Europages, and regional B2B portals, improving visibility and transparency in line with SDG 9.c on ICT access. However, these external forms of digitalisation represent only a partial transition, as they tend to focus on marketing and client communication rather than full digital integration.

Field observations show that internal digitalisation, covering production coordination, financial record-keeping, inventory management, and traceability systems, remains at an early stage. Many SMEs still coordinate tasks manually or by phone, limiting efficiency, weakening data reliability, and making supply-chain integration more difficult. Where digital tools are in place, they generally support minor, incremental improvements such as basic accounting software, online order forms, or cloud-based logistics. Such reflects a slow and uneven diffusion of digital practices across the sector.

In this context, digital transformation is emerging as a central driver of SME competitiveness. It directly contributes to progress under SDG 9.4, which focuses on technological upgrading and innovation, and SDG 8.2, which promotes productivity growth through technology use..

The evidence gathered from multiple sources shows that GMP, 5S, and HACCP standards are now widely applied, with compliance rates of 92 to 96 per cent. Such trend reflects stronger alignment between national food safety rules and the support provided by donor programmes. The documented cases (OIL-02, OIL-04, OIL-06, TUR-01, and TUR-02) exemplify measurable advancements, substantiated through verification checklists and photographic records.

Such systematisation advances SDG 9.1 (infrastructure) and SDG 9.5 (technological capacity). Enhanced record-keeping and traceability facilitate export readiness, linking innovation to inclusive participation.

TABLE 4 - Triangulated evidence for SDG 9 - Industry, Innovation and Infrastructure

Analytical Source	Evidence Type	Key Implication for SDG 9
(1) National/ regional policies	NSDEI 2021-2030 and EC 2024 Report highlight SME innovation and sustainable infrastructure as EU-accession priorities.	Policy commitment to industrial upgrading.
(2) Official SME indicators	INSTAT (2025) shows investment intensity rising in processing industries but limited digital adoption.	Macroevidence of narrowing technology gaps.
(3) Empirical data from 13 SMEs	≈ 2 million ALL investment; 92-96 % GMP/5S/ HACCP compliance; 100 % digital presence.	Demonstrates operational innovation and stronger quality infrastructure.

When synthesised across these layers of evidence, the results confirm progress toward SDG 9 targets 9.1, 9.4, and 9.c. Enterprise-level innovation seen in the field reflects national policy trends and signals a sustainable path toward industrial upgrading and inclusive growth. These developments mirror broader international efforts to strengthen quality-infrastructure systems for SMEs (UNIDO, 2023c; UNIDO, 2024).

SDG 10: Reduced inequalities

Tackling inequality in Albania requires more balanced regional development and stronger rural participation as well. Policy frameworks like the NSDEI 2021–2030 highlight the importance of territorial cohesion and inclusive growth (Government of Albania, 2021). Yet national data show that rural municipalities continue to lag behind urban areas in funding, services, and infrastructure (INSTAT, 2025; OECD, 2024)

Field evidence demonstrates tangible inclusion at the local level: approximately 3,000 farmers are linked to SME supply chains mainly through olive-oil processors (OIL-02, OIL-03, OIL-04, OIL-06, OIL-07) and food processors (TUR-02, TUR-

01). These relationships give farmers reliable routes to markets for their products, along with clear pricing and regular feedback on quality, supporting them maintain a steady income. Many of these farmers come from peripheral villages like Ballagat, Dushk, Hysgjokaj, Fiershegan, Gradishte, and Krutje, showing how enterprise upgrading can support more diverse income sources across rural micro-regions.

Nevertheless, the shared awareness observed among the participant businesses, suggests a shared sense that collaboration could grow over time. This approach takes into account the key factors that institutional frameworks rely on to ensure transparency and autonomy (Chevalier & Buckles, 2019).

Importantly, the connections between SMEs and farmers have also led to new jobs in areas like seasonal work and transport services, especially around collection, packaging, and logistics. These spillover effects suggest that rural inclusion goes beyond farming itself, reaching into related economic activities and helping to build local resilience.

Taken together, these dynamics show how upgrading at the enterprise level can generate broader community benefits, creating related jobs and reinforcing local value chains. These connections help build social cohesion in rural areas and raise the profile of local products in national and regional markets. Over time, these linkages can deepen territorial integration, helping rural municipalities capture more of the value generated along the supply chain.

This integrated ecosystem supports SDG 10.2, empowerment and inclusion regardless of geography, and grounds the micro-level evidence within broader policy commitments to rural competitiveness and cohesion (European Commission, 2024). By linking production, employment, and identity, SMEs serve as territorial stabilisers, connecting urban markets with rural livelihoods.

While gender inequality remains a structural issue in Albania (OECD, 2024), there are signs of progress. In the participating businesses of this study, it is identified that in the food and pickling sectors (TUR-02, TUR-01), women make up more than half of the workforce. In olive oil processing (OIL-05, OIL-06), they play central roles in quality control and packaging. Across all firms, women increasingly occupy administrative, marketing, and sales positions, reflecting gradual gender mainstreaming in non-traditional business domains.

All enterprise leaders are primary household earners, collectively supporting 34 dependents and at least 60 family members, mainly parents aged 70 or older. Income generated through SMEs often extends beyond the business itself. The income generated by these enterprises extends beyond the business itself. It supports household finances, sustains local spending among farmers and community members, and contributes to financial stability across generations. This link between enterprise earnings and everyday livelihoods also highlights the vital role of women's leadership in safeguarding economic security and strengthening community resilience.

These trends point directly to the goals of SDG 10.1, which focuses on raising incomes for the bottom 40 percent, and align with the gender-equality priorities set out in the European Commission's 2024 reform agenda. In this context, women-led and family-run SMEs stand out as important drivers of inclusive, locally rooted development.

Economic growth alone is not enough to reduce inequality; fair access to finance and markets matters as much. National data show that credit remains scarce outside Tirana (INSTAT, 2025), and both the Bank of Albania (2025) and the World Bank (2025) report similar difficulties, especially for smaller firms.

Among the thirteen SMEs surveyed, almost half (46 per cent) had applied for or received credit, mostly from domestic banks. At the same time, the rest lacked access to any dedicated financial instruments or support mechanisms for business growth. Many rely instead on high-interest commercial loans, informal borrowing from acquaintances, or direct reinvestment of earnings to sustain operations.

None of the businesses in the sample had applied for subsidy or grant schemes from the Ministry of Agriculture. Even so, several factors help these firms stay competitive. Most have developed a strong digital presence, using an average of four online platforms social media, websites, or B2B marketplaces to reach customers directly and reduce reliance on intermediaries. Local and regional value-chain relationships also provide stability, with informal, trust-based exchanges ensuring liquidity and continuity even where formal finance is lacking.

Many albanian businesses have benefited from donor grant programmes or national support schemes run by the Ministry of Agriculture, AZHBR, and AIDA. Through these initiatives, they have improved their branding, strengthened management practices, and become more prepared for export. At the same time, ongoing improvements in infrastructure, better roads, easier VAT procedures, and faster logistics are helping them reach both domestic and regional markets more easily.

On average, these enterprises invested about two million ALL of their own funds. The figure says a lot; it shows caution in taking on financial risk but also growing confidence in their own capacity to invest. In practice, this mix of self-financing, digital reach, and community trust fills the gap left by limited institutional credit. It is precisely this blend of independence and connectivity that supports progress toward SDG 10.c, which calls for wider financial and information access for smaller and underserved businesses.

According to Chevalier & Buckles (2019), participation in associations or cooperatives can strengthen bargaining power and encourage shared learning for the business. In practice, however, none of the enterprises examined are currently, or have ever been members or founders of sectoral associations. Studies show that these kinds of networks support SMEs exchange market insights, access training opportunities, and engage in collective advocacy, which in turn helps reduce long-standing gaps in information and representation.

Triangulated synthesis

TABLE 5 - Triangulated evidence for SDG 10 - reduced inequalities

Analytical Source	Empirical Evidence	Implication for SDG 10
(1) National/regional policy documents	NSDEI 2021-2030 and EC (2024) emphasise inclusive regional development and gender equality.	Policy framework for equitable growth.
(2) Official SME indicators	INSTAT (2025) highlights urban-rural and gender employment disparities.	Structural inequality persists nationally.
(3) Data from 13 SMEs (this study)	≈ 3,000 farmers engaged; 45 % female employment; 46 % credit access; 100 % digital presence.	Evidence of narrowing geographic, gender, and market gaps.

Taken together, these findings show measurable progress toward SDG 10 targets: 10.1, 10.2, and 10.c. Through their everyday activity, SMEs help generate income in peripheral regions, create more opportunities for women to participate in the workforce, and extend access to finance and digital tools. The combined evidence from policy documents, statistical indicators, and field data suggests that inequality in Albania's SME sector is being reduced mainly through practical, enterprise-level action rather than macroeconomic policy alone.

Cross-SDG Synthesis

Evidence from the thirteen enterprises shows that decent work, innovation, and inclusion are mutually reinforcing. Improvements in workplace organisation (SDG 8), the adoption of new technologies and standards (SDG 9), and the participation of women and rural suppliers (SDG 10) combine to generate cumulative social and territorial benefits that macro indicators often understate.

Capacity building appears as the common thread linking all three goals. Training and technical support have helped create safer, better-paid jobs while enabling firms to professionalise their operations and enter new markets. Standardisation (GMP/5S/HACCP) encouraged investment in renewable energy, packaging automation, and digital marketing, which in turn expanded local employment and small-farmer inclusion, especially in olive-oil and food-processing clusters. In this sense, process upgrading became a channel for distributing value more evenly across places and groups.

Innovation also functions as a social equaliser. Digitalisation reduces information asymmetries that have historically disadvantaged rural producers and women-led micro-enterprises, while quality systems improve discipline, safety, and hygiene, enhancing worker dignity and professionalism.

Official data show that SMEs continue to form the backbone of employment in Albania. What happens at the enterprise level reflects how national policy goals are gradually turning into daily business realities. The cases in this study capture small but telling pieces of a larger economic shift, one that is moving toward greater structure and fairness. Progress in one part of the SDG agenda often spills over into the others, linking social, economic, and institutional change in practice.

The results underscore the importance of viewing SDG 8, SDG 9, and SDG 10 as an integrated policy triad rather than stand-alone targets. Enterprise-level interventions that combine training, technology, and territorial inclusion deliver the most balanced outcomes. Transition to Policy Section. These interconnected dynamics form the empirical basis for the recommendations in Section 5, which consider how national and donor strategies can sustain and scale the inclusive-innovation pathways already visible in these SMEs

Policy Implications and Recommendations

Aligning enterprise support with the SDG triad

The findings show that progress in decent work, innovation, and equality does not come from isolated interventions. It happens when these dimensions are connected and move forward within the same enterprise ecosystem. Policy frameworks should therefore focus on multi-dimensional upgrading, where skills, technology, and inclusion develop together rather than in parallel.

At the national level, the NSDEI 2021 - 2030 already sets these priorities, but implementation still occurs in silos across ministries and donor programmes.

Stronger coordination among the Ministry of Finance and Economy, the Ministry of Agriculture, central and regional development agencies, and local business associations would help align SME support around shared SDG outcomes rather than separate project agendas.

To make this alignment work in practice, Albania's SME programmes could use integrated performance indicators that link productivity and job quality with gender participation, rural sourcing, and environmental innovation. This approach would bring monitoring systems closer to the targets of SDGs 8, 9, and 10 and make reporting across donor platforms more evidence-based and comparable.

Strengthening institutional capacity for innovation and quality infrastructure

Evidence from the thirteen SMEs echoes earlier observations by the OECD (2019) and the World Bank (2022). What really drives innovation, they show, are the things that make businesses stronger over time as quality infrastructure, credible

certification systems, access to technical training, and hands-on digital advice. Policy cannot depend on short, one-off projects. What is needed instead is steady institution-building that keeps these efforts running over time. This direction already appears in national strategies shaping Albania's business ecosystem (Council of Ministers, 2021; Ministry of Economy, Culture and Innovation, 2025).

A practical measure is the creation of regional "innovation and standards hubs" within vocational or university networks. These hubs could deliver applied training in GMP/5S/HACCP, as well as in digital commerce and renewable-energy integration, for SMEs outside Tirana. Such facilities would institutionalise knowledge now transferred through donor projects, ensuring continuity and reducing dependency.

Parallel collaboration with the banking sector is equally essential. Nearly half of SMEs still rely on self-financing or informal credit. Domestic banks could play a stronger role by developing green and inclusive lending products, such as loans for energy-efficient upgrades or for firms that create gender-balanced employment. To make such products viable, international partners could provide risk-sharing mechanisms consistent with EU sustainable finance standards.

Advancing social and territorial inclusion

Reducing inequality demands persistent attention to territorial cohesion and labour-market inclusion. The SME cases show that localised investment in quality and innovation generates employment in peripheral municipalities such as Ballagat, Hysgjokaj, and Dushk. Future SME-grant schemes should embed place-based criteria, prioritising enterprises operating in rural or economically lagging areas and demonstrating measurable social impact, particularly women's employment and farmer participation.

Expanding digital infrastructure and literacy in rural areas is also vital. Although every firm now maintains a digital presence, limited broadband access and skills gaps limit the benefits of e-commerce. Public-private partnerships for rural broadband and targeted digital-training vouchers could extend the inclusive benefits of innovation to smaller producers.

Integrating participatory monitoring and evaluation

Regular feedback between local enterprises, municipalities, and development partners could turn lessons from individual projects into broader, long-term reforms. The value of participatory learning for adaptive governance is echoed in recent UNDP and World Bank programme evaluations (UNDP, 2024; World Bank, 2023).

Summary of policy directions

TABLE 6 - Summary of policy directions and expected SDG outcomes for Albanian SMEs

Focus Area	Strategic Action	Expected Outcome (Aligned SDG)
Integrated SME policy	Merge training, innovation, and inclusion targets under one coordination framework	Balanced progress on SDG 8, SDG 9, and SDG 10
Institutional infrastructure	Establish regional standards and innovation hubs	Sustainable industrial upgrading (SDG 9)
Inclusive finance	Develop green and gender-responsive credit lines	Broader access to finance (SDG 8 & 10)
Territorial equity	Prioritise rural and female-led enterprises in grant schemes	Reduced regional and gender disparities (SDG 10)
Participatory monitoring	Formalise SME policy feedback loops	Evidence-based policy learning (SDG 8 Decent work governance)

Conclusion

This study examined how Albania's SMEs contribute to Agenda 2030 and specifically to SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), and SDG 10 (Reduced Inequalities). Using a triangulated approach that combines national/regional policy analysis, official SME indicators, and longitudinal evidence from 13 enterprises, the research offers an integrated perspective on inclusive industrial development.

The results show that enterprise upgrading is a cumulative interaction among human capability, technological modernisation, and social inclusion. Training and technical assistance improved management and workplace organisation; investments in machinery and renewable energy fostered innovation; and expanded supplier networks and gender participation enhanced social equity. Progress in one SDG dimension reinforces progress in the others, creating a virtuous cycle in which decent work sustains innovation and innovation broadens inclusion.

Methodologically, this paper draws on a participatory, multi-case research design that fits well within the field of economic development. Working directly with enterprises made it possible to observe how behaviour and organisation evolve in practice, details that rarely surface in secondary data. This triangulated evidence underscores how micro-level enterprise behaviour translates the intentions of national SDG frameworks into practical outcomes. This approach shows why combining qualitative insights with data-driven frameworks adds real

analytical depth. Numbers alone cannot explain how change unfolds; context and lived experience give them meaning.

At the policy level, the findings suggest that inclusive industrialisation depends on integrating human capital, innovation systems, and social equity tools into a single SME strategy while bridging the remaining policy implementation gap between national strategy and enterprise reality. When capacity building, technology, and territorial inclusion advance simultaneously, even small firms in emerging economies can become real agents of sustainable growth.

Future studies should follow these processes over time, tracking productivity, wage shifts, and environmental performance, to understand how the dynamics evolve once project support ends.

The thirteen SMEs analysed here offer a glimpse of a new development logic taking shape in Albania. Competitiveness, sustainability, and equity no longer appear as separate goals but as connected parts of the same transformation. The Albanian case, therefore, offers lessons for other transition economies seeking to combine SME growth with social inclusion within the SDG framework.

These findings from Albania provide a transferable reference for other transition economies aiming to integrate SME competitiveness with social inclusion under the SDG framework.

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