

E-NEWSLETTER - Issue nr.1 June 2017

A newsletter published by *Fostering Social Entrepreneurship* - a project funded by the European Union

"Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry." - Bill Drayton, Founder of Ashoka

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WELCOME

Dear Social Entrepreneurs, Partners and Friends,

We are pleased to welcome you to the 1st issue of the project newsletter. During our project implementation we strive towards keeping the standards of quality and efficiency, having in mind the significance of creating synergies and collaboration with various local and national stakeholders. From the beginning of the project we have focused on achieving the expected project results in an effective and quality manner. In the light of transparency and sharing experiences we are offering you the opportunity to take a look into our current project achievements.

As the social entrepreneurship economy model has proven to be successful in terms of job integration in Europe, the Ministry of Labour and Social Policy has decided to create a legal and financial eco-system for social entrepreneurship development in the country, to be established through the EU-funded project "Fostering Social Entrepreneurship" (FSE) implemented by EPTISA. The project has been successfully operating since 2016 and will be completed in November 2017. The FSE project aims at:

- improving inclusiveness of the labour market by creating new job opportunities through stimulation of social economic initiatives
- helping to develop social entrepreneurship in the country by building and implementing the right ecosystem for social entrepreneurship and fostering already established social businesses by providing corporate-support service

Relevant project partners work closely with our Project Team and with their efforts and expertise contribute to the successful project implementation. Representatives of various ministries and institutions are regularly consulted, including the Ministry of Labour and Social Policy (Labour Department, Social Protection Department, Implementation of Roma Strategy Department, and IPA Department), the Ministry of Economy, the Ministry of Finance, the Cabinet of the Deputy Prime Minister of Economic Affairs, the National Registry, Civil Society Organizations, local self-government units, the Employment Service Agency, the Agency for Promotion of Entrepreneurship, various Universities, Youth organizations, International institutions and Embassies.

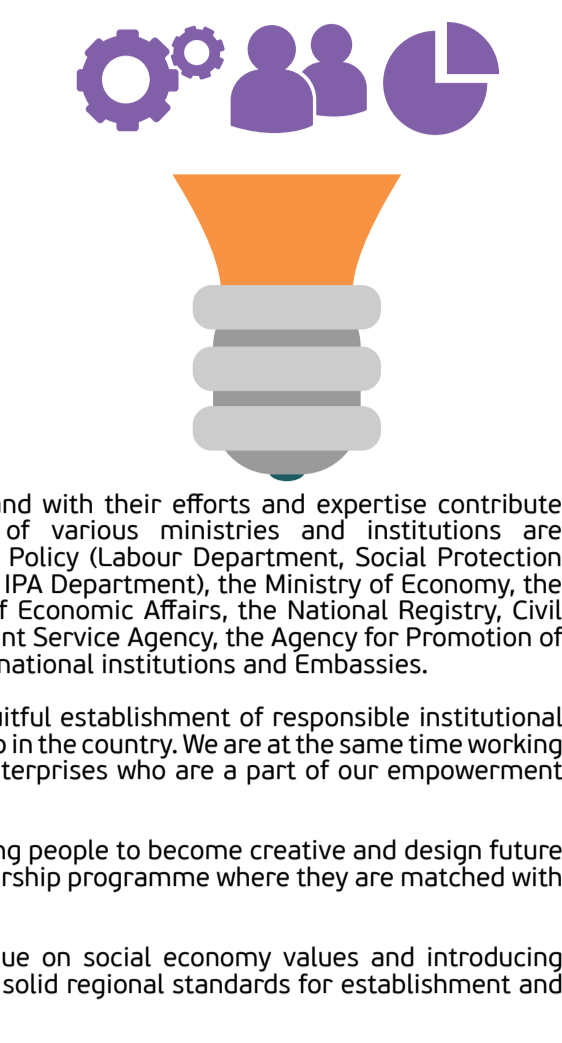
One year of intense project implementation has resulted in a fruitful establishment of responsible institutional structures that are shaping the new Law on Social Entrepreneurship in the country. We are at the same time working on increasing the legal and organizational capacities of social enterprises who are a part of our empowerment programme for SEs.

With passion of entrepreneurs we try to motivate and inspire young people to become creative and design future social enterprises of their own or to follow our internship & scholarship programme where they are matched with experienced mentors from our respected social enterprises.

By promoting solidarity, mutuality, entrepreneurship and dialogue on social economy values and introducing good practices from other European countries, we are setting up solid regional standards for establishment and monitoring of social entrepreneurship in the region.

With the support of our project partners, we shall further continue inspiring social change and in the process will share our latest project developments with you. Your interest and support is truly appreciated.

Barbara Sadowska
EPTISA Team Leader
"Fostering Social Entrepreneurship" Project



HIGHLIGHTS

- **Project Promotional Event** - was held on 7 April 2017 whereby more than 70 participants were present and 12 selected social enterprises had the opportunity to present their SE ideas.



- **Social Entrepreneurship Law** - national and international experts are designing a Law on Social Entrepreneurship based on European social economy models
- **University SE Week & Youth Internship Programme** - several events were organized for the promotion of social entrepreneurship in the county. Students were invited to submit their business plans and to apply for internship and Scholarship programmes whereby 12-20 students will be selected to follow a tailor-made internship within a Social Enterprise.



- **Empowerment Programme for Social Enterprises** - offers technical and capacity building support for 12 Social Enterprises that were selected by a Jury consisting of national and international experts on social entrepreneurship. As a part of the financial and management empowerment process, the SEs were trained by a team of (inter)national experts who have passed their knowledge on the potential financial instruments and ways of presenting their advantages and unique selling points when writing business plans.

PROJECT PROMOTIONAL EVENT

The project promotional event was an opportunity for the invited participants to follow the progress of the future SE Law design and to learn more about the social entrepreneurship innovative ideas presented by the 12 selected social enterprises. The event was opened by the MLSP Minister Ibrahim Ibrahim and the EU Delegation Representative Mauro Di Veroli who welcomed the idea of social entrepreneurship development in the country.



The event's aims were multiple, namely:

- Visibility of the EU-funded project "Fostering Social Entrepreneurship"
- Promotion of the 12 selected Social Enterprises and their respective projects
- Promotion of the draft version of the Law on SE

A, B, C'S OF SOCIAL ENTREPRENEURSHIP

(*prof. Jovan Pejkovski, EPTISA Senior Non-Key Expert on Social Entrepreneurship Education*)



Definition - social entrepreneurship is an organized activity with a view of creating opportunities, forms, organizations and measures that result in sustainable social values and usefulness, hiring people in manufacturing and selling of products or services and solving social problems. The profit is not the sole or main purpose of the activity, i.e. profits are used for employment of certain socially excluded or vulnerable social groups and for addressing needs of general interest.

Goals - are strengthening social solidarity and cohesion, encouraging people to participate in matters of public interest and volunteer work, strengthen the innovative capability of enterprises to address social, economic, environmental and other problems, providing additional product range and services of public interest, developing new opportunities for employment, social innovation, providing additional jobs and social integration and reintegration of vulnerable groups on the market of labour.

Social entrepreneurs - are any individuals who with their entrepreneurial spirit and personality will act as change agents and leaders to tackle social problems by recognizing new opportunities and finding innovative solutions and are more concerned with creating social value than financial value. A social entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create and manage adventure to make social changes. Whereas a business entrepreneur typically measures performance in profit and return, a social entrepreneur assesses success in terms of impacts she/he has on society as well as in profit and return.

Social enterprises - are revenue-generating businesses aiming at social, cultural, economic and/or environmental outcomes, earning revenue for enhancing communities with sustainability and social impact.

Social cooperatives - are organizations or associations of natural or legal persons working for social integration of vulnerable individuals and groups delivering social, health and educational services, providing labour integration for disadvantaged persons. Members of cooperatives do not distribute profit - profit is earmarked for new employment and development of cooperatives.

Beneficiaries - of social entrepreneurship are usually persons at risk and socially excluded who need help and support for social inclusion.

SOCIAL ENTREPRENEURSHIP LAW - BENEFITS, INCENTIVES AND OBLIGATIONS

(*Keti Jovanova, EPTISA Senior Non-Key Legal Expert*)

A group composed of institutional, financial, legal and CSO experts is drafting the Law on Social Entrepreneurship with the aim of its final adoption in the near future. The Law promotes job creation for marginalized groups of citizens (long-term unemployed or homeless persons, refugees, Roma, single parents, youth, social welfare recipients, former drug or alcohol addicts, HIV positive persons etc.) as well as aiding in the provision of social services. The Law is based on successful good practices from several European countries and promotes social solidarity employment models.

The DRAFT-LAW on Social Entrepreneurship (May 2017 version) regulates principles, activities, competencies, the terms and procedures under which legal entities gain the status of a social enterprise, registration rules, recordkeeping, reporting and supervision of operations in the area of social entrepreneurship, including the beneficiaries and their employment within social enterprises.

Based on the current text of the draft law, a Social enterprise shall mean any legal entity operating in the social economy whose primary objective is exerting social influence. A social enterprise can implement own activities under the National Classification of Activities for which the social enterprise will be registered in the Central Registry.

Companies, sole proprietorships, private institutions for social protection, cooperatives, associations, foundations, organizations and financial institutions can establish a new social enterprise or can acquire a status of social enterprise if they qualify under this law.

The conditions for obtaining the status of a social enterprise or establishing a new social enterprise are:

- a legal entity to envisage a provision of public social services in accordance with this law (SP type A) or to employ / will employ at least 50% of persons belonging to the categories stipulated by this law of the total number of employees in the enterprise (SP type B)
- a legal entity to include the non-profit aspect and to show its work in the field of social entrepreneurship
- a legal entity to reinvest 100% of the profits in own social enterprise for increasing the workload of the enterprise, creating new jobs, improving working conditions
- a legal entity to address the social, economic, environmental and other issues, meeting the needs of its beneficiaries, local communities and society
- a legal entity to create a primary objective of achieving social impact
- a legal entity to operate by providing goods and services to the market through innovative and entrepreneurial manner and to use its profits primarily for achieving social goals as well as creating new jobs for persons belonging to the categories listed in this Law
- a legal entity to manage its social enterprise by the principle of equality - one person one vote of the founders or management bodies (which is regulated by the basic acts)

As recommended by the draft Law, a social enterprise is entitled to:

1. Access to State fund programmes
2. Right to engage volunteers
3. An exemption from personal income tax for the beneficiaries in accordance with this law that are newly employed but no more than the average of one monthly salary per employee in the country
4. The exemption from payment of contributions over a period of 24 months after acquiring the status of a social enterprise for the beneficiaries, in accordance with the proposed Law that are newly employed but no more than the average of one monthly salary per employee in the country
5. Exemption from payment of income tax and all profit taxes

It is perhaps interesting to mention that the new Law proposes financial support for job creation, purchase of equipment, instruments, apparatus, spare parts, tools and materials - within the support is envisaged to be offered via a *Special Fund for Social Enterprises* which should be set up under the Employment Agency. Those social enterprises that will create job opportunities for disabled persons will have access to the Special Fund for providing conditions for employment and work of disabled persons.

Within the *Special Fund*, the Employment Agency will be able to **award non returnable grants** to:

1. cover the costs of food and transportation for beneficiaries in accordance with this law, involved in retraining and qualification and training-on-the-job for a period not exceeding 180 days
2. payment of salaries - the amount and time frame for payment of salaries is still under discussion, together with the Employment Agency



UNIVERSITY SE WEEK & YOUTH INTERNSHIP PROGRAMME

The Project Team organized a series of University Days aiming at the promotion of social entrepreneurship amongst youth. Two Universities from Skopje and one from Bitola/Prilep participated in the SE Week as supporting project partners. More than 180 students were reached. Students were informed about the Internship & Scholarship opportunities within selected Social Enterprises. During the meetings the following social enterprises were presented: Mislal, Ljubeznost, Astarta, Arno, Albiz Foundation, Soce, Solem, Aid for Handicapped and Poor as well as Youth organizations such as SEGA, American Corner, and Peace Corps including the following high schools: Korcagin High School and Lazar Tasev Gastronomic School.



Students were additionally encouraged to consider the relevance of social inclusion with regards to the socially marginalized groups - should they manage to develop their own SE business ideas, they will be socially responsible employers who will value the concept of social economy and will subsequently promote corporate responsibility and active citizenship in their social integration.



- **SE Day 1** - South-East European University, Skopje, 22 May 2017 (25 participants)
- **SE Day 2** - "St.Kliment Ohridski" Bitola University, Faculty of Economics, Prilep, 23 May 2017 (41 participants)
- **SE Day 3** - "St. Cyril and Methodius" University, Faculty of Philosophy, Skopje, 25 May 2017 (114 participants)

EMPOWERMENT PROGRAMME FOR SOCIAL ENTERPRISES

The Project Team envisages empowerment of social enterprises in the country by offering technical support, capacity building and study visit opportunities for the purposes of learning various facets of running a social enterprise. In total, 12 selected social enterprises are supported by a team of national and international consultants who will transfer knowledge and know-how regarding business plan design, financial and legal aspects of implementing social enterprise ideas and offering mentorships for youth. The SE representatives will be prepared to serve as mentors for students who will follow internships and to other parties interested in setting up a social enterprise. Additionally, the SEs will be linked with financial institutions or donors for financial support opportunities. The Project Team values the support of various Embassies, financial institutions, legal and financial experts in the empowerment process.

CAN SOCIAL ENTERPRISES BRING SOCIAL CHANGE?

Yes, they can!

We are presenting you the 12 selected social enterprises that are a part of our capacity building and empowerment programme and that with their project activities and social entrepreneurship ideas are already contributing to gradual social changes:

Support for socially marginalized, poor families and physically challenged individuals - *Assistance to the Poor and Handicapped* contributes to improving the quality of life for the marginalized and vulnerable groups of people with special needs in the country, aiming at improvement of their social and economic conditions". <https://ahpmk.wordpress.com>

Employment opportunities for women via home care services - *Red Cross* works on creating an Agency for home care services for elderly people. The specific objective is to increase the employment potential of the long-term unemployed women over 40 years old who will receive cost free professional training in providing home help services for elderly people. <http://ckrm.org.mk>

Youth empowerment and employment - *Arno* believes in assisting culinary schools' pupils in finding their future jobs. ARNO plans to use a mobile truck for selling street fast food. www.arno.org.mk

Assistance to persons with mental challenges - *Solem* organises empowerment and educational programmes and so supports persons with mental challenges. Solem promotes "Handicraft4U" whereby people with challenges will be producing various home & office supply products. www.handicraft4u.com.mk; www.solem.org.mk

Creating jobs for homeless persons - *Kindness* plans to establish a Centre for Social and Professional Reintegration by assisting homeless persons on their way towards social inclusion. Currently, they organise humanitarian assistance based on the principle "citizens for citizens". www.ljubeznost.mk

Support to persons with mental challenges - *Mislal* develops their SE concept via artists' management, events organizing and marketing. With their mission, they want to support socially marginalized groups (persons with mental challenges). Their economic activities will connect web platforms for artists, organising events, advertisements (billboards etc.). association.mislal@gmail.com

Stop food waste! - *Food Bank* collects and distributes food for the socially deprived categories of people. The Food Bank is trying to change laws on food disposal so there is no food waste in the country. Their idea is to work on healthy food production and selling greens. <https://www.facebook.com/MKFoodBank>

Prenatal care for women and babies / parental empowerment - *Women's Centre, Astarta* contributes to holistic education of future mothers. In other words, they aim at preparing and educating women for their prenatal and postnatal baby and self-care via yoga activities, breastfeeding and early parenthood workshops etc. <https://www.facebook.com/astartacenter>

Jobs for youth via education & sports - *Albiz Foundation* was founded by private companies as a model for philanthropy and social and corporate responsibility. Albiz works on culture and art issues. A part of their focus is to educate young people so they can easier find jobs in the future. www.albiz.org.mk

Culture & crafts in service of employment opportunities - *Kulturna Riznica* gathers various artists who create arts and crafts based on national tradition, using natural and traditional materials. Their social mission is to preserve cultural heritage but at the same time provide job opportunities, with the hope to provide sustainable solutions. <http://www.kulturnariznica.mk>

Roma community empowerment & employment opportunities - *Soce* is a Roma Association assisting Roma families in their social integration. Their idea is to integrate Roma individuals into the job market by offering services to hotels and restaurants. <http://soce.org.mk/wp>

Active citizenship / supporting youth employment opportunities - *Forum 16, Bitola* works on the principles of active citizenship and motivates citizens to participate through educational, cultural, sport and art projects. Forum 16 wants to open a "FusionLab", a place where CSOs, freelancers, companies would have the opportunities to meet, work and exchange ideas. www.forum16.eu

UPCOMING EVENTS

- Finalization of the SE Law - June 2017
- Capacity building workshop on legal issues for the selected SEs - 16 June
- Mentoring workshop for the selected SEs - end of June
- Coaching sessions for social enterprises, local municipalities and representatives of public institutions
- Internship & Scholarship Programme for Students - July-September 2017
- SE promotion conference - September / October 2017

CONTACT

Contact persons:
Mrs. Barbara Sadowska
Project Team Leader
e-mail: sadowscy@barka.org.pl

Mrs. Slavka Zerajik
Project Team Assistant
e-mail: socentremk@eptisa.com

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