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EUROPEAN SOCIAL ENTERPRISE MONITOR — 2026 EDITION

North Macedonia

Country Report

Researched with the Association for Development of New Options (ARNO)

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EUROPEAN SOCIAL ENTERPRISE MONITOR 2026

NORTH MACEDONIA NATIONAL REPORT

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ACKNOWLEDGEMENTS AND DISCLAIMERS

This report utilises data collected as part of the European Social Enterprise Monitor Project. This project is led by Euclid Network with the support of the European Commission and partners from across Europe.

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EXECUTIVE SUMMARY

This report presents the findings of the European Social Enterprise Monitor (ESEM) 2026 survey for North Macedonia. The data was collected through a survey of 53 social enterprises between 14 April and 13 August 2026. This document provides an overview of the social enterprise landscape in North Macedonia.
Note: The ESEM survey is not a census. The 53 respondents represent a self-selected sample. The findings should be interpreted as indicative rather than definitive.

Key Findings

- The survey collected responses from 53 social enterprises, with a median age of 5 years and a notable increase in establishments after the COVID-19 period
- The largest groups operate in social services and as final makers, with a focus on education, civic engagement, and food production
- Environmental impact and inclusion are the top priority impact areas, with circular economy and youth engagement as key sub-themes
- Respondents reported 362 people working across the 53 surveyed enterprises. Of these, 259 are paid positions, and 153 of the paid positions are full-time.
- 40% of enterprises reported no income in the last financial year
- Median income among those with income was €23,660
- Access to finance is the most significant barrier, followed by limited public awareness and adverse economic conditions
- Political support at national, regional, and municipal levels is perceived as very low (median scores of 10, 15, and 10 out of 100 respectively)
- 87.5% of enterprises (42 of the 48 respondents to this question) lack external verification or certification.
- 92.5% of enterprises are driven primarily by a social or environmental purpose

Recommendations

- Establish a dedicated legal status for social enterprises
- Develop tailored financial instruments
- Launch a national awareness campaign
- Strengthen umbrella organizations and networks

1. INTRODUCTION

Social enterprises in the Republic of North Macedonia have development potential, with an increasing number of organizations addressing social and environmental challenges through sustainable business models. While the sector holds significant promise for inclusive economic development, its growth has been constrained by the lack of a dedicated legal framework, limited access to finance, and weak institutional support.

This document serves as the North Macedonia National Report, developed under the European Social Enterprise Monitor (ESEM) research project.

Note on independence: ARNO – Association for Development of New Options is the ESEM national partner for North Macedonia. ARNO also operates support programs for social enterprises and is named in this report as a support organization. This dual role is disclosed here for transparency.

1.1 Data Collection and Methodology

The data for North Macedonia was collected between April and August 2026, yielding 53 eligible responses from social enterprises across the country. This is the first time that North Macedonia has participated in the ESEM survey.

The survey was promoted through national networks, including ARNO, Youth Alliance - Krusevo, Good Market, the Ministry of Social Policy, Demography and Youth, the Agency for Innovation, Scientific and Technological Development and Entrepreneurship "INOVA", the Association for Research, Communications and Development "Public", Konekt Association, and Business Impact Lab.

North Macedonia's participation in the ESEM survey was announced in April 2026 through a press release, and the survey was promoted through partner networks and social media.

Note on sampling: Outreach was conducted partly through ARNO's alumni networks and partner organizations. This introduces a sampling bias, as enterprises connected to these networks may be overrepresented.

Responses were cleaned according to the standard ESEM procedure, including removal of incomplete and duplicate responses.

1.2 Data Limitations

The 53 enterprises represented in this survey may not account for every social enterprise in the country. The ARNO Baseline Study (2022) identified 57 social enterprises. These are two different samples collected four years apart and should be treated as reference points rather than a single time series.

The absence of a unified legal definition or institutional registry makes it difficult to track the sector's evolution or measure its real size.

The dataset reflects a self-selected group of respondents. Due to the lack of a unified legal definition, some organizations included in the sample may not fully align with the definitions of 'social enterprise' used in other European countries. Conversely, some enterprises that would qualify may not have completed the survey.

Missing flagship examples: Several established social enterprises did not complete the survey, including a work-integration enterprise employing persons with disabilities, an NGO-run second-hand store, and a rural enterprise.

Misclassification: Some respondents did not correctly identify their structural categories.

Underreporting: Many participants provided minimal details, potentially understating their activities and impact.

This is the first time that North Macedonia has participated in the ESEM survey, making the 2026 dataset the first internationally comparable dataset on the sector.

1.3 Overview of the ESEM Project

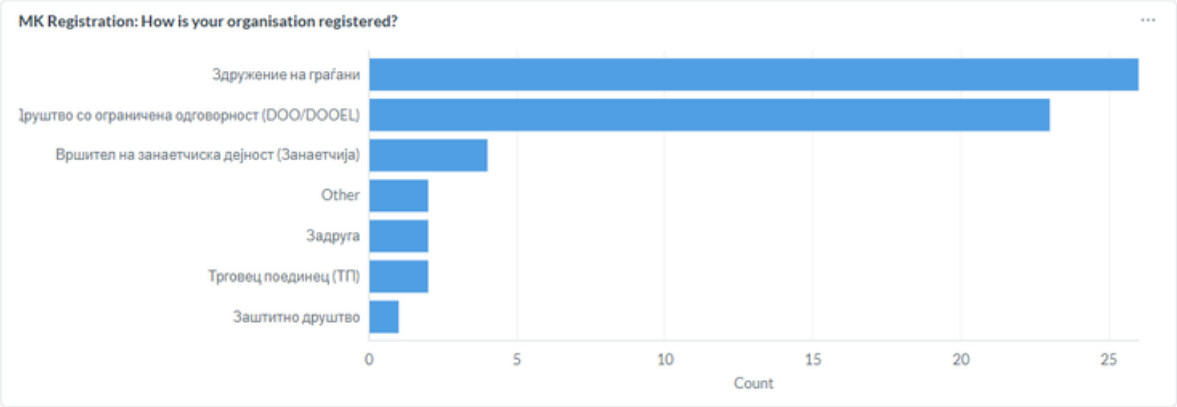
The ESEM is promoted by Euclid Network, the project consortium, and over 200 national and international outreach partners. ESEM targets social enterprises located in participating European countries. The study is supported by the European Commission and other partners.

2. ESEM SOCIAL ENTERPRISE CHARACTERISTICS

2.1 Registration and Legal Forms

The ESEM 2026 survey identified 53 social enterprises operating in North Macedonia. Most are registered either as Citizens' Associations (26 enterprises) or as limited liability companies (23 enterprises). Other legal forms include craftsmen (4), other (2), cooperatives (2), sole traders (2), and protective companies (1).

Note: Enterprises could report more than one legal form; the counts represent all reported forms.



Source: ESEM 2026 – North Macedonia

This split indicates a dual nature in the sector. The absence of a specific legal form for social enterprises demonstrates a gap in the legal framework. While cooperatives exist as a separate legal form, they remain significantly underrepresented — only 2 of the 53 surveyed enterprises are registered as cooperatives.

The 2022 ARNO Baseline Study found a different distribution: 59% of social enterprises were registered as civil society organizations and 37% as small enterprises.

2.2 Business Models

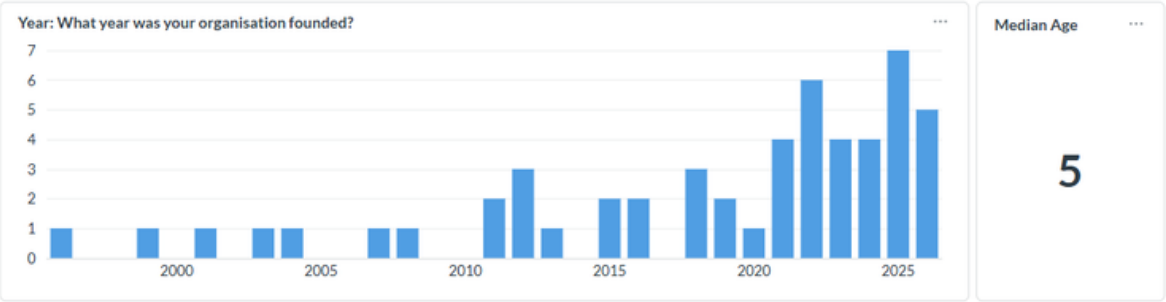
Social enterprises in North Macedonia exhibit significant diversity in their business models, spanning services, production, and agriculture. The ESEM 2026 data shows that social services and final makers are the dominant sectors.

This heterogeneity is a strength, suggesting the sector can adapt to various market needs, but also a challenge for policymakers who must design flexible support mechanisms.

2.3 Year Founded

The median age of social enterprises in North Macedonia is 5 years. As shown in the figure below, 1 enterprise was founded in 2020, 4 in 2021, 6 in 2022, and 4 in 2023. Exactly 30 of the 53 surveyed enterprises were founded between 2021 and 2026, indicating a notable increase in establishments after the COVID-19 period.

The Social Enterprise Barometer (2025) notes that "recent progress includes the establishment of a dedicated inter-sectoral Working Group on Social Entrepreneurship (2021-2023), supported by the EU-funded 'Support to Social Enterprises' project."



Source: ESEM 2026 – North Macedonia

2.4 Sector

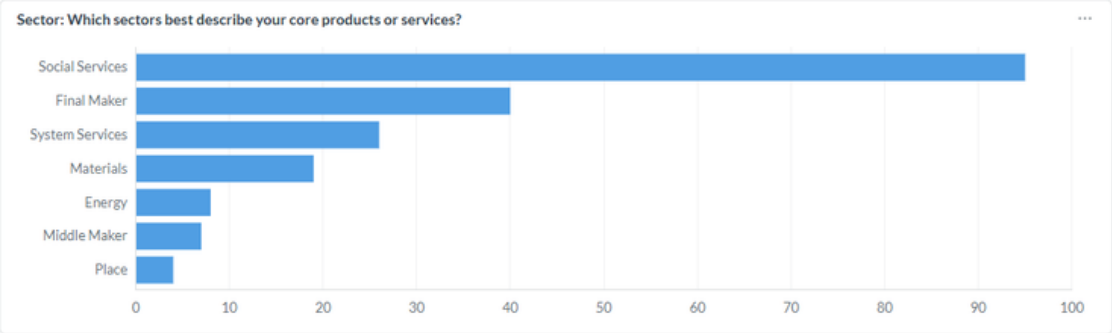
The ESEM survey asked respondents to identify which sectors best describe their core products or services.

Sector definitions:

- Energy: renewable energy supply, storage, distribution, and efficiency
- Materials: production, harvest, extraction, or recycling of primary materials
- Middle Maker: transform materials and provide products to other enterprises
- Final Maker: transform materials and provide products directly to end users
- System Services: facilitate the flow of information, people, goods, services, and capital
- Social Services: focus on the wellbeing or development of individuals or groups
- Place: care for, develop, or manage a physical area of land, water, or space

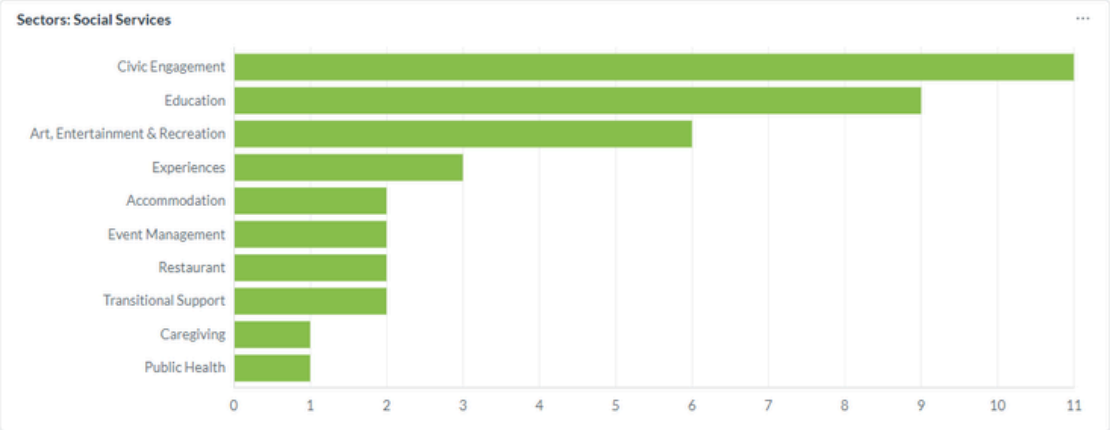
Sector Analysis

Social Services dominate the sector, representing the largest share of enterprises.



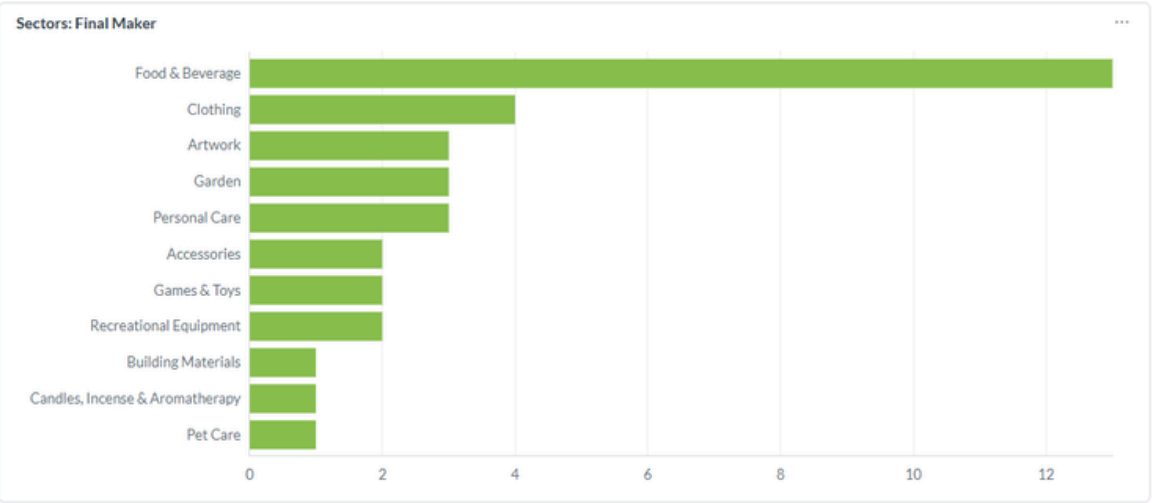
Source: ESEM 2026 – North Macedonia

Within social services, civic engagement (11), education (9), and arts/recreation (6) are the most common sub-sectors.



Source: ESEM 2026 – North Macedonia

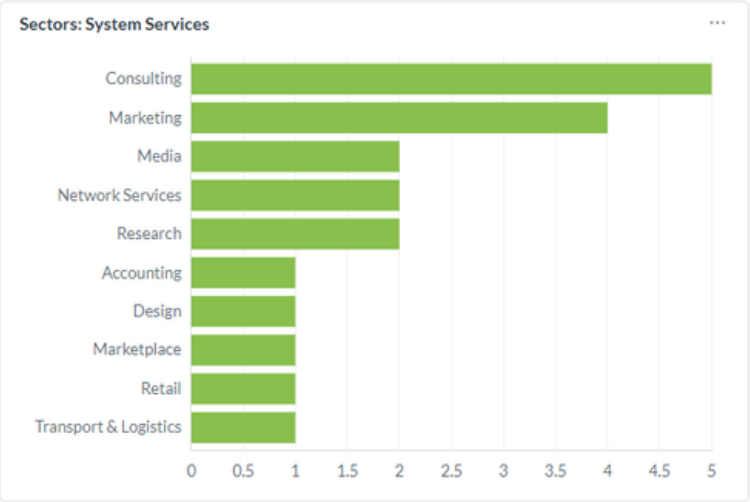
Final Makers represent the second largest category, with food and beverages (13) being the dominant sub-sector, followed by clothing (4) and artwork (3).

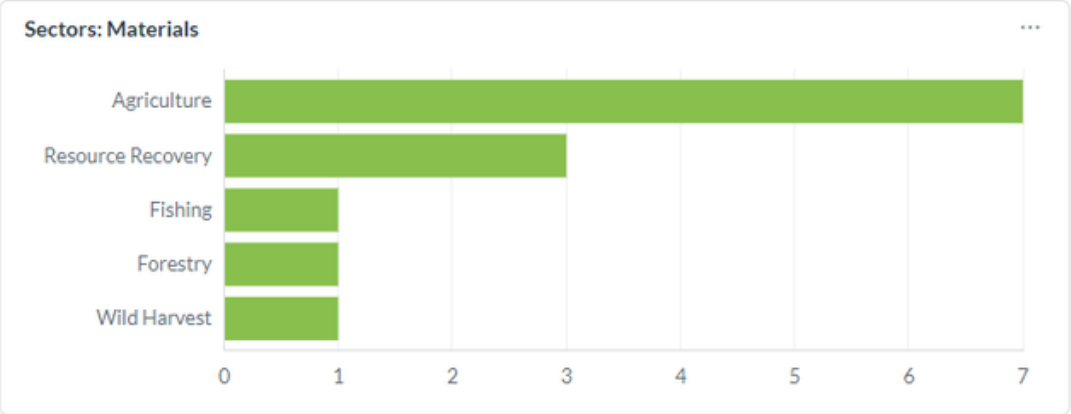


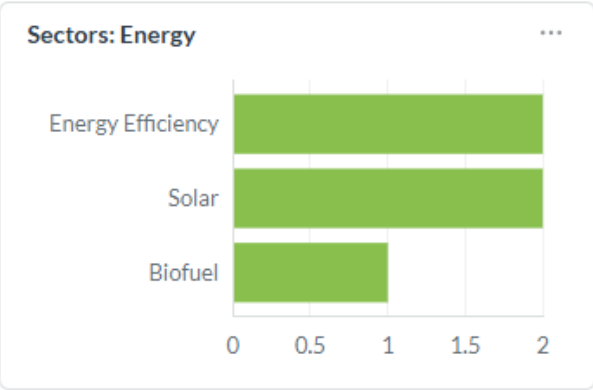
Source: ESEM 2026 – North Macedonia

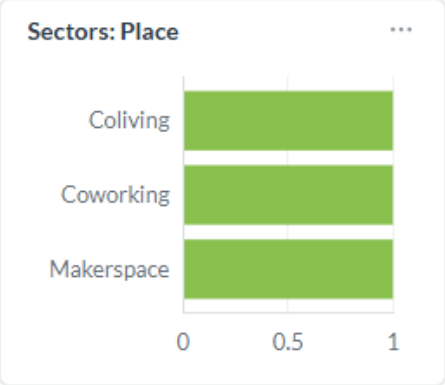
Note: Respondents could select multiple options. The counts represent total selections, not the number of enterprises.

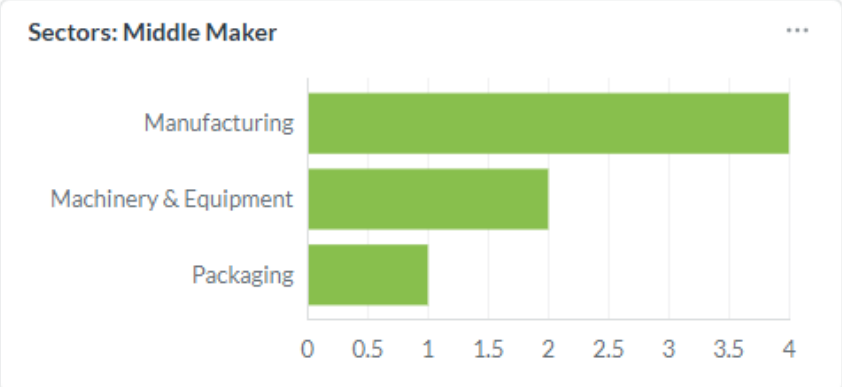
Other sectors:







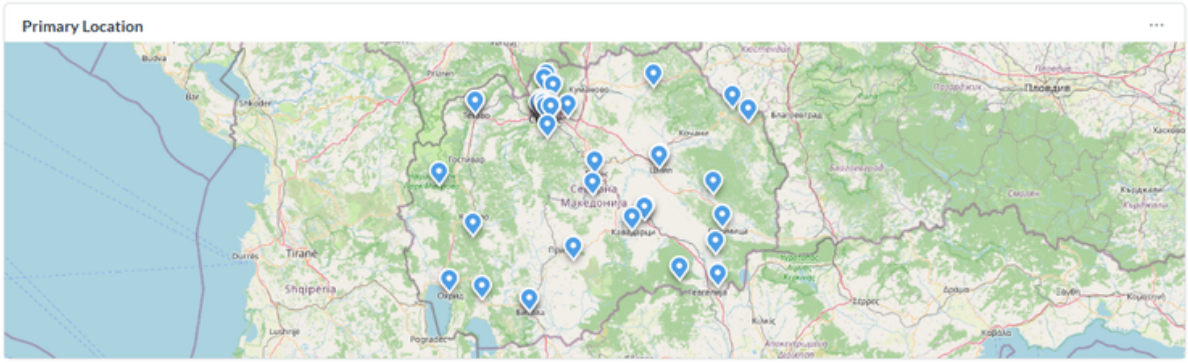




Source: ESEM 2026 – North Macedonia

2.5 Location

Social enterprises in North Macedonia are concentrated in Skopje and the Skopje region. The 2022 ARNO Baseline Study found that 44% of social enterprises were located in the Skopje region. The ESEM 2026 map indicates that the sector appears concentrated in the Skopje region.



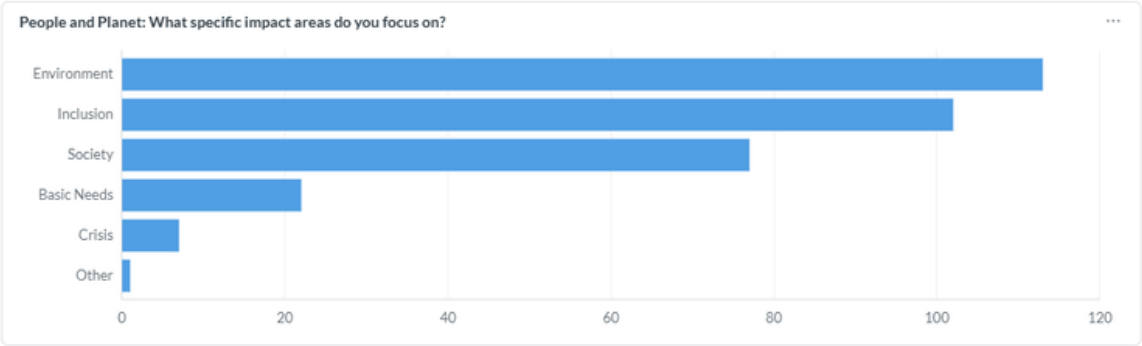
Source: ESEM 2026 – North Macedonia

Note: The MCMS Civil Society Report (2026) notes that 44.6% of all active civil society organizations are headquartered in the Skopje region.

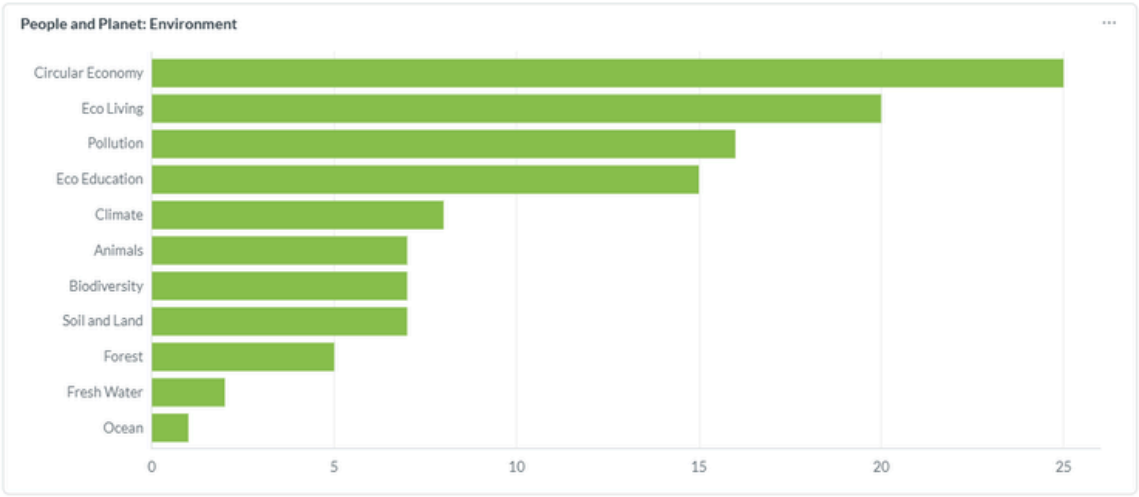
3. SOCIAL & ENVIRONMENTAL IMPACT

3.1 Impact Areas

The ESEM survey reveals that Environment and Inclusion emerge as the two most significant priority impact areas for Macedonian social enterprises.



Source: ESEM 2026 – North Macedonia



Source: ESEM 2026 – North Macedonia

Note: Respondents could select multiple impact areas.

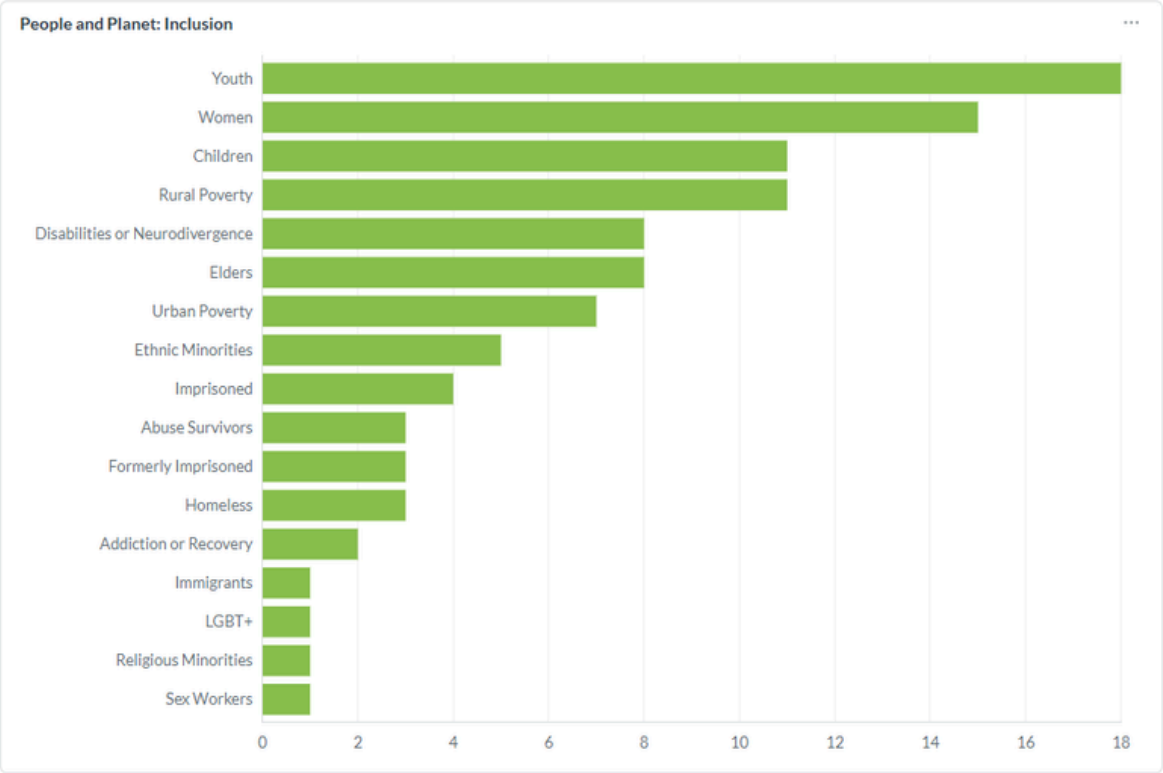
Environmental Impact

Circular Economy is the most frequently selected environmental theme (25 selections), while Youth (18) and Women (15) lead the inclusion priorities.

This aligns with findings from the 2022 ARNO Baseline Study, which found that 14% of mapped social enterprises were engaged in environmental protection, organic production, and waste management. The Social Enterprise Barometer (2025) also highlights initiatives such as ARNO's Green Ideas Competition (Youth Alliance, 2025).

Inclusion

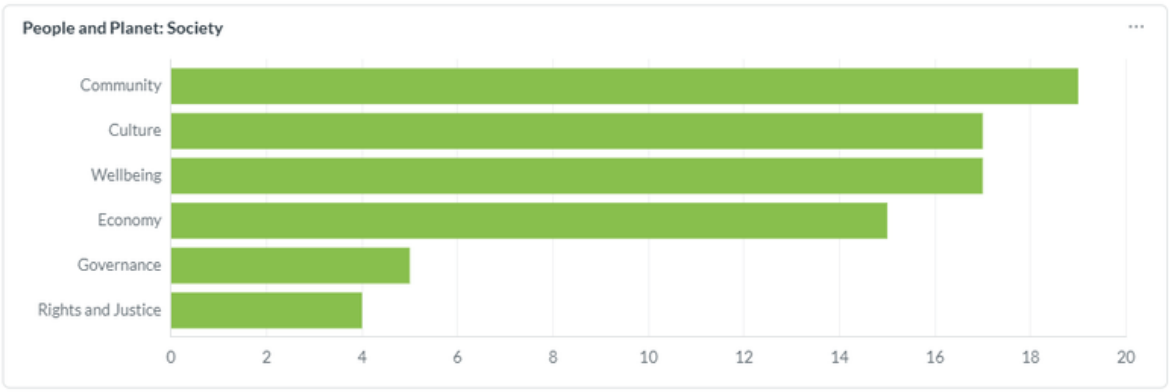
Within the inclusion category, the focus is on 'Youth' and 'Women.'



Source: ESEM 2026 – North Macedonia

Consistent with these findings, the 2022 ARNO Baseline Study found that 91.5% of social enterprises with employees employed youth from vulnerable categories.

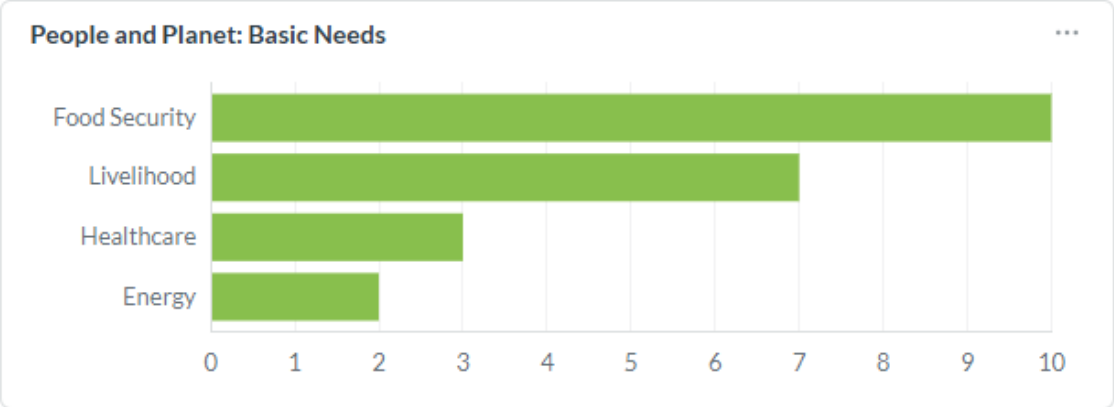
Society



Source: ESEM 2026 – North Macedonia

Basic Needs

Food security is the top priority within basic needs.



Source: ESEM 2026 – North Macedonia

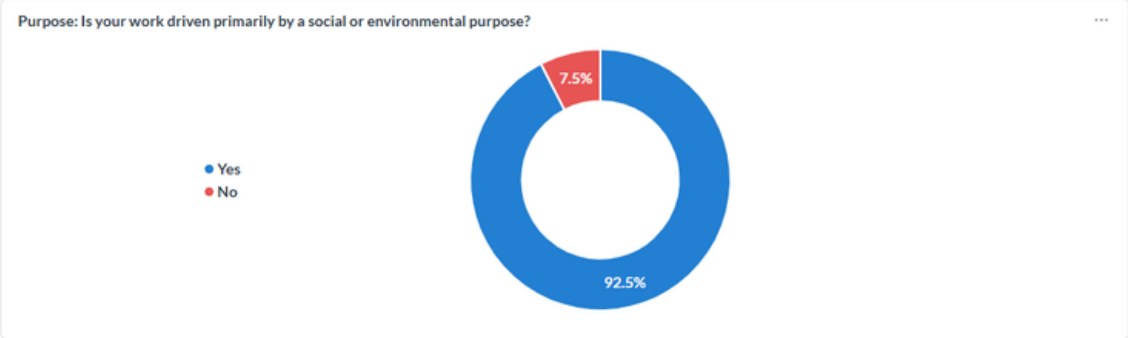
Crisis



Source: ESEM 2026 – North Macedonia

3.2 Purpose-Driven Mission

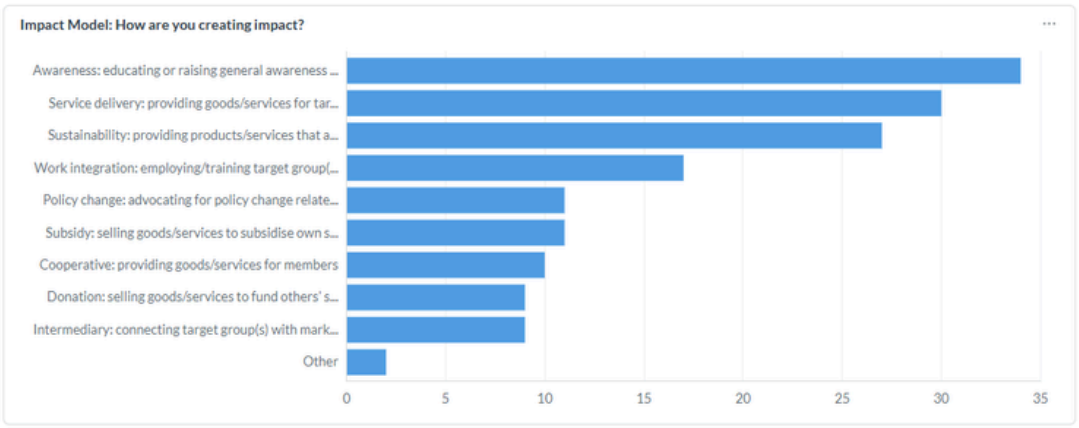
The survey confirms that social enterprises in North Macedonia are overwhelmingly driven by mission. 92.5% of enterprises indicated that their work is driven primarily by a social or environmental purpose.



Source: ESEM 2026 – North Macedonia

3.3 Impact Models

Social enterprises create impact through multiple mechanisms. The most frequent is awareness-raising and education, followed by delivery of products and services.



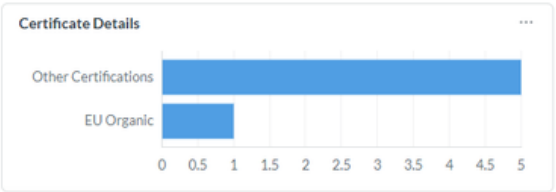
Source: ESEM 2026 – North Macedonia

3.4 Certification

A significant gap exists in external verification and third-party certification. Among the 48 enterprises that answered this question, 87.5% (42 enterprises) lack any form of certification, while only 6 hold one. This undermines the credibility, transparency, and competitiveness of the sector.

Of the 6 certified enterprises, 5 hold 'Other' certifications and 1 holds EU Organic (enterprises could report more than one).





Source: ESEM 2026 – North Macedonia

4. PEOPLE & GOVERNANCE

4.1 Employment Overview

Respondents reported 362 people working in the surveyed social enterprises. Of these:

- 259 are paid positions (including 153 full-time positions), and 103 are unpaid.

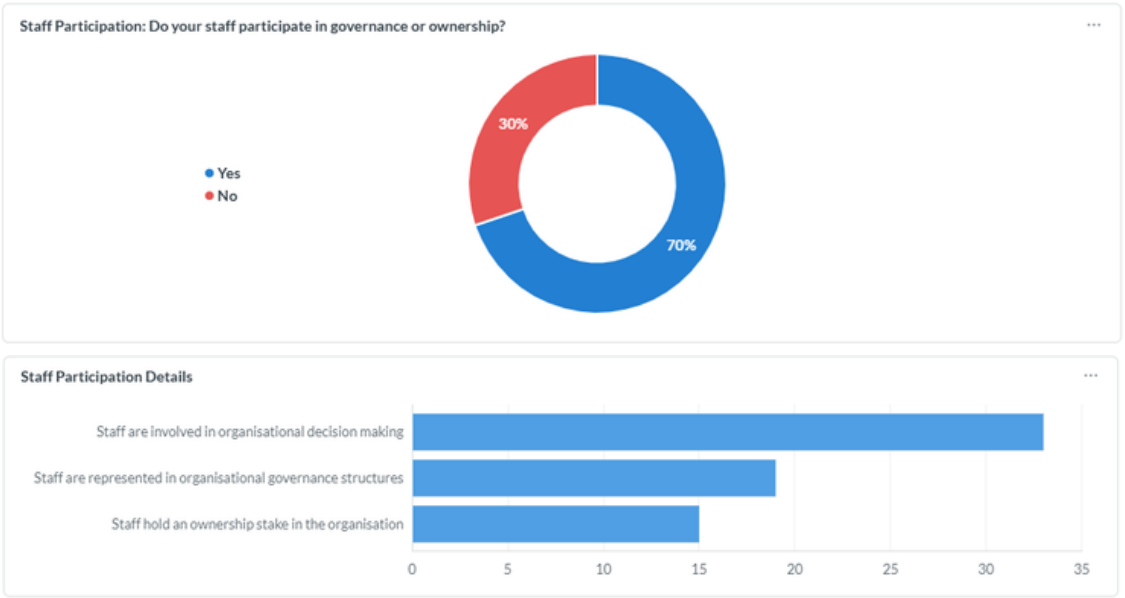
- Median number of jobs per enterprise: 3
- Median paid jobs: 2
- Median full-time jobs: 1



Source: ESEM 2026 – North Macedonia

4.2 Staff and Beneficiary Participation

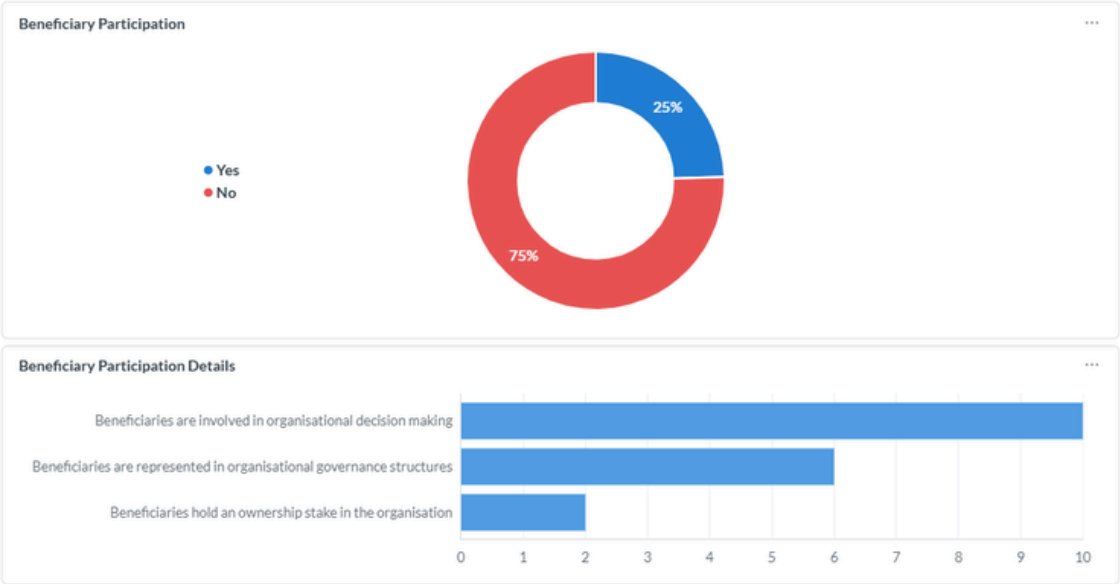
Staff participation: 70% of enterprises report that staff participate in governance or ownership.



Source: ESEM 2026 – North Macedonia

The most common forms are involvement in organizational decision making (33 enterprises), representation in governance structures (19), and ownership stakes (15).

Beneficiary participation: 25% of enterprises report that beneficiaries participate in governance or ownership.
The most common forms are involvement in organizational decision-making (10 enterprises), representation in governance structures (6), and ownership stakes (2).



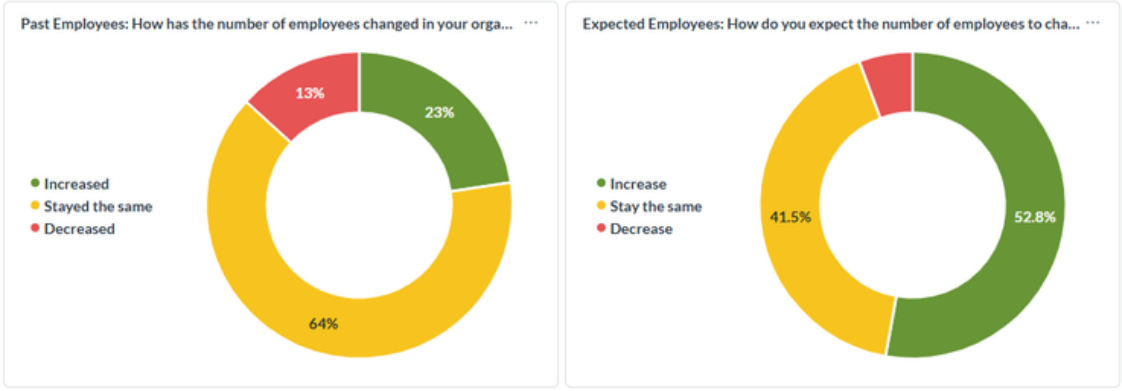
Source: ESEM 2026 – North Macedonia

4.3 Employment Stability

Regarding employment trends: 23% of enterprises reported an increase in employees over the past financial year; 64% reported that employee numbers stayed the same;13% reported a decrease.

This high percentage of stability (64%) is a positive indicator in a fragile sector.

Looking ahead: 52.8% expect to increase employment in the coming year; 41.5% expect numbers to stay the same; 5.7% expect a decrease

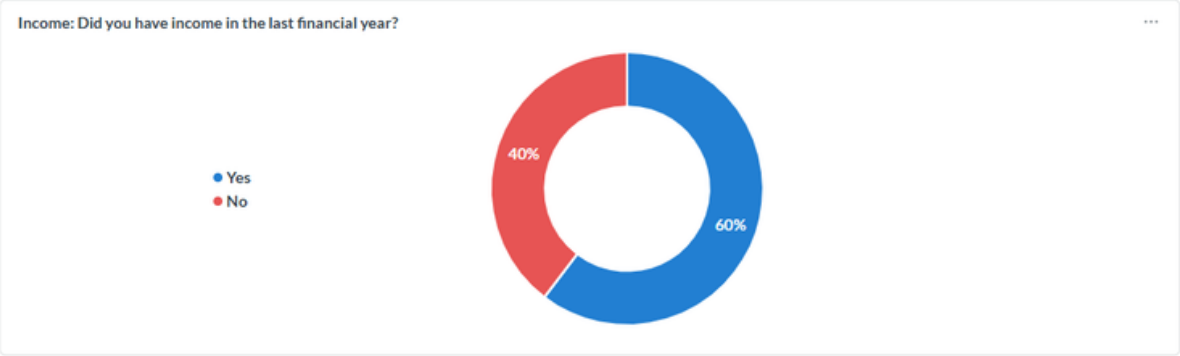


Source: ESEM 2026 – North Macedonia

5. FINANCING & OPERATIONS

5.1 Income Overview

40% of all 53 surveyed enterprises (21 enterprises) reported no income in the last financial year, while 60% (32 enterprises) reported income.
The maximum reported income (€902,355) accounts for approximately 42% of the total income reported across all 53 enterprises.



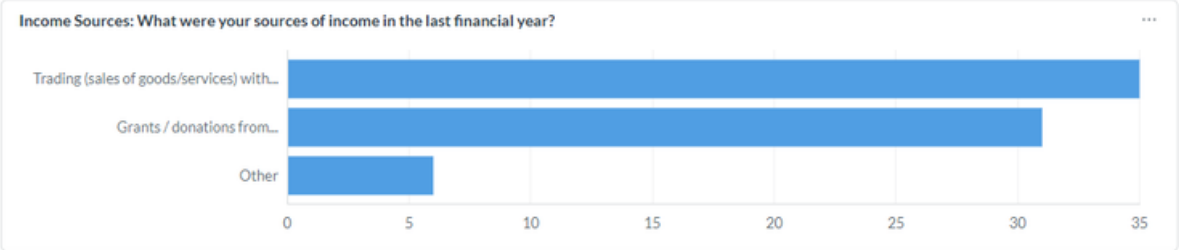
Source: ESEM 2026 – North Macedonia

Among those with income:

- Minimum income: €20
- Maximum income: €902,355
- Median income: €23,660
- Total income (all 53 enterprises): €2,127,465

Income Sources

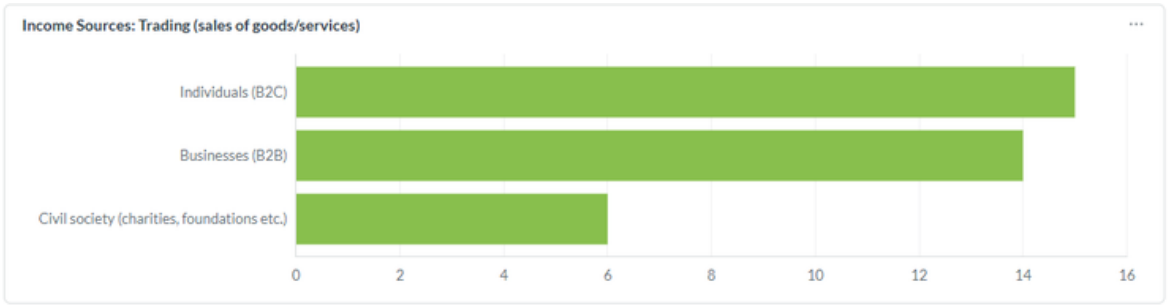
Respondents could select multiple income sources; the counts represent the number of enterprises reporting each source, not the number with income.



Source: ESEM 2026 – North Macedonia

Note: All 53 respondents were asked to identify their income sources, including those who reported no income. Therefore, the total selections (e.g., 35 for trading) exceed the 32 enterprises that actually generated income

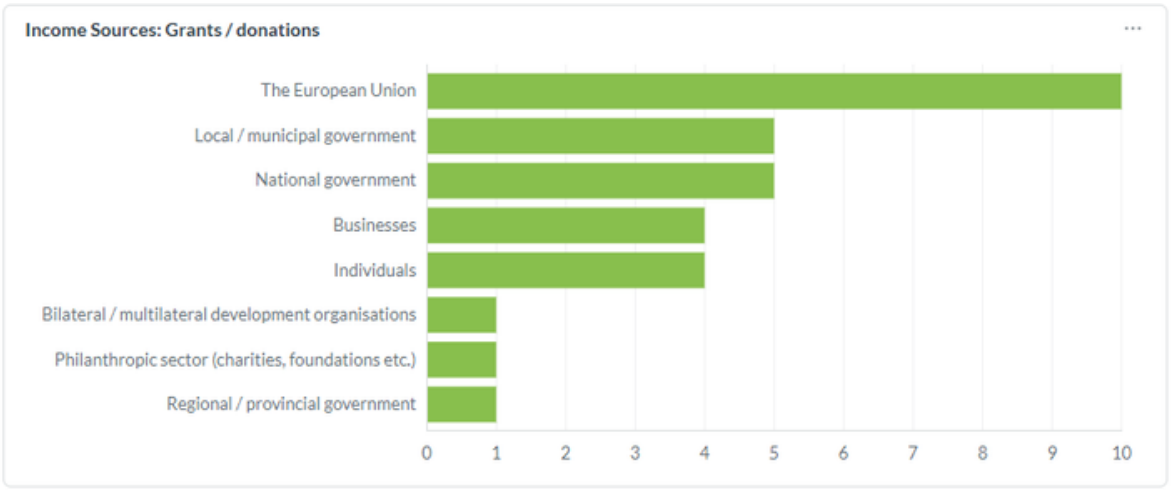
Trading breakdown:



Source: ESEM 2026 – North Macedonia

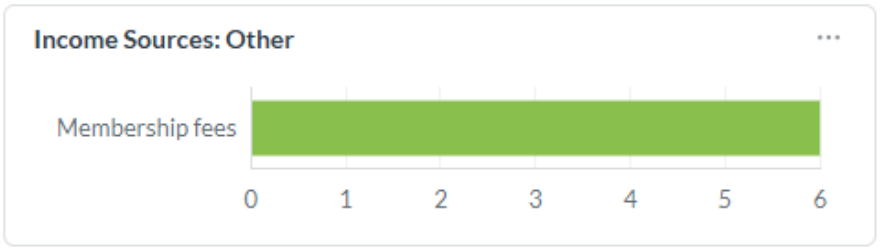
Trading patterns are split almost evenly between selling directly to individuals (B2C, 15 selections) and selling to businesses (B2B, 14 selections).

Grants/donations breakdown:



Source: ESEM 2026 – North Macedonia

Other sources: Membership fees



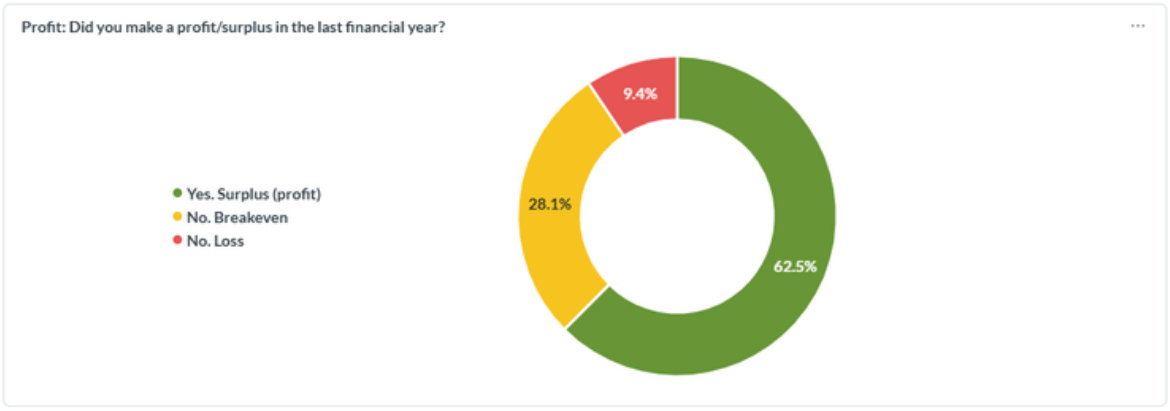
Source: ESEM 2026 – North Macedonia

The 2022 ARNO Baseline Study found that among the 30 social enterprises that provided financial data, half had generated less than €5,000 in revenue from economic activity over the previous three years.

5.2 Profitability

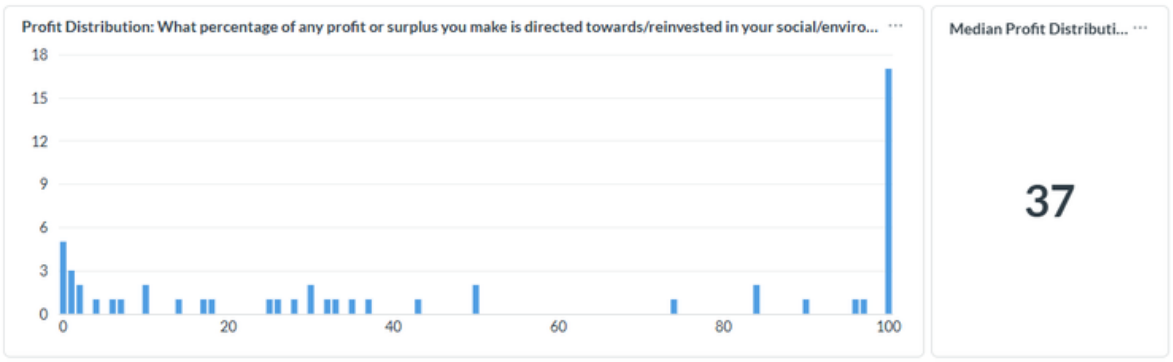
Among the 32 enterprises that reported income:

- 62.5% reported a profit (20 enterprises)
- 28.1% broke even (9 enterprises)
- 9.4% reported a loss (3 enterprises)



Source: ESEM 2026 – North Macedonia

Among the respondents to this question, the median percentage of profit directed towards or reinvested in a social or environmental purpose is 37%



Source: ESEM 2026 – North Macedonia

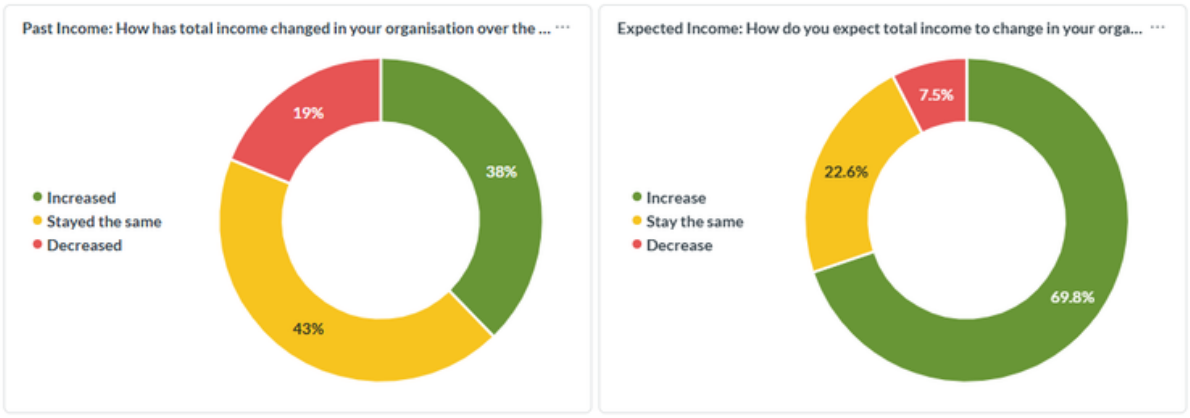
5.3 Income Trends

Past income:

- 38% reported an increase
- 43% reported that income stayed the same
- 19% reported a decrease

Expected income:

- 69.8% expect an increase
- 22.6% expect income to stay the same
- 7.5% expect a decrease

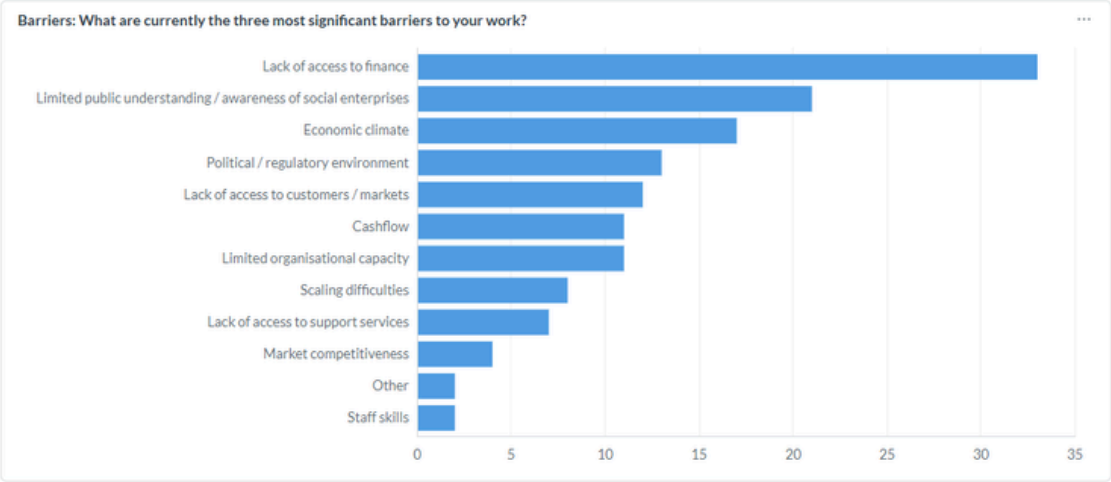


Source: ESEM 2026 – North Macedonia

6. BARRIERS & SUPPORT

6.1 Barriers

The ESEM survey identifies Access to Finance as the most significant barrier to the development and growth of social enterprises.



Source: ESEM 2026 – North Macedonia

Rank	Barrier	Count
1	Lack of access to finance	33
2	Limited public understanding / awareness	21
3	Economic climate	17
4	Political / regulatory environment	13
5	Lack of access to customers / markets	12
6	Cashflow	11
6	Limited organizational capacity	11
6	Scaling difficulties	8
6	Lack of access to support services	7
6	Market competitiveness	4

6.2 Political Support

On a scale of 0–100 (where 100 represents strong support), the median perceived political support is:

- Median national support: 10
- Median regional support: 15
- Median municipal support: 10

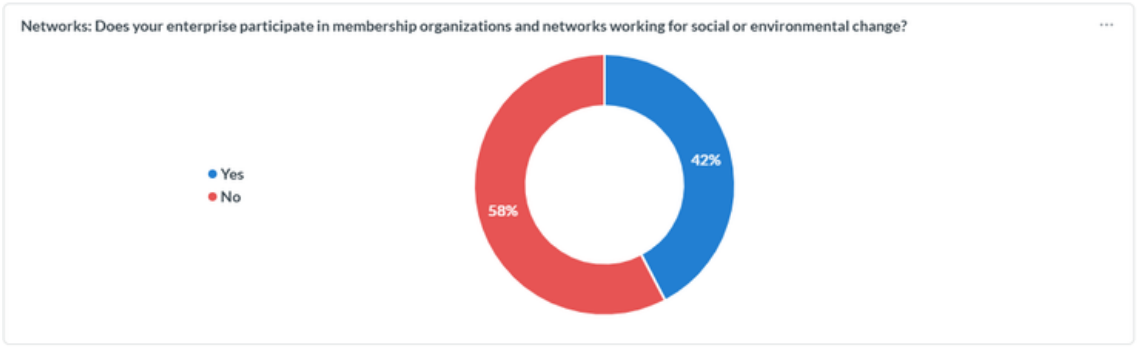


Source: ESEM 2026 – North Macedonia

These low scores indicate a weak enabling policy environment. The Social Enterprise Barometer (2025) notes that North Macedonia continues to operate without an enacted law that formally regulates social enterprises (Youth Alliance, 2025). The draft Law on Social Enterprises, submitted to the government procedure in December 2025 (Влада на Република Северна Македонија, 2025), has not yet been adopted.

6.3 Networks

42% of enterprises participate in membership organizations and networks, while 58% do not.



Source: ESEM 2026 – North Macedonia

The Social Enterprise Barometer (2025) cautions that networks in North Macedonia are often project-based and disband after funding ends (Youth Alliance, 2025).

7. CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions

The European Social Enterprise Monitor 2026 survey for North Macedonia, read together with the ARNO Baseline Study (2022), the Social Enterprise Barometer (2025), the OECD SME Policy Index (2026), and the MCMS Civil Society Report (2026), describes a social enterprise sector that is emerging but fragile.

Key Conclusions:

1. A Young Sector: The survey identified 53 social enterprises with a median age of 5 years.
2. Mission-Driven but Undercapitalized: 92.5% of enterprises are driven primarily by social or environmental purpose. However, 87.5% (42 of 48)lack external certification, and 40% reported no income in the last financial year.
3. Concentrated in Skopje: The sector is concentrated in the capital region, consistent with the 2022 ARNO Baseline Study and the MCMS Civil Society Report.
4. Policy Vacuum: Perceived political support at national, regional, and municipal levels is very low. There is no dedicated Law on Social Enterprises.
5. Networks Limited: 42% of enterprises participate in networks, while 58% do not.
6. Income Optimism: 69.8% of enterprises expect their income to increase in the coming year.

7.2 Recommendations

Based on the findings of this report, the following recommendations are made.

Policy and Legal Framework:

- Adopt a dedicated Law on Social Enterprises: The draft law currently in government procedure should be prioritized for adoption (OECD, 2026).
- Establish a clear legal status or registration framework (OECD, 2026).

Access to Finance:

- Develop tailored financial instruments: The 40% of enterprises reporting no income, alongside access to finance being the top barrier (selected by 33 of 53 respondents), highlights an urgent need for tailored micro-loans and patient capital suited to the hybrid nature of social enterprises.

Awareness and Market Development:

- Launch a national awareness campaign: Limited public understanding was identified as the second most significant barrier.
- Create a national certification system: 87.5% of enterprises lack certification. Establish a formal government-endorsed certification and labeling system (OECD, 2026; Youth Alliance, 2025).

Strengthening Networks and Collective Voice:

- Strengthen umbrella organizations and networks: 58% of enterprises are outside networks.

Final Reflection:

The ESEM 2026 survey provides the first internationally comparable data on social enterprises in North Macedonia. The evidence points to a sector that is young and mission-driven, but constrained by limited access to finance, weak policy support, and limited network participation. Addressing these constraints will require coordinated action by public institutions, support organizations, funders, and social enterprises themselves.

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