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SOCIAL ENTERPRISES IN BULGARIA EMPRESAS DEL ÁMBITO SOCIAL EN BULGARIA

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Abstract

The social economy is part of the economy whose main purpose is to improve the quality of life of vulnerable groups or the implementation of social missions. In modern European context, the social economy is an established and integral part of the social environment and social protection networks, which generates and combines successfully the economic profitability and social solidarity. Social entrepreneurship is a different kind of economic activity, which combines and balances social and economic goals. The development of social entrepreneurship is one of the main objectives of the EU strategy for growth "Europe 2020", as it would have to contribute to an intelligent and sustainable growth and at the same time, to reduce poverty and social exclusion. The social enterprise differs significantly from both traditional business organisation and charitable organisations. Social enterprises combine their ideal goal with a long-term business model. The establishment and operation of social enterprises derive a number of important economic and social effects. In this context the main objective of this article is to make an analysis and assessment of the status and the development of social enterprises in Bulgaria. The main research methods are used herein the method of comparison; the graphic method; an index method, SWOT analysis.

Keywords

Social economy – Social entrepreneurship – Social enterprises – State – Development

Resumen

La economía social es parte de la economía cuyo objetivo principal es mejorar la calidad de vida de los grupos vulnerables o la implementación de misiones sociales. En el contexto europeo moderno, la economía social es una parte establecida e integral del entorno social y las redes de protección social, que genera y combina con éxito la rentabilidad económica y la solidaridad social. El emprendimiento social es un tipo diferente de actividad económica, que combina y equilibra los objetivos sociales y económicos. El desarrollo del espíritu empresarial social es uno de los principales objetivos de la estrategia de la UE para el crecimiento "Europa 2020", ya que debería contribuir a un crecimiento inteligente y sostenible y, al mismo tiempo, reducir la pobreza y la

exclusión social. La empresa social difiere significativamente tanto de la organización empresarial tradicional como de las organizaciones caritativas. Las empresas sociales combinan su objetivo ideal con un modelo de negocio a largo plazo. El establecimiento y el funcionamiento de empresas sociales derivan una serie de importantes efectos económicos y sociales. En este contexto, el objetivo principal de este artículo es hacer un análisis y evaluación del estado y del desarrollo de las empresas sociales en Bulgaria. Los principales métodos de investigación que se utilizan aquí son el método de comparación; el método gráfico; el método de índice y el análisis FODA.

Palabras Claves

Economía social – Emprendimiento social – Empresa social – Estado – Desarrollo

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Introduction

The social economy is part of the economy, sometimes referred to as the third sector (the other two are private sector and public sector). The social economy is increasingly convinced identified as an autonomous but a multifaceted area of science and practice relating to the quality of life of the people¹. Concepts relating to the social economy permanently enrich their content characteristic on the basis of dynamic processes in the modern economy, analysed as science and practice². Over the last decade, the social economy has become more and more important for the development of the countries³. The social economy is a sector that contributes significantly to the creation of employment, sustainable growth and a more equitable distribution of income and wealth. It is a sector in which it is possible to combine profitability with social inclusion and democratic systems of government, and working together with the public and private sector to achieve consistency between services and needs⁴. Unlike the private sector, where the main purpose of the organisations is profit, in the third sector, the main objective is improving the quality of life of vulnerable groups and social missions. The social economy connects informal with formal economics, unifies communities and smooths economic and social problems⁵. The social economy is both a part of the real economy and part of the civil society, in which physical and/or legal persons, associations of volunteers or other organized entities are engaged in business activities in public benefit and reinvest profits to achieve social goals⁶. The development and implementation of a National Concept for Social Economy⁷ is a continuation of the work of the Ministry of Labor and Social Policy (MLSP) team for complete harmonisation of social policies with the best practices of EU Member States on the basis of the findings and conclusions made in the open method of coordination for the social protection and social inclusion for the application of the flexibility

¹ D. Ivanova, *Deystvashta sotsialna ikonomika pri ogranichenost na resursite: misiya vazmozhna. Sotsialnata ikonomika v usloviya na ogranicheni resursi – teoriya i praktika* (Blagoevgrad: UI “Neofit Rilski” 2017), 11. [In Bulgarian: Иванова, Д. Действаща социална икономика при ограниченост на ресурсите: мисия възможна. Социалната икономика в условия на ограничени ресурси – теория и практика, Благоевград: УИ „Неофит Рилски” 2017, с. 11.]

² V. Krastev and V. Krasteva, *Sotsialnata ikonomika i obrazovaniето v Republika Baltariya. Sotsialnata ikonomika v usloviya na ogranicheni resursi – teoriya i praktika* (Blagoevgrad: UI “Neofit Rilski” 2017), 133. [In Bulgarian: Кръстев, В., Кръстева, Н. Социалната икономика и образованието в Република България. Социалната икономика в условия на ограничени ресурси – теория и практика, Благоевград: УИ „Неофит Рилски” 2017, с. 133.]

³ B. Dimitrova and P. Parvanov, “Profit and Profitability of Private Language Schools in Blagoevgrad”, *International Journal Scientific and Applicative Papers Vol: 19 num 2, XIV th International Scientific Conference “The Power Of Knowledge”*. Agia Triada, Greece (Bitola: Grafoprom, 2017), 787.

⁴ M. Kicheva, *Sotsialnata ikonomika – minalo i nastoyashte. Sotsialnata ikonomika v usloviya na ogranicheni resursi – teoriya i praktika* (Blagoevgrad: UI “Neofit Rilski” 2017), 54-55. [In Bulgarian: Кичева, М. Социалната икономика – минало и настояще. Социалната икономика в условия на ограничени ресурси – теория и практика, Благоевград: УИ „Неофит Рилски” 2017, с. 54-55.]

⁵ P. Parvanov and B. Dimitrova, “Private Language Schools in Blagoevgrad - Legal and Social Dimensions”, *International Journal Scientific and Applicative Papers Vol: 7 num 4 XIII th International Scientific Conference „The Teacher of The Future“ – Budva, Montenegro* (Bitola: Grafoprom, 2017), 1526.

⁶ *Natsionalna kontseptsiya za sotsialna ikonomika*, Sofiya, 2011, 6. [In Bulgarian: Национална концепция за социална икономика, София, 2011.] Available at: [Http://www.strategy.bg/strategicdocuments/View.aspx?Lang=Bg-Bg&Id=889](http://www.strategy.bg/strategicdocuments/View.aspx?Lang=Bg-Bg&Id=889)

⁷ *Natsionalna kontseptsiya za sotsialna ikonomika... 6.*

of the labour market, combined with the security and implementation of the active inclusion approach.

The scope of the social economy includes volunteering, donating, the activities of social enterprises, cooperatives. The Bulgarian social conditions also refer to so-called temporary employment, which is offered to long-term unemployed persons for the purpose of adaptation and subsequent transition to the private sector of the economy⁸. In modern European context, the social economy is an established and integral part of the social environment and social protection networks that successfully generate and combine economic profitability and social solidarity. The social economy is a holder of democratic values that put people first, creating jobs and promoting active citizenship. The development of the potential of the social economy is depending on the adequacy of the political, legislative and operational conditions. The real existing entities with social economic and humanitarian activities in the country claim more and more insistently the need for legal and institutional differentiation in the real economy, so that they can develop their potential and to interact on an equal footing both to achieve a synergistic social impact each other and interaction with the State and corporate economy⁹. In fact, at the heart of the social economy is a social impact and interaction that "often perceived as objectively measurable position of some people against the other" and "can also be seen as a starting point for the formation of social relationships". "From this point of view, social impact may be expressed in modern management and through social investment and philanthropy, as essential elements of the corporate and social responsibility"¹⁰.

The social economy is a field to which the European Union shows continued interest and invest in its continuous development and improvement, in order to respond to the current social needs in the Community countries. The modern European social model is characterised by a high level of services, goods and jobs generated by the social economy. At the core of this model is the regulation of the production and delivery of many social services of public interest. The values of the social economy are closely connected with the overall objectives for social inclusion and decent working conditions, training and reintegration into the labour market. Social economy examines the human with his constantly increasing needs as the ultimate goal of economic development, social entrepreneurship as part of its nature and content and social enterprise as one of the entities to achieve objectives¹¹.

Social entrepreneurship is a different way of economic activity (doing business), that mixes the resourcefulness of business with a social mission, skillful matching and

⁸ Institut za sotsialno predpriemachestvo [In Bulgarian: Институт за социално предприемачество.] Available at:

<https://sites.google.com/a/piamater.org/theinstitute/socialno-predpriemachestvo>

⁹ Natsionalna kontseptsiya za sotsialna ikonomika... 10-11.

¹⁰ M. Usheva, Spetsifika na sotsialnite vazdeystviya i vzaimodeystviya pri upravlenieto na choveshkite resursi, Upravlenie i ustoychivo razvitie, 2013, 62 [In Bulgarian: Ушева, М. Специфика на социалните въздействия и взаимодействия при управлението на човешките ресурси, Управление и устойчиво развитие, 2013, с. 62]

¹¹ I. Atanasova, Sotsialnoto predpriemachestvo – forma na sotsialni inovatsii i pravno regulirane: evropeyski praktiki i balgarski realnosti. Sotsialnata ikonomika v usloviya na ogranicheni resursi – teoriya i praktika (Blagoevgrad: UI "Neofit Rilski" 2017), 146 [In Bulgarian: Атанасова, И. Социалното предприемачество – форма на социални иновации и правно регулиране: европейски практики и български реалности. Социалната икономика в условия на ограничени ресурси – теория и практика, Благоевград: УИ „Неофит Рилски“ 2017, с. 146.]

balancing of social and economic goals¹². It is one of the most innovative ways to achieve a better quality of life, independence and inclusion in society of persons from vulnerable groups. Both private businesses and the public sector are unable to pay enough attention to the social needs of the suffering groups, especially when the sufferers are a large part of the country's population¹³. The development of social entrepreneurship is one of the main objectives of the EU strategy for growth "Europe 2020", as it would have to contribute to an intelligent and sustainable growth and at the same time, to reduce poverty and social exclusion. Enterprises of the social economy in its various forms (including social enterprises) play an important role in enhancing the competitiveness and efficiency of the European economy in many different ways: by targeting the fragmented and unused resources to economic activity, the mobilisation of resources at the local level, strengthening the culture of entrepreneurship, elimination of market rigidities, fostering flexibility of markets, the production of a host of places like this are just a few examples. Enterprises of the social economy also have a greater capacity to preserve employment and preventing the loss of jobs during difficult stages in the economic cycle, as we observe now¹⁴.

Social economy enterprises are managed as businesses, producing goods and services for the market economy and direct part of their resources in the implementation of the social and environmental objectives¹⁵. Social enterprise can be viewed as a tool aimed at the harmonisation of socioeconomic development. It differs significantly from traditional business organisation on the one hand, and on the other by the organisations with charitable purposes. Social enterprise has a pronounced social impact-characterised by a balance between seeking to make a profit and the direct support of the social status of certain groups persons, i.e. the carrying out of activity in order to generate revenue is determined by who is benefiting from the activities and results.

According to its legal definition, a "social enterprise" means an undertaking, regardless of its legal form, which by its founding treaty or statute "has as its primary objective the achievement of a measurable, positive social impact rather than generating profit for its owners, members and shareholders ". It also "provides services or goods that generate social return and/or use a method for the production of goods or services who embodies its social purpose ". The "Social enterprise" also uses its profit in the first place to achieve its primary objective and has introduced predetermined procedures and rules of any distribution of profit among shareholders and owners, which guarantees that this allocation shall be without prejudice to the primary objective. It also manages the entrepreneurial, accountable and transparent manner, in particular through the inclusion in

¹² Institut za sotsialno predpriemachestvo [In Bulgarian: Институт за социално предприемачество.] Available at: <https://Sites.Google.Com/A/Piamater.Org/Theinstitut/Socialno-Predpriemachestvo>

¹³ B. Dimitrova, Educational Social Entrepreneurs in Blagoevgrad Within the Framework of the "I can" Programme. Sotsialnata ikonomika v usloviya na ogranicheni resursi – teoriya i praktika, (Blagoevgrad: UI „Neofit Rilski” 2017), 187 [In Bulgarian: Димитрова, Б. Educational social entrepreneurs in Blagoevgrad within the framework of the "I can" programme. Социалната икономика в условия на ограничени ресурси – теория и практика, Благоевград: УИ „Неофит Рилски” 2017, с. 187.]

¹⁴ M. Kicheva, Sotsialnata ikonomika – minalo i nastoyashte. Sotsialnata ikonomika v usloviya na ogranicheni resursi – teoriya i praktika (Blagoevgrad: UI “Neofit Rilski” 2017), 55. [In Bulgarian: Кичева, М. Социалната икономика – минало и настояще. Социалната икономика в условия на ограничени ресурси – теория и практика, Благоевград: УИ „Неофит Рилски” 2017, с. 55.]

¹⁵ Natsionalna kontsepsiya za sotsialna ikonomika...

the management of employees, clients and stakeholders affected by its business activities in the management¹⁶.

Social enterprises combine perfect aim with a long-term business model. Unlike ordinary non-governmental organisations (NGOs), they do not rely on grants and donations, but build a model of financial stability by selling their services. Unlike traditional businesses, however, they do not aim to maximize their profits, but to fulfill their social mission¹⁷.

Social enterprises are businesses that trade in order to tackle the major challenges we face in society. Social enterprises are businesses that are changing the world for the better. Like traditional businesses they aim to make a profit, but it's what they do with their profits that sets them apart – reinvesting or donating them to create positive social change. Social enterprises are in our communities and on our high streets – from coffee shops and cinemas, to pubs and leisure centres, banks and bus companies. They make their money from selling goods and services in the open market, but reinvest their profits back into the business or the local community. By selling goods and services in the open market, social enterprises create employment and reinvest their profits back into their business or the local community. This allows them to tackle social problems, improve people's life chances, provide training and employment opportunities for those furthest from the market, support communities and help the environment. Social enterprises exist in nearly every sector from consumer goods to healthcare, community energy to creative agencies, restaurants to facilities management. Well known examples include The Big Issue, Divine Chocolate and the Eden Project but there are over 100,000 social enterprises throughout the country contributing £60 billion to the economy and employing two million people. They're creating jobs and opportunities for those most marginalised from the workforce, transforming the communities they work in and making the Sustainable Development Goals a reality. It's business for good and when they profit, society profits. We define social enterprises as businesses that:

- Have a clear social and/or environmental mission set out in their governing documents
- Generate the majority of their income through trade
- Reinvest the majority of their profits
- Are autonomous of the state
- Are majority controlled in the interests of the social mission
- Are accountable and transparent.¹⁸

As a study on the state of social entrepreneurship in the UK makes clear, social enterprises are working across a wide range of areas: creating jobs and new opportunities, supporting the most vulnerable in society, reducing our environmental impact, and

¹⁶ Nova protsedura po OP "Choveshki resursi" podkrepya sotsialnoto vklyuchvane na uязvimi grupi. [In Bulgarian: Нова процедура по ОП "Човешки ресурси" подкрепя социалното включване на уязвими групи.] Available at: https://www.Capital.Bg/Politika_I_Ikonomika/Bulgaria/2017/08/17/3025711_15_Mln_Lv_Po_Choveshki_Resursi_Shte_Otidat_Za_Socialno/

¹⁷ Predpriemachi i idealisti. [In Bulgarian: Предприемачи и идеалисти.] Available at: https://www.Capital.Bg/Politika_I_Ikonomika/Obshtestvo/2015/06/02/2545139_Predpriemachi_I_Idelisti/

¹⁸ Social Enterprise UK. Available at: <https://www.Socialenterprise.Org.Uk/What-Is-It-All-About>

improving people's healthcare¹⁹. Key findings of this research: the social start-up wave continues; working where it is needed; this is business; selling to the public; delivering public services at scale; more innovative than the private sector; commercially resilient; female entrepreneurship; diverse leadership; local employers; creating opportunities in tough times; under pressure on margins and business models; a fair paying field; financial times - access to appropriate finance remains the biggest barrier for start-ups and established social enterprises; demand for smaller deals.

Discussion

Social enterprises in Bulgaria operate in several directions: delivery of social services; provision of employment of people with disabilities; mediation in employment of unemployed persons; provision of health services; activity in the field of education, etc. In the implementation of these activities is not leading the production of finished product, but the social impact on individuals themselves, to gain the necessary support in order to integrate into society.

The Economic and Social Council of the Republic of Bulgaria (ESC) has repeatedly stated in various acts that social entrepreneurship has a major role to play in social cohesion and the creation of growth and jobs. The topological characteristics of this type of entrepreneurship in Bulgaria do not differ greatly from those of similar enterprises in the rest of Europe.

The following tables present data from the National Statistical Institute, which reveal numerical data on key indicators of enterprises in Bulgaria, identified as "social":

Number of enterprises	2 717
Number of Profit enterprises	1 881
Added value (in thousands of Bulgarian levs)	673 138
Operating income (in thousands of Bulgarian levs)	3 597 289
Operating expenses (in thousands of Bulgarian levs)	3 419 789
Tangible Fixed Assets (in thousands of Bulgarian levs)	1 237 116
Employed persons (number)	41 939
Hired persons (number)	40 545

Table 1

Indicators of nonfinancial social enterprises in Bulgaria in 2013

Source: National database of MLSP for social enterprises in Bulgaria, Available online at: <http://seconomy.mlsp.government.bg/db/bg/nsi>

Note: The data are in 2013, since the latest statistical survey of the NSI was published

Number of enterprises	2155
Number of enterprises with a profit from the business	253
Business income (in thousands of Bulgarian levs)	20594
Costs of business activity (in thousands of Bulgarian levs)	17 036
Income from non-profit activities (in thousands of Bulgarian levs)	168 281
Costs of non-profit activity	160 844
Tangible Fixed Assets (in thousands of Bulgarian levs)	82 969

¹⁹ The Future of Business: State of Social Enterprise Survey 2017, p. 11. Available at: <https://www.socialenterprise.org.uk/Handlers/Download.ashx?IDMF=a1051b2c-21a4-461a-896c-aca6701cc441>

Employed persons (number)	7 289
Hired persons (number)	7 070

Table 2

Indicators of non-profit social enterprises in Bulgaria in 2013

Source: National database of MLSP for social enterprises in Bulgaria, Available online at: <http://seconomy.mlsp.government.bg/db/bg/nsi>

Note: The data are in 2013, since the latest statistical survey of the NSI was published

Nonfinancial enterprises identified as social in 2013 are 2717, of which profit enterprises are 1381. The total value of operating income is 3 597 289 thousands of Bulgarian levs. The operating expenses are 3 419 789 thousands of Bulgarian levs. The number of employees in the nonfinancial "social" enterprises by 2013 is 41 939 and the number of the hired persons is 40 545.

By analysing the 2013 statistics for non-profit enterprises identified as "social", we can determine the following: a total of 2 155 enterprises, with only 253 of them generating profits from economic activity. The total business income of non-governmental organisations is 20594 thousands of Bulgarian levs. The costs of business activity are 17036 thousands of Bulgarian levs. The income from non-profit activities exceeds the revenues from the economic one, the size of the first being 168281 thousands of Bulgarian levs and the non-profit expenditures being 160844 thousands of Bulgarian levs. The number of employed persons is 7 289, while the number of hired persons is 7 070²⁰.

In Table 3 the results of the SWOT analysis of the activity of social enterprises in Bulgaria are presented.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Cooperation with the organisations of employers and trade unions, as well as with other control bodies on the protection of the rights of workers and the prevention in ensuring safe working conditions. • Coordination between the social assistance system and the system of active labour market programmes, in order to foster social reintegration of persons with disabilities. • Established and functioning social services network to ensure social inclusion for the most vulnerable groups. • Protective mechanisms built to support the most vulnerable groups. • Established collaboration with other non-profit institutions and organisations to improve policies and address challenges. • Capacity and experience gained in the mobilisation and use of resources from the European funds in support of labour market policies and social entrepreneurship. 	<ul style="list-style-type: none"> • Slow increase in the number of newly opened vacancies in social enterprises for people with disabilities. • Limited labor demand in underdeveloped border regions. • Limited financial resources from the State budget for implementation of the policy of promoting social entrepreneurship. • Negative demographic change and aging of the population. • The presence of a relatively large proportion vulnerable groups of the population, including people with disabilities in need of assistance to meet basic life needs. • Insufficient integration of social and health activities in the provision of services to a large number of people in need. • The steadily increasing number of caregivers as a result of demographic aging processes. • Difficulties in introducing an integrated approach in providing cross-sectoral

²⁰ National database of MLSP for social enterprises in Bulgaria. Available at: <http://seconomy.mlsp.government.bg/db/bg/nsi>

	<p>services and promoting interoperability between systems.</p> <ul style="list-style-type: none"> • Insufficient sector of social services and social entrepreneurship. • Low level of cooperation and interaction with other social enterprises at home and abroad, with representatives of the State and municipal administration, associations of social enterprises and professional organisations. • Insufficient capacity in the social services system and insufficient planning of the needs of social services at regional and local level. • Insufficient sustainable financing of services provided by social enterprises, which are not state delegated activities, revealed with funds under the Operational Programme "Human resources development". • Access to finance the activities of the social enterprise. • Lack of a legally regulated legal framework related to the definition of social enterprises in order to properly target policies in the field. • Prevalence of social enterprises providing social services (passive). • Problems encountered in the process of the activity of social enterprises: material base, administrative activities, personnel, equipment; preferences related to the supply of the products of social enterprises on the market; • Lack of well trained and motivated personnel working in social enterprises and willing to do the work in them.
Opportunities	Threats
<ul style="list-style-type: none"> • Implemented and continuously improving regulations is to promote social entrepreneurship, social inclusion and improving the effectiveness of the systems for social services. • Development of economic sectors with the potential to create jobs. • Improvement of national legislation in order to improve the access of employers-social entrepreneurs and job seekers, persons with disabilities to mediation employment services. • Development of policies for promoting employment and adult education, aimed at disadvantaged groups and the border regions. • Development of intermediary services on 	<ul style="list-style-type: none"> • A high number of unemployed persons with disabilities, total for the country and for the border regions, including long-term unemployed. • High number of inactive persons with disabilities, including discouraged. • Increasing the share of people with disabilities at risk of poverty and social exclusion. • The growing demand for services to care for the most vulnerable, which puts to the test the system of social services and necessitates the application of flexible and innovative approaches in this field. • Pressure on the pension system and support systems.

<p>employment, including to reach out to people with disabilities.</p> <ul style="list-style-type: none"> • Implementation of schemes in HRD OP for the period 2014-2020. • Extending the network of supportive services. • Capacity development at the local level to support the implementation of reform in the field of social entrepreneurship and social services. • Development of integrated services. • Development of the social economy sector. • Membership of the social enterprise Association (Association) of social enterprises; • Cooperation with institutions and organisations, which support social enterprises. • Cooperation with other social enterprises in the country and abroad. • Development of social entrepreneurship in the direction of the active engagement of target groups in the process. • Training and motivation of the people working in social enterprises and to those who are willing to do the work in them. 	
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Table 3
SWOT analysis

Note: The analysis was carried out by one of the authors (Rayna Dimitrova) in 2018 under the project "SOCIAL AGRI-ENTREPRENEURSHIP FOR PEOPLE WITH DISABILITIES IN THE CROSSBORDER AREA", Project acronym: AGRI-ABILITY, Priority Axis: Social Inclusion, Investment Priorities: 9c, funded under European Territorial Cooperation Interreg), the "Greece-Bulgaria 2014-2020" Cooperation Program. European Territorial Cooperation (Interreg), Cooperation Programme "Greece-Bulgaria 2014-2020".

The effects of the operation of social enterprise can be analysed in the following directions:

1. In the process of implementation of the activities of the enterprise, if the employment of persons from unequal social groups is ensured.
2. When using the results of activity in the case of manufactured products, which are provided free of charge or on preferential terms of individuals from such groups.
3. In allocating the revenue from the activity of the social enterprise, if they are used in a way which contributes to living standards and the integration of disadvantaged social position.

Important effects resulting from the establishment and functioning of the social enterprises are: economic development; creating employment and labor integration; improving the well-being of assisted target groups; qualification and retraining of labor; social sustainability; diversification of income between various activities; accumulation of funds for the implementation of social objectives; financial security; financial independence, increasing the motivation of employees in social enterprise entities for

participation in economic and social life; employment of persons from vulnerable social groups.

A pronounced social effect is that in the course of the main activity of the social enterprise there is a balance between seeking to make a profit and the direct support the social status of certain groups of persons-mainly persons from socially vulnerable groups who need help for their life or social status with those of other members of society. These individuals form the target group of social enterprise. It has a specific purpose of business-focused on improving the standard of living, employment, provision of services and other forms of direct support to overcome the social isolation of the relevant target group. An important feature of all social enterprises is the special symbiosis, which bear a priori between the financial viability and the ability to have a social impact. In this way, they achieve both economic, financial and social goals, bringing them even more value and value to society.

These significant economic and social effects of the activities of the social undertakings determine their targeted funding from both the State and private investors. Social enterprises will receive nearly BGN 52 million within the context of the new programming period with the specific goal to increase the number of their employees, such as the number of supported enterprises should reach 300 by the end of the period. The funds will come entirely under the programme "Human Resources Development 2014-2020". Since the main objective is to increase the number of employees in this type of undertakings applicants for support under the procedure must specify the aim for the creation of new and expanding the activities of the already existing social enterprises to provide employment. Their activities should be aimed at motivating persons from vulnerable groups for inclusion in employment, their integration and training for all new recruits. Funds will be allocated for the provision of monitoring by the employer for new employees. Other activities that will be funded, are equipment and adaptation of workplaces, training for more effective management of social enterprises, as well as for social marketing and promotion of social entrepreneurship²¹. Tens of billions of euros invest annually funds focused on socially oriented projects. BBR is among the shareholders of such Accelerator-SIA, with a € 1 million participation. The contribution is symbolic on the background of its capital of EUR 243 million, but gives the bank the opportunity to attract SIA to Bulgaria. This could happen if a critical mass of socially focused projects is accumulated. At present, the country does not fall on a map of investors of such funds, because there are not enough businesses that intentionally work towards public benefits²².

Conclusion

The need to take key legislative changes to become the strategic and policy measures in national documents real mechanisms for promotion of social entrepreneurship in Bulgaria, as well as the successful development of social enterprises also requires the

²¹ Blizo 300 sotsialni predpriyatia shte poluchat 52 mln. lv. do 2020 g. [In Bulgarian: Близко 300 социални предприятия ще получат 52 млн. лв. до 2020 г.] Available at: https://www.Capital.Bg/Politika_I_Ikonomika/Bulgaria/2016/04/11/2740510_Blizo_300_Socialni_Prედpriiatia_Shte_Poluchat_52_Mln/

²² BBR shte nasarchava sotsialnoto predpriemachestvo. [In Bulgarian: ББР ще насърчава социалното предприемачество.] Available at: https://www.Capital.Bg/Biznes/Kompanii/2016/10/24/2850022_Bbr_Shte_Nasurchava_Socialnoto_Predpriemachestvo/

establishment of sustainable partnerships between business and non-profit organisations and the public sector - partnerships in which each of these actors recognizes their role in achieving socially important social goals and is ready to invest resources for this.

The main recommendations for promoting social entrepreneurship include:

- Regulatory framework and institutions: Government policies to support social entrepreneurship initiatives; they should include state (municipal) and private structures;
- Support: State and local self-government can facilitate the process, but the initiative must come from the private sector;
- Models: The better option is for each organisation to develop social activities, albeit in a smaller scope than to rely on fewer but larger social enterprises.
- Training: Creating a system of values should start from an early age. In this way, the desire to develop social entrepreneurship will manifest itself as a necessity as a compulsory element of the business organisation. Providing training on specific programs, events, etc., in which participants can join - to receive information, experience and results in their development.
- Cooperation: State, local authorities and private producers to unite and create links to support the development of social entrepreneurship; social entrepreneurs to unite in associations by sharing experiences and ideas.

The National Policy for the Promotion of Social Enterprises should provide for specific measures which, irrespective of their nature (legal, financial, administrative must observe and achieve as a result the following principles:

1.- Promotion and sustainability:

- Support for social entrepreneurship should also include the release of a public resource to support the activities of the social enterprises for dealing with social problems;
- The planning of objectives and expected results in order to provide a public resource for the support of social enterprises should be done on the basis of a periodic assessment of the environment, taking into account the specificities of the established practices and models and their potential to work towards achieving social goals.

2.- Equal treatment and reduction of administrative burdens:

- Providing a package of incentives available to all forms of social enterprises;
- Provision of fast and financially accessible administrative procedures.

3.- Efficiency and Effectiveness:

- Implementation of programs and measures after needs analysis, coherence and adequacy of objectives;
- Relevance of resource input to the result obtained - Clear assessment of financial and social outcomes.

4.- Coordination and decentralisation:

- Establishment of mechanisms for participation of social enterprises in the planning and evaluation of the social entrepreneurship policy at the national level;
- Creating conditions for the development of social entrepreneurship at the local level, according to the specifics and needs of the respective territory by involving the municipalities in this process (through local and regional strategies).

5.- Solidarity and partnership:

- Creating conditions for interaction, consultation, open dialogue and sharing of responsibility among all stakeholders.

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