



NGOs IN BULGARIA AS KEY ACTORS IN THE DEVELOPMENT OF “INCLUSIVE” SOCIAL POLICY

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BULGARIAN ENVIRONMENT FOR PROMOTING THE PARTICIPATION OF NGOs IN THE PROCESS OF SOCIAL INCLUSION OF VULNERABLE GROUPS

The issue is explored through discussion of:

- Legal opportunities for development of social entrepreneurship by NGOs in Bulgaria with focus on the social service delivery;
- Assessment of the challenges and perspectives before Bulgarian NGOs in respect of their role in the area of social policy.



LEGAL ENVIRONMENT FOR SOCIAL ENTERPRISES IN BULGARIA

- Lack of legal definition for a “social enterprise” and “social entrepreneurship”
- General understanding: what the practice shows

Only economic activity with an exclusively social effect carried out by an NGO or its business subsidiary that targets particular groups of people – disabled and socially isolated in its broadest meaning is carried out within a social enterprise.



SERVICES PROVIDED BY SOCIAL ENTERPRISES

Social Enterprises – Providers of Social Services

- The practice shows that the majority of social enterprises in Bulgaria are providers of social services;
- Legal status of the social service providers;
- Sources of funding: republican and municipal budgets; revenue from social service fees; Social Assistance Fund.



SOCIAL ENTERPRISES – PROVIDERS OF SOCIAL SERVICES

- Outsourcing the delivery of social services – running a competition
 - The mayor of the municipality has to announce the competition;
 - Forms of the municipality's involvement: usually the municipality provides funding or municipal property;
 - Only providers listed in the Social Assistance Agency register can take part in the competition;



SOCIAL ENTERPRISES – PROVIDERS OF SOCIAL SERVICES

- Outsourcing the delivery of social services – running a competition
 - Requirements to the applicants are: experience in the area, human and financial capacity; presenting a program; etc;
 - A commission appointed by a mayor's order selects the winner;
 - The winner is monitored through the whole duration of the contract.



SOCIAL ENTERPRISES AS EMPLOYERS

- The social enterprises very often hire people from disadvantaged groups for which they can use benefits under the Law on Promotion of Employment.
- Employers are entitled to financial subsidies from the state budget if create a work place or provide trainings for specified categories of unemployed target groups.
- The amount of the subsidies is specified annually in a National Employment Action Plan.



TAXATION OF SOCIAL ENTERPRISES

- Taxes levied on the social enterprises: because of the lack of specific regulation the taxation of the social enterprises depends on the legal form in which they are organized;
- When social enterprises operate within a non-profit organization in public benefit it is granted with a number of tax exemptions;
- Tax benefits for donors – a pre-condition is the donated social enterprises to be listed in the law as a privileged recipient of the donation.



CHALLENGES AND PERSPECTIVES FOR BULGARIAN NGOs

- NGOs as partners to the government in performing effective policy on social inclusion;
- The need of specific legislation for social enterprises;
- NGOs' role in fostering the process of decentralization of social service delivery;
- The upcoming membership of Bulgaria in EU: the issue for non-profit sector sustainability.