



# SOCIAL ENTERPRISE DEVELOPMENT IN BULGARIA

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# State of art

- THE CONCEPT OF SOCIAL ENTERPRISE IS NOT INTEGRATED INTO POLICIES, LAWS AND PUBLIC DEBATE IN BULGARIA
- MOST CLOSE ARE:
  - NGOs, ESPECIALLY SOCIAL SERVICE PROVIDERS
  - TRAINING ORGANIZATIONS
  - COOPERATIVES (OF DISABLED)
- A LOT OF "GERMS" (OPPORTUNITIES) FOR FUTURE DEVELOPMENT.

# Main concerns

- Increasing needs for social services
- Dysfunctional and inefficient system for provision of social services
- Low “absorbing capacity” of labor market.
- Underdeveloped local economies
- Large-scale poverty and social exclusion

# Size and main activities

- NGOs – 10 000
- Private social service providers – 631, they perform mainly delegated state activities, such as day centres for disabled children and adults, day centres for old people, social rehabilitation and integration centres, Homeless Children Shelters; safe homes for mentally disabled people, etc.
- Training organizations – around 400
- Cultural associations – around 4000
- Enterprises of disabled – production of goods

# Legal framework (1)

- Variety of legal and sub-legal documents regulate the activities
- Basic Laws
  - NGOs are established under the Law on Juridical Persons with Non Business Aim;
  - Cooperatives - under the Law for Cooperatives
- Important impact of
  - Social Assistance Act and the Regulation for its implementation
  - Law on Employment Promotion, The Employment Strategy 2004-2010
  - Law for the Integration of people with injures
  - Child Protection Law

# Legal framework (2)

- Different requirements for registration and licensing
  - Training organizations are licensed by the National Agency of Vocational education and training
  - Providers of social services to children are licensed by the State Agency for Child Protection
  - Social service providers are registered at the Ministry of Labor and Social Policy.
- Different methodological documents regulate social services for different groups of people: children, unemployed, people with mental disabilities, elderly people, etc.
- In principle, the tax system is the same as for companies

# BASIC PROBLEMS

- DELEGATED STATE ACTIVITIES V/S PRIVATIZATION
- CENTRALIZATION V/S DECENTRALIZATION
- SUBSIDIES V/S ENTREPRENEORSHIP

# NEW VISION – OPERATIONAL PROGRAM “HUMAN RESOURCE DEVELOPMENT”

- NGOs are beneficiaries under all the **priorities**:
  1. Promotion of sustainable employment and development of inclusive labour market
  2. Raising of productivity and adaptability of the employed persons
  3. Improving the quality of education and training in correspondence with the requirements of the labour market
  4. Better access to education and training
  5. Social inclusion and enhancement of social economy
  6. Improvement of the efficiency of the labour market institutions and social and healthcare services



# **Priority 5. Social inclusion and enhancement of social economy**

- **Operation 5.1. Supporting social economy**
- **Operation 5.2. Social services for provision of employment**
- **Operation 5.3. Employability through better health**

# Strengths and Opportunities

- **High capacity of NGOs and high human capital**
- **Evolving coordination of activities in the field**
- **Diversification of community social services**
- **Evolving experience of entrepreneurship**
- **Strengthening relationships with local authorities**

# Weaknesses and threats

- **Lack of clear political vision on social enterprises**
- **Lack of adequate institutional framework**
- **Restricted access to resources**
- **State and local authorities try to keep the control**
- **Groups of privileged NGOs**

# Needs

- Clear political will for enhancement of social economy and social enterprises
- Adequate legal framework
- Improved distribution of rights and obligations between state agencies, local authorities and NGOs (subsidiarity principle)
- Sustainable financing
- Local networks and partnerships

# Strategy

- Social economy as a local developmental model (decentralization), instead of considering it just a delegation and extension of the state social policy
- New coherent and precise institutional framework to clearly construct the establishment and financing of social enterprises
- Networking
- Structural funds

# Open questions

- The meaning of social entrepreneurship?  
“Invention” of needs and services?
- The flexible line between activities of social enterprises and advocacy?
- The social economy sector is the main optimistic scenario for development of many regions.