



ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory „SOCIAL FORCES”

REPORT

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GENERAL PROVISIONS - SOCIAL AND SOLIDARY ECONOMY

- Providing services / goods without pursuing profit
- Independent administration
- Democratic decision-making
- Priority for people and labour and not the capital when income is distributed

Social entrepreneurship is a separate form of entrepreneurship that focuses on achieving a social goal by creating socially significant value. Social enterprises have two significant competitive advantages: the ability to find innovative and dynamic solutions to complex problems or complex needs of society and contribute to promoting the social dimension of economic development in a way that promotes social cohesion. Since the 1980s, various EU institutions and legislatures have contributed to promoting the social economy through a number of policy initiatives (The European Commission, the European Parliament, the European Union Council, the European Economic and Social Council). The historical overview of the institutional framework of social entrepreneurship in Greece is linked to Law 419 / 2011- The first step in the development of social entrepreneurship in Greece and Law 4430 / 2016- aims to improve current legislation. This law provides for the regulation of different types of bodies and enterprises with a clear collective and social impact (bodies of the social and solidarity economy), which at the same time meet a social need. Social Cooperative Enterprises are divided into the following categories:

- 1) Social Cooperative Enterprises for Integration divided into three sub-categories: Social Cooperative Enterprises for Integration of Vulnerable Groups; Social cooperative enterprises of special groups and Social cooperative enterprises of groups with disabilities.
- 2) Social Cooperative enterprises providing collective and social benefit that implement 'sustainable development' activities or provide 'social services of general interest'.

Benefits arising from the application of the principles of business ethics in the workplace and the environment consist of improving the environment of trust and meritocracy among employees, strengthening the relationship between the company and its customers and suppliers, enhancing the corporate culture, protecting and maintaining the corporate reputation, encouraging volunteering, contributing to sustainable development, assessing social responsibility and building confidence between the interested parties. Social enterprises are bodies that integrate the principles of ethical entrepreneurship and their statutory purpose is to pursue the benefits of the collective and serve the common social interests.

WHAT IS SOCIAL ENTREPRENEURSHIP

Throughout history, there have been social change activists who have steered their societies toward a better path. Over the last few decades, a different, more entrepreneurial approach has been outlined to alleviate poverty issues. This generation of social entrepreneurs has dissociated itself from the false dichotomy between "it is business" or "it is charity" in order to experiment with business models, implement new methods of dissemination and replication and hold the results accountable. Most importantly, social entrepreneurs are driven by values such as dignity, access to opportunity, transparency, accountability, own capital and empowerment. Social entrepreneurship is a combination of trade and social problems. Social entrepreneurs are not only concerned with profits. Success is also determined by how their business improves the world. Unlike non-profit organizations, social entrepreneurship is still profitable, but the focus is on the social or environmental changes that have been made in making that profit. Social enterprises make efforts to connect people with their values. It is certainly evident that awareness of sustainability has increased in recent years. Even the crisis "did not inspire people to minimize their environmental impact and costs for ethical products." This proves the market demand for businesses with a social mission. In pursuit of the motto "doing good by doing good", social value and social change are at the heart of every social enterprise activity. Certainly social entrepreneurship is more than an economic activity - it gives society positive solutions that change the world at a time when we need them.

OPPORTUNITIES AND LIMITATIONS TO THE SOCIAL ENTREPRENEURSHIP IN BULGARIA

According to information from the European Commission for Growth and Social Economy, social enterprises in Europe are 2 million (10% of all EU enterprises), the number of people engaged in social enterprises is more than 11 million (6% of EU employees). They exist in all EU Member States under different legal forms, organizational structures and different purposes: from agriculture and banking to provision of employment and shelter. They have different fields of work and have various relationships. A Law on Enterprises of the Social and Solidarity Economy was passed in Bulgaria in 2018, which aims to promote the development of the social and solidarity economy as a business sector with special rules for improving access to employment and training for the acquisition or improvement of vocational qualifications for

the purpose of raising the standard of living of disadvantaged people; creating conditions to support individuals from vulnerable social groups toward social inclusion and independent living and reducing social inequality as well as for sustainable territorial development. The beginning of a coordinated and targeted state policy for the social economy and social entrepreneurship is laid by the National Concept for Social Economy, adopted on 04.04.2012, as well as the series of plans for action in the social economy. The Law on the Enterprises of the Social and Solidarity Economy regulates the social relations within the social and solidarity economy, the types of subjects and the measures of their promotion, the conditions and the procedures for the activity of the social enterprises. There is no special registration regime. Any economic entity can self-determine that he performs the said activity - freedom and opportunity for more self-regulation of the sector. At the same time, there is a tendency for reduction of registration and licensing regimes, which supports the development of business initiatives. In Bulgaria, the corporate tax rate is low (10%), and the operational programs pay attention to the long-term unemployed and young people up to 29 years of age, and not just to people with disabilities. Despite the existence of a National Concept and Action Plans, there is no effective state development policy that purposefully and comprehensively stimulates and supports social enterprises in the long term. In recent years, the business climate has been volatile as a result of the effects of the global economic crisis and of the volatile political environment. There is no support for sustainability of NGO activities, which remain entirely dependent on project funding, which is a short-term assistance. Despite the widening range of vulnerable social groups, long-term programs promoting supported and protected employment are still lacking. The main target group continues to be the group of people with disabilities. The financial mechanisms that ensure the start-up or maintenance of an activity are severely limited. There are also financial constraints: bank loans - without much relief for some categories of social enterprises, and in practice for NGOs – they are practically inaccessible; national grant funding is limited and few social enterprises can benefit from it, as well as lack of municipal funding programs or real support from local authorities. Operational programs rarely fund entrepreneurial activity as such, and focus on employment. Access is primarily for larger organizations that have the financial resources to refinance their activities. The focus is on short-term project results, which are largely quantitative and avoid the support of an overall long-term impact. The dependence on grant funding is increasing.

Social enterprises have the capacity to become promising partners of institutions, both on national and local level, in addressing the urgent social problems of the local community. This

partnership should be fostered by improving existing legislation and activating grant funding and networking. Access to bank loans should be facilitated; regional and local authorities should extend their support to enable the creation of a more favorable business environment for social entrepreneurship. Good awareness and permanent training of key figures will provide a resource for the whole process of creating and developing social entrepreneurship.

SOCIAL ENTREPRENEURSHIP IN THE HASKOVO DISTRICT - CHALLENGES AND OPPORTUNITIES

Research subject: Social entrepreneurship in the Haskovo region, problems and trends in the social economy sector in Bulgaria, as well as the prospects for its future development.

Purpose and objectives of the research:

- To take into account the impact of the social enterprise sector on the target groups in the Haskovo District and the opportunities they provide for solving their problems.
- To monitor the development of the social entrepreneurship sector at regional level, the opportunities for its development, the benefits and challenges facing institutions and social entrepreneurs. Priority for people and labour and not the capital when income is distributed.

Research tasks:

Purpose and objectives of the research:

- To review public policies and identify interested parties in the sector.
- To provide a description of the institutional framework governing the establishment and functioning of social enterprises in Bulgaria, especially with regard to the development of the respective regulatory environment, which is currently relevant.
- To make an overview of the social and solidarity economy in the domestic economic and social environment.
- To analyze the factors that influence economic growth opportunities.
- To assess the need of promotion of the social economy and entrepreneurship.

Main methods:

- In-office survey - review of information sources on the topic, secondary analysis of data from existing studies, analysis of statistical information and of documents.

- Field survey - provides information on the level of development of social entrepreneurship and outlines the readiness and attitudes of the target groups for the development and marketing of products and services.
- Questionnaire Method - Provides information through questionnaires according to the specifics of the target groups to which they are addressed.
- Statistical methods - a descriptive and graphical method of data analysis.
- Conducting focus groups studies – carried out after a preliminary review of the results of the in-office survey and in order to register data and exchange views between the participants' representatives on current and emerging trends in the social and solidarity economy.
- Analytical methods - primary review and secondary analysis of data from existing studies, analysis of statistical information, analysis of documents, etc.

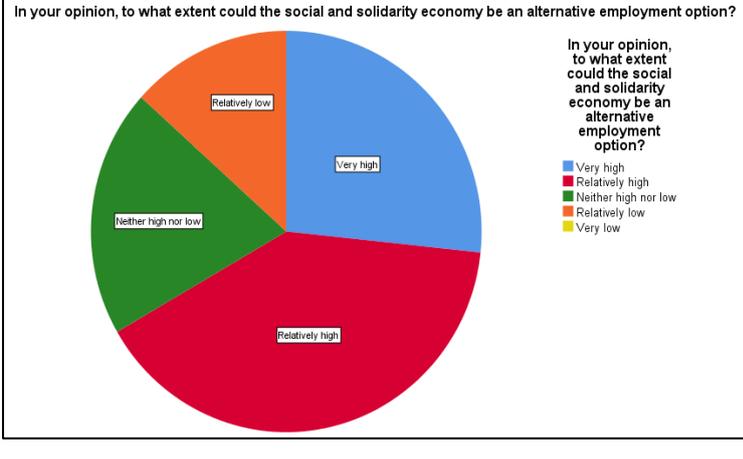
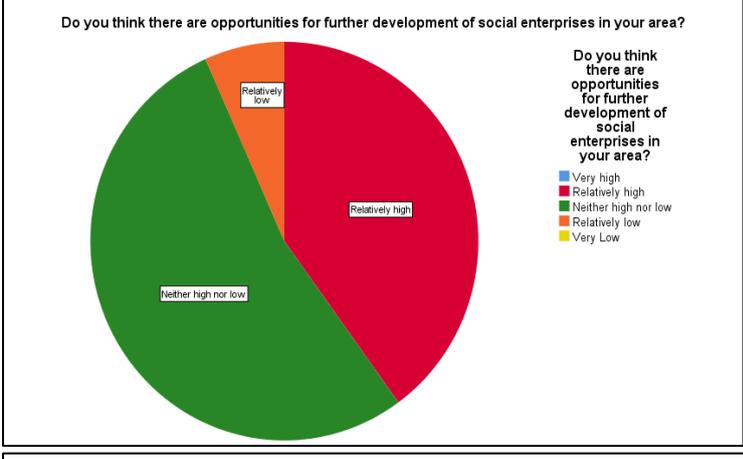
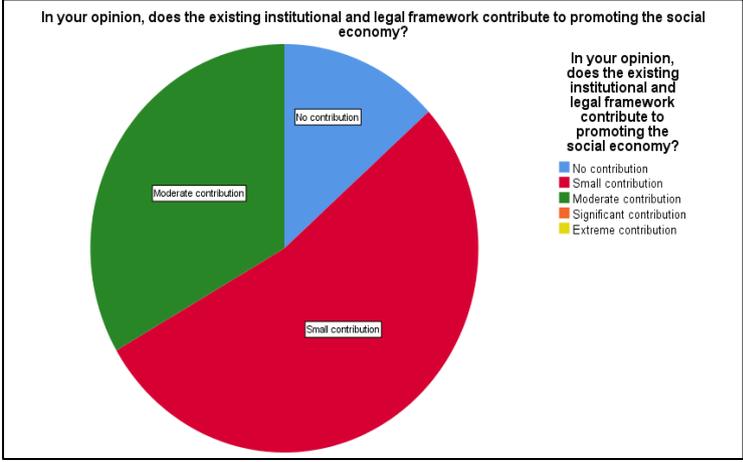
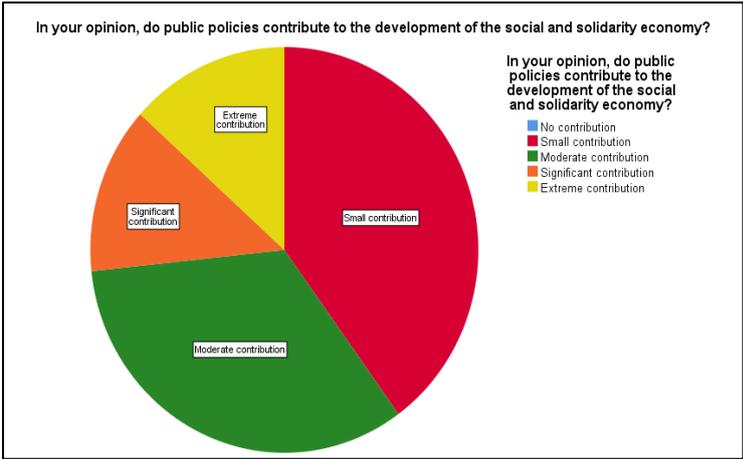
Field research:

- Representatives of social enterprises - Impact of the activity - interconnectedness with other social enterprises: direct group users of population, assessment of social impact, networking with other social enterprises, basic principles for the selection of cooperatives, network of volunteers, etc. Challenges - growth prospects: major challenges related to business functioning, growth prospects for enterprises and the social and solidarity sector in general in the regions, state policies, major sectoral challenges in the regions, etc.
- Unemployed and disabled people - The extent to which they are informed about the opportunities offered by the social economy; Willingness of representatives of different groups for their inclusion in the social economy; Respondents' attitudes, intentions and capacities to create different types of social enterprises in the target territory.

Focus groups:

- Social enterprises.
- Institutions and experts to promote the social and solidarity economy - the challenges facing social entrepreneurship, its growth prospects; major obstacles, an assessment of the existing institutional and legislative framework of the social and solidarity economy sector and proposals for their improvement.

Results and main conclusions:



- Social enterprises are establishing themselves as a major form of integration for disadvantaged people in the socio-economic system. They depend to a large extent on the established practices and legislation of the individual countries, as well as on EU policies in this direction.
- Regardless of the common European documents, at national level, it is approached differently depending on the regulation and functioning of social enterprises. Nevertheless, the EU Member States as a whole are making a major step forward in the social economy and its development.
- The European Structural Funds is a major development opportunity to support social entrepreneurship. It is a solid and effective financial source for supporting people from socially vulnerable groups.

Development opportunities:

- Necessity to optimize the implementation of the created long-term vision for the social economy through the operation of an adequate legal framework.
- Attracting civil society's attention and activating it to stimulate local economies and create social capital in the country.
- Demanding more active state intervention, resulting in the effective implementation of an adequate sectoral, legislative and institutional framework.
- Stimulating an active participation of people with disabilities in the implementation of projects funded by the European Structural and Investment Funds, as well as other EU programs in order to launch new social initiatives.
- Using the experience of other European countries in the institutionalization and financing of the social economy sector.

SOCIAL ENTREPRENEURSHIP IN XANTHI

More than 45 social enterprises have emerged in Xanthi after the crisis hit hard in 2010, according to the Ministry of Labour. Their activities vary between the production of local products, education and the environment, among others, and all sectors of the economy, especially manufacturing and trade. Although the main objective of the social economy sector is not to reduce overall unemployment, it can provide jobs for people who are less likely to be employed. This has a positive effect, it is a space for people who cannot easily enter the labour

market, such as people with disabilities or unemployed people over 50 who have been out of work for a long time. Another very important issue for Xanthi is that the social economy sector provides an opportunity for people who are already employed but are highly dissatisfied with their employment conditions to try to combine their efforts with others who find themselves in a similar situation and become activated through this solidarity approach.

PROFILE OF THE SOCIAL ENTREPRENEUR

Social entrepreneurs combine business and social issues in a way that improves people's lives related to the cause. They do not measure their success only in terms of profit - the success of social entrepreneurs means that they have improved the well-being of certain social groups. Social entrepreneurship and social managers are becoming increasingly important for the development of the economy, and in particular of the labour market. It is of particular importance that all people, whether disabled or not, participate in the labour market and contribute to the creation of the public product. This, on the one hand, is a good opportunity to stimulate the economy and make the labour market more efficient. On the other hand, it is an opportunity to provide equal access to the labour market and to improve the integration of disadvantaged people. The need for the emergence of the 'social manager' position arises precisely from the contribution it makes to mediation, on the one hand, between policies and programs aimed at removing barriers to the application of civil, economic, social and political rights; and on the other hand, representatives of risky social groups. Social support for people in vulnerable groups is a prerequisite for activating them and promoting their potential contribution to society. The importance of social inclusion of disadvantaged groups is underlined by the fact that it provides equal opportunities for full participation in economic, political, social and cultural life in society. The social manager assists the social inclusion of vulnerable groups in society, even making necessary changes so that situations of inequality or social exclusion are not created.

The main reason why most of the social managers interviewed start engaging in social entrepreneurship is precisely the emergence of some health problem that directly affects them or their family members. In this situation, first-person social entrepreneurs themselves face daily problems affecting vulnerable social groups, with the most frequent difficulties being difficulties in integrating in the labour market and finding permanent employment. Another reason why social entrepreneurs start this activity is that it enables them to apply the knowledge acquired in university, as well as to upgrade it with new, different skills; to implement ideas

and seek opportunities for development, desire for change and combating labour discrimination by creating jobs for disadvantaged people.

The profession of a social manager is a specific one because of the target group to which it is directed. Representatives of these specific social groups have social needs that the social entrepreneur needs to take into account. To do this, he or she must have the appropriate skills, experience and educational level to match the specifics of the target group. Social entrepreneurs are aiming to take greater responsibility for the health of their employees, which is revealed through their joint work with healthcare professionals, or through the accumulation of medical knowledge so that they can be of maximum benefit to their physically disabled employees. In this way, it is possible to evaluate what types of work should be provided to employees from vulnerable groups. The main idea that guides social entrepreneurs in their work is to make their employees feel as comfortable as possible in a work environment, to build a team in which they will work with minimum stress to achieve higher productivity, which in turn is an opportunity for a higher standard of living. For example, interviewed social managers highlight the role they play in motivating people in vulnerable groups to develop, who in most cases have lost motivation because of: lack or loss of work habits; lack of desire to work due to discomfort linked to their health status and low pay. On the other hand, these vulnerable groups often experience conflict situations caused by their social exclusion, long absence from social life and loss of communication and social networking skills. In this situation, social managers act as the liaison between the various representatives of vulnerable social groups.

The role of social entrepreneurs in the development and inclusion of vulnerable groups in society is also to provide support in building communication skills; in using the social networks, or even do, a specific activity. In addition, it has been noticed that some social entrepreneurs need to have the necessary management potential to implement standard recruitment model, which subsequently becomes traditional for their enterprise. For example, they target a specific type of social group with a particular physical disability (eg, deaf and mute), thus aiming to create continuity within their circle of environment and subsequently to more easily integrate others in those groups. Another feature that reveals the potential of the social manager, according to the interviewees, is the ability to communicate with children, because it shows his ability to manage the "unmanageable", i.e. the unpredictable, unexpected actions that can be expected from children. This is a guarantee for successful communication with all other age groups and all types of social groups. A successful social manager, according to the data collected, must be purposeful and have a clear vision of things, i.e. to be able to set specific goals, organize their implementation, in order to obtain financial resources, which will

subsequently be invested in activities related to the social environment to reach vulnerable social groups. In addition, the manager must possess the ability to successfully foster entrepreneurial approach and activity among the representatives of vulnerable social groups themselves, i.e. to successfully pass on his experience.

The social entrepreneur must have the necessary skills and experience to work with public institutions and other social partners, as well as the ability to cope with the difficulties encountered in the field. In this regard, the social managers interviewed highlight the good cooperation they have developed with the Disability Agency and the Labour Offices, through which they successfully reach the desired employees, representatives of vulnerable groups. In addition, in collaboration with institutions, social managers are given the opportunity to get involved and participate in specific social-oriented projects. This subsequently supports their development and builds on the practical knowledge and skills in managing social enterprises. Last but not least, the need for greater transparency of how institutions work when implementing social entrepreneurship activities. The main difficulties in communicating with the institutions are the delayed reimbursement of social security payments, which is blocking operating funds, lack of credit facilities, the need for tax reliefs, tax relief on waste disposal, financial assistance for the workplace reconstruction to meet the needs of the employees as well as improving social assistance policies. The need for faster VAT refunds and more decisive action against abuse of public funds. The increasing overhead costs - electricity, water, along with the rising minimum wage and minimum social insurance thresholds and, above all the contradictory legislative base.

Social managers point to the role of the university as a basis for the development of social entrepreneurship. On the one hand, because of the opportunities it offers to organize trainings in which young people's innovative ideas are disseminated. The institution is expected to play an active role by providing common ground for joint work to educate young people about social entrepreneurship through lectures in the first year of higher education, invitation of social entrepreneurs, courses in social entrepreneurship, etc. On the other hand, the introduction of social environment disciplines in universities can also contribute to the inclusion of representatives of vulnerable groups.

Summary of the results of the in-depth interviews with social managers:

- The successful social manager, according to the collected data, should be purposeful and with a clear vision of objectives, i.e. to be able to set specific goals, organize their implementation in order to obtain financial resources, which subsequently invest in activities related to the social sphere and reaching vulnerable social groups.

- Should have the ability to successfully promote the development of entrepreneurial activity in the representatives of vulnerable social groups themselves, i.e. to be able to successfully pass on his experience.
- Should have the necessary skills and experience to work with public institutions and other social partners, as well as the ability to cope with the difficulties encountered in the field.
- From the in-depth analysis of primary and secondary data, it becomes clear that a successful social manager should have the appropriate personal, managerial and social skills, as well as the necessary education and the ability to apply them in dealing with representatives of vulnerable social groups.

STARTING A BUSINESS WITH A SOCIAL CAUSE – BUSINESS PLAN AND ROAD MAP

A business plan is more than a piece of paper - it is the whole process you go through to outline and plan the activities of a future social enterprise. The business plan is a kind of route that will take you to the goal. The path chosen should, in the surest way lead to the intended purpose. Clear product information, customers and financial status are a guarantee of choosing the right route. The content includes a summary, vision, mission and business description and market analysis, organization, environment and industry evaluation, competition analysis, marketing plan, management plan, operational plan, financial plan, risk assessment and contingency planning. Depending on the target groups, social enterprises are oriented towards: socially weak people, people with physical or mental disabilities, children and families at risk; non-integrated youth (such as orphans), ethnic minorities; women victims of violence, elderly people. The mistakes made are that most social entrepreneurs do not have a sufficiently clear idea of the main purpose of the social enterprise, namely the realization of good income, guaranteeing the sustainability of the non-profit organization. Most start-up social enterprises, whether because of overestimating their own abilities or due to initial overconfidence and excessive enthusiasm, refuse to consult expert experts in the initial phase of their development: tax, economic, industry consultants or lawyers. Lack or appropriate planning is a mistake that can lead to the failure of a business venture.

Based on the information collected, a roadmap will be drawn up that provides the essential guideline for the establishment of a social enterprise and how anyone can become a social entrepreneur. The definitions of basic concepts are outlined. The business and social

entrepreneurs are identified, as are the most important skills needed. The steps to be followed are outlined and the most important questions thought about by anyone with a desire for social entrepreneurship are answered. The roadmap is an easy and fast way to get into the matter and launch your venture successfully.

SUCCESSFUL SOCIAL ENTERPRISES

- Social Tea Room - a project that aims to improve the quality of life of children and young people with difficulty accessing the labour market by providing them with a first job. A place for learning, training, entertainment that develops competitive and diverse opportunities for young people and entrepreneurs. Started by a volunteer group which subsequently develops a methodology. They are now recognizable at local, national and European level. The activity is growing - a tea lounge, a seminar room, a co-working space, a kitchen, a mentoring program in Dobrich, two volunteer groups. They are about to graduate with a second generation of young people in the mentoring program, hire more professionals to develop various activities and training courses.
- Diabetes Care - Regional Non-Profit Association in the town of Burgas – working to avoid amputations of the lower limbs of people with diabetes. Since the establishment of the social enterprise, up to now, 30 people have been saved from amputation and given the opportunity for a better quality of life. The main goals are to increase the number of users of the services provided by the social enterprise and to promote the offered social services among the target group; expanding the package of social services provided free of charge to the beneficiaries of the surgery; achieving sustainable financial independence through business growth.
- 'Open Door Center' Association - a non-governmental organization providing psychosocial support to women and children, victims of physical abuse. There is a shelter, a crisis center and a counseling center. Qualified personnel.
- Knowledge Association, town of Lovech- The social enterprise of the association trains disadvantaged young people for free at the expense of business income. Each year, the association trains about 1,400 people, of whom 100 use the services for free and 30% pay for the training at preferential rates. The main services are educational, training and consulting services, computer literacy courses, internet, English, German and Italian language courses, courses in accounting.

- Samaritans Association, town of Stara Zagora - aims at fully integrating children, youth, adults and disadvantaged families into the territory of Stara Zagora Municipality by promoting beekeeping, bee products, technologies and scientific achievements among the general public, bridging professional and business interests of producers, processing facilities and traders. Production of honey and sales in own shop.
- Center for Educational Programs and Social Initiatives, town of Yambol - develops and implements educational programs for disadvantaged people and their full integration into society; provides support to children at risk - prevention of drug addiction and juvenile crime, support to children to return to school, counseling for parents and teachers to deal with the problem by providing child minding service for 1 to 10 years of age on an hourly basis, and providing advice to parents and offering various forms of activities such as reading, talking, drawing, modeling. Organization of children's parties for children from 1 to 12 years of age.
- Some of the successfully established social enterprises in Xanthi are: ‘Sugar cane’, ESPARKEIA – Spelt grain Products, ‘Sun Beer’, MITATO, MYRODATO – Sun-flower seeds and Walnut Products.

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