

The aim of the AGRI-ABILITY project is to promote the successful and competitive social entrepreneurship of people with disabilities in rural areas. For this purpose, in the framework of the project: (1) the framework and opportunities for activity in the agricultural and agritourism sector will be analyzed, (2) workshops and field exercises will be carried out for the training and development of skills.

Deliverable 5.3.2. Holding of a market analysis and study on the business opportunities based on an on filed questionnaire survey in the Blagoevgrad cross-border area with a respective report in English and Bulgarian languages

Report in English language

for implementation of deliverable 5.3.2. under Work Package 5 of the “AGRI-ABILITY” Project (Social agri-entrepreneurship for people with disabilities in the cross-border area), Project number: 2090 and MIS code 5017158.

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Project Partner: PB3 South-West University “Neofit Rilski” – Faculty of Law and History

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Research
**objectives and
methodology**

Research objectives

To research and analyze the work of enterprises in BLAGOEVGRAD PROVINCE, with a focus on the agricultural sector and the tourism sector (studying the interaction between them and the prospects for cooperation) and opportunities for building partnerships in the field of social and solidarity economy.

Research methodology

4



Research type

Quantitative research



Data collection method

Telephone interview



Research type

Business representatives in the areas of interest.



Sample

1. Social enterprises	n=3
2. The Association of Guest Houses in Bulgaria	n=40
3. Accommodation, dining and entertainment establishments	n=142
4. Agriculture	n=15
5. Tourist associations, organizations for management of tourist areas and tourist information centers	n=11
6. Register of guest houses Specialized catalog for rural tourism	n=92
TOTAL	n=303



Range

Blagoevgrad province (sectors of interest)



Fieldwork control

Duration of completing the questionnaires;
Logical control of all conducted surveys;
Telephone control of 10% of the survey.



**Management
summary and
recommendations**

Management summary (1/2)

The results of the survey show that **just over 1/3 of the companies** that participated in the survey **do NOT provide employment for disadvantaged people**, and those who do so are mostly representatives of the tourism sector. **The experience of the companies** from Blagoevgrad Province shows that **their activity has the most favorable effect on the population from the remote regions of the province**. To some extent, the business in the area also supports the representatives of minority ethnic groups, as well as the elderly.

According to the business **in the region, in the recent years there has been a decline in revenues, and this negative trend is expected to continue in the future**.

The study clearly shows that **ensuring financial independence and security are the main goals / motives for starting a business in the region. Only after these needs of "first necessity" are covered, it is time for social responsibility**. Business representatives find social responsibility a positive business practice, but only after the necessary financial resources are provided, which would secure the activity of the enterprise.

The share of companies that use external financing is negligibly low. Although access to European funds is to some extent a motive for starting a business, its use and absorption seems to remain in question for the majority of business representatives of interest. It is clear that **companies rely and depend mostly on their internal financing** - income from core business. In addition, companies use their own funds, loans and membership fees.

Our opinion:

It seems that for the full implementation of the practices of the social and solidarity economy it is necessary to first meet and cover the main goals and needs of the companies from Blagoevgrad region, namely the achievement of financial independence and security. Only then will the representatives of the companies have the opportunity to pay more attention to their social responsibility.

In this regard, the availability of clearer and more accessible opportunities for providing external financing, which is currently not so strongly represented, would provide additional resources for companies that could be used for the purposes of the social and solidarity economy.

Management summary (2/2)

Only 30% of the companies surveyed say they participate in branch organizations. The main interest is the **business with related or complementary activity. The least need / benefit of cooperation, business representatives see with state and municipal organizations.** Although some companies find positives in their membership (sharing experiences and joint marketing initiatives), **the prevailing opinion is that such organizations and institutions do not make much contribution to the business.**

The survey shows that **businesses seek information about legal changes mainly from Internet sources.** Participation in seminars and meetings, as well as consulting with lawyers, are far rarer practices for companies, due to that they consume more time and resources.

About 1/2 of the surveyed business representatives from the province share that they are interested and intend to expand their network of contacts and joint activities with other companies from the country and abroad.

The most important motive for building successful associations is to provide employment. Improving the economic development and well-being of the region's population, as well as raising the professional qualifications of employees, are also seen as important motives.

The need to unite the companies in Blagoevgrad Province, which are owned or hire workers from vulnerable social groups, is considered important by the majority of the surveyed population.

Our opinion:

The low share of actively participating companies in any cooperation indicates the possible loss of benefits for the business. The merging of the business could have a positive effect on the work of companies in the region. It is very likely that closer cooperation with state and municipal organizations will lead to an improvement of the business climate in the province, but provided that there are clearly regulated practices and conditions.

The data show that the business of interest is open to new opportunities with companies with related or complementary activities. This is also a good prerequisite for building key alliances, which will subsequently create preconditions for the implementation of appropriate social practices to support vulnerable social groups. Moreover, according to business representatives in the area, the vulnerable social groups in question have a real need for support.

There is still a lack of clarity among businesses how this can happen in practice.



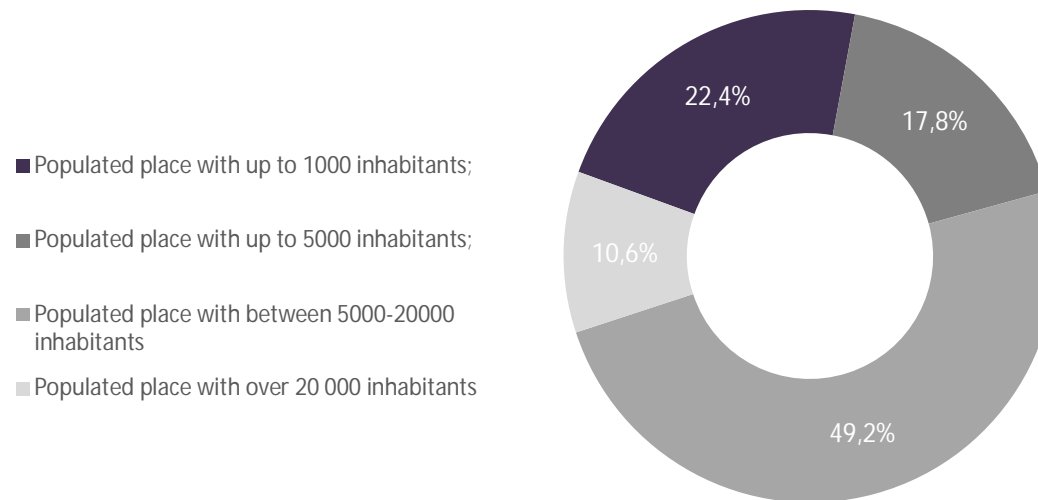
Enterprises'
profile

Enterprises' profile

- The study managed to reach enterprises from all types of populated places of interest. **The largest presence is of companies** that are located **in populated places with between 5,000 and 20,000 inhabitants** (nearly 50% of the total sample). 40% of the surveyed enterprises are located in towns and villages with a population of less than 5,000 inhabitants, and the remaining 10% are in cities with more than 20,000 inhabitants.
- **The survey shows that 90% of the companies in the sample were established after 2000.** Among them, the share of companies that have started their activity after 2010 is nearly 57%.
- The most used legal statuses are „EOOD“ (Sole Proprietorship Limited Liability Company), „OOD“ (Limited Liability Company), „ET“ (Sole Trader) and „Natural Person“. This is not surprising, since **in almost 95% of the cases, the activity performed by the company is in the field of tourism.**
- In terms of employment, **small companies with a staff of no more than 9 people predominate.**
- 36% of the companies that participated in the survey indicate that they do **NOT provide employment for disadvantaged people.** The companies, which still provide such employment, are most often from the tourism sector.
- The representatives of the companies of interest share that their activity has **the most favorable effect on the population from the remote areas of the province.** They also believe that their business helps to some extent the representatives of minority ethnic groups, as well as the elderly.
- The survey also shows that business representatives in the region **have seen a negative impact on their revenues over the past 3 years**, sharing that they are declining every year.

Type of populated places

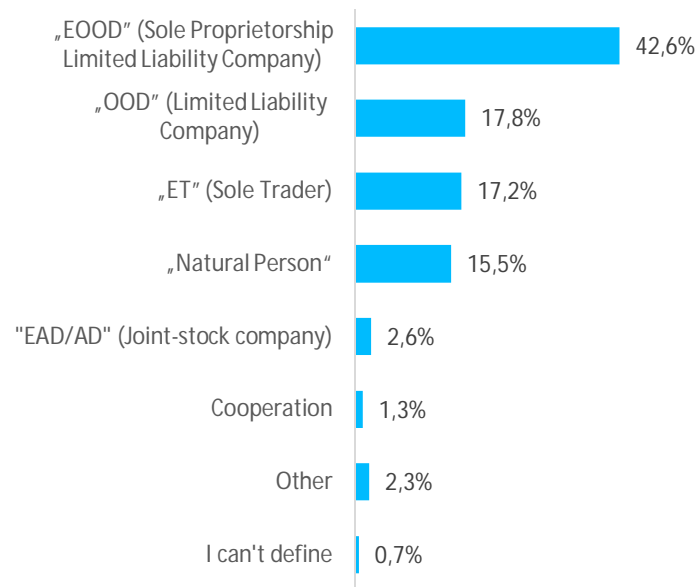
What type is the populated place in which your enterprise operates?



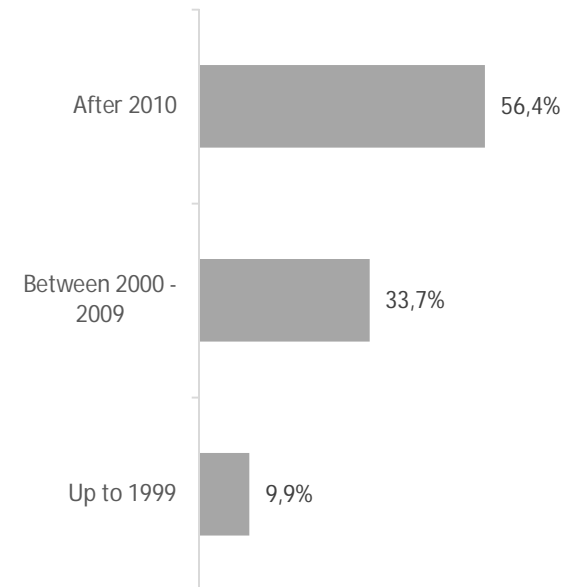
Base: All researched enterprises (n=303)

Enterprises' status

What is the legal status of the legal entity to which your company operates?



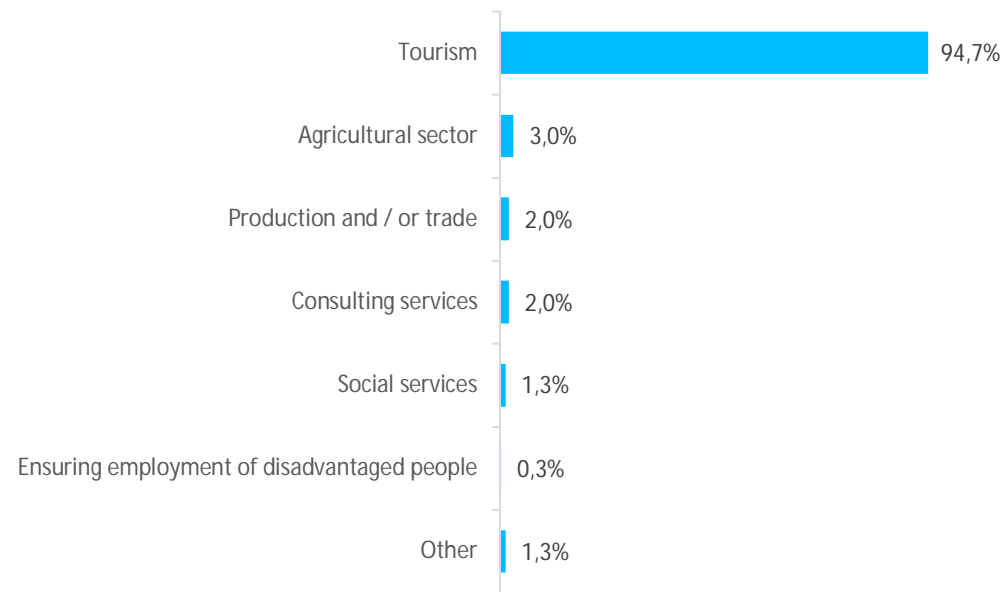
In what year did the company you represent start operating?



Base: All researched enterprises (n=303)

Field of work

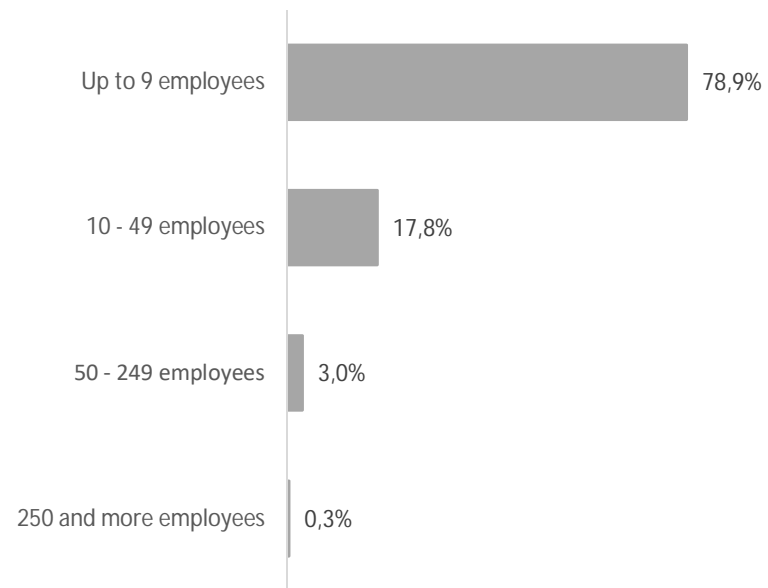
In which of the following fields does the company you represent operate?



Base: All researched enterprises (n=303)

Number of employees in the enterprise

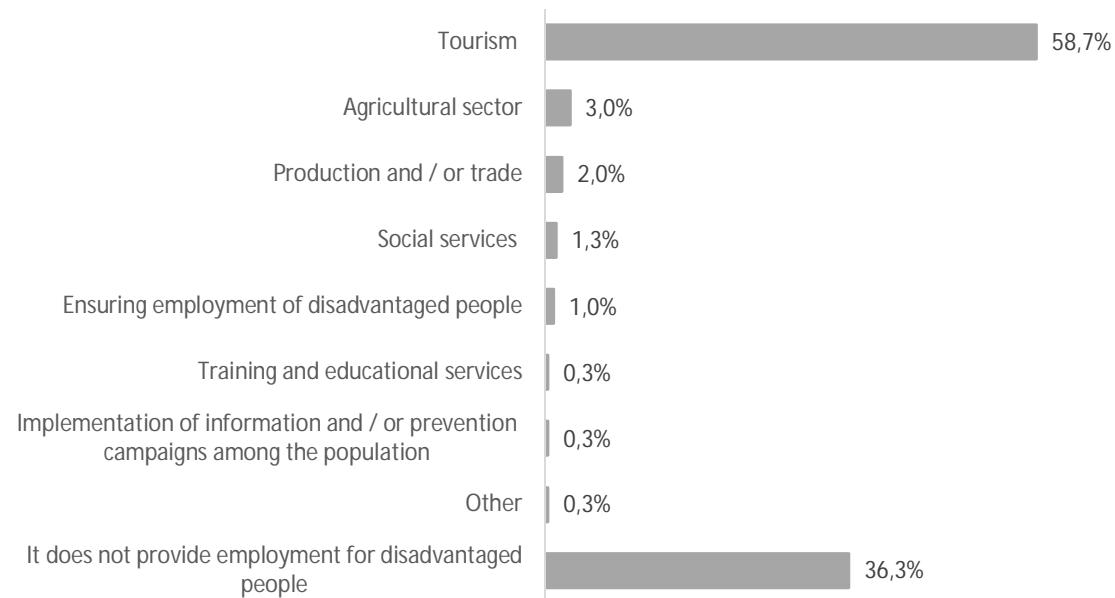
What is the total number of employees in your company, including the disadvantaged people?



Base: All researched enterprises (n=303)

Employment of disadvantaged people

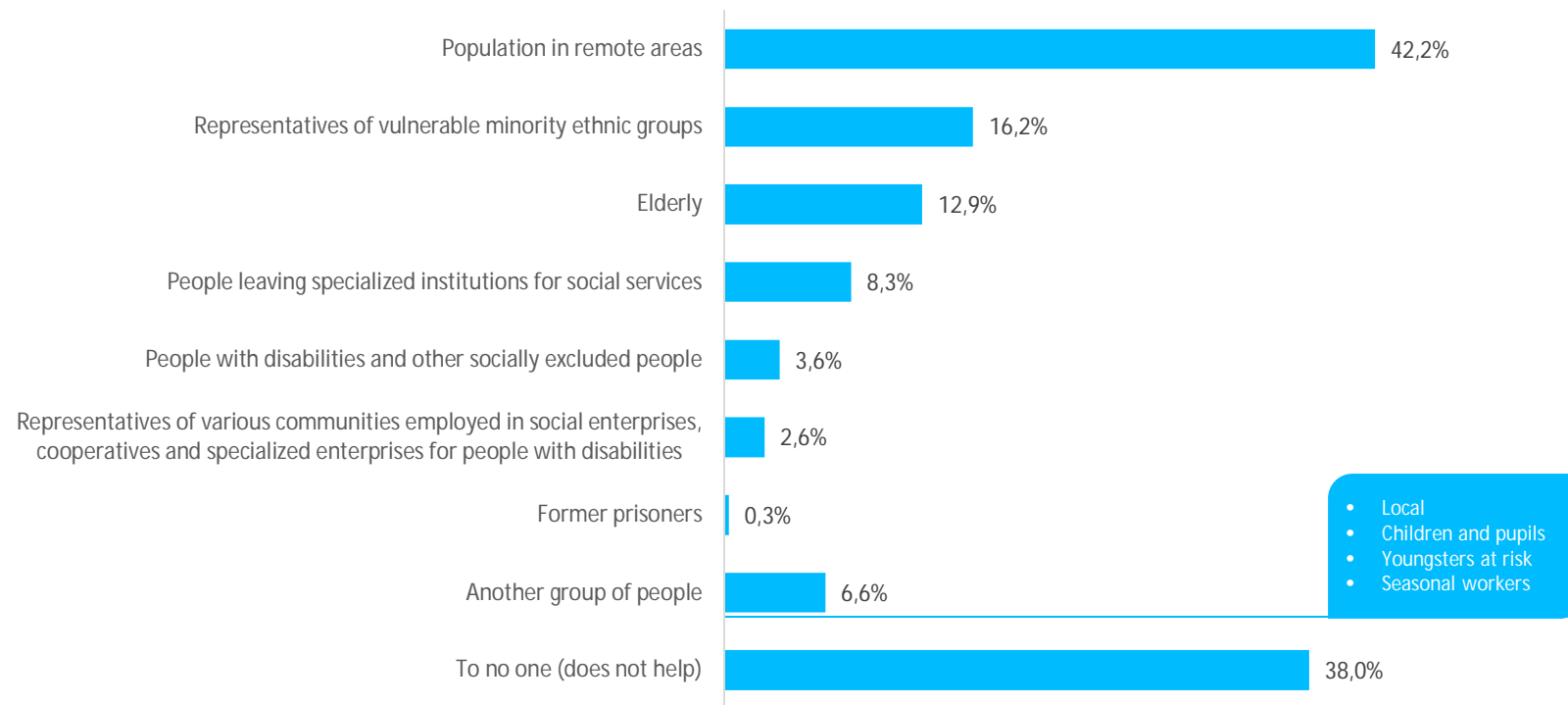
If your company provides employment for disadvantaged people, in which field are they operating?



Base: All researched enterprises (n=303)

Target groups

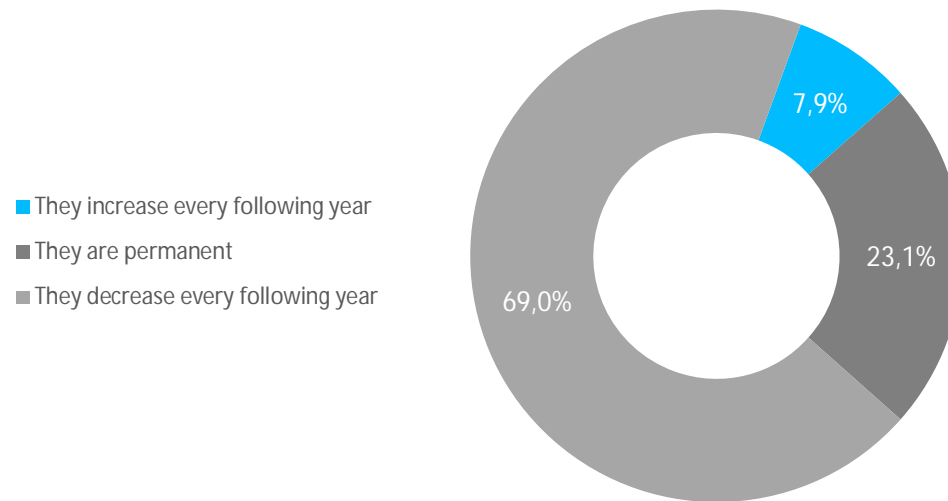
Helping which target groups of the population is the work of your enterprise directed?



Base: All researched enterprises (n=303)

Changes in revenue

How have the revenues of your enterprise changed over the last 3 years?



Base: All researched enterprises (n=303)



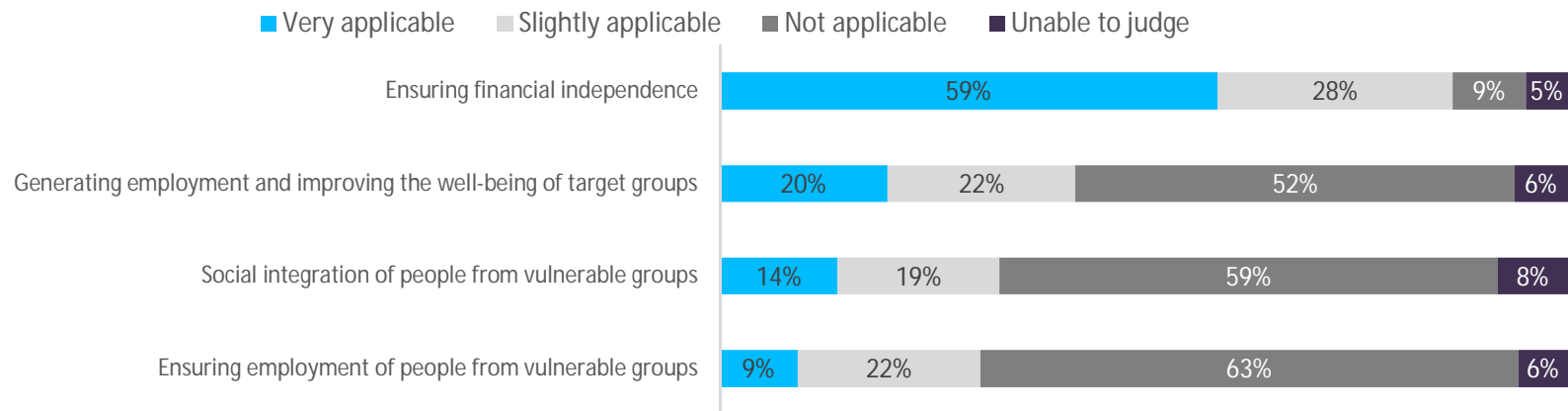
**FUNCTIONALITY
OF THE ENTERPRISE**

Functionality of the enterprise

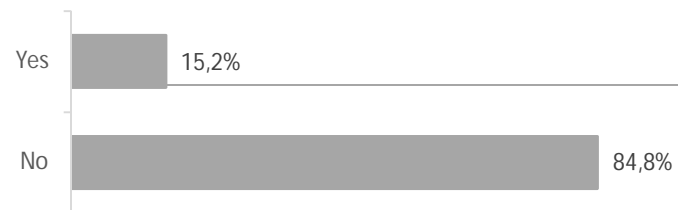
- The study reports that **ensuring financial independence and security are the main goals / motives for setting up a company in the region.** Secondary of importance are factors such as generating employment, improving the well-being of target groups, social integration, providing employment to people from vulnerable groups, etc.
- The results show that **the initiative for starting the enterprises**, within the studied sample, is **divided mainly between the following three:**
 - ✓ Family initiative (63%);
 - ✓ Personal initiative (37%);
 - ✓ Professional group (9%).

Objectives for the establishment of the enterprise

Objectives for the establishment of the enterprise



Are there other important goals for the creation of your company?

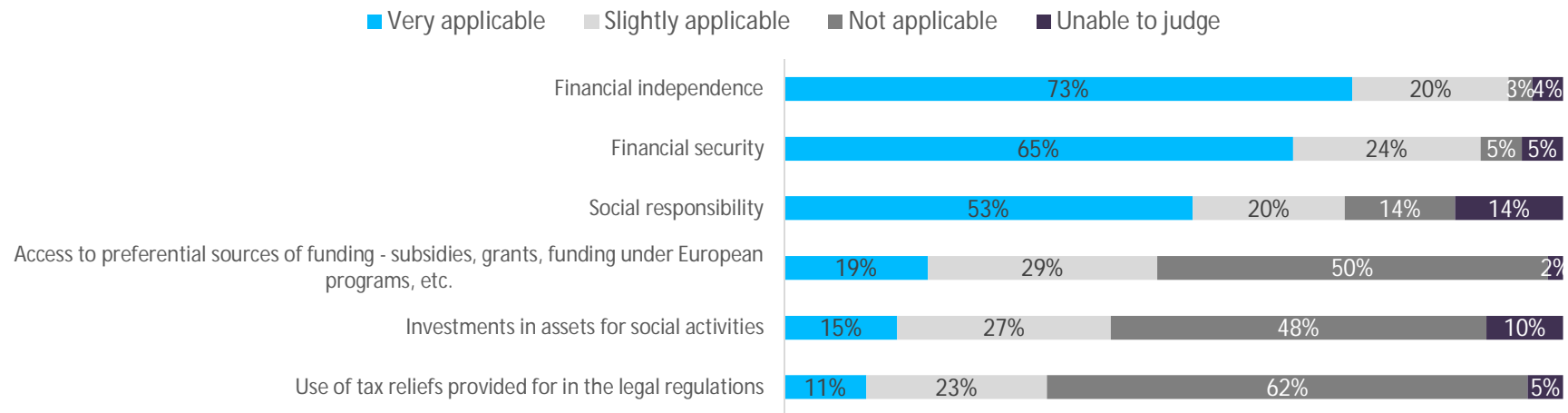


- Family business;
- Business expansion;
- Additional activity;
- Excursion holidays / rest and relaxation;
- Introducing students to their homeland;
- Environmental protection, tracing and maintenance of routes;
- Presentation of destinations at tourist fairs and development of tourism;
- Acquisition of work habits;
- Development of the populated place and the region.

Base: All researched enterprises (n=303)

Motives for establishment of the enterprise

Leading motives for the establishment of your business:



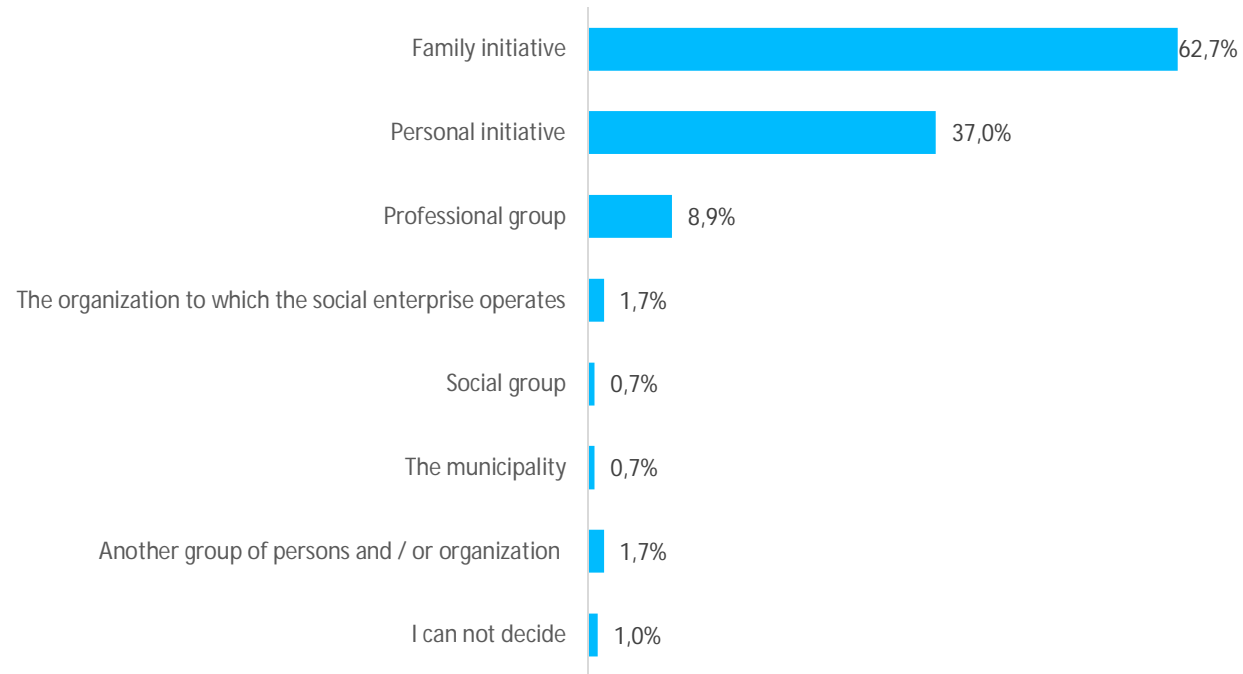
Are there any other important motives for the establishment of your business?



Base: All researched enterprises (n=303)

Initiators for the establishment of the enterprise

On whose initiative did your enterprise start?



Base: All researched enterprises (n=303)



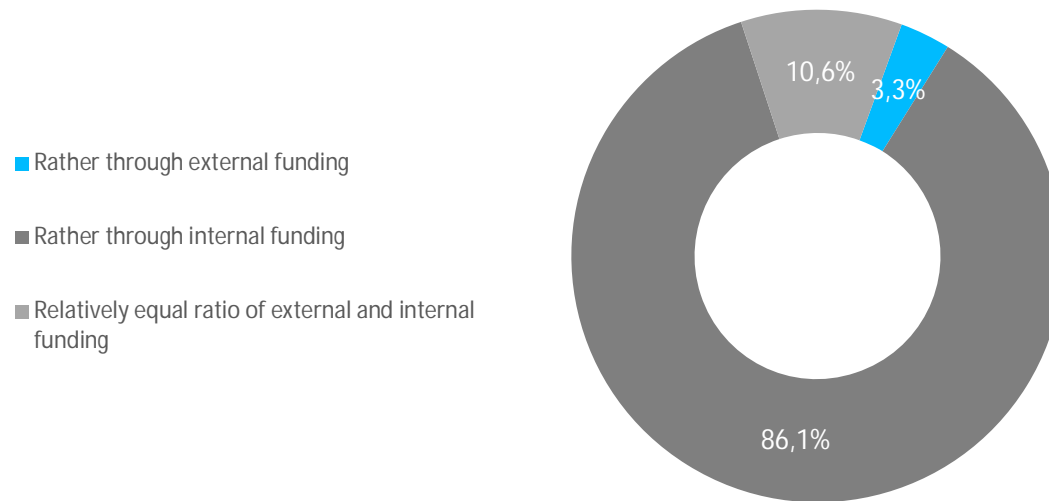
**RESOURCE
SECURITY OF
THE ENTERPRISE**

Resource security of the enterprise

- **Only 3% of the surveyed companies use external financing for their business purposes.** Most often, **companies depend on their internal financing (86%)**, and the remaining 11% seek a balance between the two types of financing.
- In the majority of the surveyed companies, **the revenues from the main activity serve mostly for self-financing.** In addition to income, other important sources of funding are the available **own funds, loans and collected membership fees.**
- **Only 30%** of the surveyed business representatives who use external financing indicate that the company in which they **work benefits from additional financing from European funds.**
- **More than 90% of the companies state that they do NOT use in any way government, municipal or donations financing to provide additional funds for their business.**

Enterprise financing (1/2)

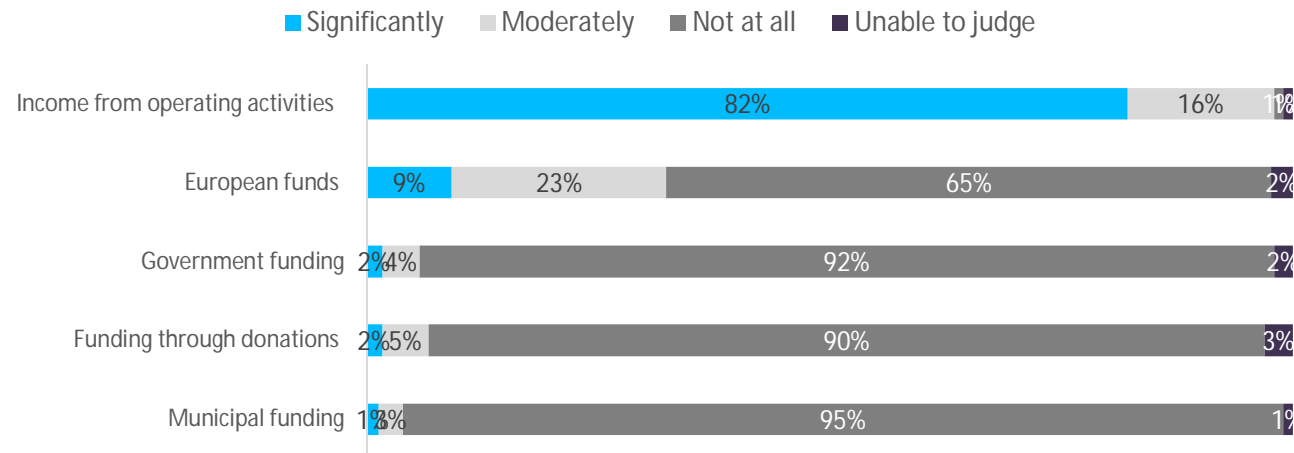
What is the share of your own financing in the total financing of the company?



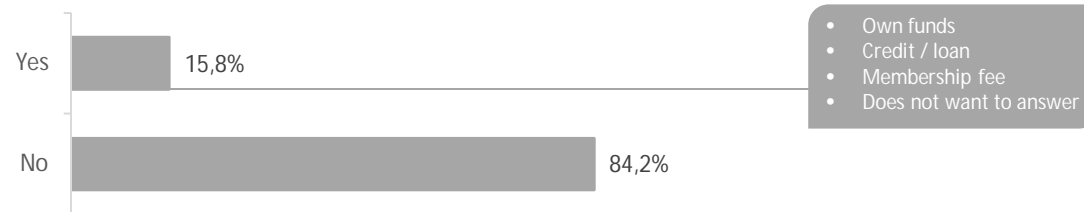
Base: All researched enterprises (n=303)

Enterprise financing (2/2)

To what extent your company is / is not funded by the sources listed below?



Are there other important sources of funding for your company?



Base: All researched enterprises (n=303)



**RELATIONSHIP OF
THE ENTERPRISE
WITH
INSTITUTIONS OR
ORGANIZATIONS**

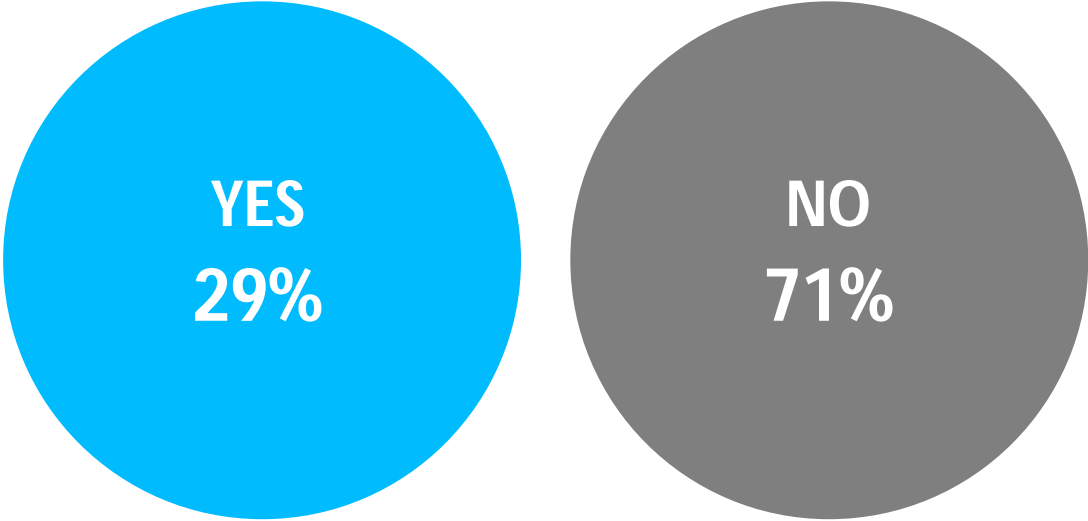
Relationship of the enterprise with institutions or organizations

27

- **1/3 of the enterprises** included in the survey indicate that **they are members of branch organizations**.
- The companies see **the least need / benefit for cooperation** in the face of **state and municipal organizations**. On the other hand, enterprises with related or complementary activities, as well as branch organizations are perceived as more necessary for business, about 40% of the surveyed companies indicate that they would need such cooperation.
- Nevertheless, **the prevailing opinion among companies is that at the moment these institutions and organizations do not have a special contribution to the activities of their business**.
- Among the companies that did have successful collaborations, it was clear that **sharing experiences and joint marketing initiatives were most beneficial**.
- Approximately **86% of companies use Internet resources very actively as the main source of information on legal changes concerning the business**. 52% follow regularly and find the information they need in the daily press.
- Participation in seminars and meetings, as well as consulting with lawyers is a far rarer practice for companies, but this is explained by the higher degree of commitment of time and resources they expect.
- About **54% of the representatives of the enterprises** shared that they **are interested and intend to expand their network of contacts and joint activities with other companies from the country and abroad**. 16% of them would seek contact with companies from other industries, and the remaining 38% would seek contact with business from the same industry.

Membership in organizations

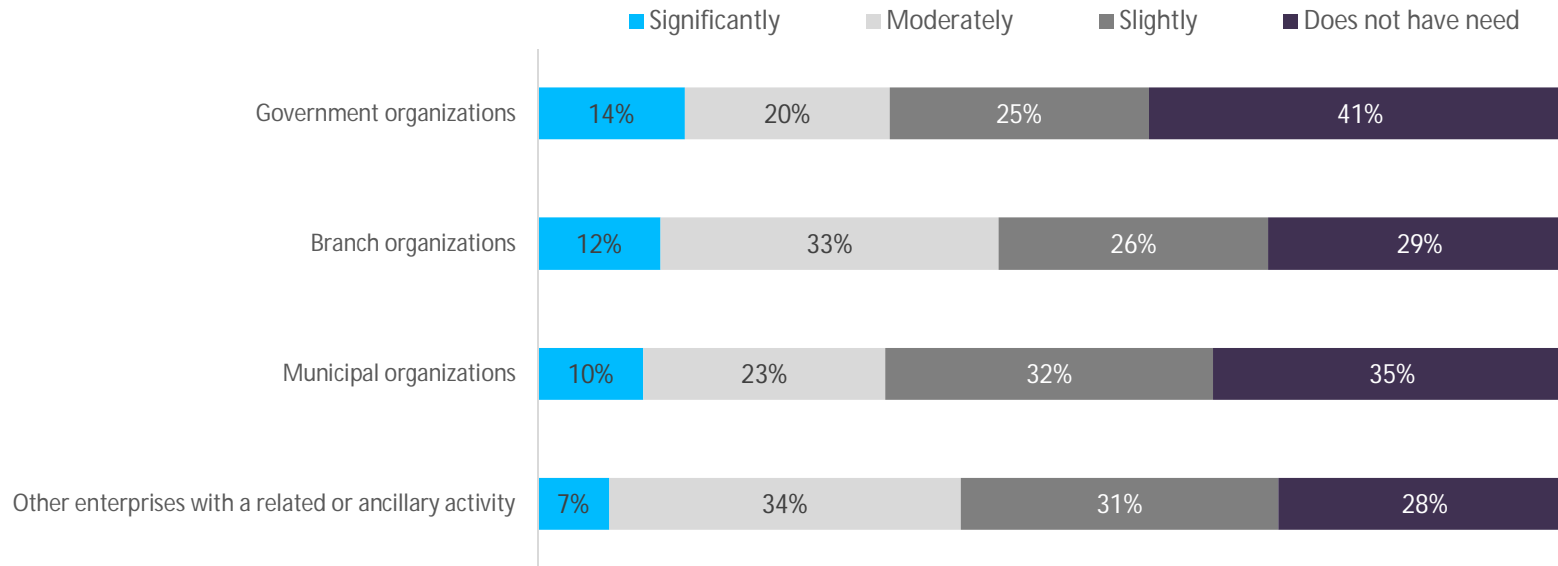
Is your company a member of a branch organization (association)?



Base: All researched enterprises (n=303)

Need for cooperation

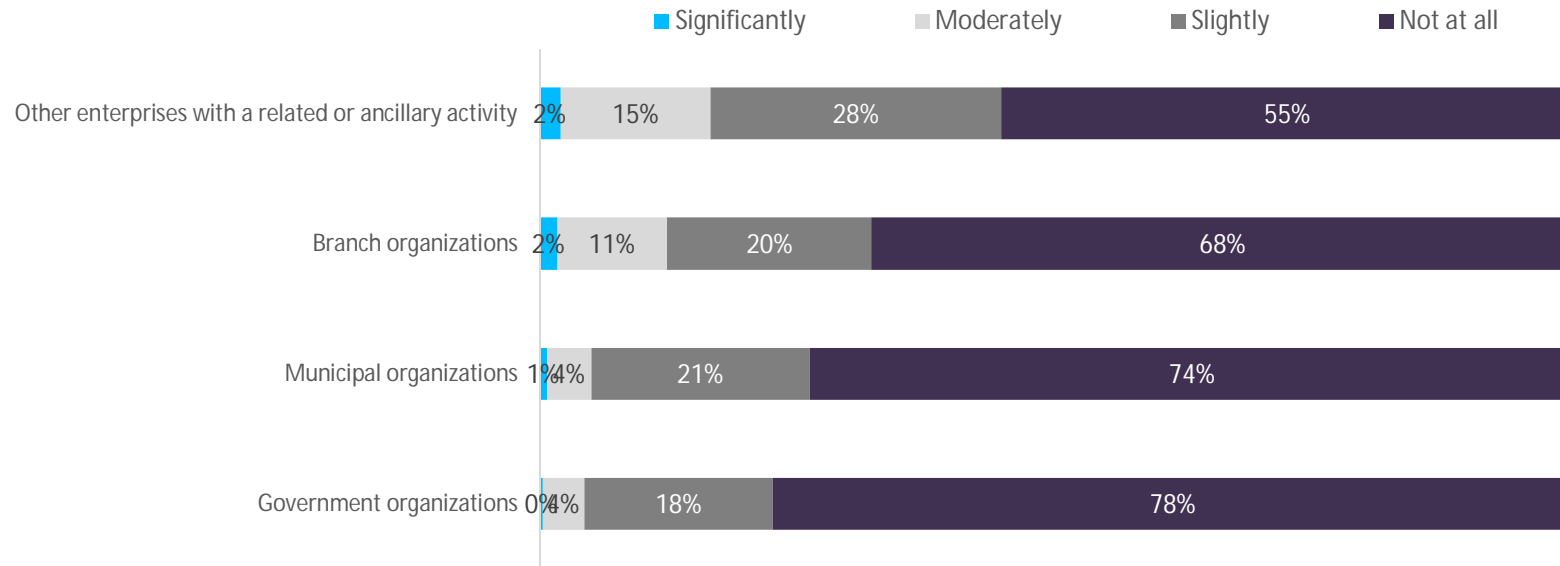
To what extent does your company need cooperation with other institutions / organizations?



Base: All researched enterprises (n=303)

Contribution of institutions / organizations

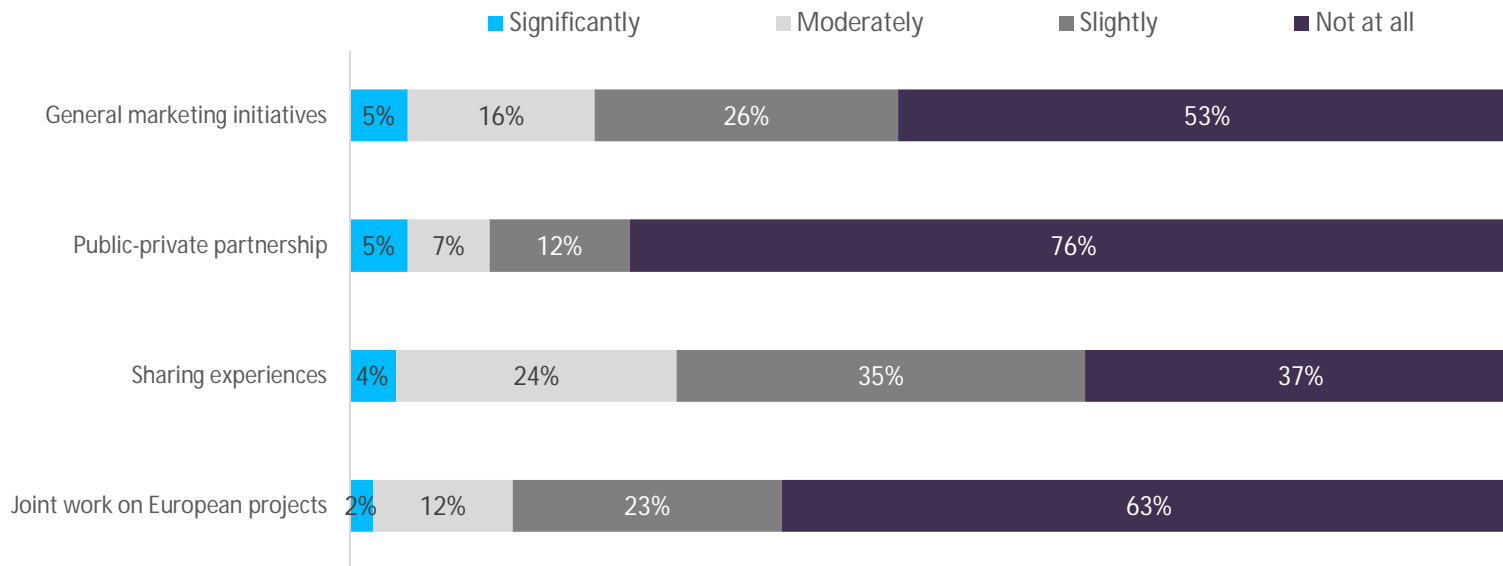
To what extent do the mentioned institutions / organizations contribute to the development of your activity?



Base: All researched enterprises (n=303)

Supporting the activity

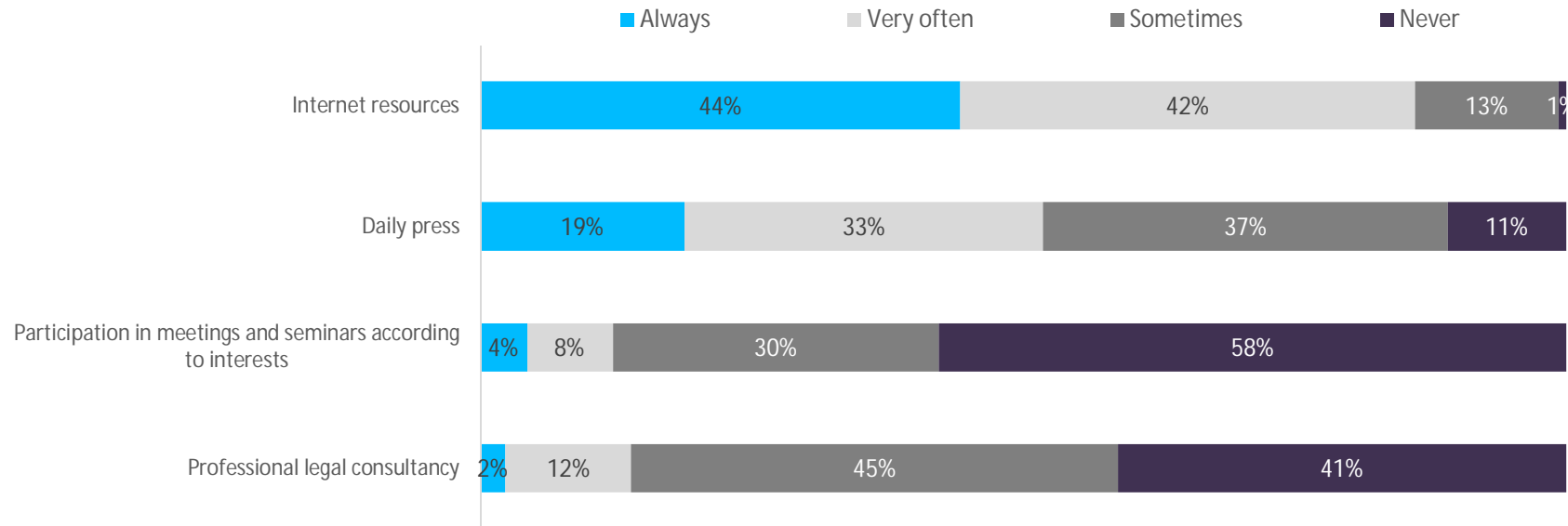
How did the selected institutions / organizations support your activity?



Base: All researched enterprises (n=303)

Sources of information

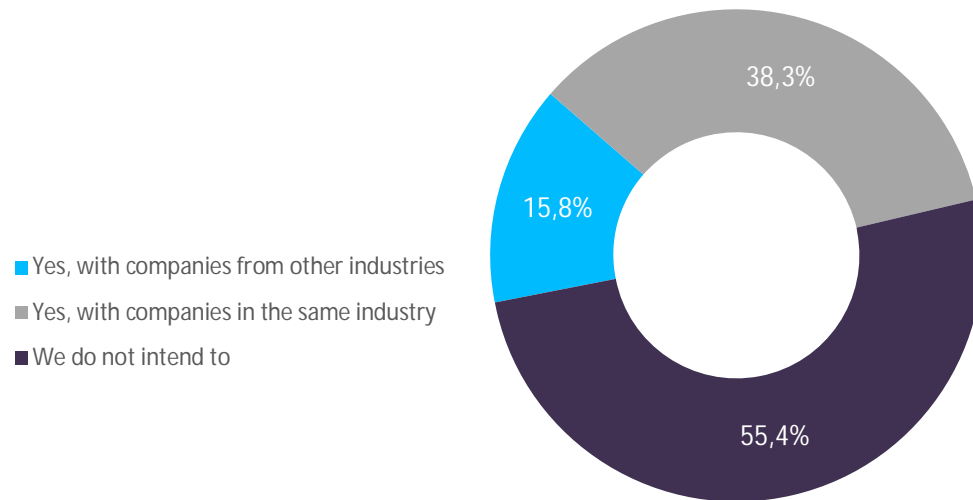
What sources do you use to find out about legislative changes concerning your business?



Base: All researched enterprises (n=303)

Expanding contacts

Do you intend to expand your network of contacts and joint activities with other companies from the country and abroad?



Base: All researched enterprises (n=303)

The image features a background of thin, light gray lines forming a complex, overlapping geometric pattern of triangles and polygons. In the center-right area, there is a prominent black teardrop-shaped graphic with a bright blue outline. Inside this shape, the text "INTENTIONS FOR ASSOCIATION" is displayed in a clean, sans-serif font. "INTENTIONS" is in blue, while "FOR" and "ASSOCIATION" are in white.

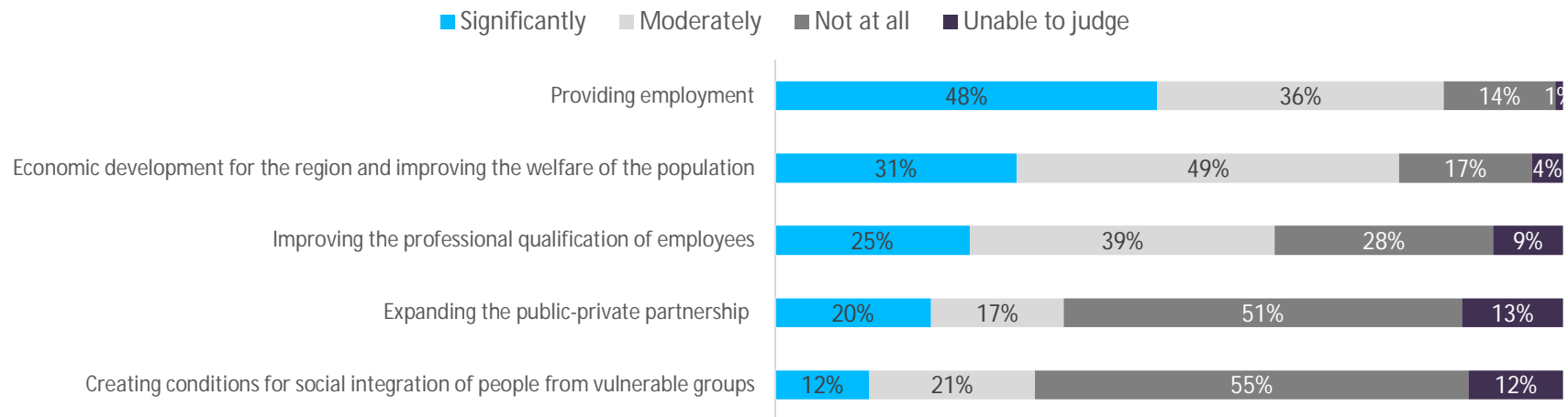
**INTENTIONS
FOR
ASSOCIATION**

Intentions for association

- **The most important motive for business association is "Providing employment"**. 48% of companies believe that building associations would have a positive impact on the employment factor.
- Other important motives, but to a lesser extent, are **"Economic development of the region and improvement of the well-being of the population" (31%)** and **"Improvement of the professional qualification of employees" (25%)**.
- **Nearly 73% of the companies believe that association of the companies in Blagoevgrad Province, which are owned or hire employees from vulnerable social groups, is necessary in one form or another.**

Motives for association

To what extent each of the following motives applies to your company?



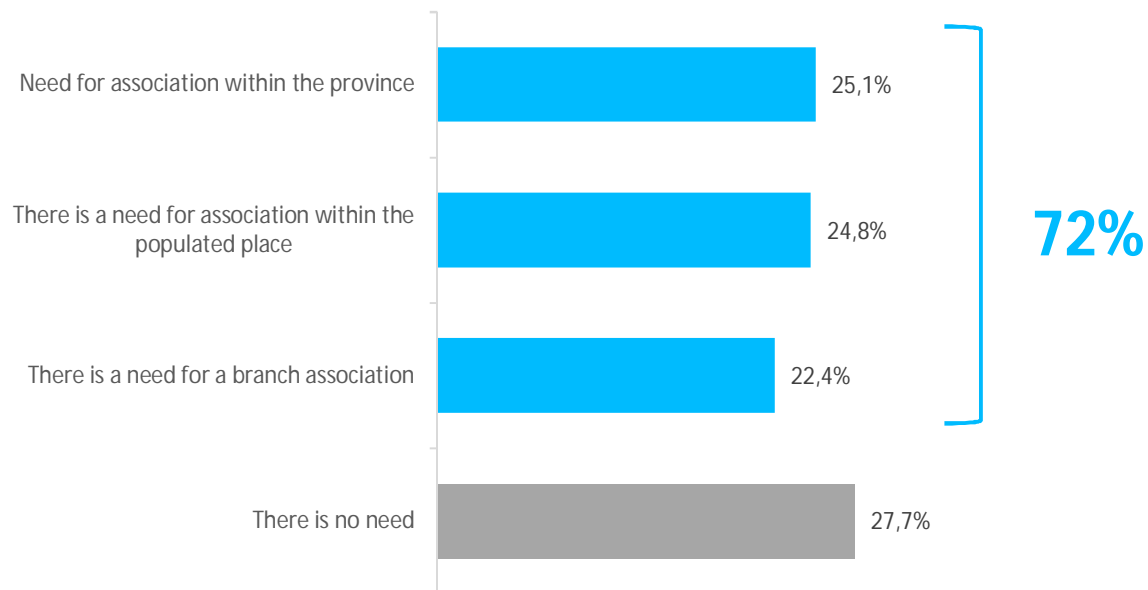
Are there any other important motives that apply to your company?



Base: All researched enterprises (n=303)

Need for an association in Blagoevgrad province

In your opinion, what is the need for association and cooperation of the companies in Blagoevgrad province, which are owned or hire workers from vulnerable social groups?



Base: All researched enterprises (n=303)

Contact information



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