

PROJECT TITLE: SOCIAL AGRI-ENTREPRENEURSHIP FOR PEOPLE WITH DISABILITIES IN THE CROSSBORDER AREA (AGRI-ABILITY)

DELIVERABLE: 5.3.3. REPORT ON THE BUSINESS MODELS FOR GOOD PRACTICES IN SOCIAL ENTREPRENEURSHIP

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1. Business Models for Social Entrepreneurship for People with Disabilities in Agriculture

1.1. Brief Introduction

Contemporary research shows an increased interest in the importance of factors and their impact on social entrepreneurship activities. In all, it can be seen that the entrepreneur's environment is playing an increasingly important role in entrepreneurial activities than what has been revealed by earlier research. In addition, social entrepreneurs are often associated with strong driving forces seeking independence and taking risks.

This study illustrates how social entrepreneurs in agribusiness can interact with the spatial, social, and institutional contexts. The study aims to explore the benefits of value chains, how three different levels of context interact with rural entrepreneurs in a coordinated network and thus influence the entrepreneurial process. The developed models for building chains to create value in the field of agribusiness aim to demonstrate the benefits of multi-territorial integration through social interactions and benefits for cooperation with other members. Moreover, the network has a single way of conveying the message of a viable rural area. Also, entrepreneurs are not competitors but colleagues. They are deeply spatially connected in the area and the site is as important as the business itself. Moreover, since the network was initiated, the area has been restructured and developed to become a tourist destination offering a full experience of nature, history, and places of visit. Entrepreneurs are perceived as not directly, but rather indirectly affected by public norms, stereotypes, and values. But since they are part of society, they also affect public norms.

The proposals for future research are to explore content aspects in combination with different types of business initiatives to gain a broader understanding of entrepreneurial intentions of social entrepreneurs and to conduct a longitudinal study of the same type as entrepreneurship and context are phenomena, which are characterized by complexity and development over time.

According to Irina Kostetska, I. Berezyak (2014) social entrepreneurship represents a real mechanism for solving the social problems of society, maintaining its economic and social dimensions the social well-being of a particular territorial community and the state as a whole



through occupational therapy, social rehabilitation, the introduction of new mechanisms to address current social problems with the characteristics of social innovation. According to the authors, it can be assumed that social entrepreneurship harmonizes social and commercial interests through the mechanism of involving the representatives of the economically active population for productive labor. According to them, the role of the state, which needs to pay special attention to the development of social entrepreneurship: favorable legal and tax conditions, favorable forms of interaction with civil society organizations, is of particular importance; creating a favorable institutional environment for social enterprises. This will create conditions for the development of this area of activity to strengthen the citizens' initiative will be implemented a factor in the crisis of the socio-economic system, promote a more coherent functioning of the whole socio-economic system.

Semape J. Manyaka (2015) views the concept of social entrepreneurship as a potential lever in the economic and social transformation of the poorest-of-the-poor community of Nellmapius township, east of Pretoria, South Africa. The author identifies definitions of "entrepreneurship" and "social entrepreneurship", and delves into the historical development of the concept of entrepreneur. South Africa is in an era that needs more new venture creation. Hence, he studies a venture formation from the perspective of Schumpeter's theory of ways of forming a new firm.

According to the European Commission (2013), social entrepreneurship is increasingly challenging the traditional idea of doing business just for the sake of profit, and social enterprises are developing around the world. They find that social enterprises contribute to keeping those people at risk of social exclusion attached to the labor market through the provision of training and work integration activities. They also address the social needs of groups that government agencies find hard to reach and create all the jobs needed to overcome the employment crisis. They conclude that the social enterprise is not a panacea for the social and economic challenges, however, the social enterprise is an important contributor to meeting those challenges but the focus of these policies should be on providing environments in which social enterprises can thrive, including actions to promote social enterpreneurship and improve



legal and regulatory frameworks, financing, access to markets, business development services and support structures, and training and research.

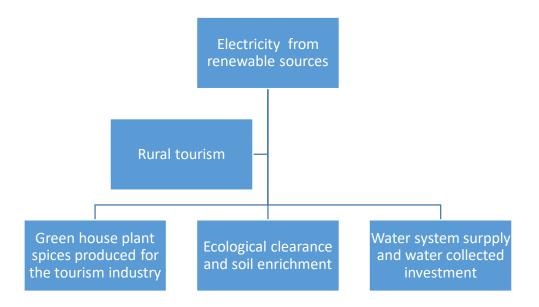
1.2.Value Chain Models

The basic organizational theory on which the proposed business models are based on the Value Chain Theory of Michael Porter (1985). The idea of a value chain relies on a production analysis of economic agents, the idea of seeing a production or service organization function as a system consisting of subsystems, each of which has inputs, transformation processes, and results. Investments, transformation processes, and end products or services include the acquisition and consumption of resources - financial resources, labor costs, materials, equipment, buildings, land, administration, and management. How the value chain creates activities depends on the cost-share and has a direct impact on profits. The actively operating organizations are involved in hundreds, even thousands of activities in the process of transforming incoming resources into products.

Figure 1.1. presents the electricity as part of a value creation chain and its influence on the production and environmental consumption of energy and the natural sources of tourism business. The clean soil, clean electricity, water consumption are connected. The use of landsaving products without further disruption is at the heart of the green economy and, therefore, their use as a tourism resource for additional revenue in areas where there is no wide choice of options available for own business.



Figure 1.1. Value Creation Chain: Electricity from Renewable Sources



Source: developed by Elena Stavrova, Agri-ability Project Team Member and Researcher

Figure 1.2. presents the important "green" value creation chain. On the first level there is green energy, water-saving system, organic agricultural products, ecological soil treatment, rural tourism and life-long learning as sources of way of people participation in the innovation processes.



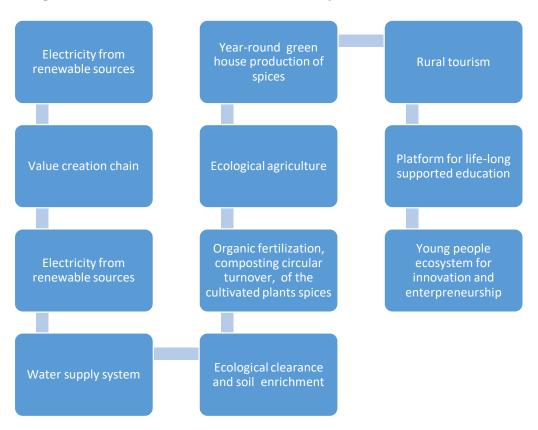


Figure 1.2. Value Creation Chain: Electricity from Renewable Sources

Source: developed by Elena Stavrova, Agri-ability Project Team Member and Researcher

Table 1 describes in detail how the value chain models can be applied in social entrepreneurship, in the field of agriculture, in order to create a supportive environment for social enterprises and social innovation, promoting self-employment, integrating business and social activities.

1.	MAIN PARTNERS	
		Solid and democratic participation of legitimate participants (<i>By Theory</i>
		of Planned Behavior they have a desire to live in rural areas, to contribute
		to the local community, as well as a certain level of autonomy and self-
		<i>decision</i>) based on a consensus on the nature of collectively identified needs
		and the willingness to respond by combining social and entrepreneurial
		activity with the participation of:

Table 1. Value chains in agricultural production



	1. Non-governmental organizations,
	2. Cooperatives,
	3. Individual members,
	4. Households,
	5. Volunteers
	5. Volumeers
	To increase the organizational capacity to build a sustainable model of investment and reinvestment for social, environmental, public benefit, owning or having access to alternative sources of funding. The partners in the chain of value creation implement production,
	processing, distribution of finished products, health services, and care
	services to mobilize resources and to limit and minimize potential risks.
	Joining efforts to implement pilot initiatives with demonstration effect.
MAIN ACTIVITIES	
	The value creation chain has the task of reducing marketing costs and providing access to information to produce goods and services for sale. For this purpose, a platform is created to connect the participators in the value chain. Ensures realization of an idea, verification of claim, price formation, identification of distribution channels, establishment, and maintenance of customer relations. In the chain value creation in agricultural production can be incorporated companies with activity: 1. Production of electricity from renewable sources; 2. Building a water supply management system and investing in collector facilities; 3. Environmental clean-up, mulching and soil enrichment activities, organic fertilization, composting, circular turnover of the cultivated plant species; 4. Organic farming - growing of berries, herbs, processing, storage, and distribution; 5. Rural tourism - accommodation, subsistence, inclusion in the activities of the companies proposed above; 6. Greenhouse spice cultivation for tourist sites and complexes 7. Delivery of health services - Mobile office for an examination, supply and distribution of glasses and aids for people with individual needs 8. Supply of Health Services - Mobile Lab for Medical Research 9. Development, maintenance, and maintenance of a platform for communication and information exchange. 10. Wholesale trade in food products. 11. Improving the quality of human resources through the provision of lifelong learning and education to long-term unemployed and people with disabilities to engage through the acquisition of concrete practical skills



		12. Providing care services;
		13. Building the Ecosystem for Innovation and Entrepreneurship in the
		Rural Areas of the Cross-Border Region to Address Unemployment among
		Young People with Disabilities in a Digital Environment.
3.	MAIN RESOURCES	
	KESUUKCES	Cross-financing - the prices for the realization of the produced goods and
		services out of the participants in the system are doubled.
		Co-operatives and non-governmental associations use the income earned
		by the social enterprise to subsidize members' services related to crop
		improvement, sustainable agriculture, seed purchase, veterinary products for livestock farming, and farm loans.
		Development and implementation of alternative funding sources:
		1. Leasing - payment of monthly subscription installments until the lease is
		completed, after which the leased asset becomes the property of the user.
		2. Cradoufning - recruitment of voluntary contributions to realize a specific
		business initiative
		3. Equity contributions and dividend policy of cooperatives.
		4. Sale of shares.
		The value creation chain unites:
		1. Physical capital - buildings, machinery, vehicles, land, specialized
		equipment.
		2. Intellectual capital - knowledge, practical habits, creative and thinking
		abilities of people, their moral values, the culture of labor.
		3. Organizational capital - procedures, technologies, management systems,
		technical and software, organizational structures, patents, brands, the
		culture of the organization, relationships between the participants in the
		chain. The organizational capital is the company's organizational
		capabilities to meet the needs of the chain and market participants.
4.	VALUE OF THE IDEA	
		Technological and social change - providing new jobs in the regions with
		declining populations, using modern technologies, providing access to and
		providing specialized services, enhancing living status, improving working
		capacity, strengthening communication contacts to expand access, and
		minimizing potential risks.
		Realization of therapy through training and employment, social
		rehabilitation improving the quality of human capital. Offering products
		and services are provided within the value chain. It is possible to
		incorporate into external chains by signing contracts with retail chains for
		the realization of specialized, original goods with significant market



		demand (eg IKEA, restaurants, and fast-food chains for their needs of
		flowers, fresh spices, and mushrooms). The ideas that will be implemented
		contain an innovative element, realized through the system of contacting,
		the way of implementation, satisfying specific individual needs but a
		profitable way guaranteeing usability and access.
5.	CUSTOMER	
5.	RELATIONS	
		Some of the links in the system are traditional - ecological soil
		treatment, organic farming, distribution, and input into the production of
		ecological products, but also the goal is to include new consumers in the
		chain.
		The realization of the links between the units in the chain is carried out
		through production - factoring conditions for production (land, water
		resources, alternative sources of electricity, transport infrastructure)
		marketing (distribution channels), information channels, organization of
		information campaigns, digital networks (internet, social networks),
		automated access to market information based on already established
		commercial and other contacts.
6.	DISTRIBUTION	
	CHANNELS	
		It is implemented through production, processing, and marketing
		chains to create value and connect small businesses with large, and thus
		access to, external markets. Value-added social enterprises are selling
		information on the local and export markets for the types of agricultural
		products, including buyers and producers, prices, export duties, transport
		conditions, environmental and fertilizer regulations, storage conditions, and
		so on.
		In addition to retail outlets, products are sold through non-governmental
		organizations and non-profit organizations that train their members to fairly
		pricing, and then maintain a margin for each sale to support the sustainable
		pursuit of their social activities.
		Insufficient infrastructure and uneven geographic distribution increase the
		costs of small-scale operators to reach large user networks due to logistical
		problems. Difficulties may be encountered in transporting perishable and
		specific goods.
		The participants in the value chain are ensuring the sustainability of their
		business by organizing after-sales customer support through use and usage
		training, warranty conditions, ongoing maintenance, spare parts delivery, a
7	CONCLUMED	consultancy.
7.	CONSUMER SEGMENT	
		The use of technologies by which enterprises in the chain enrich their
		customer group by accessing customer data to collect, analyze and predict
	l	



		future trends, and highlight the opportunities for business development that
		is geared to meeting specific consumer needs.
		Cooperation of the participants in the chain provides quality input and
		processing facilities, supports capacity building of farmers, and ensures that
		market customer relationships are the most successful.
		Creating a revenue-generating model to collectively harness small farmers
		to benefit from economies of scale while ensuring that they regularly
		receive and systematically guarantee fair pricing of agricultural products.
		Social entrepreneurs are at the heart of the process of developing
		practical innovations for turning people with disabilities from the low-
		income social group into consumers, producers, and wealth creators, with
		the idea that social and environmental consciousness has a good business
		sense. This value chain aims at "business-social" convergence between the
		private sector and social entrepreneurs that will generate an impact on the
		overall development of rural areas.
		Each entrepreneurial initiative is implemented in one of the following
		markets:
		1. Wide market - for mass consumer goods such as electricity, bread, and
		bakery products, meat and meat products, water, and more.
		2. Market niche - for a particular user group - medical services to people
		with reduced mobility, provision of care services, training of young people
		to acquire digital skills;
		3. Segmented market - grouping by users that have similar characteristics
		needs, health capabilities and requirements, preferences, geographic
		distribution
		4. A differentiated market - a risk management tool, by avoiding
		concentrating on the production of a product, service, and/or offering it on
		only one limited market.
		5. Multi-platform platform - a platform for the realization of links and
		exchange of information on the principle of block technology.
8.	FEATURES OF	
	THE PRICE	
	STRUCTURE	
		The main objective of the pricing policy is to seek the optimum
		between the social mission and the efficiency of the entrepreneurial activity.
		The creation of affordable products is synonymous with the creation of low-
		cost products with guaranteed basic functions. However, the social
		enterprises involved in the chain focus on developing innovative pricing
		and payment solutions for full functional products and services. Sliding tax
		and price fares or special discounts for people with limited funds or new
		payment models (leasing, subscription payments, natural exchange) are
		used.



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		Pricing policy includes: - identifying and optimizing fixed costs for each particular business;
		- which of the costs most significantly determine the price and the
		possibility of substitution;
		- the most expensive stages of the production process.
		1. Price-based business structure of production costs, the function of price, orientation towards low-priced niches
		2. Value-based business-focused value creation - luxury consumption based
		on the premium proposal.
		Policies:
		1. Economics of scale
		2. Austerity policy from the scope - expanding opportunities
		The first price is the fair trade price; then it is necessary to form a margin
		for each sale to support social activity.
9.	REVENUE	
	FLOWS	
		Revenue flow parameters are a function of the price that cost participants
		are willing to pay for. This price is compared to the massively commercially used in similar regions at the moment of setting up the social enterprise.
		Forms of payment are important - cashless postpaid payments are preferred
		to not transfer significant cash.
		Analysis of the place of each revenue stream in the total revenue of the enterprise.
		Types of revenue streams and factor conditions affecting the revenue flow
		parameters:
		1. Sale of assets that are directly used in production activities.
		2. Cost of use, rent, or lease - as the initial step of introducing new products.
		3. License fees - access to electricity transmission and water transmission
		network.
		4. Brokerage costs - for use of a distribution network.
		5. Advertising costs - advertising costs in electronic media, printed and
		other types of publications.

Source: developed by Elena Stavrova, Agri-ability Project Team Member and Researcher



1.3. Cluster Models

Over the last two decades, clusters as a form of economic education have gained considerable popularity. The European Commission has assessed their advantage as a competitive structure and periodically promotes a program to finance cluster education in priority sectors. As a result, interest in the role of cluster unions and their location in the global economy has increased over recent decades. Economists agree that clustering and concentration of industries in specific geographic areas is a key driver of regional and national prosperity. The potential role of governments in facilitating this process has been the subject of increased interest in recent years. This promising development leads to high economic costs for authorities to achieve sustainable economic growth and independence even in today's globalized world with increased factor mobility such as human capital, physical capital, and information. It turns out that it is more important than ever to be in a highly developed cluster. Governments and firms are trying to coordinate their efforts in cluster initiatives to develop a competitive edge on the global market. Nations and regions concentrate on developing highly specialized skills and knowledge to create a lasting competitive advantage for the economy. In response to the ongoing process of globalization, companies are forced to find a place in welldeveloped clusters to increase their innovation and productivity.

According to authors (Porter, 1998; Solvell et al., 2003; Weber (1929); Krugman (1991)) of the cluster structure theory, more providers of specialized investments, specialized infrastructure suppliers, customers, firms in Bulgaria related to skills, technologies, or common entries can be included. Finally, many clusters include government and other institutions - such as universities, standard agencies, professional training providers, and trade associations - that provide specialized training, education, information, research, and technical support.

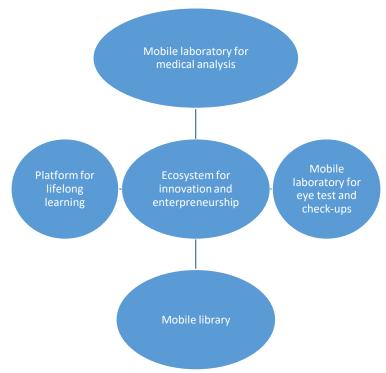
The business models for social entrepreneurship for people with disabilities related to agriculture have been developed through the citied theories and aims at realizing different levels of connectivity of economic activities of people with specific needs of a specific regional structure.



Each of the participating businesses is strictly dependent on the others in the structure and is able to take advantage of the benefits offered.

In the proposed cluster models, business representatives, non-governmental organizations, local authorities, volunteers, and external stakeholders participate.

Figure 3. Cluster model: Building the Ecosystem for Innovation and Entrepreneurship in the Rural Areas of the Cross-Border Region to Address Unemployment among Young People with Disabilities in Digital Environment



Source: developed by Elena Stavrova, Agri-ability Project Team Member and Researcher

The above figure 3 reveals the idea of innovative entrepreneurship. Innovation-oriented local businesses are seen connected. The basis is knowledge, sources of knowledge, new technology and the changing people.



The next figure 4 clearly shows how the platform-based chain works for the people's health and intellectual services in mobile realization both by information sharing and the knowledge sources access. That is the way which ensures the access for the people with limited abilities to have an equal choice.

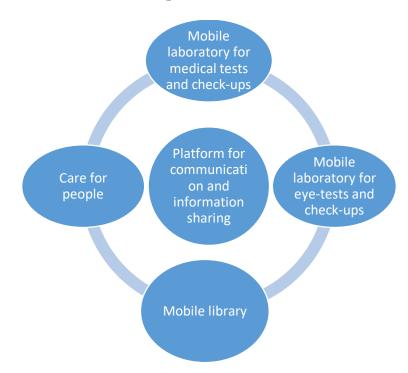


Figure 4. Cluster: Care for People

Source: developed by Elena Stavrova, Agri-ability Project Team Member and Researcher

Social entrepreneurship is one of the forms of joint business in the social sphere between business and the individual involvement of stakeholders with the regulatory intervention of the state. Social entrepreneurship as an opportunity for business initiatives speaks and works with the establishment of the market of liberal ideas for the organization of market relations, for the withdrawal of the state from activities that are important for the preservation of the human factor. The neglect and forgetfulness of the role of the "welfare state", however, has proved its negative impact, and some evidence for this is the increased inequality, the huge number of people in need who have no access to public resources to meet basic needs.



2. Good Practices in Social Entrepreneurship

2.1. Good Practices in Social Enterprises, UK

(www.socialenterprise.org.uk)

2.1.1. Good Practice in Italy

In Italy the idea of creating a more favorable environment for the formation and development of consortia and network organizations perceived through targeted political and positive legislative norms. Over the past 30 years, the Italian non-profit sector has developed a strong entrepreneurial and significantly increased their capacity for employment. Similarly, the Italian case is characterized by the development of multiple models, so the "social enterprise" in Italy is a very stretchable concept that is in continuous development and covers several organizational and legal forms.

The created social cooperatives cooperate very closely with the local authorities and the communities in which they work, by offering social, health care, and educational facilities, as well as job opportunities and integration of disadvantaged people (as opposed to by providing custom-designed products, for example).

At the same time, the Italian Government has created specific benefits and social cooperative consortiums. Some of them are access to national funding; tax breaks and other subsidies, as a contribution to the salaries of employees of certain disadvantaged groups.

In addition, there are other, more unexpected advantages. One of them, for example, is the improved capacity of the consortia for access to EU funding, in particular from the European Social Fund, thanks to the sharing of administrative duties and expertise to complement the management of the complex process of project financing.



2.1.2. Good Practice in the United Kingdom

(www.bigpotential.org.uk/resource/social-investment-guide)

The most common problem that social enterprises in the UK are access to finance. Permanent social enterprises report that the main barrier to their efforts to break through, achieve stability, and develop new markets arise from the inability to easily access capital, compared to ordinary businesses.

There is also a political side of the issue, because the State Government acted slowly with the update of the financial regulations and the associated incentives to social investment, given the changing market. The change in the fiscal policy to stimulate social investment has led to a remarkable change in the scale and development of the market of social investments and the social sector.

In this regard, the decision has been taken for the development of a strong alternative to traditional investment markets, by supporting the social/impact investments by creating a Central Fund, tax breaks, and other incentives. State support of social investment is reflected in the following areas:

Big Social Capital

Big Social Capital (BSC) was opened in April 2012, the UK Coalition Government with unclaimed assets \notin 400 million and \notin 200 million equity from Banks Merlin. This commercial is the first institution of its kind in the world and was created to develop and shape a sustainable market for social investments in the UK. The role of commercial financier V5S is to attract millions of more investments in the social sector — more than could have financed itself.

Tax Relief for Social Investors

Tax relief for social investors is a new form of tax relief provided by the Government, which will be available for people who make qualified investments in certain specific types of social enterprises.



Investment Contractual Readiness Fund

Investment Contractual Readiness Fund (ICRF) is a three-year €10 million Fund. He started in 2012 and is created by the Office for civil society, which aims to ensure that social enterprises can provide new forms of investments and to compete for contracts and services. It provides grants for social enterprises that have the potential for high growth and has a positive social impact. The Fund shall support the attraction of new investments and/or execution of specific contracts.

Other examples of good practice in the UK are The Big Issue and the Care and Share Associates (CASA). Represents the first issue of a weekly magazine for entertainment and current events with the target group – homeless people (www.bigissue.com; www.bigissue.org.uk; www.street-papers.org). the second social enterprise, CASA, provides services for seniors and people with disabilities who live in their own homes (www.casaltd.com).

2.1.3. Good Practice in Belgium

Although social enterprises in Belgium offer innovative and creative products and radical alternatives to worn business models, there is still a shortage of market demand to support the long-term growth of the sector. Since the idea of a social enterprise is still not reached mass consciousness, users are not aware of the social aspect of their consumption and are not so permanent in spending enough money among the social sector.

One of the obstacles to achieving this goal is the lack of awareness of what it means to practice "social buying" after the framework of public procurement is made, how to find good providers of social products.

A guidebook to public authorities and organizations that want to buy social, offers practical guidance on how to include social criteria in the treaties, as well as a directory of social enterprises in several subsectors and industries.



The responsibility for social entrepreneurship and enterprises in Belgium is divided between regional and national authorities.

Common policy in the field of social economy largely dependent on regional authorities – Flanders, Wallonia, and the Brussels-capital region. There are important differences between the three areas in terms of legislation, the development, and condition of the sector.

Grants and funding is provided under national legislation. So the sector is strongly influenced by a national specific policy, social security, and taxation.

Based on the results obtained is posted a guide on social procurement in Belgium as a printed book from 107 pages through 2013. (www.miis.be/sites/default/files/doc/fr_web.pdf) and posted on Web portal through 2014. (www.guidedesachatsdurables.be/fr/aspects-sociaux).

The guide focuses on existing legal instruments that allow public authorities and public undertakings to use social employment, social integration, and inclusion as criteria for the award of public contracts, based on European legislation.

Also, in 2000 the Flemish Government launched an initiative for the establishment, recognition, and subsidization of Start centers or Regional incubation centers.

The objective of these centers is to start to stimulate business initiatives within the social economy. This means to help the future social entrepreneurs for the formation and implementation of business ideas, to encourage them to employ people with disabilities and to steer them in the application of the principles of sustainable entrepreneurship. (www.vlaanderen.be/werk).

2.2. Good Practices examined by the Association of Southwestern Municipalities, Bulgaria (<u>www.aswm.net</u>)

2.2.1. Good Practice in Poland

In Poland, a law on social cooperatives was adopted on 27 April 2006, which sets the legal framework for social employment initiatives, focusing on the activation and inclusion of



marginalised public groups. The law defines the principles that affect the creation and management of a social cooperative (<u>www.actus.free.ngo.pl</u>; <u>www.ekonomiaspoeczna.pl</u>).

2.2.2. Good Practice in Portugal

In Portugal, cooperation agreements between the public social security system and the IRF (private social solidarity Institutions) are adopted, which aim at providing basic social support to certain populations (children Adults, people with disabilities, socially disadvantaged families, and communities).

These agreements take into account the important place of the private sector for social solidarity in the provision of assistance services, which are the primary responsibility of the State.

The Ministry of Labour and Social Security enters into agreements with the private sector to provide financial assistance, as well as technical and other material support so that private enterprises can expand their area of intervention and Improve their services in a way that best meets the social needs of the population (www.seg-social.pt).

2.2.3. Good Practice in Slovakia

The attribution of income tax in Slovakia is a measure to support non-profit organizations based on individual decisions by taxpayers, including natural and legal persons.

There are two main reasons for the introduction of this measure. NGOs are being created and developed on a larger scale since the beginning of the 90 years to complement some state functions and contribute to the development of civil society. In their creation and at the beginning of their operation, they were massively supported by foreign donors. In the second half of the 90 years, this support was discontinued (www.finance.gov.sk ; www.razhodni.sk).

2.2.4. Good Practice in France

The projected jobs are a measure that is part of the National social cohesion program. It aims to facilitate labor market integration of people who face specific social and professional



difficulties by offering them a job, as well as actions that allow them to define and implement their professional projects.

Employers must belong to the non-profit sector, i.e. to be associations, businesses, local authorities, private and public-private bodies responsible for public service (<u>www.travail.gouv.fr/informations-practiques/fiches-practiques/contrats-travail/contrat-accompagnement-dansemploi-995.html</u>).

2.2.5. Good Practice in Austria

The master's programs in Social management in Austria are an academic qualification measure for social workers, which affects the knowledge and skills needed to implement management activities in social organizations. These master's programs try to meet the requirements of active social workers in terms of academic certification, as well as to meet the changing needs of qualified staff in social organizations in a quantitative and Quality ratio (www.fh-campuswien.ac.at).

2.2.6. Good Practice in Hungary

In July 2003, the Civil Employment Workshop (CEW) started to operate in Hungary. It is a successful model for cooperation aimed at establishing a framework for civil dialogue in the sector and expanding and enriching the level of communication. Its activities are managed by a president, who is elected by the member organizations. It shall be open to any association meeting the following criteria: a non-profit-making organization aimed at increasing employment, according to its founding documents; there are activities in the field of vocational training or an alternative service on the labor market; it is registered in the National Civil Fund; The subject of activity is approved as a national (www.foglalkoztatas.net).



2.3. Good Practices in Social Entrepreneurship in Bulgaria

European Fair of Enterprises and Cooperatives from Social Economy (in the framework of the International Fair of Plovdiv) (<u>http://www.fair.bg/NR/exeres/4920D401-3672-4E56-BA07-B07DD3DF9964.htm</u>).

The European Fair of Social Enterprise is the only forum of its kind in Europe, which is part of the European Forum on Social Entrepreneurship. It involves companies, organizations, and institutions that present the activities of their members – people with disabilities, such as national organizations and people with disabilities, social enterprises and cooperatives, associations of people with disabilities, social services structures. The fair also presents measures to promote the social economy and discusses several opportunities for partnership within the EU. The event has a growing interest in more and more diverse business partners and public actors.

The European Fair of Social Enterprise is organized by the European Commission, the European Confederation of Production Cooperatives and Social Enterprises, the Ministry of Labor and Social Policy, and the Agency for People with Disabilities, and the official and largest partner is the International Fair Plovdiv. In the framework of the held European fair of Enterprises and cooperatives in the social economy, there are over 100 exhibitors from 16 European countries. Among the accompanying events of the Fair are International conference, round Table, reviews of new clothing collections. The main branches of the European Fair of Enterprises and cooperatives in the social economy are sewing enterprises, enterprises producing wood products, enterprises producing plastic products, as well as various products. The main objective of the European Fair of Enterprises and cooperatives of Enterprises and cooperatives in the social economy in the social economy is to promote through an international forum an active public position of members of specialized enterprises and cooperatives of people with disabilities, their achievements in Integration in the social and social life in Bulgaria and Europe.



2.3.1. The Social Enterprise of Dreams Workshop (https://www.veliko-tarnovo.bg/media/filer/2012/08/10/t2-2.pdf)

Location: Tzerova Coria, Pcheloshte, protected house in Debelets and the home for adults, town of Veliko Tarnovo, Region of Veliko Tarnovo

The Dreams Workshop social enterprise arises as a result of the established need of the persons, taken from the specialized institutions and housed in protected dwellings, to participate through appropriate forms of occupational therapy in various forms of social Integration and gain professional realization.

The initiative was initially implemented as a project funded under OPRD in the programming period 2007-2013, but its functioning continues today. Also, given the main motive – the separation of sheltered workplaces – the social enterprise manages to build capacity for an innovative form of social service to improve adaptability and access to the labor market through its center for social Consulting, in 2011 the company was recognized as a national social innovation.

- 3. Realized Projects for Employment and Support for the Social Inclusion of Vulnerable Groups by Creating Appropriate Conditions for Professional Integration in the Social Economy and Agriculture within the Scope of the Cross-border Region Bulgaria-Greece (Bulgarian part)
 - 3.1. Example 1: Establishment of Social Enterprise for Culinary Tourism to Provide Hot Food for People with Disabilities in Yavornitsa and Support the Acquisition of a Degree of Professional Qualification or Qualification in part of a Profession of Young People Leaving the Social Homes

Location: Yavornitsa, Petrich Municipality, Region of Blagoevgrad, Bulgaria

Example No1 presents a good social initiative, which is a newly created social enterprise for culinary tourism and which uses the basis and culinary history of guest House "Orchidea" in Yavornitsa, Bulgaria. Petrich. For the profession, "cook" and "waiter-bartender" are trained persons who acquire knowledge in cooking, while also being covered with activities from the



field of local agriculture. Cooking and food supply are in the good traditions, combining the best dishes of three entomis in the territory of Yavornitsa-Bulgarians, Turks, and Roma. The events are organized "to cook together", which in addition to the appointed persons, in the preparation of the food take part and persons from the social homes on the territory of the municipality of Petrich. In partnership with the municipality, there is a place for the sale, and visitors can taste the taste of the past, combined with the tastes of our contemporary. 30% of the company's profit is to provide free food for 25 persons-people with disabilities and socially weak in the Yavornitsa. 20% of the profits gained are used to acquire a professional qualification or part of a profession, and trainees are young people leaving social homes. The disadvantaged and other socially excluded persons involved are divided into two groups for psychological support and motivation. For each person, an individual work plan is prepared, according to the needs, opportunities, and peculiarities, further tailored to the needs of the person from specific support activities. Emphasis is placed on the possibility of development, not on existing deficits. Short and long-term goals are planned, depending on the capacity of the person to develop the potential (health, social, emotional, intellectual). For the establishment of a social enterprise for culinary tourism is used the base and culinary history of guest House "Orchidea" in Yavornitsa, Bulgaria. Petrich. The "Orchid" complex is located at the foot of "Belasitsa"-an unfamiliar, attractive, located in three countries Bulgaria, Greece, Macedonia. The destination is a destination for the Four Seasons and offers opportunities for tourism for every generation.

3.2. Example 2: Pproviding New and Effective Jobs in Ekita Ltd. *Location: Petrich, Petrich Municipality, Region of Blagoevgrad, Bulgaria*

Example 2 presents a good initiative in the field of social entrepreneurship that is realized in the company "Ekita" Ltd. and provides conditions for sustainable employment, through training and professional realization of unemployed/inactive persons and/or young people up to 29 years in the region of Town of Petrich ". Inactive persons are given employment in positions as machine operators, some of which are linked to agriculture, in particular through training in the servicing of commercial vehicles and tractors. Since the company's scope of activity falls within a sector which is a little attractive for jobseekers and unemployed people



and especially for young people, "Ekita" Ltd. provides a chance for social inclusion of the maximum number of applicants. The new jobs are tailored to the needs and company strategy of "Ekita" Ltd. On the one hand, as well as with the requirements of the target group on the other. The company's aspiration to expand its business, increase its customer network, export, and production capacity determines the need to increase the number of new staff, including inactive persons. Another reason for hiring new employees is to employ unemployed persons (from risk groups) as a manifestation of the social responsibility of the company and the aim to help reduce unemployment among risk groups in the region of Petrich. The good practice is realized thanks to the financial support of the operational program "Human Resources". Ekita Ltd. invests time and resources in hiring inexperienced, unskilled, not proven professionals, helping them to realize professionally in the long term.

3.3. Example 3: "The Man Weighs in Their Place" – New Opportunities for Employment in the region of Kresna town *Location: Kresna, Kresna Municipality, Region of Blagoevgrad, Bulgaria*

Example 3 for a good social initiative is opened in "Reimar" Ltd., whose main activity is the production of garden products and facings of natural stone. The family enterprise has for years ensured the work area of the town. Kresna as an approach to engagement and support in labor relations and social inclusion. The good practice is with the motto "man weighs in their place" and aims to provide employment and support through social inclusion of vulnerable groups from the Blagoevgrad region. In the framework of the initiative, the company reveals new work positions, with a focus on the need for production personnel. According to the company's management profile of the target groups, the opportunity for realization is provided to unemployed and inactive persons in the category of young people up to 29, adults over 54, persons with lower secondary education, and long-term unemployed or inactive Persons. They are engaged in the production of garden furniture, processing of rock-lining materials. The good social initiative combines the creation of jobs in the production plant and the field of auxiliary activities for agriculture in the town of Kresna. The implementation of the activities is



consistent with the impact guidelines (pillars) in terms of employment, poverty reduction, and social inclusion measures.

3.4. Example 4: New Work in Agrocrystal Ltd

Location: Blagoevgrad, Blagoevgrad Municipality, Region of Blagoevgrad, Bulgaria

The activity of Agrocrystal Ltd. (http://agrocrystal.bg/index.html) is in the field of sales of fertilizers for agriculture in the field of the main arable crops, as well as for vegetable growing, fruit-growing, vineyards, and other crops. The company has representations on the Bulgarian market as well as in Macedonia and Greece. Through actions initiated under the project "New work in Agrocrystal GmbH," the company further directs its efforts towards the social integration of inactive persons (http://www.e-79.com/news-110320.html). The project is a good example for improving access to employment and the quality of jobs, whose activity is supported by the financial support of the European Social Fund through the Operational Program "Human resources development" in 2015.

3.5. Example 5: Social Entrepreneurship – Social and Professional Integration of People from Vulnerable Groups in the Municipality of Kirkovo

Location: Kirkovo, Kirkovo Municipality, Region of Kardzhali, Bulgaria

The activities of the social project from example 5 are related to the establishment of the municipal social enterprise in the municipality of Kirkovo, Reg. Kardzhali, which has a pronounced social effect on people from vulnerable social groups (https://www.kirkovo.bg/docs/proekti/Info_za_izpalnenieto_na_project_Socialno_predpriema chestvo.pdf). The activities through which the social support is carried out are related to landscaping, public works, and provision of social services. Alongside the main focus, which combines social services with agricultural activities, the motivation of disadvantaged people is also achieved. A good opportunity for social inclusion is professional training in profession "landscaping worker", specialty "planting and floriculture". An advantage of the social initiative is the improvement of knowledge and skills to minimize the sustainable inactivity of disadvantaged people. Guarantor for the social success of the initiative in the field of social



entrepreneurship is the expected successful realization of the relevant persons in the labor market, their detention, and, above all, increasing their opportunities for professional development. The main economic moment of the social enterprise is to achieve concrete actions in improving access to employment and overcoming poverty and social exclusion by employing the specific project.

3.6. Example 6: Social Entrepreneurship without Borders in the municipality of Belitsa *Location: Belitsa, Belitsa Municipality, Region of Blagoevgrad, Bulgaria*

Example 6 concerns activities under the project "Social entrepreneurship without Borders on the territory of the municipality of Belitsa", which successfully combines social and professional integration of people from vulnerable groups by promoting social entrepreneurship (https://obshtinabelitsa.com/novini/nov-odobren-za-finansirane-proekt). The main inherent aspect of the initiative opens against the backdrop of the added value to society by overcoming the effects of social exclusion and the poverty of disadvantaged people. In addition to training, the activities of the project rely on the realization of professional training of inactive persons by profession "landscaping worker", specialty "planting and floriculture" for acquiring the first degree of professional qualification. Another main activity is organizing and conducting training-trainings focused on the development of the social competencies with a triple goal: motivating the ambition for independence, self-affirmation, and professional growth of the most vulnerable part of society, namely people with special needs.

3.7. Example 7: Establishment of Social Enterprise in the Town of Zlatograd (Region of Smolyan)

Location: Zlatograd, Zlatograd Municipality, Region of Smolyan, Bulgaria

The social initiative "Establishment of social enterprise in Zlatograd" provides social inclusion of vulnerable groups and the aim is to continue to be sustainable after the end of the project. The social enterprise functions as a social enterprise through funding under its project: (http://www.smolyaninfo.com/2018/08/01/s-zdavat-sotsialno-predprivatie-v-Zlatograd-2/).



The initiation of a social enterprise is conditioned by high unemployment in the municipality of Zlatograd and the existence of a social problem related to a large number of vulnerable groups without income, at risk of social isolation and poverty. The first sphere of activities of the social enterprise is in the field of services, namely through the separation of the unit "public laundry with dry cleaning", and the second area of intervention is in the field "development, landscaping, and cleaning of green Areas '. The target group of the initiative is disadvantaged people, including unemployed people with permanent disabilities; Long-term unemployed persons, unemployed persons with basic education and without professional qualification, unemployed single parents (adopters), and/or adoptive mothers with children up to 5 years of age. Activities implemented through the social enterprise are entirely for the benefit of disadvantaged people, with a bipolar model (with lighter and heavier physical work) ensuring compliance with horizontal principles for overcoming discrimination of the target group to receive employment, as well as the necessary psychological support and motivation.

4. Inferences and Recommendations

Today the social approach to life and activities of people with disabilities is an important part of the current social policies on a national and regional scale.

Social entrepreneurship in the field of rural tourism is crucial and should be a national strategic priority because it employs permanently unemployed society segments, for people with disabilities, homeless people, young people at risk, x and women discriminated by gender indication. It is an alternative opportunity for employing people with disabilities. Entrepreneurship from the aspect of agriculture is seen as an opportunity for the integration of people with disabilities and ensuring their decent and higher standard of life.

Despite the lack of legal order, Bulgarian practice shows that organizations are developing social entrepreneurship and they recognize themselves as social enterprises.

Several prerequisites favor the development of social entrepreneurship in Bulgaria:

- An extension in the term of interpretation providing flexibility and opportunity for the development of this activity in various forms;



- Tax concessions for the legal entities dealing with social entrepreneurship;

- Non-profit organizations also have social functions, often having a leading role in providing support for the vulnerable groups under relatively relieved conditions;

Along with the opportunities, we find some barriers hindering the social entrepreneurship development as follows:

- The target group being worked with is considered vulnerable by nature. It requires time and additional efforts for the organization to succeed in catching up with the other producers/ service providers;
- There is no fostering state policy supporting social entrepreneurship development;

- Unsteady market situation – a lack of support for the activity sustainability. This has a direct influence upon the small business which depends on external sponsor programs that are short-term and with completely different priorities;

- No long-term programs are fostering supported and protected employment. The present does not comprise all of the vulnerable groups;

- We see highly limited access to funding social entrepreneurship because the risky funding has almost not been developed and entrepreneurs are looking for investment return. National grant funding is almost absent.

Because of reaching a balance for equal participation in the labor market for the groups at risk, there are some measures planned in Bulgaria complying with the goals of the Lisbon Strategy. The basic priority activities that can be implemented are directed toward employment programs for certain categories with disabilities including integration of people in agriculture through strengthening social entrepreneurship. A challenge for the country and the people with disabilities themselves is their labor development on the labor market through exact fulfillment of individual economic activity. Today the social approach to life and the activities of people with disabilities is an essential part of the current social policies on a national and regional scale.

The focus should also be set toward *social innovation* programs in rural regions. A variety of factors are encouraging including:



- Local economies diversification;
- The continuing need for technological advancements in food production;
- Social regions attractiveness for freelance entrepreneurs;
- Trends encouraging small businesses to become located in rural regions;
- Efforts in infrastructure and rural regions accessibility improvement;
- A serious interest in ecological production and ecological innovation sector and more.

We shouldn't underestimate the obstacles the rural region's innovations are faced with:

- Lack of good infrastructure for wide access;

- Comparatively weak economic foundation, a small number of businesses, and shortage of clustering hindering the knowledge transfer, network construction, and social enterprises competitiveness;

- Lack of highly qualified staff and young people migration from rural regions.

Social farming is another opportunity for creating employment for people with disabilities. In Bulgaria there is a potential for social entrepreneurship development for the suitable natural and climatic conditions; the existing traditions in agricultural production; the need for such activities for solving problems of various public groups with specific necessities; the presence of funds for the start and development of this type of activities. Nevertheless, social farming is at a very early stage of development and is almost unknown. The reasons for this can be found in the following trends:

- Lack of awareness of the institutions, organizations, and businesses about the significance and capacity of social farming;
- Lack of an adequate state policy for fostering and popularization of social farming;
- Shortage of built-in networks and cooperation in rural regions;

- Underdeveloped structures of rural regions encouraging the application of alternative employment models and the use of multifunctional agriculture as a source of income for the vulnerable groups and more.



Employment policy experiences development and quality improvement in terms of planning, financing, monitoring, and more but additional measures should be taken to ensure coordination of the social and tax policy and the employment policy for implying enough stimuli for seeking, hiring, and retention at work as well as providing opportunities for people with disabilities. The policy should send the people on social support back to work as well as ensure more and better jobs. In this regard, more activities are needed to lower informal employment. Special attention should be paid to range enhancement and quality of various existing training opportunities as well as holding popular campaigns.

The main trends of work according to the Ministry of Labour and Social Policy in creating jobs and employment for people with disabilities consist of:

- Employing jobless people with permanent disabilities but being able to work including flexible forms of employment at the original labor market and through employment programs to overcome their social exclusion and complete integration in the society, diversification of employers' stimuli for hiring people with disabilities, and environment adaptation to their needs, impact on the employers' attitudes and stereotypes concerning recruiting people with disabilities;

- Providing access to funds and opportunities for starting independent economic activity;

- Creating prerequisites for the independent life of people with disabilities through the approachable architectural environment, transport, information, and communication as well as customization of working place, specialized labor mediation, supporting devices, and medical products.

Surveys show that over the last years in some of the European small settlements, the social entrepreneurship model has been adopted and implemented combining limited agricultural production and rural tourism. In this regard, in Bulgaria according to the action plan of the Europe 2020 Development Strategy, there is some measures and operations supporting



people with disabilities, such as Active Involvement, Support for People with Disabilities, Equal Chances, and New Chance for Social Inclusion.

The analysis and evaluation of social entrepreneurship state related to agriculture, show some unsolved problems whose answers entirely depend on the precise identification of the problems and challenges for social entrepreneurship in agriculture, identification of social, cultural, and legal necessities of people with disabilities, and looking for adequate solutions and measures satisfying the specific needs of these people. The work in this direction shouldn't be a product of self-initiative and human attitude to this public segment but state support must be sought and foreign experience and good practices of social entrepreneurship be applied.



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