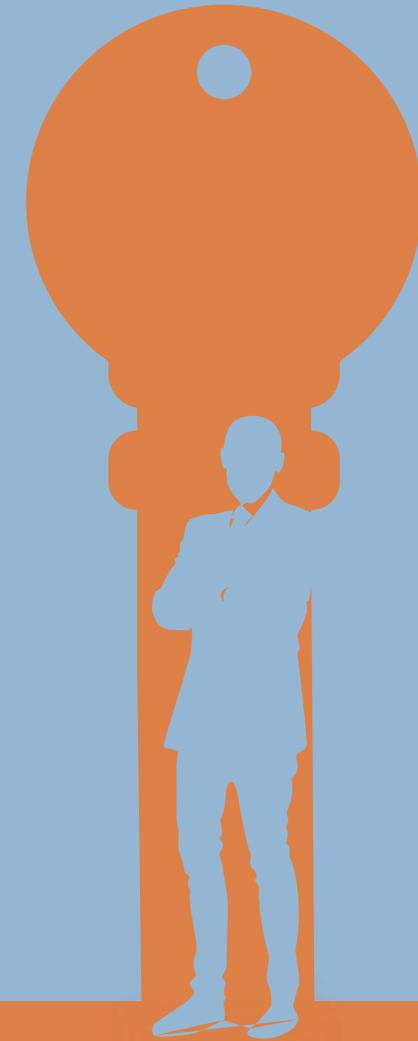


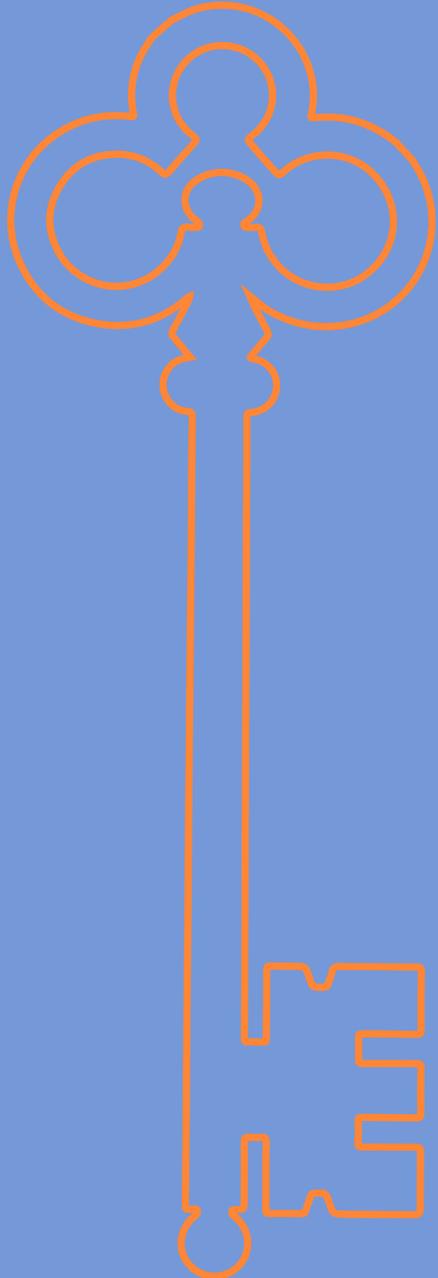
# 1.4 The Bulgarian legal framework on Social Economy



ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory “Social Forces”

4.9.2: Design and Development of the Training Material





# Contents

- ❑ Introduction
- ❑ Cooperatives Act of 1999
- ❑ Non-profit Legal Entities (Act of 2000)
- ❑ Cooperatives and specialized enterprises for people with disabilities (Act 81/2004)
- ❑ Law 240/2018 for Social and Solidarity-based Enterprises

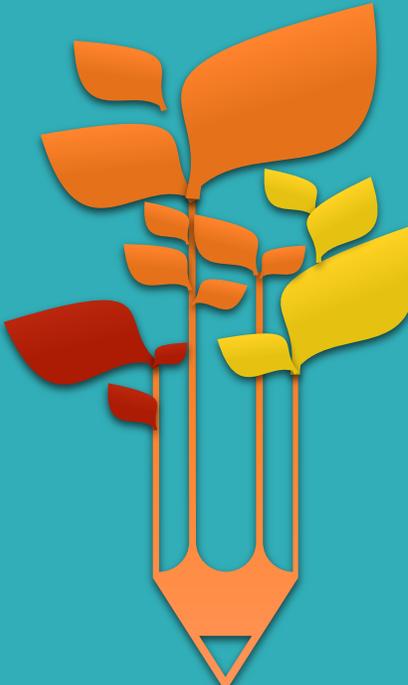
## Introduction

Till the adoption of the **Social and Solidarity-based Enterprises Act No. 240/2018**, **there was no relevant legislation** referring to the legal form of the social economy organizations in Bulgaria.

Nevertheless, laws were enacted to link enterprises with the social economy.



# Non-profit Legal Entities (Act of 2000)



📌 It is known also as the NGO Law

📌 Two types of non-profit legal entities:

1. **associations**
2. **foundations**

Economic activity under certain **conditions**:

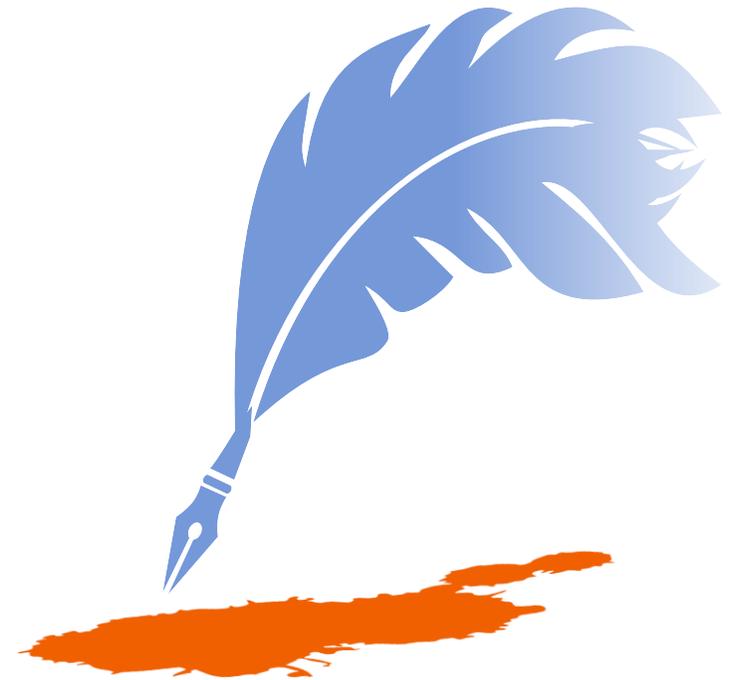
- 🎯 must be **supplementary** to the main non-profit activity
- 🎯 should be **related** to the non-profit objectives of the entity
- 🎯 must be **explicitly stated** in the Bylaws/Act of Incorporation
- 🎯 must **not be restricted** for this legal form by another legal act
- 🎯 **income must be reinvested** for achieving the non-profit objectives of the NPLE and **cannot be distributed**

# Cooperatives and specialized enterprises for people with disabilities (Act 81/2004) (1)

## The Law for Integration of PWD of 2004 (1)

💡 Regulates public policies regarding the integration of people with disabilities, with the aim to provide conditions and guarantees for:

- ▶ **equality** for people with disabilities
- ▶ **social integration** and exercising the rights of people with disabilities
- ▶ **support** to people with disabilities and their families
- ▶ **integration** of people with disabilities in the **working environment**



# Cooperatives and specialized enterprises for people with disabilities (Act 81/2004) (2)

## The Law for Integration of PWD of 2004 (2)

Introduced two legal types:

- 🎯 **Specialised enterprises**
- 🎯 **Cooperatives for people with disabilities (SEPDs)**



# Cooperatives and specialized enterprises for people with disabilities (Act 81/2004) (3)

## The Law for Integration of PWD of 2004 (3)

### Specialised enterprises for PWD(SEPDs)

Specialised enterprises and cooperatives for:	per cent of total staff:
• blind people	not less than 20%
• deaf people	not less than 30%
• people with other types of disabilities	not less than 50%

**Article 28 of the Law of 2004:** are defined legal entities who:

- have been registered in the Commercial Law or the Cooperative Act, as well as in the Register of the Disability Agency
- produce goods or provide services
- have a social impact by promoting the integration of disabled workers
- have a relative share of persons with disabilities

# Law 240/2018 for Social and Solidarity-based Enterprises (1)

- The aim of this law is to **promote the development of a social and solidarity economy as a sector of the economy**

**Social and solidarity economy** is defined as *“a form of entrepreneurship aimed at one or several social activities and/or social goals, including by the production of various goods or the provision of services in cooperation with state or local authorities, or independently”*.

## *Law 240/2018 for Social and Solidarity-based Enterprises (2)*

Social and Solidarity Economy is based on the following **principles**:

- ❖ Advantage of **social before economic goals**
- ❖ **Association for public and/or collective benefit**
- ❖ **Publicity and transparency**
- ❖ **Independence** from state authorities
- ❖ **Participation** of the **members, workers or employees** in managerial decision-making.

