



# RESEARCH – A PROFILE OF SOCIAL ENTREPRENEURSHIP IN THE CROSS-BORDER AREA

The analysis was carried out under the "Support of Social Enterprises and Enhancement of Employment", SoSEDEE project, funded under grant agreement B2.9c.01 of 29.09.2017 within the framework of the INTERREG V-A Cross-border cooperation Program Greece - Bulgaria 2014-2020

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## Introduction

The present study - a profile of social entrepreneurship in the cross-border area is being implemented within the framework of the project "Support of Social Enterprises and Enhancement of Employment" (SoSEDEE), funded under grant agreement B2.9c.01 of 29.09.2017 under the Cross-Border Cooperation Program INTERREG V-A Greece - Bulgaria 2014-2020.

The Municipality of Gotse Delchev, in partnership with SOS Children's villages of Alexandroupolis and Technological Institute of Eastern Macedonia and Thrace, Kavala, implements the project "Support of Social Enterprises and Enhancement of Employment", acronym SoSEDEE, financed by contract №B2.9c.01, under the Cross-Border cooperation program INTERREG V-A Greece-Bulgaria 2014-2020, priority axis 4 "A Socially Inclusive Cross-Border Area", theme 9 - Promoting social inclusion, combating poverty and any discrimination, investment priority 9c Providing support for social enterprises, specific objective 9- To expand social entrepreneurship in the CB area.

The project supports the development of social entrepreneurship and the creation of social enterprises as a new "hybrid" business model that promotes sustainable inclusive growth by opening more and better jobs - especially for vulnerable groups.

Its overall objective is to develop a social enterprise to help potential and current social entrepreneurs achieve their mission of creating a profitable business which could generate social impact on the local economy and society. Long-term unemployed, professional and financially disadvantaged groups from Gotse Delchev municipality will participate in training and will create a social enterprise in the green economy sector. With this project, Gotse Delchev Municipality supports the construction and operation of a greenhouse for growing flowers and seedlings. The newly-developed enterprise will receive special advice, mentoring, business and marketing plans to facilitate its development.

The geographic scope of this study covers the territory of Blagoevgrad, Smolyan, Kardzhali and Haskovo. Within the project, surveys were conducted among local stakeholders whose results are presented and analyzed in the document.

In this regard, the purpose of this document is to prepare a survey - a profile of social entrepreneurship in the cross-border area through primary (questionnaires, interviews) and secondary data collection (MLSP, chambers of commerce, business associations and organizations, etc.).

## Section 1: A brief presentation of the social economy and social entrepreneurship

### 1.1. Definitions

Social entrepreneurship is a well-known concept in most European countries as well as in the United States. Social enterprises in these countries carry out a significant share of social activities by combining income generation with economic activity and achieving a particular social effect. Social entrepreneurship is unique in the way that it allows the unification of economic and social goals into one that permits for an effective social policy and provides effective support to socially vulnerable groups of society in the broadest sense.

From a historical point of view, social enterprises originate in different forms, most often they are charitable movements to individual churches, labor organizations for mutual assistance, agricultural cooperatives, consumer cooperatives and others. Over time, the country's social model is insufficient to guarantee social benefits for all, and it is impossible to overcome the growing inequality and social exclusion, which leads to the expansion of some volunteer organizations and their gradual transformation into social enterprises.

Bulgarian legislation still lacks a legal definition of a social enterprise, as well as norms regulating the status, form and operation of the social enterprise. There is still a lack of Bulgarian normative act - a law or regulation in which to use the term "social enterprise". According to the Social Entrepreneurship Institute, social entrepreneurship represents a different way of doing business (doing business, economic activity) that mixes the business's ingenuity with a social mission, a skillful combination, and a balance of social and economic goals.

Another definition published in 2002 by the British Government in its official document states that *"The social enterprise is a business with leading social goals whose surplus is reinvested*

*back into the business or the community rather than driven by the need to maximize the profits for the owners of the capital or shareholders. "*

According to the analysis of the Institute of Not-for-Profit Law, a social enterprise is defined as follows: *Business activity developed by a non-profit legal entity with a pronounced social effect on persons from vulnerable groups to improve their standard of living, provide employment, and / or other forms of direct support to overcome their social exclusion.*

In any case, social enterprises have all the distinctive features of traditional businesses: they produce goods and services; use production factors that have a clear cost; they are autonomous; assume a significant level of economic risk. However, their work also has a social aspect: they pursue a clear social goal; serving the public or a particular group of people in a socially disadvantaged position; they do not seek to maximize profits in order to distribute it among the participants in the capital of the enterprise.

Yet, the most important characteristic of social entrepreneurship is the pronounced social effect, which is the use of revenue generated to support the target groups; participation of part of the target groups in the business activity /creation of employment /and provision of services, unattractive to the business, to disadvantaged people; creating opportunities for professional and social integration; creating social added value and saving social costs. An important factor for the development of the social economy is the opportunities for social innovation by encouraging those in difficulty to seek solutions to their social problems, for example in reconciling their professional and personal lives, gender equality, the quality of their family life and their ability to care for children, the elderly and people with disabilities

If we focus on the big picture, we can conclude that the social economy is growing and developing globally in the European Union, and now over 11 million Europeans are members of enterprises in the social economy sector (6% of the working population of the European Union) . Despite the growing importance of the social economy and the organizations that are part of it, it remains almost unknown and is often subject to criticism stemming from the application of erroneous technical approaches. The lack of institutional transparency is one of the main obstacles faced by the social economy in the European Union and to a greater extent in some Member States,

partly due to the specificities of national accounting systems. Recognition of the social economy as a real sector with potential for solving social problems is therefore important for the development of European society and the cross-border region as part of it.

A quick review of the European and national regulatory documents on the topic shows that the most relevant are the following:

- ✓ Europe 2020: national reform program, update 2015,
- ✓ National concept for social economy, 2011
- ✓ Social economy action plan 2014-2015, the preparation and implementation of which is assigned as an interdepartmental task force to the MLSP;
- ✓ National strategy for poverty reduction and promotion of social inclusion
- ✓ OPHRD 2014-2020

## 1.2. Analysis of the survey cards

Under the project "Support for Social Enterprises and Promotion of Employment", the SoSEDEE acronym, funded under contract No B2.9c.01 under the Cross-Border cooperation program INTERREG VA Greece-Bulgaria 2014-2020, Priority axis 4 "Cross-border area covering the social thematic objective 9 - Promoting social inclusion, combating poverty and any discrimination, Investment priority 9c Providing support to social enterprises, Specific objective 9 Expansion of social entrepreneurship in the cross-border region was several surveys were conducted among key stakeholders for a more detailed analysis of the local climate. Bearing in mind that the project supports the development of social entrepreneurship and the creation of social enterprises as a new "hybrid" business model that promotes sustainable inclusive growth by opening more and better jobs - especially for vulnerable groups, within the project surveys among the key stakeholders in the social sphere, which covered 3 municipalities within the Blagoevgrad District among the

municipalities - Gotse Delchev, Garmen, Petrich, Sandanski, Satovcha, Strumyani and Hadzhidimovo.

When choosing the municipalities, it was taken into account that they had to comprise at least 15% of the population of Blagoevgrad District, which is 310 321 inhabitants (according to the official data of the National Statistical Institute as of 31/12/2016).

The questionnaire maps were carefully formulated in order to fully meet the objectives of the project and included two main parts - general and specific (see Annex 1).

Within the framework of the project a letter was prepared with a request for assistance and completion of the surveys and was sent to different institutions on the territory of the cross-border region (see Annex 2). As a result of the sent questionnaires, 11 questionnaires were completed, which will be analyzed below and in the enclosed Appendix 3:

Surveys are completed by 10 governors and one deputy director, with the sectors in which the organizations surveyed are mainly in the social sphere (10) and one organization is business oriented and skill development. Most of the team has a higher education (master or bachelor - 8) and there are only 3 organizations where secondary education prevails (3). Unlike the team, the management capacity of the organizations has a higher education level, as in eight organizations the education is at the master's level, three are with a bachelor's degree and are missing only with secondary education. Almost all respondents have a mission focused on the social element, which is not always profitable and only one focuses both on the social / environmental sphere.

On the basis of the presented data, we can conclude that the level of education in the institutions surveyed is high and the polls have been filled almost entirely by the management. In this regard, we can assume that the filled-in information responds to the needs of organizations and provides reliable information about their opinions and status.



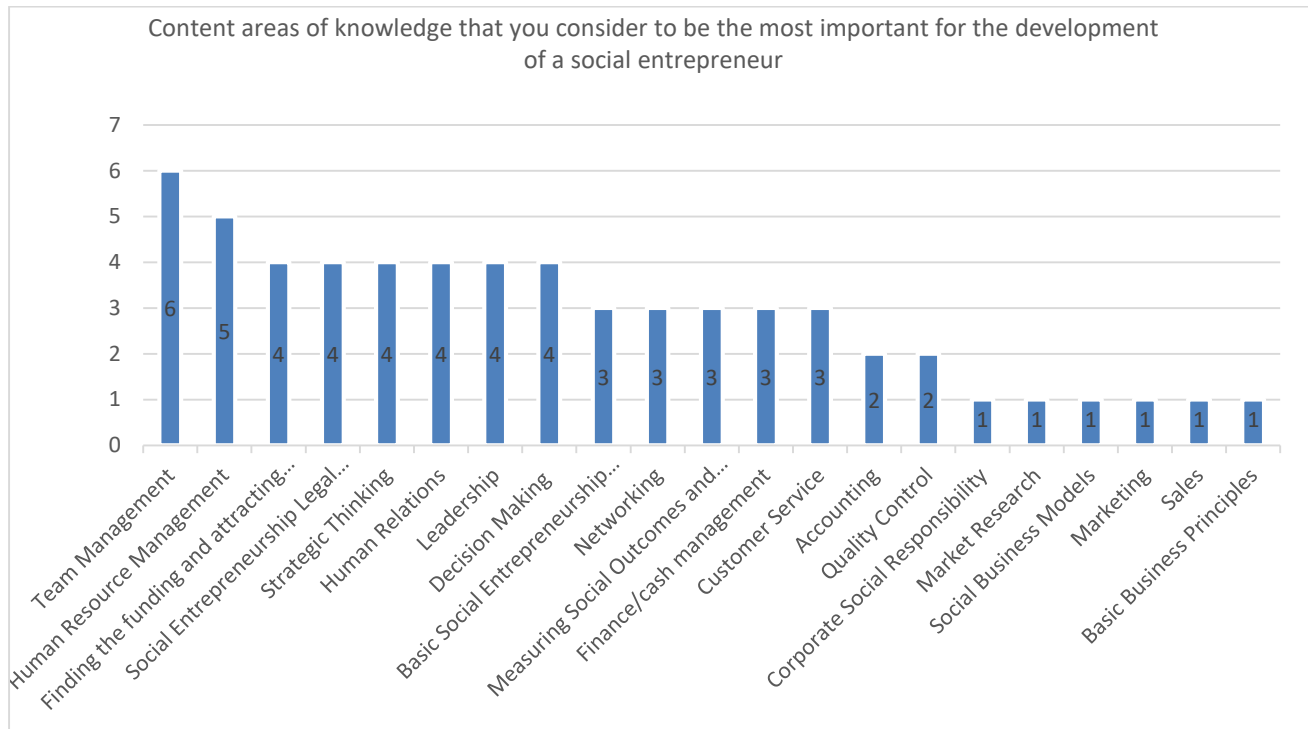


Figure 1. Spheres of knowledge that are classified as key to the development of a social entrepreneur by respondents

From the graph above (Figure 1), it is clear that team management and human resource management have been identified as a key factor in the development of a social entrepreneur. Secondly, respondents have put several categories, namely: finding funding and fundraising (4), knowledge in the legal field of social entrepreneurship (4), strategic thinking / planning (4); human resources (4); leadership (4); and decision-making (4). All these areas of knowledge have been identified as key according to the respondents, which shows that after the management of the team and the human factor follow the practical tasks related to finding financial resources, planning and managing both human capital and decision-making combined with the availability of legal knowledge. The remaining areas of knowledge have been identified less frequently than the respondents, but they do not detract from the importance of: basic knowledge of social entrepreneurship, networking, customer attitude, evaluation of financial resources and assessment of social benefits. As least important, according to the group of respondents, knowledge in the field of accounting and quality management has been identified. Last but not least, knowledge about corporate social responsibility, marketing research, social business models, marketing and sales and basic business principles.

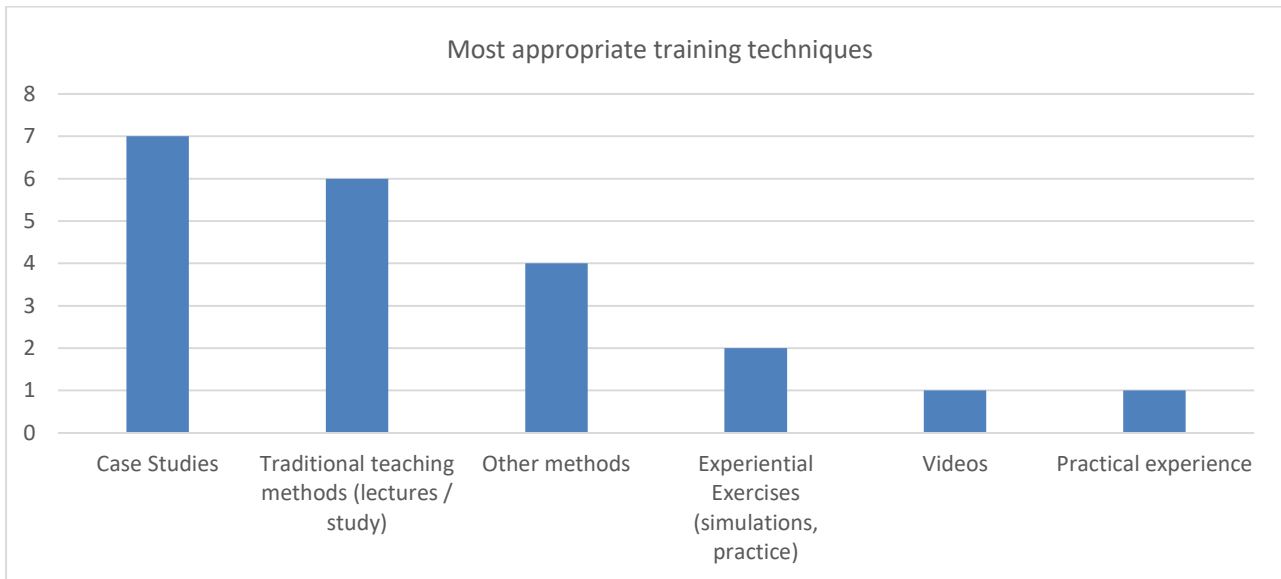


Figure 2. The most appropriate training techniques for the team

Analyzing the survey data, it is noticeable that the so-called "Soft skills", related to team management, have been declared to be more important while secondly comes the need to find financial resources and manage them. Business-related sales, marketing and business-related skills have been identified the least number of times, perhaps due to the fact that the majority of respondents have a purely social focus and lack experience in a business environment and may be less familiar to the respondents. That is why it would be wrong to conclude that such skills are not important to a social entrepreneur.

If we focus on training techniques (Figure 2), it is noticeable that respondents first put forward good practices and case studies (7) from which to learn. Secondly, traditional training methods (lectures, research) (6), as well as other methods (4), are ranked. More innovative methods, such as simulations, practices and exercises, have been considered appropriate by fewer people (2), as well as training videos (1) and practical exercises (1).

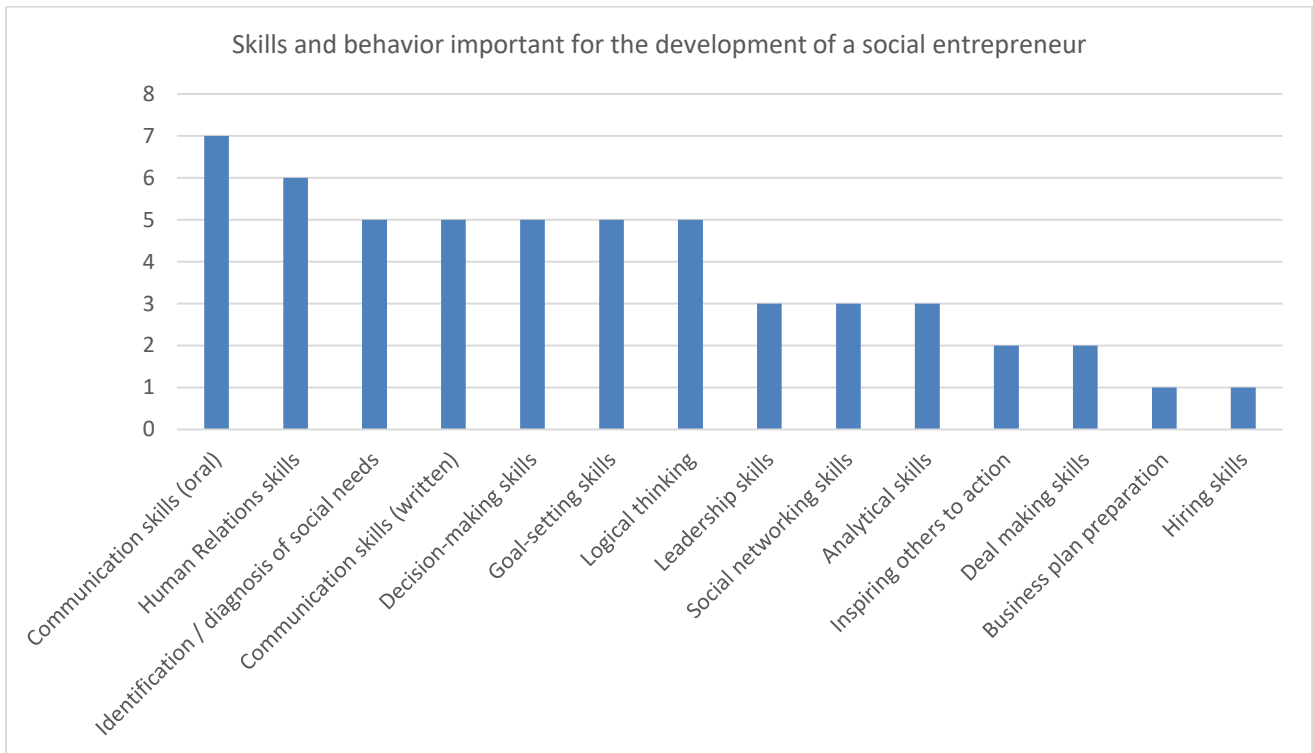


Figure 3. Skills and behaviors important for the development of the social entrepreneur

Figure 3 focuses on skills and behaviors that are identified as important for the development of the social entrepreneur by the respondents. Firstly by most important they ranked the so-called "Soft skills", namely: communication skills (oral) (7) and human resource management skills (6). At third place by importance (as voted by 5 people) were ranked the identification and diagnosis of the company's social needs as well as written communication skills as well as logical thinking and decision-making and goal-setting skills. All of these skills are characteristic of the management of any organization, combined with the experience the respondents have, proves that these skills are of key importance for the development of a social entrepreneur. Skills are social networking, while leadership and analytical thinking are ranked slightly behind. The need for inspiration for others, as well as negotiating and negotiating skills, have also been identified by a small number of respondents. Lastly the skills to develop a business plan and personality selection have received the lowest ranking, perhaps due to the fact that such activities could be carried out by other experts so that the social entrepreneur can focus on the more important goals and the development of other skills and behaviors.

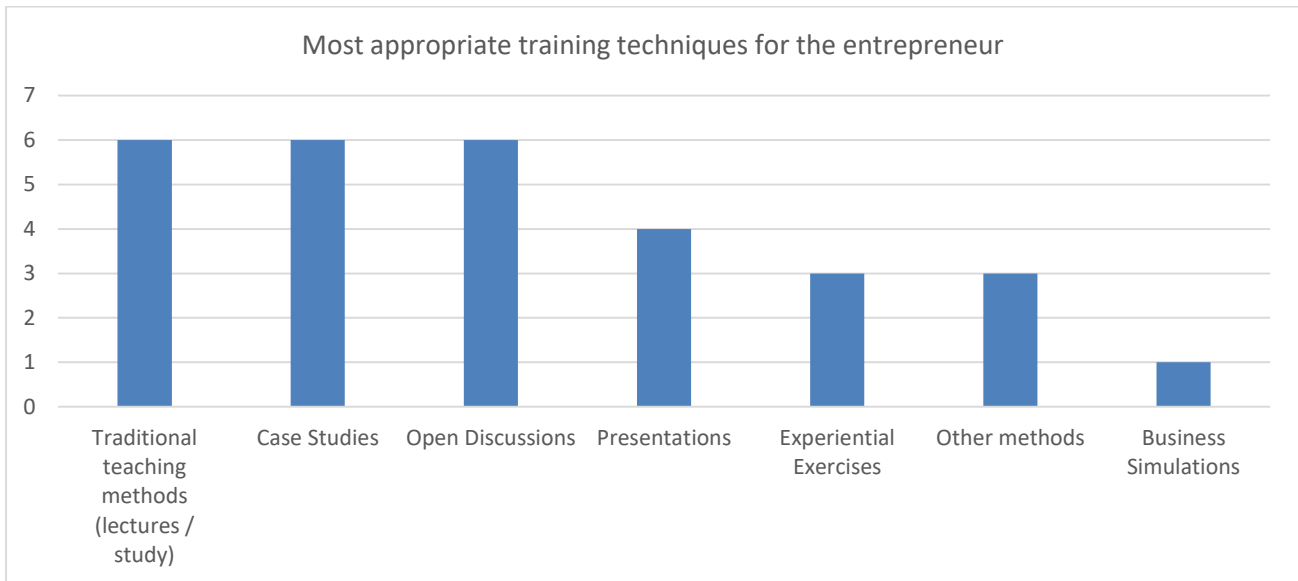


Figure 4. The most appropriate training techniques for the social entrepreneur

In the following questioner the respondents were asked to identify the best training techniques related to the development of the social entrepreneur (Figure 4). According to the data, the traditional educational methods - lectures, trainings, etc. would be most useful. Alongside these there are good practices and specific examples from which the developer could draw experience, as well as open discussions. It is noteworthy that these three core methods focus on examples and studies related to practical activities. Secondly, the respondents indicated the presentations as an appropriate method of learning, and the survival exercises and other methods are also included. The business element namely - business simulations is again set at the end position.

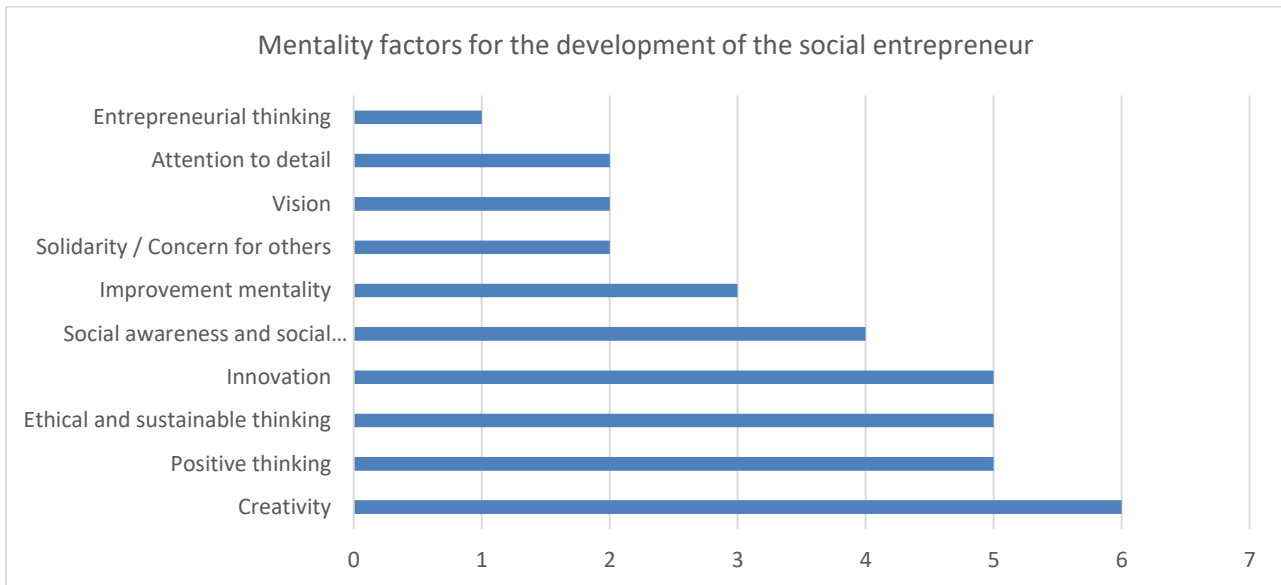


Figure 5. Basic mental factors for the development of the social entrepreneur

Moving to the next figure (Figure 5), which focuses on the main mental factors associated with the development of the social entrepreneur, it is interesting to see that creativity comes first. The need for innovative and creative thinking has been identified as the most crucial, and immediately afterwards come positive thinking, ethical and sustainable attitudes and innovations. These key features are essential in order for a social entrepreneur to develop in the sphere and to build his enterprise successfully. Along with the above, the respondents have put at third place social awareness, and then the ability to constantly seek change for the better, as well as the need for vision, solidarity and concern for others and attention to detail. As least important, respondents identified the need for entrepreneurial thinking.

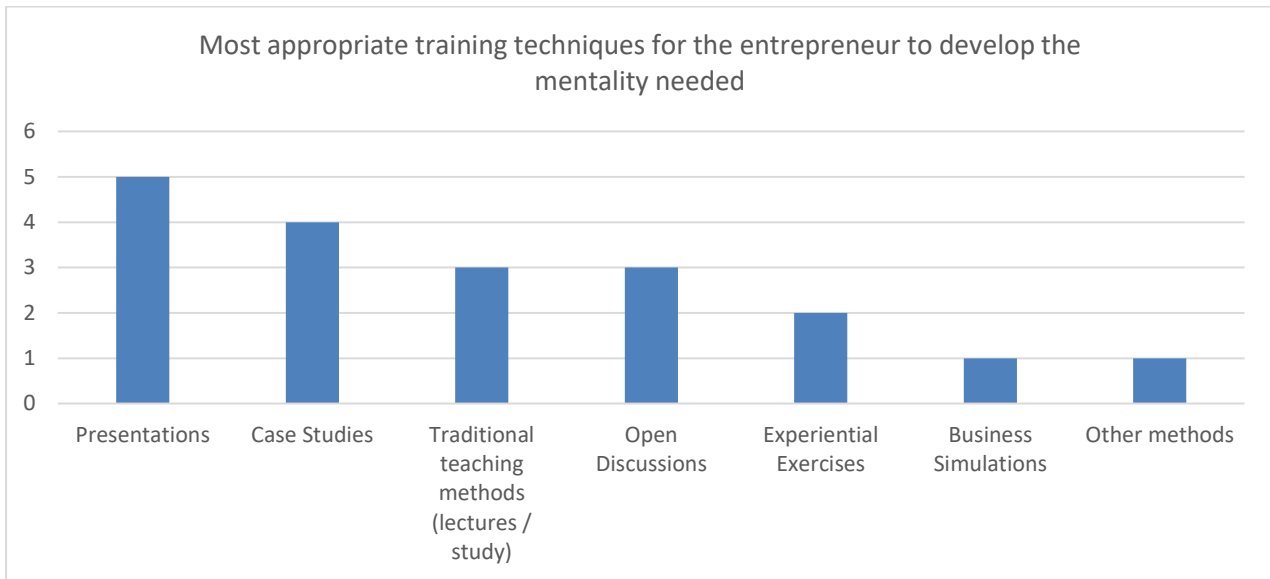


Figure 6. The most appropriate training techniques needed by the social entrepreneur to develop the necessary mentality

The last question in the survey focuses on the most appropriate training techniques needed by the social entrepreneur to develop the necessary mentality (Fig.6). At the top of the list, respondents put the presentations and examples as key to acquiring the skills described above. Again right after are ranked the traditional methods such as lectures and researches, as well as open discussions. Thirdly, respondents have put the survival methods. As the least appropriate, business simulations, etc., have been identified again.

Analyzing the survey data, we can conclude that, according to respondents, a social entrepreneur should be particularly good at managing his team and finding financial resources. These skills could be developed and acquired most easily by studying different examples and good practices, as well as by participating in lectures and trainings. To be able to develop constantly, a social entrepreneur is important to have good communication and management skills, as well as being able to identify social needs. And last but not least, the social entrepreneur is important to be creative, innovative and positive, thinking about different social groups and the environment.

## Section 2: Analysis of the sphere of social entrepreneurship

### 2.1. Models of social enterprises in the EU and Bulgaria

Social enterprises and social entrepreneurship are central to the EC agenda, and in particular the “Europe 2020” strategy for smart, sustainable and inclusive growth. They are a key element of the European Social Model and contribute to meeting the socially significant goals of the strategy. Their growing importance - especially in the context of the economic and financial crisis - is mainly the result of the need for Europeans to have a more ethical and social dimension of their work, consumption, savings and investment. Over the last decade, the concept of developing and promoting the social economy and social entrepreneurship is part of the EU policy to tackle the social exclusion of vulnerable people. Also, the social economy model is one of the key instruments for achieving social goals in the framework of sustainable and inclusive growth. The role of social enterprises is recognized as a bridge to promote active integration and vulnerable groups to reach (and stabilize) their spheres from which they have dropped out of (education, health services, the labor market). That is why it is extremely important to create the right conditions for the development of social enterprises with the widest possible scope.

In this respect, more and more funds from the EU budget are devoted to specific measures to support social enterprises. Alone the budget for the Employment and social innovation program by 2020 amounts to 920 million euro. 13. 21% of this budget is dedicated to the Microfinance and Social entrepreneurship axis, which will also support the development of social enterprises. This Program will act alongside other EU instruments to provide funding in this area (European Social Fund, Social Enterprise Support Funds, etc.).

In the countries of the European Union, the approach to regulation of social enterprises is different and follows the logic of the development of socio-economic relations as well as the traditions in the legislative practice. In most countries, there are no special laws governing the status of a separate legal entity, namely a social enterprise. In the most common case, practice shows that social enterprises have the form of cooperation and this is particularly popular with southern European countries (Italy, Spain, Portugal, Greece). At the other end, there are social enterprises

registered as companies with social objectives (Lithuania, Finland, England) and a cooperative society in the public interest (France). In all countries, in one form or another, non-profit organizations are actively present as social enterprises in practice or have no legal prohibition to function as such. Despite the existing differences in the legal framework of social enterprises, there are general principles that allow the social enterprise to be defined as a non-governmental entity that carries out business activities to realize social goals.

According to current national legislation, the term "enterprise" can be defined as differentiation of different resources - human, material, financial, non-financial and other in order to carry out a variety of economic activities. From a legal point of view, it is important to note that in Bulgaria the social enterprise can be created in a different legal form - such as NGO (according to the legal term - non-profit legal entity - LNG), trade company or cooperative.

The social enterprise is a specific kind of economic activity of NGOs. The business activities of NGOs can be of any nature, as long as they meet the specific criteria under the Law on Non-profit Organizations. Moreover, due to one of the basic requirements for this activity, it is directly related to the subject of the main activity of the organization, the economic activity of NGOs always has a social effect. The relationship between business activity and the subject of core business means that economic activity must contribute to the achievement of non-profit goals, which by definition include the pursuit of a certain positive result in the public, intangible sphere - civil society, health, education, science, culture, , technology, physical culture, sports, and more. From this point of view, every business of NGOs has a social effect, otherwise it would be illegal. But only this economic activity that has a pronounced social effect covering certain target groups - disadvantaged persons - could be called a social enterprise. Therefore, the distinctive features of the social enterprise as a specific type of economic activity of NGOs are the following:

- pronounced social effect;
- special target group;
- the specific purpose of the business.

According to various analysts, there are several models of social enterprises in Bulgaria:



1. *Model for employment and labor force development* - The economic logic of the business venture is based on the opportunity to create jobs for disadvantaged people. The model is associated with so-called "Protected employment" where the social enterprise is an employer of people with disabilities.
2. *An entrepreneurial model*, in which the social enterprise is a mediator between the disadvantaged and the market. In this model in the form of occupational therapy, people with disabilities participate in the production of products for which the social enterprise seeks a market and engages in marketing and distribution.
3. *Direct service model* - this model is most directly related to social service providers. In this case the social enterprise provides social services against payment to external clients and at the same time it is a provider of social services for its members, the payment being made with a contract with the municipality or the state.

It is typical for all social enterprises to always carry out economic activity, which means they are on the labor market and are actively involved in the process of offering and searching for goods and services. The problem of financial sustainability of social enterprises is present everywhere, as the productivity of such organizations is usually low and often they can not compete on the free market. Social enterprises are funded both by state subsidies in different forms and by income from their own economic activity. State support arises either through special tax legislation (reduction or exemption from taxes due, encouragement of donations to social enterprises) or established specialized state funds, through direct subsidies to cover employees' costs (wages and social security contributions for employees of vulnerable groups).

In line with the objectives of the "Europe 2020" Strategy for smart, sustainable and inclusive growth, which offers a vision for a social market economy of Europe for the 21st century, a National concept for social economy has been developed and adopted in Bulgaria. The National concept of social economy is an expression of the social commitment of the state to creating and strengthening a favorable environment for realization and development of models and practices in the field of social economy in the Republic of Bulgaria. It is an expression for the intent and determination for promoting awareness, culture and values related to enterprises and organizations

in the sphere of the social economy. The National Concept is a document that contains a vision and priority goals for promoting the development of the social economy in the country. In this way, the active position of the state, as a result of the cooperative efforts of a wide range of stakeholders, is presented. As a result of the formation of a national position on social economy issues, from the concept is also expected to develop policies that will improve the quality of life and well-being of vulnerable groups of citizens in society. It is expected that a sustainable sector will be formed to help overcome the social exclusion of disadvantaged groups of people. The expectations are also changes in the model of social inclusion of a wide range of citizens in the society who are in difficulty with regard to access to employment, services and resources.

In 2017. The Ministry of Labor and Social Policy resumed its actions to regulate the social economy. Despite the positive intentions, the ministry proposed specific requirements for identifying an organization as a social enterprise. Therefore it becomes more difficult for some smaller groups to respond. They also proposed imposing sanctions on organizations using the term "social enterprise" without registered in the ministry register, which triggered alertness and anxiety among non-governmental organizations.

Still, the European Social Entrepreneurship Framework takes account of the variety of legal forms and models by which social entrepreneurship can be developed (cooperatives and cooperations, mutual societies, volunteer associations, foundations, business or non-profit companies, often combining different legal forms and sometimes changing their form of work according to their needs). In a few EU countries, "social entrepreneurship" can develop under a legally defined form. In most cases it is open to realization in a variety of forms, as long as common criteria are met.

Despite the lack of legislation, the practice in Bulgaria shows that there are organizations that develop social entrepreneurship and identify themselves as social enterprises. There are several models of social enterprises that are predominantly developed by non-profit organizations: as employers of people from risky social groups, serving services in favor of such target groups and performing social activities in the widest sense. In view of the established practice in our country, in order to clarify the legal nature of the term "social enterprise", it is necessary to consider the definition of "enterprise" under the current legislation, to analyze the legal framework of the

business activity of the non-profit legal entities (NGOs) and then examine the complex of legal norms in the social sphere dealing with people in vulnerable social situation.

As it has become clear, most of the social enterprises in Bulgaria exist as commercial companies, cooperatives and non-profit legal entities. All of them have socially significant outcomes for vulnerable groups. The most popular form is NGOs. Regarding the regulatory framework in Bulgaria, the most important documents concerning social entrepreneurship are the Cooperatives Act and the Non-Profit Legal Entities Act. Other key strategic documents are available on the [Social Entrepreneurship Institute](#) site. The following will look at the different types and forms of social enterprises:

NGOs *acting as social enterprises* provide services to their members or to the target groups to which they have focused their efforts - educational, counseling services for people from vulnerable social groups. This type of enterprise also performs economic activity and exploits the profits from this business to finance the organization's social mission and, last but not least, provides employment for disadvantaged people. Thus, these enterprises create employment and development of the workforce - an employer of people with disabilities is a typical example of this (various unions and associations of people with disabilities).

*Commercial companies acting as social enterprises* are companies registered under the trade law which seek, besides gaining profit, to provide employment and to provide services to marginalized groups or disadvantaged people. These types of companies are owned by alliances of people with physical or mental disabilities and overlap by their specifics with NGO commercial companies but target a particular target group and serve their interests as a matter of priority.

The main differences between social enterprises and traditional business enterprises are the number of participants and the way the management is run - the social enterprise is most often subject to collective management, whereas the traditional business is usually with a limited number of owners. Another major difference is that in traditional business profits are distributed among owners / shareholders while social enterprises reallocate and invest in social activities. And last but not least, the two models differ in their primary purpose: while businesses are aiming at maximizing profits, social enterprises focus on maximizing social benefits.

## 2.2. Possible services and activities of social enterprises

- Social services

Social services are defined as activities that support and broaden the ability of individuals to lead independent life and are carried out in specialized institutions and in the community. The legal definition of "social services" refers to activities aimed at supporting the assisted persons to lead a full life. An essential part of the concept of "social service" is the social integration of the consumer, which should continuously accompany the process of providing the service. This should be done in such a way as to guarantee the individual a lifestyle and not to make it dependent on the service or institution.

The social field is the most natural sector for the development of social enterprises in Bulgaria. The provision of social services is done against payment and this accumulates income from business activities. Often, in the delivery of social services, central or local government takes over the service. The fees for social services, which are financed by the state budget, are paid according to the tariffs approved by the Council of Ministers. Equal providers of social services are NGOs, commercial companies, the state and municipalities. All private providers of social services must be registered in the ASA and when the service is used by children under 18, a SACP license is required.

- Health and prevention services

The health services provided by social enterprises are basic - measuring blood pressure, blood sugar, rehabilitation, etc. Often, this type of service accompanies social services, so it is very difficult to divide providers. The requirements for the provision of health services are regulated by the Medical Institutions Act. It defines three types of medical establishments according to the type of medical activity - for outpatient care, for hospital care and others. Funding is provided through health insurance, direct patient payments, and donor programs.

- Educational services and training

This type of service has one of the greatest presence of social enterprises. The reason is that it is oriented towards introducing innovation, supporting and promoting the concept of "lifelong learning" and a willingness to share positive experiences. There is no regulation of special norms related to training by social enterprises. Certain forms of training require accreditation and licensing for the issuance of a valid document for the acquired level of education and professional qualification. The fees which are collected from the training become income from the economic activity of the social enterprise.

### Section 3: Assessment of the size of the social enterprises sector in the cross-border region

In recent years, there has been a clear European policy to promote social entrepreneurship as a key tool in tackling the challenges faced by vulnerable groups or solving socially significant problems, including by replacing (or shifting) traditional forms of social support (social services and payments). More and more resources from the EU budget are devoted to specific measures to support social entrepreneurship. However, at the national level the policy for the development of the social economy and social enterprises remains out of the common efforts to achieve the goals set out in the National Reform Strategy. Although the National Social Economy Concept has been prepared as a strategic document with a "forward-looking vision of future changes in the legal framework and practices of public authorities and a vision for integrating sectorial policies", the relevant sectorial policies tied to it are still not clear and consistent. This prevents the creation of a favorable legal and financial environment for the development of social enterprises, which is also reflected in the cross-border region.

Nevertheless, the review of the leading strategic and programming documents that are important for the development of a supportive environment for the functioning of social enterprises in Bulgaria allows for the identification of a number of measures and perspectives for programs that can serve as a "road map" a successful policy to create real and sustainable conditions for the promotion of social entrepreneurship in Bulgaria and the cross-border region. It is explicitly stated that social enterprises will play an important role in achieving smart, sustainable and inclusive growth (the Europe 2020 Strategy), focusing on human and social cohesion.

In all European documents, the social enterprise is recognized as a key component of civil society and the European social model. It is emphasized that social enterprises are an integral part of the broad civil society and a major component of the social economy sector, which must be politically and financially supported in their entirety. The Bulgarian legislation lacks a legal definition of a social enterprise, as well as norms regulating the status, form and activity of the social enterprise. There is still a lack of a Bulgarian normative act - a law or regulation in which to use the term "social enterprise". Despite the lack of legislation, practice in Bulgaria shows that there are organizations that develop social entrepreneurship and identify themselves as social enterprises.

In 2011 Bulgaria adopted the first strategic document devoted specifically to social entrepreneurship - the National concept for social economy. Despite the clear vision that this sector should be supported, the Implementation Plan lacks clarity on how to develop sectorial policies so that social entrepreneurship can develop its potential and achieve lasting results.

For the period 2014-2020, funds are planned to be used under two operational programs to promote "social entrepreneurship", but it remains unclear how much they will in practice promote sustainable models and initiatives if good regulatory conditions are not developed.

As explained above on a legislation level Bulgaria has not introduced a legal definition of a social enterprise. However, the right step in this direction is the fact that since 2012, statistical information about active social enterprises in Bulgaria has been collected. In 2013, the NSI included a definition of a social enterprise and guiding criteria for respondents in terms of whether they identify themselves as a social enterprise or not.

According to the National Statistical Institute (NSI) data for 2012, 4872 enterprises have defined themselves as "social". 2717 of them are registered as trading companies and cooperatives. In 2013, the number of self-identified as social enterprises is lower - 3612. Of these, 2046 are registered as trading companies and cooperatives. A statistical survey of social enterprises in Bulgaria started in 2013 now has annual periodicity. As of August 2015 in the Register of Specialized Enterprises and cooperatives for people with disabilities, there were 281 specialized enterprises and cooperatives of people with disabilities. They provide employment for 3,364 people with disabilities ( people who have acquired a TEMP for % reduced working capacity).



The social enterprises in the Republic of Bulgaria carry out their activities in several directions:

- *supply of social services;*
- *provision of work for people with disabilities;*
- *mediation in finding employment for unemployed persons;*
- *provision of health services;*
- *activity in the sphere of education, etc.*

In the realization of these activities the leading is not the production of the final product, but the social effect for the persons themselves, which is to get the necessary support in order to integrate in the society. According to NSI latest data, the number of self-identified as social enterprises is the highest in the Blagoevgrad district (234), followed by Haskovo district - 132, Smolyan - 98, and in Kurdzhali - 37 (see graphs below).

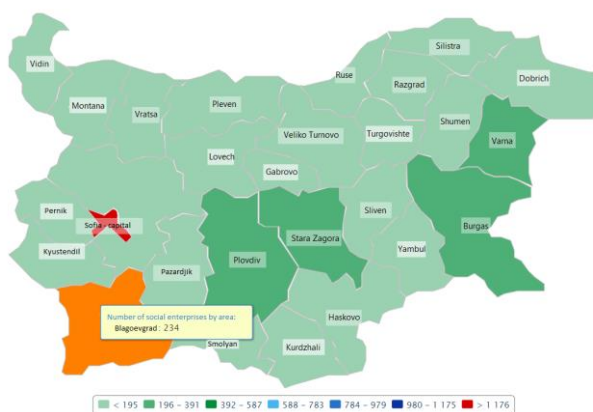


Figure 7. Number of social enterprises in Blagoevgrad district

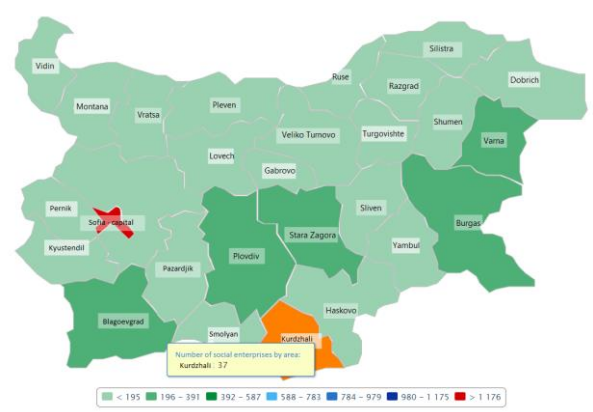


Figure 8. Number of social enterprises in Kurdzhali region

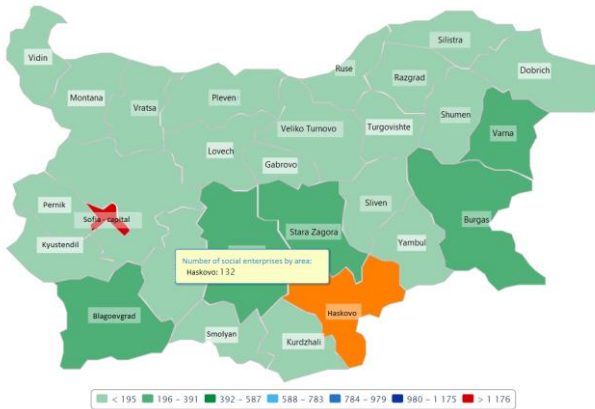


Figure 9. Number of social enterprises in Haskovo region

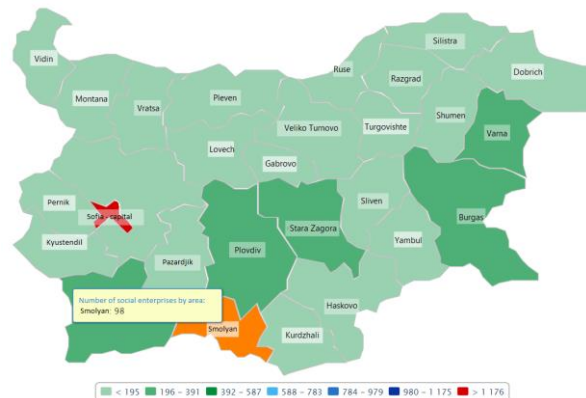


Figure 10. Number of social enterprises in Smolyan region

As a whole, municipalities in the cross-border region do not have a rich and diverse network of social services. There are several specialized institutions (homes for children deprived of parental care, homes for the elderly with mental disabilities, homes for mental disorders), which pose a serious challenge to the particular municipalities in which the services are located (the closure of the homes will create a social problem for staff employment). In bigger towns there is probably a waiting list for those facilities. In view of the policy taken at national level for deinstitutionalization, it is necessary for municipalities to be ready with alternative social services to take care of those in need, these services to be developed in a network, including those built with social enterprises, which will help young people come out of the system of protection and social assistance.

It is noteworthy that in the cross-border region there are two key factors that are related to the development of the social services network:

- a) on the one hand the existence of very small villages hinders the access and conditions for the development of its services;
- b) mainly developed is the network of social residential services. There are many small settlements, which naturally can not maintain their own social services and it is difficult to ensure even the mobility of the services from the larger settlements.



In this regard we may conclude that in order to create sustainable models of social entrepreneurship in the cross-border region, it is necessary to pay attention to the preconditions for the creation of which should be worked out at national level. One of the most important conditions is to continue investing efforts to develop social policies and services that can address the serious risk factors (which cause the isolation of young people) and allow social enterprises to be able to increase the social effect. Various and sufficient social services need to be developed to ensure that any kind of support is available (services for people with disabilities have been prioritized). In addition there is a need to further stimulate the development of partnership in these areas through the mechanism of negotiating these services.

The presence of only social services in the community as a solution to the problem will not be enough. Very often they support the vulnerable group at the primary level, but they do not help them to get out of the circle of social exclusion and dependency and to find their lasting solution in employment, education, access to healthcare. In this sense, the development of an entrepreneurial culture among social service providers will further help address social issues more effectively especially when there are "problem generators" (many specialized institutions for children and the possible outlook – thinking about the children when they turn 18 years old). Social entrepreneurship in this case may be complementary and stabilize the effect of these forms of social support.

On the basis of the identified problems in the cross-border region, a series of recommendations can be formulated to improve the environment for social entrepreneurship in Bulgaria, which are discussed in more detail in the next section.

Still, resources to support social enterprises are not being spent well enough. In addition, the lack of entrepreneurial skills and culture of non-governmental sector representatives, which still provide the core human resources of social entrepreneurs, requires a new, modern approach to financing emerging or existing enterprises. Where the provision of funds does not exhaust the donor's commitment, but is accompanied by long-term support and tracking of the enterprise's development.

Mobilizing the available internal and external resources (the possibilities of alternative forms of tourism, attracting young and adventurous Bulgarians from the country and abroad for the

cause of social entrepreneurship) can provide a much broader basis for the development of the sector. Active work with local businesses to promote social entrepreneurship and social enterprises is also a step in this direction.

In this respect, analyzing the data from the conducted survey, we can conclude that, according to the interviewees of the social entrepreneurs in the cross-border region, it should be ensured access to different trainings and practices aimed at the above-mentioned mobilization of available internal and external resources, as well as to look at opportunities for partnership with local businesses and create a new, modern vision, along with the upgrading of entrepreneurial skills and culture.

## Section 4: Main obstacles and recommendations for social entrepreneurship in the cross-border region

Generally speaking we can summarize the main challenges facing social enterprises in the cross-border region in the following way:

- Fragmented supporting infrastructure;
- Lack of incentives and access to financial resources;
- Low level of knowledge and recognition of social entrepreneurship;
- Difficult access to market realization;
- Low level of networking and partnerships;
- Need for additional qualification and a modern vision.

In this regard, we may propose the following impact recommendations in the cross-border region and note that the development of recommendations and the creation of a supportive environment is directly dependent on coordination in the implementation of recommendations by the responsible institutions on their bestowal.

- Improving the competitiveness and access to markets and orders of social enterprises.

- Introducing uniform standards for quality management in social enterprises.
- Periodic assessment of the impact / degree of utility / of the activity of the social enterprises against vulnerable groups through a set of objective, normative-regulated criteria.
- Targeted support through training programs, business incubators for social enterprises, experience sharing platforms (similar to the current project).
- Promotion of the social added value of social enterprises through campaigns to promote positive attitudes towards social enterprises and their products and services.
- Creation of a union of social enterprises and active involvement in negotiations and public discussions.
- Regulation of social enterprises as entities with certain characteristics, not in an explicit legal form.
- Introduction of tax breaks at local and national level, corresponding to the impact / degree of utility / from the activity of the social enterprises towards the vulnerable groups.

Despite the fact that there is no legal definition of the term "social enterprises" in the Bulgarian legislation, it is clear from the fact that in the legal peace in our country, and in particular in the cross-border region, there are and are operating social enterprises. The main fields of activity of these enterprises are the different types of public services in the social sphere, the health sphere and education. Through social enterprises non-profit legal entities manage to achieve a certain social effect in relation to persons from vulnerable groups in order to improve their quality of life and overcome their social exclusion.

In this connection, the activity of social enterprises can be defined as extremely important in helping the state manage the policy of social inclusion of vulnerable groups. Moreover, social enterprises have the capacity to become one of the most reliable partners of central and /or local government in addressing social issues and to promote social inclusion in society of individuals from different vulnerable groups. However, in order for this partnership to be stimulated, it is necessary, on the basis of the current legislative basis, which outlines the legal framework for the activities of social enterprises, to develop changes aimed at creating a more favorable economic environment in which social enterprises operate. Given that social enterprises essentially represent a business carried on by a non-profit-making legal person, provision should be made in tax laws for

the appropriate relief, as well as to create more opportunities for financing activities carried out by social enterprises with funds from a state budget, a municipal budget or different funds.

To summarize, we can conclude that, in order to be recognized as a social enterprise, it is necessary to consider the following points of reference:

- ***Business is most important:***

Different models of social entrepreneurial organizations develop purely economic activities which on a market-based basis, produce goods and services (more often) and can be divided into two main groups:

- a) provide employment for the relevant vulnerable groups and thereby provide social support; or
- (b) provide a variety of services, and the revenue from these activities is entirely aimed at achieving the socially significant goals, including reinvesting in the expansion of entrepreneurial activity itself (involving also the involvement of more socially vulnerable people or improving the quality of goods / them). In order to be successful, they need to develop just like businesses and be active in market demand and supply.

- ***Support Network***

Very often, social entrepreneurship is implemented as part of a common social services program (classical - day centers, rehabilitation centers, etc.). In practice the first support most often in a crisis situation or to develop certain skills, is provided by the social service. Social entrepreneurship builds on social interventions by actually acting as a bridge to sustain active social inclusion - employment, education, training, services. This also predetermines, in some cases, the funding mechanisms according to which certain organizations that develop this activity receive differentiated funding from different sources.

- ***Slow outcomes***

Social entrepreneurship should be subject to market principles (marketing, communication, search, etc.) as an essence / activity, and the social goal is achieved through the inclusion of the

group itself, or that the funds go to solve the significant social problem. Although they operate on a market-based basis their profile shows that due to the difficulty of working with the particular target group which is vulnerable in nature, this takes time and extra effort to "catch up" and compete with other manufacturers or service providers.

- ***Partnership is key***

Given the social goals of social enterprises and the specifics of the target groups, their successful development strongly depends on the traditions and environment for the development of partnerships between the non-profit and corporate sectors as well as between non-profit organizations and public authorities.

- ***Restrictions***

One of the biggest constraints is achieving long-term sustainability, as social goals and tasks make the business part more difficult. Therefore most of the programs aimed at supporting social entrepreneurship are small grants for small business start-ups, investments in business skills development, communications,

In our pursuit to summarize the main obstacles and recommendations related to social entrepreneurship in the cross-border region, we should pay attention to the following positive trends and organizations:

**Positive trends:**

We can not say that in the cross-border region social entrepreneurship does not have good prerequisites to develop. There are a number of conditions that do not limit the activity of social enterprises and the effect of their activities. What is beneficial does not hinder the process and that is why we can qualify it as good environment:

- The concept (the understanding of a social enterprise) is broad, and this allows for flexibility and opportunity to take place in different forms;

- Due to the lack of a specific registration regime, each economic entity can identify itself as performing the activity, which gives freedom and the possibility of more self-regulation of the sector;
- In principle no serious restrictions on free economic initiative are introduced in Bulgarian legislation. There is a tendency to reduce registration and licensing regimes which will support the development of business initiatives;
- Corporate tax is at the rate of 10% per cent and in itself is a serious relief for business turnover;
- NGOs (which by definition have social objectives and are often a leading factor engaged with the support of vulnerable groups) can carry out economic activity under relatively mild conditions.

### **Restrictions:**

Although there is no restrictive legal framework, there are specific facts and circumstances that are of direct or indirect significance that limit the development and sustainability of social enterprises in the cross-border region:

- ✓ There is no specific incentive policy for the state to develop social entrepreneurship;
- ✓ In the last 5 years there has been volatile business climate as a result of the global economic crisis as well as the unstable political environment;
- ✓ According to the Sustainability Index of CSOs for 2014, the environment for their development remains unstable. There is no support for the sustainability of NGO activities, especially small organizations that remain fully dependent on external donor programs that are short-term and often with very different priorities;
- ✓ There is a lack of serious and long-term programs encouraging supported and protected employment. If any, they are primarily targeted at people with disabilities but not other vulnerable groups;
- ✓ Funding mechanisms for starting up or maintaining are seriously limited:
  - Bank loans are extremely difficult with no special relief for certain categories of social enterprises, eg NGOs;

- Risk financing (through equity) – is virtually not developed, there is only the JEREMIE initiative but it is for small and medium-sized enterprises registered as trading companies. Moreover, all investors are looking for a return on investment, which is more difficult for social enterprises or at least takes longer;
  - Limited or almost absent national grant funding as a result of just such funding exists only within the Disability Agency;
  - Option for freely collecting fees - this is a possible source but if the services are targeted at the specific target groups of the analysis, it is difficult to expect a serious income;
  - Lack of funding programs at local (municipal) level.
- ✓ Problems related to OP funding:
- Funding mainly employment but not entrepreneurial activity as such;
  - Accessible to larger organizations that already have a serious available resource;
  - Increasing dependence on grant funding;
  - They focus on short-term results, mostly quantitative, and have difficulty in setting a (and, consequently able to assess) more comprehensive impact;
  - They almost never foresee funds for organizational and institutional development of organizations, sector and network building;
  - Often own contribution is required.

Yet in order for the concept of social entrepreneurship to be used and adopted it is necessary to further develop and stimulate partnership in the cross-border region. Potential partners in the development of initiatives to promote social entrepreneurship and supporting measures can be grouped in several directions: district administration; municipalities; local non-governmental organizations; local business.

In order to develop social entrepreneurship at local level, it is very important to have an environment to stimulate this. The **recommendations** in this regard are:

- ✓ Incorporating social entrepreneurship as a specific priority and measure in regional and municipal strategies for the development of social services;



- ✓ Provide a mechanism for assessing the impact of different social instruments;
- ✓ Designation of a Local Officer for the Development of Social Entrepreneurship;
- ✓ Creation of a fund at municipal level to support initiatives of civic organizations and popularization of the model of social entrepreneurship.

Besides building up the capacity to do the particular "business" it is necessary to provide a resource to start or support in the first stages of implementing an entrepreneurial idea that does not have a high interest rate (as would be provided by the bank) or requiring serious collateral can not provide). Therefore programs which aim to provide a resource, on a competitive basis, free of charge or at low interest rates, are a serious incentive to start up. The Resource Fund should distribute support on a competitive basis. One way is when it is necessary to stimulate the solution of a particular problem, to announce a competition for ideas for social entrepreneurship and to choose and support the best. Support should also be provided for the next stage of development of the idea as it can be expressed not only in mentoring in the development of the enterprise but also in the possibility of a "development" investment. It is advisable to provide financial support in a flexible way (including on individual basis).

In addition a successful form of support would be to give room to something that is serious investment and would support social entrepreneurship. In this sense, municipalities with a financial resource problem can take steps to support by letting municipal or state property with low rent or free of charge to help the social enterprise. And last but not least the municipality can support social enterprises by using services provided by social entrepreneurs for the social services delegated by the municipality.

The main conclusion that we can make is that in order for social entrepreneurship to be effective we should have well-functioning and stable civil organizations, a local government that relies on partnership and invests local resources in it and a business that is socially involved in the solution of public issues.

On a cross-border and municipal level, on the other hand, concrete efforts should be made to build sustainable partnerships between local, business and non-governmental sectors. The economic situation in the research areas which combined with other factors has led to a deepening of the



population's problems and above all a lack of resources to help local authorities resolve problems of this nature. Generally the answer is that with no money there is no way to develop a "business" that in turn can solve complex and difficult problems for marginalized groups or people. But another answer is possible – there are examples not only from other European countries but also from other places in Bulgaria. It is possible to find a solution which is sustainable and helps vulnerable groups to overcome poverty and exclusion. Those who have succeeded have done so with little support, especially at the beginning. That is why we can guess what will happen if there is a targeted policy and a specific program to support more such initiatives.

In this regard what would be a good start at the local level is the creation of local funds to finance ideas for social entrepreneurship of NGOs, provision of resources for the multiplication of successful models of social enterprises through affordable financing and exchange of experience with business, creating conditions for competitive provision of social enterprises products and their promotion. In each of these interventions roles and responsibilities should be shared between the three sectors at the local level (public, business and non-profit) in order to ensure that local expertise is built.

## Sources

*Social entrepreneurship and control of social services in Bulgaria and the European Union, Bulgarian center for not-for-profit law programming and analytical center for European law*

*Institute for Social Entrepreneurship [www.sociale.bg](http://www.sociale.bg)*

*Мрежа за социални предприятия в Югозападна България [www.socialnet-bg.com](http://www.socialnet-bg.com)*

*Terziev, Venelin and Nichev, Nikolay and Arabska, Ekaterina, Анализ на развитието на социалното предприемачество в България (Analysis of the Development of Social Entrepreneurship in Bulgaria) (May 2017). Jubilee Scientific Conference with International Participation of Theme: "Modern Trends", 2017.*

*A strategy for smart, sustainable and inclusive growth "Europe 2020"*

*National Concept of Social Economy*

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*Roadmap for Promotion and Development of Social Enterprises in Bulgaria 2015-2020, Bulgarian Center for Not-for-Profit Law and Charities Aid Foundation.*

*The Project is funded by 85% from the European Regional Development Fund (ERDF), and by 15% from national funds of Greece and Bulgaria, in the framework of the Cross-border Cooperation Programme (CP) INTERREG V-A Greece-Bulgaria 2014-2020.*

*This survey has been produced with the financial assistance of the European Union. The contents of the survey are sole responsibility of the Municipality of Gotse Delchev and can in no way be taken to reflect the views of the European Union, the participating countries, the Managing Authority and the Joint Secretariat.*

# Annex 1

## INTERVIEW GUIDE

<b>Interview guide for identifying the training and development needs in social entrepreneurship</b>		
<p><b>To:</b> owners and executives of social enterprises, social entrepreneurship consultants, social support organizations representatives/managers</p> <p><b>Guidelines:</b></p> <ul style="list-style-type: none"> <li>• The point of a qualitative interview is to let the respondent tell their own story on their own terms.</li> <li>• Questions are provided on the left side of the guide – Possible answers and space for notes are provided on the right side of the guide (either underline possible answers or write down interviewees responses in the notes section)</li> </ul>		
<b>Part A General</b>		
1.	Respondent name	<b>Notes:</b>
2.	Position / profession	<b>Notes:</b>
3.	Organization name	<b>Notes:</b>
	Industry Sector	<p>(Choose as many as you like)</p> <ul style="list-style-type: none"> <li>• Retail</li> <li>• Business Support / Consultancy</li> <li>• Farming / Agriculture / fisheries/ dairy</li> <li>• Education</li> <li>• Creative industries – web, design, print</li> <li>• Skill development</li> <li>• Healthcare</li> <li>• Social care</li> <li>• Culture and leisure</li> <li>• Energy and clean technology</li> <li>• Environmental- recycling / reuse / awareness</li> </ul>

		<ul style="list-style-type: none"> <li>• Financial support and services</li> <li>• Forestry</li> <li>• Food and nutrition</li> <li>• Justice / rehabilitation / human rights</li> <li>• Water and sanitation</li> <li>• Information Communication Technology</li> <li>• Tourism / hospitality</li> <li>• Housing</li> <li>• Manufacturing</li> <li>• Transport</li> <li>• Other (please specify)</li> </ul>
4.	What is the highest level of education of the majority of your employees (your associates if it concerns an organization).	<b>Notes:</b>
5.	What is the highest level of education of the senior management team or the owner.	<b>Notes:</b>
6.	<p>Which of the following does your organization place the most emphasis on? (Please choose only one)</p> <p>Please explain in more detail your way of thinking concerning your emphasis</p>	<p><b>Underline</b></p> <ul style="list-style-type: none"> <li>• <b>Profit First</b> – we prioritise maximising profits and strive to make a social impact only when it enhances profitability</li> <li>• <b>Social/Environmental Mission First</b> – we prioritise maximisation of impact over profit, we may not (always) be commercially viable</li> <li>• <b>Both Jointly</b> – we pursue both financial and social/environmental objectives equally.</li> </ul> <p><b>Notes:</b></p>

**Part B Development Questions**

7.	<p><b>Content Areas of Knowledge</b></p> <p>From this list, please list in order of priority <b>7 content areas of knowledge</b> that you consider to be the most important for the development of a social entrepreneur (Instructions: mark with priority numbers 1 to 7, on the left side of each item, if you have the same value in your view you can count it with the same priority).</p> <p>For your first two priorities, explain why you think they are so important.</p>	<ul style="list-style-type: none"> <li>• Basic Social Entrepreneurship Principles</li> <li>• Corporate Social Responsibility</li> <li>• Market research</li> <li>• Networking</li> <li>• Social Business Models</li> <li>• Finding the funding and attracting investors</li> <li>• Social Entrepreneurship Legal framework</li> <li>• Measuring Social Outcomes and Social Performance Metrics</li> <li>• Finance/cash management</li> <li>• Accounting</li> <li>• Marketing</li> <li>• Sales</li> <li>• Strategic Thinking</li> <li>• Basic Business Principles</li> <li>• Human Resource Management</li> <li>• Human Relations</li> <li>• Economics</li> <li>• Customer Service</li> <li>• Leadership</li> <li>• Team Management</li> <li>• Decision Making</li> <li>• Quality control</li> </ul> <p><b>Notes:</b></p>
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		<p>Priority 1:</p> <p>Priority 2:</p>
<p>8.</p>	<p>For each of the seven content areas of knowledge you selected, suggest which of the following training techniques you consider to be the most appropriate (instructions: you can choose more than one). If you want to, explain why.</p>	<p><b>Underline</b></p> <p><b>Priority 1</b>                  Traditional teaching methods (lectures / study)                  Case Studies                  Videos                  Experiential Exercises (simulations, practice)                  Other methods</p> <p><b>Priority 2</b>                  Traditional teaching methods (lectures / study)                  Case Studies                  Videos                  Experiential Exercises (simulations, practice)                  Other methods</p> <p><b>Priority 3</b>                  Traditional teaching methods (lectures / study)                  Case Studies                  Videos                  Experiential Exercises (simulations, practice)                  Other methods</p> <p><b>Priority 4</b>                  Traditional teaching methods (lectures / study)                  Case Studies                  Videos                  Experiential Exercises (simulations, practice)                  Other methods</p> <p><b>Priority 5</b>                  Traditional teaching methods (lectures / study)                  Case Studies                  Videos                  Experiential Exercises (simulations, practice)</p>

		<p>Other methods</p> <p><b>Priority 6</b></p> <p>Traditional teaching methods (lectures / study)</p> <p>Case Studies</p> <p>Videos</p> <p>Experiential Exercises (simulations, practice)</p> <p>Other methods</p> <p><b>Priority 7</b></p> <p>Traditional teaching methods (lectures / study)</p> <p>Case Studies</p> <p>Videos</p> <p>Experiential Exercises (simulations, practice)</p> <p>Other methods</p> <p><b>Notes:</b></p> <p>Why:</p>
<p>9.</p>	<p><b>Skills and Behavior</b></p> <p>From this list, please list in order of priority <b>7 skills</b> that you consider to be the most important for the development of a social entrepreneur (Instructions: note with priority numbers 1,2 to 5, on the left side of each skill. If a skill has the same value in your view you can count it with the same priority).</p> <p>For your first two priorities, explain why you think they are so important.</p>	<ul style="list-style-type: none"> <li>• Identification / diagnosis of social needs</li> <li>• Business plan preparation</li> <li>• Inspiring others to action</li> <li>• Hiring skills</li> <li>• Social networking skills</li> <li>• Leadership skills</li> <li>• Communication skills (oral) (e.g. communicate value objectively)</li> <li>• Communication skills (written)</li> <li>• Human Relations skills</li> <li>• Deal making skills</li> <li>• Logical thinking</li> <li>• Analytical skills</li> <li>• Decision-making skills</li> </ul>

		<ul style="list-style-type: none"> <li>• Goal-setting skills</li> </ul> <p><b>Notes:</b>                  Priority 1:</p> <p>Priority 2:</p>
<p>10.</p>	<p>For each of the seven skills you selected, suggest which of the following training techniques you consider to be the most appropriate (instructions: you can choose more than one). If you want to, explain why.</p>	<p><b>Underline</b></p> <p><b>Priority 1</b>                  Traditional teaching methods (lectures / study)                  Case Studies                  Business Simulations                  Experiential Exercises                  Open Discussions                  Presentations                  Other methods</p> <p><b>Priority 2</b>                  Traditional teaching methods (lectures / study)                  Case Studies                  Business Simulations                  Experiential Exercises                  Open Discussions                  Presentations                  Other methods</p> <p><b>Priority 3</b>                  Traditional teaching methods (lectures / study)                  Case Studies                  Business Simulations                  Experiential Exercises                  Open Discussions                  Presentations                  Other methods</p>



		<p><b>Priority 4</b> Traditional teaching methods (lectures / study) Case Studies Business Simulations Experiential Exercises Open Discussions Presentations Other methods</p> <p><b>Priority 5</b> Traditional teaching methods (lectures / study) Case Studies Business Simulations Experiential Exercises Open Discussions Presentations Other methods</p> <p><b>Priority 6</b> Traditional teaching methods (lectures / study) Case Studies Business Simulations Experiential Exercises Open Discussions Presentations Other methods</p> <p><b>Priority 7</b> Traditional teaching methods (lectures / study) Case Studies Business Simulations Experiential Exercises Open Discussions Presentations Other methods</p> <p><b>Notes:</b> Why:</p>
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<p>11.</p>	<p><b>Mentality</b>                  From this list, please note in order of priority <b>5 mentality factors</b> which you consider to be the most important for the development of a social entrepreneur                  (Instructions: mark with priority numbers 1 to 5, on the left side next to each attribute. If a feature has the same value in your view you can count it with the same priority).</p> <p>For your first two priorities, explain why you think they are so important</p>	<ul style="list-style-type: none"> <li>• Social awareness and social reflection</li> <li>• Creativity</li> <li>• Entrepreneurial thinking</li> <li>• Vision</li> <li>• Positive thinking</li> <li>• Ethical and sustainable thinking</li> <li>• Solidarity / Concern for others</li> <li>• Improvement mentality</li> <li>• Innovation</li> <li>• Attention to detail</li> </ul> <p><b>Notes:</b></p> <p>Priority 1:</p> <p>Priority 2:</p>
<p>12.</p>	<p>For each of the 5 mentality factors you selected, suggest which of the following training techniques you consider to be the most appropriate (instructions: you can choose more than one). If you want to, explain why</p>	<p><b>Underline</b></p> <p><b>Priority 1</b>                  Traditional teaching methods (lectures / study)                  Case Studies                  Business Simulations                  Experiential Exercises                  Open Discussions                  Presentations                  Other methods</p> <p><b>Priority 2</b>                  Traditional teaching methods (lectures / study)                  Case Studies</p>

		<p>Business Simulations                  Experiential Exercises                  Open Discussions                  Presentations                  Other methods</p> <p><b>Priority 3</b>                  Traditional teaching methods (lectures / study)                  Case Studies                  Business Simulations                  Experiential Exercises                  Open Discussions                  Presentations                  Other methods</p> <p><b>Priority 4</b>                  Traditional teaching methods (lectures / study)                  Case Studies                  Business Simulations                  Experiential Exercises                  Open Discussions                  Presentations                  Other methods</p> <p><b>Priority 5</b>                  Traditional teaching methods (lectures / study)                  Case Studies                  Business Simulations                  Experiential Exercises                  Open Discussions                  Presentations                  Other methods                  Other methods</p> <p><b>Notes:</b>                  Why:</p>
	<p><b>Interview Closure</b></p> <p>Leave the respondent feeling empowered, listened to, or otherwise glad that they talked to you</p>	

	Extra notes during interview closure:
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# Annex 2

*To the directors of*

*Social Assistance Directorate, Gotse Delchev*

*Business Incubator Center for Entrepreneurship Gotse Delchev*

*Domestic Social Patronage in the town of Gotse Delchev*

*Crisis Center Gotse Delchev*

*Home for old people in town of Gotse Delchev*

*Center for Mentally Disadvantaged Adults, Gotse Delchev*

*Center for Elderly People with Dementia, Gotse Delchev*

*Center for Disabled Children "Colorful Rainbow", Gotse Delchev*

*Day Center for Children with Disabilities "Symbol of Love", Gotse Delchev*

*Home for Children Deprived of Parental Care "Ivan Kyulev", Gotse Delchev*

*"Vassil Levski" Center, Gotse Delchev*

Dear ladies and gentlemen,

Gotse Delchev Municipality implements project "Support of Social Enterprises and Enhancement of Employment with SoSEDEE acronym, which is funded under the Cross-Border Cooperation Program INTERREG -A Greece - Bulgaria 2014-2020. The international project is implemented in partnership with Greek organizations.

Information events will be held for which you will receive an additional invitation and the project will be presented to the partners and the local community.

As part of the project activities, it is a survey of the profile and attitudes of social enterprises, social service providers in the region, as well as the organizations and institutions that support them. In this regard, please give us your assistance and fill in the following Internet polls / questionnaires by 24.09.2018:

SOSEDEE\_QUESTIONNAIRE 1: <https://goo.gl/forms/I4KqVlrYkyS8jPdG2>

SOSEDEE\_QUESTIONNAIRE 2: <https://goo.gl/forms/4Th6NdaQkeK6Qg3X2>

To this letter we also apply a separate questionnaire to be completed and returned on paper.

Given that the questionnaires/polls were prepared by the Greek partners in English, please contact Mr. Dimitar Palkov, Jr. Expert Ecology in Gotse Delchev Municipality, in case of needed help, tel.: 0888779270, email: oba@ gocenet.net or d.palkov@gmail.com

I rely on your cooperation!

With respect,

VLADIMIR MOSKOV

MAYOR OF MUNICIPALITY GOTSE DELCHEV

## Annex 3

Name of the institution	Position	Industry sector	Education of the team	Education of the senior management	Main emphasis	Areas of knowledge	Most appropriate training techniques	Skills and behavior important for the development of a social entrepreneur	Most appropriate training techniques for the entrepreneur	5 mentality factors for the development of the social entrepreneur	Most appropriate training techniques for the entrepreneur <sup>2</sup>
Business incubator-Gotse Delchev, Entrepreneurship Promotion Centre	Director	Business support/ Consultancy	Master	Master degree	Social/Environmental Mission First –we prioritise maximisation of impact over profit, we may not (always) be commercially viable	Market research; Basic Social Entrepreneurship; Leadership; Sales; Finance management; Team management; Networking	Practical experience, case study, exercises are the most effective methods to acquire knowledge and skills	Identification of social needs; Leadership; Deal making skills; Business plan preparation; Inspiring others to action; Communication skills; Goal-setting skills	Practical experience of the trainer, case study, exercises are the most effective methods to acquire knowledge and skills	Social awareness and social reflection; Innovation; Ethical and sustainable thinking; Creativity; Positive thinking	Presentations; Case Studies; Traditional teaching methods (lectures/study); Experiential Exercises;
Division Social Protection	Director	Social care;	Higher education	Master degree	Social/Environmental Mission First –we prioritise maximisation of impact over profit, we may not	Finding the funding and attracting investors; Strategic Thinking; Customer Service;	Case studies; Experiential Exercises (simulations, practice)l Traditional teaching	Identification / diagnosis of social needs; Inspiring others to action; Communication skills (oral) (e.g.	Case studies; Open discussions; Traditional teaching methods (lectures/study); Presentations; Experiential Exercises;	Social awareness and social reflection; Ethical and sustainable thinking; Solidarity/Co	Traditional Teaching Methods (lectures/study); Case studies; Business Stimulations

					(always) be commercially viable	Team Management; Decision Making; Human Relations; Measuring Social Outcomes and Social Performance Metrics; Corporate Social Responsibility; Basic Social Entrepreneurship Principles; Social Business Models; Human Resource Management;	methods (lectures, study); Other methods	communicate value objectively; Human Relations skills; Decision-making skills; Goal-setting skills; Logical thinking; Analytical skills; Communication skills (written); Social networking skills;		ncerns for others; Innovation; Attention to detail;	; Presentation s; Open discussions; Experiential Exercises;
Orphanage “Ivan Kulev”	Director	Social care;	University Degree	University Degree	Social/Environmental Mission First –we prioritise maximisation of impact over profit, we may not (always) be	Decision Making; Team Management; Leadership; Human Relations; Strategic Thinking;	Case studies; Experiential Exercises (simulations, practice)l Traditional teaching methods	Goal-setting skills; Decision-making skills; Logical thinking; Analytical skills; Communication	Open discussions; Traditional teaching methods (lectures/study); Case studies; Experiential Exercises;	Vision; Solidarity / Concern for others; Creativity; Improvement Mentality; Positive thinking;	Case Studies; Business Simulations; Experiential Exercises; Open Discussions; Presentation



					commercially viable	Accounting; Finance/cash management	(lectures, study);	skills (written); Communication skills (oral) (e.g. communicate value objectively); Human Relations skills;		Social awareness and social reflection;	s; Other methods
Family-type Accommodation For Disabled Young People	CEO	Social care;	University Degree	University Degree	Social/Environmental Mission First –we prioritise maximisation of impact over profit, we may not (always) be commercially viable	Team Management; Social Entrepreneurship Legal Framework; Finding the funding and attracting investors; Networking; Finance/cash management; Human Resource Management; Human Relations;	Traditional Teaching Methods (lectures/study); Case Studies; Experiential Exercises;	Identification/diagnosis of social needs; Decision-making skills; Human Relations skills; Communication skills (written); Communication skills (oral); Leadership skills; Social networking skills;	Traditional Teaching Methods (lectures/study); Case Studies; Presentations; Open Discussions; Other methods;	Other methods; Open Discussions; Traditional Teaching Methods (lectures/study);	
Foundation "The symbol of love" - day care center for children with disabilities	Manager	Social care; Skill development	University Degree	Master / higher education	Social/Environmental Mission First –we prioritise maximisation of impact over profit, we may not	Basic Social Entrepreneurship Principles; Human Resource Management; Basic	Case Studies; Videos; Experiential Exercises; Other methods;	Identification / diagnosis of social needs; COMMENT: A study of public attitudes about the creation of a social	Case Studies; Business Simulations; Experiential Exercises; Open Discussions; Presentations; Other methods	Solidarity; Creativity; Positive thinking; Ethical and sustainable thinking; Improvement	Open Discussions; Presentations; Experiential Exercises;

					(always) be commercially viable	Business Principles; Marketing; Leadership; Social Entrepreneurship Legal Framework; Finding the funding and attracting investors; COMMENTS : The Organization of meaningful employment, which gives an opportunity for self-expression, develop the strengths of the user and expands the possibilities for an active social life. Priority 2: Includes: finding and hiring new employees; training of	enterprise; Business plan preparation; Communication skills (oral); Leadership skills; Human Relations skills; Logical thinking; Analytical skills		mentality;	
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						personnel; employment and business relationships; organizational development.					
Home Social Patronage	CE O	Social care;	Master	Master degree	Social/Environmental Mission First –we prioritize maximization of impact over profit, we may not (always) be commercially viable	Measuring Social Outcomes and Social Performance Metrics; Strategic Thinking; Team Management' ; Decision Making; Customer service; Accounting; Human Resource Management;	Case Studies; Experiential Exercises (simulation, practice); Traditional Teaching Methods (lectures/stu dy); Other methods;	Identification / diagnosis of social needs; Decision- making skills; Deal making skills; Human Relations skills; Communication skills (oral); Social networking skills; Hiring skills;	Case studies; Other methods; Traditional Teaching Methods (lectures/study);	Solidarity / Concerns for others; Innovation; Ethical and sustainable thinking; Positive thinking; Creativity;	Presentations; Case Studies; Traditional teaching methods (lectures/stu dy); Experiential Exercises;
Crisis Help Center "New Beginning"	CE O	Social care;	Higher education	Master degree		Customer Service; Quality control; Basic Social Entrepreneurship; Finding the funding and attracting investors;	Case studies; experimental Exercises (simulations, practice); Traditional Teaching methods (lectures/stu	Goal-setting skills; Human relations skills; Inspiring others to action; Identification / diagnosis of social needs; Leadership skills; Logical	Open discussions; Presentations; Traditional Teaching Methods (lectures / study); Experiential Exercises;		

						Social Entrepreneurs hip Legal Framework; Measuring Social Outcomes and Social Performance Metrics; Human Resource Management;	dy); Other methods	thinking; Communication skills (oral);			
Auxiliary school „Vasil Levski“	Assistant Director	Education; Social care;	University Degree	University Degree		Quality control; Decision making; Team management; Leadership; Human Relations; Networking; Strategic thinking	Case studies; Experimental Exercises (simulations, practice); Traditional Teaching methods (lectures/study);	Goal-setting skills; Logical thinking; Decision-making skills; Communication skills (oral); Communication skills (written); Social networking skills;	Traditional Teaching Methods (lectures/study); Open Discussions; Experiential Exercises; Case studies;		