

PROJECT:

“Support of Social Enterprises and Enhancement of Employment”, SoSEDEE

DELIVERABLE 3.3.1:

Synthetic Report on the profile of the SEs in the cross-border area and catalogue with existing training courses in Greece and Bulgaria. Scientific support in methodology, development of questionnaires and interview guides

D3.3.1a: Synthetic Report

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The Deliverable D3.3.1 of the project SoSEDEE, is developed by the Project Beneficiary3 (PB3), with the contribution of the Lead Beneficiary (LB) and the PB2.

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Abbreviations

CP	Cooperation Programme
MC	Monitoring Committee
MA	Managing Authority (INTERREG_GR)
JS	Joint Secretariat
FLC	First Level Control
ERDF	European Regional Development Fund
EU	European Union
ICT	Information and Communication Technology
LB	Lead Beneficiary
PB	Project Beneficiary
PA	Priority Axis
SSE	Social and Solidarity Economy

Disclaimer

This document has been produced with the financial assistance of the European Union. The contents are sole responsibility of PB3 – Eastern Macedonia and Thrace Institute of Technology 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 of the programme.

**The Project is co-funded by the European Regional Development Fund
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1. Preface – Introduction to the SoSEDEE project

The current report is developed during the implementation of the project “Support of Social Enterprise and Enhancement of Employment (SoSEDEE)”, which is funded under the European Regional Development Fund (85%) and the national funds of Greece and Bulgaria (15%) through the Cooperation Programme INTERREG Greece-Bulgaria 2014-2020. The main objective of the SoSEDEE project is to provide a high quality Social Entrepreneurship Certificate from the Eastern Macedonia and Thrace Institute of Technology (EMaTTech) in Greece, Department of Business Administration (Project Beneficiary 3 - PB3).

The aim is to provide to the CB area a responsible and academic training package which will guarantee a good understanding of the concept and principles of a social enterprise and its legislative framework as well as a good knowledge of managerial and professional skills in order to develop a social business plan, analyze the market potentials, access funding and generate social impact. After the training course, specialized support and mentoring will be provided to the target groups of the Municipality of Gotse Delchev (Lead Beneficiary - LB1) and the SOS Children’s Villages (Project Beneficiary 2 – PB2) and the Municipality of Gotse Delchev who wish to establish social enterprises in their local areas.

Map of the CB are of the CP INTERREG Greece-Bulgaria 2014-2020



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It is expected that the training package will strengthen the competitiveness & sustainability of current social enterprises, support the creation of new enterprises for the benefit of vulnerable and professionally and financially challenged groups and increase the employment rates at local and regional level. For this purpose the project is designed to provide directly tangible and visible outputs to a certain number of potential and current social entrepreneurs (SEs), so that they can contribute to the achievement of inclusive growth to their local communities.

Furthermore, it is expected that this report will provide a context for further research and comparative analysis in the field of social economy in the CB area while at the same time it will facilitate further cooperation and exchange of best practices among social economy entities and stakeholders in the CB area.

The report has been written by a group of social economy experts by DOMI Development Private Company from Kavala, Region of East Macedonia and Thrace, Greece composed by Antonios Kostas, PhD, Georgia Karavangeli, MAs, Ioannis Tsoukalidis, MBA.

Published for the Eastern Macedonia and Thrace Institute of Technology (EMaTTech),
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This report has been produced with the financial assistance of the European Union. The contents of the report are sole responsibility of the SOS Children Villages Greece 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.

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.

The Project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in INTERREG V-A “Greece-Bulgaria 2014-2020” Cooperation Programme.



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2. Abstract-Objectives of the report

The general objective of this report is to provide a non-exhaustive overview of the profile of the social economy enterprises and their eco-systems in the cross-border area of the CP INTERREG Greece-Bulgaria 2014-2020. The specific objective is to use the outcomes of the study and surveys in order to develop and provide a high quality Social Entrepreneurship training package that is adapted to the main characteristics and challenges of the social entrepreneurs and the target groups of the project partners (vulnerable and professionally and financially challenged young people) in the cross-border area.

Specifically, it explores the recent evolutions and the emergent concepts of social economy in Greece and Bulgaria alongside with the public support policies in terms of legal framework and support measures for the development of the sector during the last decade. Furthermore, it attempts to provide a picture of the size of the sector (statistical information on the number of social enterprises, the field of their activity, the income and the employment they produce, etc.) in the cross border area as well as a notion of the profile of the current and potential social entrepreneurs in terms of their mentality with regard to social entrepreneurship, their personal characteristics, their educational background and skills. Last but not least, it presents the main challenges the sector and its entities are facing as well as the main recommendations that are proposed according to official reports and surveys.

For the above reasons the report is organised as follows: **Section 1 provides a brief definition of the social economy and social enterprise** delivered by official national policy papers/laws or national plans and strategies. **Section 2 explores the social enterprise eco-system** with a view to comparing the role played by a number of key factors, namely: political acknowledgement and legal forms; access to market; fiscal framework and public support schemes; access to finance; networks and mutual support mechanisms; and research, education and skills development. **Section 3 provides an attempt to assess the size of the social enterprise sector** in the cross-border area. **Section 4 focuses briefly on the main barriers and recommendations** of the social entrepreneurship in the cross-border area.

3. Methodology

The report is based on primary and secondary data (qualitative and quantitative).

For the collection of primary data, the following four (4) scientific tools were developed:

An “Interview guide for identifying the training and development needs in social entrepreneurship. The interview guide was addressed to current social entrepreneurs, owners and/or executives of social enterprises, social entrepreneurship consultants, social economy support organizations, executives of corporate social responsibility that are active in the cross border area. The aim of this guide was firstly to identify the educational profile of the people that are currently working in the field of social entrepreneurship and secondly to identify the training and development needs in terms of the most preferred educational content and training techniques for the development of a proper and a completely adjusted ‘social entrepreneurship educational program’ to the needs of the local population that lives in the cross border area.

A questionnaire regarding the legislative framework, the policy support schemes and the main factors that constitute the social economy ecosystem in Greece and Bulgaria. The questionnaire was completed by the project partners (Municipality of Gotse Delchev and SOS CHILDRENS VILLAGES) and the information is based mainly on secondary and less on primary data.

An online questionnaire addressed to social entrepreneurs that are active in the cross border area in order to identify the profile of social entrepreneurship in the cross-border area in terms of its type (legal form, sector of activity, main objective, etc.) and its size (turn over, number of employees, main source of income/funding, etc.). The questionnaire also contained some questions regarding the capabilities and the development strategies as well as the main barriers for the development of the sector. The purpose of this questionnaire was to contribute to the mapping of the social entrepreneurship in the cross-border area by updating and comparing the data with national reports that have already been conducted in Greece and Bulgaria.

An online questionnaire addressed to potential social entrepreneurs in the cross-border area. The purpose of the questionnaire was to learn more about their familiarity with social economy and entrepreneurship as well their preference on different training dimensions of ‘social entrepreneurship educational program’.

The collection of secondary data that are concerned with the policy framework and the main characteristics (type, size, statistics, etc.) of social solidarity entities (statistical, policy framework) is based on EU and national reports as well as on academic and research publications that cover the area from 2011 and onwards.

The main idea was to collect primary data by a number of current and potential social entrepreneurs and a range of social economy actors in order to verify, update and supplement the information collected from secondary sources.

With regard to the methods themselves, the **first section** of the report takes the definition of the social economy and social enterprise given by the European Commission in the Social Business Initiative and compares it with the notion of social economy and social enterprise that prevails in the current and potential entrepreneurs as well as the relevant local and regional stakeholders (local authorities, chambers, academic community, tax and insurance officers, banks, etc) in the cross – border area. A field study with interviews with current social entrepreneurs and stakeholders was conducted and an online survey with the potential social entrepreneurs. Concerning the **second section** of the Report it is based on the secondary data from EU and national reports as well as academic and research publications that cover the area from 2011 and onwards. The **third section** is a mixture of primary and secondary data. Its central goal is two-fold. Firstly, to provide quantitative data on the social economy sector based on available statistical data. Secondly to provide qualitative data on the profile and the main characteristics of the social entrepreneurs and the target groups in the cross-border area collected through interviews. The **last section** is based in primary and secondary data that were collected through official reports, interviews and online questionnaires with regard to the main trends and challenges in the social economy sector in the cross-border area.

The results have been highly satisfactory, since there was a significant response in the completion of the questionnaires and interview guides. A total of 174 questionnaires were returned from the current social entrepreneurs. 121 of them were related to the Bulgarian sample and 53 of them to the Greek sample. Moreover, 21 semi structured interviews were conducted with entities representatives who agreed to participate in a research with a timeframe between 1 and 1&1/5 hour. 11 were related to the Bulgarian sample and 10 of them to the Greek sample. Concerning the potential social entrepreneurs' online questionnaire 242 responses received (116 related to the Bulgarian sample and 126 related to the Greek sample).

The study comprised three core methodological stages which are further described and analysed in the Annex I “Research Methodology Abstract”.

4. The Synthetic Report

Section 1 Defining the concept and the legal framework of ‘Social Economy’ and ‘Social Enterprise’

According to the national, European and international scientific literature, the basic terms that are related with the concept of "Social Economy" are among others the "Non-Profit Sector", the "Third Sector", the "Solidarity Economy", and the "Collaborative Economy". Although the term "Social Economy" is being used very often the last years, its conceptual understanding is not so clear and varies according to the era and the geographical origin. For example "the term 'third sector' has been mostly used in the English-speaking world to describe the private non-profit sector that is largely composed of associations and foundations, while in Continental Europe and in other parts of the world the term 'third sector' is mainly used as a synonym for the social economy (SE)" (CIRIEC-International, 2017: 17).

Although there is no universally accepted conceptual term for the definition of "Social Economy", the term is mainly related with initiatives that are developed either 'voluntary' or under a 'social business model' in order to improve the quality of life and protect the most vulnerable groups. Defourny (2001) defined the social economy as a broad range of not-for-profit mainly activities that aim in producing products and services for the satisfaction of collaborative, social and economic needs of the community and its members, which were developed by institutions, organisations and enterprises with primary social goals in order to support the most vulnerable social groups. These organisations include the Associations, the Cooperatives, the Mutual Insurance Organisations, the Foundations, the Associations, the Voluntary Organisations, the Non-Governmental Non-Profit Organisations (NGOs) and the Social Enterprises, whose operation is based on the principles of justice, independence, democracy, free participation of the individual's priority, the solidarity, the equality of sustainability and so on (Borzaga and Maiello, 1998, Rimke, 2000, Borzaga and Defourny, 2001, Defourny, 2001, Chrisakis, 2002, Mitrosili, 2007, Fefes, 2007, Nikolopoulos, and Kapogiannis, 2012, Geormas, 2013, Kostas, 2014, Ntoulia, 2015).

According to the European Economic and Social Committee (Monzón, J.L. & Chaves, R. "The Social Economy in the European Union", 2012, Brussels: EESC), the Social Economy is "The set of private, formally-organised enterprises, with autonomy of decision and freedom of membership, created to meet their members' needs through the market by producing goods and providing services, insurance and finance, where decision-making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has one vote, or at all events are decided through democratic, participatory processes. The SE also includes private, formally-organised entities

with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them.

The main principles of the Social Economy, according to the *Charter of Principles of the Social Economy* of Social Economy Europe (*Declaration finale commune des organisations européennes de l'Économie Sociale*, CEP-CMAF, 20 June 2002), the European-level association that represents the social economy, are:

The primacy of the individual and the social objective over capital

Voluntary and open membership

Democratic control by the membership (does not concern foundations as they have no members)

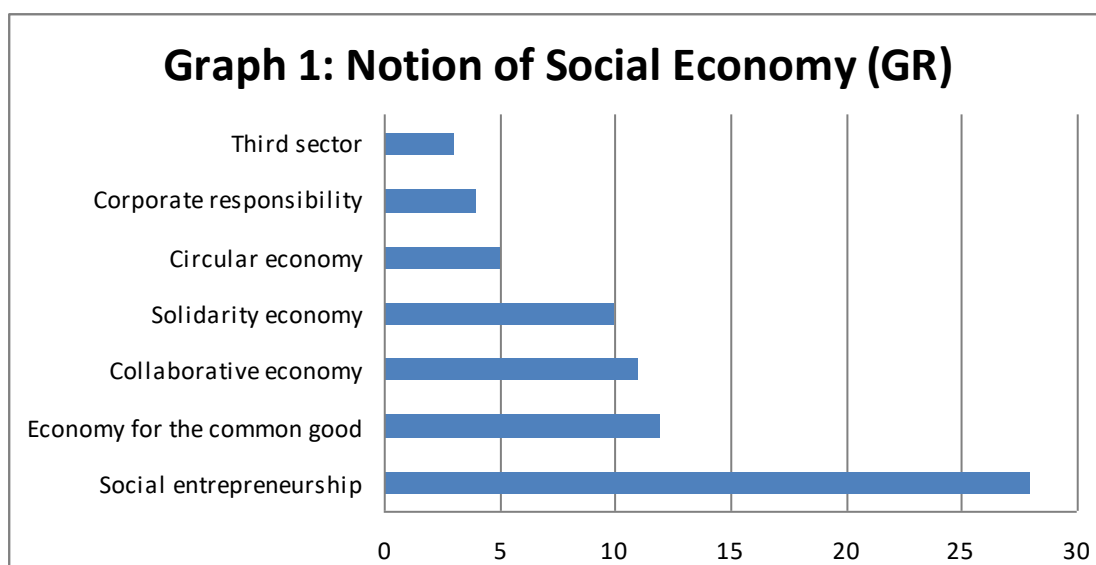
The combination of the interests of members/users and/or the general interest

The defence and application of the principle of solidarity and responsibility

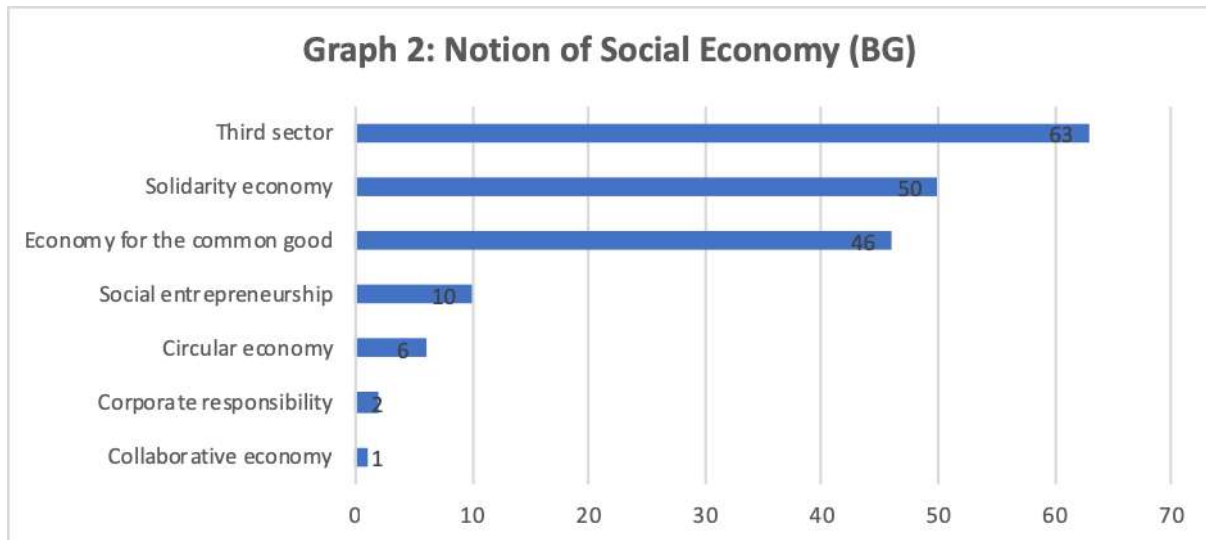
Autonomous management and independence from public authorities

Most of the surpluses are used in pursuit of sustainable development objectives, services of interest to members or the general interest.

According to the survey conducted, in the Greek part of the cross border area, the notion of the Social Economy of the current entrepreneurs is most related to the term 'Social Entrepreneurship' and then it is overlapped with the terms 'Economy for the common good', 'Collaborative Economy' and 'Solidarity Economy'.

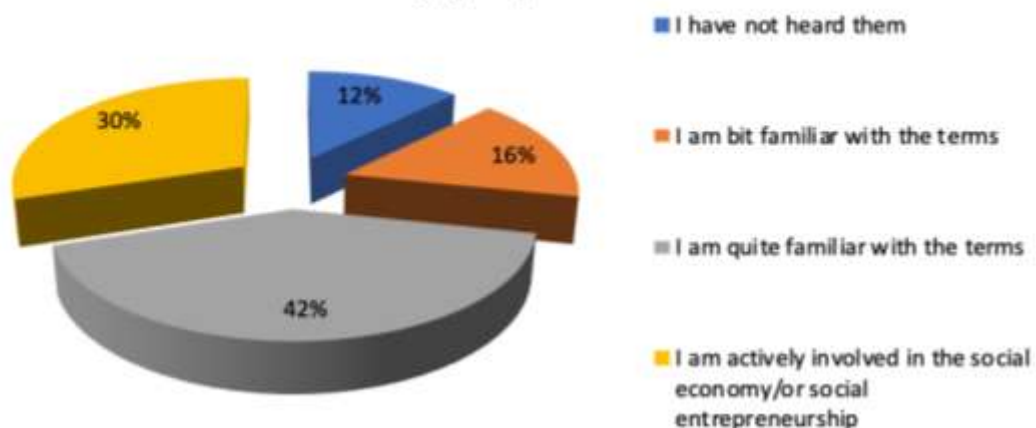


While in the Bulgarian part of the cross border area, the notion of the Social Economy is most related to the term ‘Third Sector’, ‘Solidarity Economy’ and ‘Economy for the common good’. It is important to mention that the concept of ‘Social entrepreneurship’ is less related and use compared to Greece.

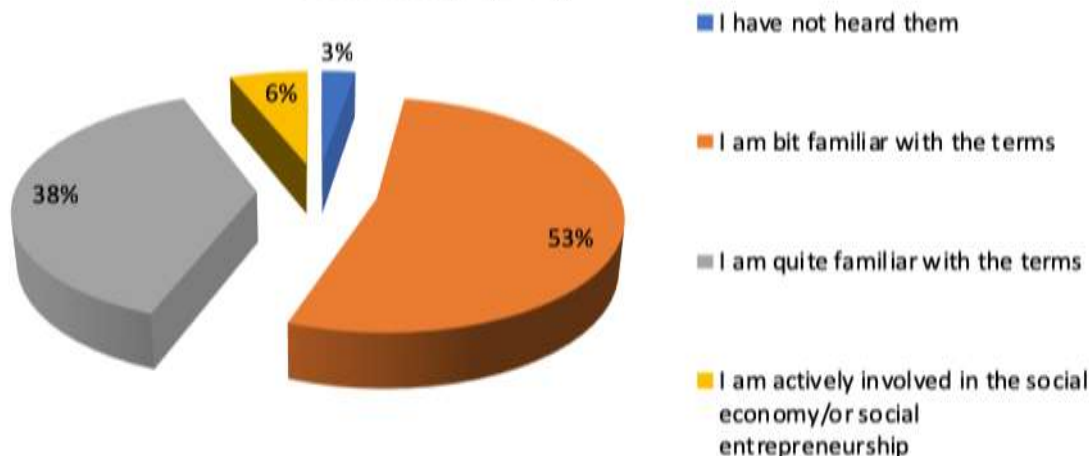


It is also worth to present the familiarity of the potential entrepreneurs with the terms of social economy. In the Greek side of the border most of them are quite familiar while a large percentage are actively involved in the sector of social economy. In the Bulgarian side, most of them are a bit familiar with the terms and a smaller percentage is actively involved in the sector. An interesting finding is that a larger percentage in Greece have not heard the terms than in Bulgaria, despite the existence of special regulatory sector in Greece.

Graph 3: Familiarity with the terms of social economy (GR)



Graph 4: Familiarity with the terms of social economy (BG)



With regard to the concept of social enterprise, it is widely used by literature and policy-makers to describe a new way of doing business, most known as ‘social business’ or ‘social entrepreneurship’. In most cases, the major difference with the traditional enterprise is that social enterprises are interested more on the production of social value and the achievement of social impact for a specific group of people or for the community rather than on maximising profit.

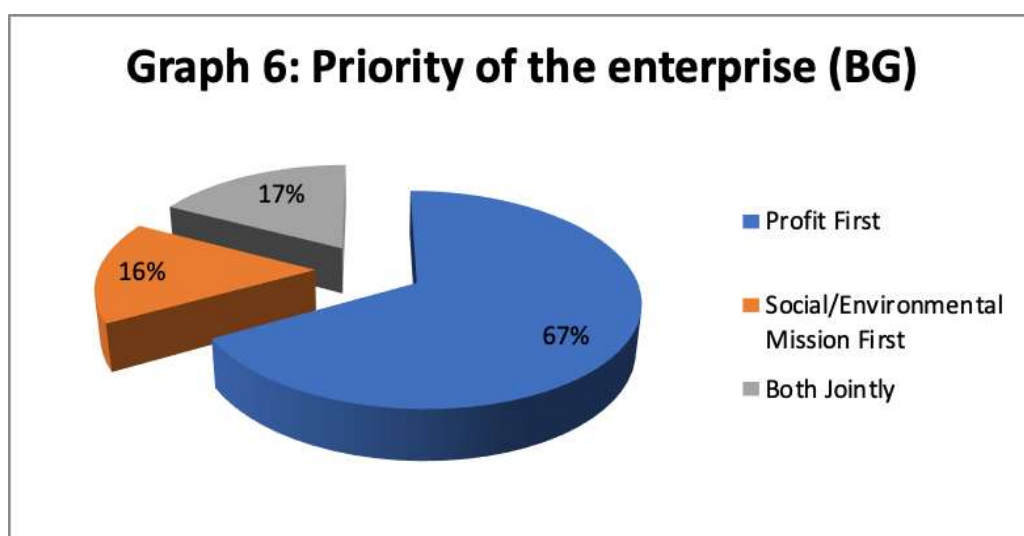
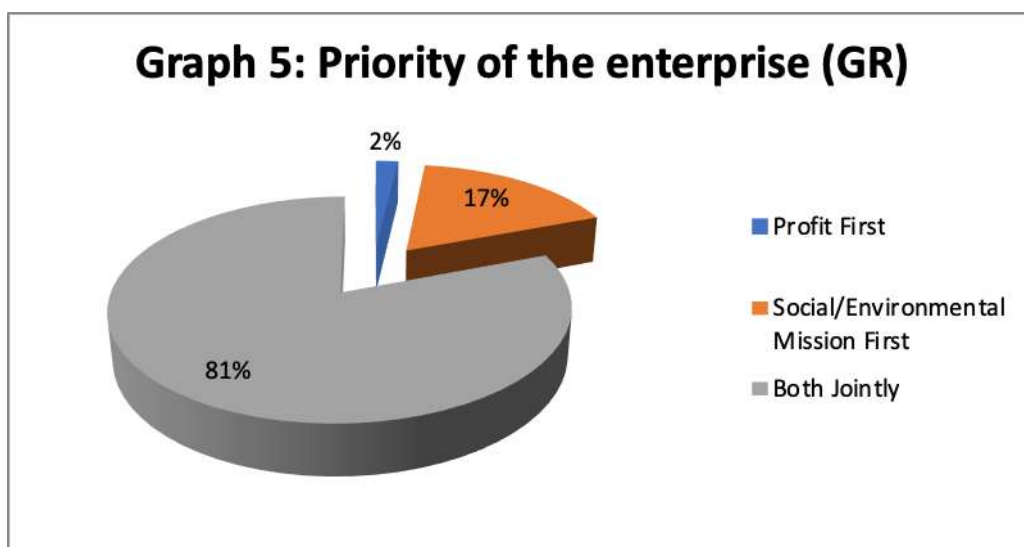
In fact, social enterprises are a recent phenomenon and are very diverse depending on the geographical area they are developed and operating. Therefore, we can see that there are many types and models of social enterprises that arise from different spheres and sectors (state, individual, civil society) and can have different legal forms and characteristics. Despite the differences in models or types of social enterprise, it is important to know that in order to belong in the sector of social economy there are some basic criteria that it must fulfilled.

According to the “Communication from the European Commission, Social Business Initiative, COM/2011/0682 final of 25/10/2011” a social enterprise is “an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities”.

According to the Social Business Initiative (SBI) definition (European Commission, 2014) a social business/social enterprise is an undertaking:

whose primary objective is to achieve social impact rather than generating profit for owners and shareholders,
 which uses its surpluses mainly to achieve these social goals,
 which is managed by social entrepreneurs in an accountable, transparent and innovative way, in particular by involving workers, customers and stakeholders affected by its business activity.

According to the survey in the study area, the main priority of the enterprise of the Greek current social entrepreneurs is both the social/environmental mission and the profit while in the Bulgarian current social entrepreneurs the profit comes first.



The SBI definition incorporates the three key dimensions of a social enterprise that have been developed and refined over the last decade or so through a body of European academic and policy literature:

An entrepreneurial dimension, i.e. engagement in continuous economic activity, which distinguishes social enterprises from traditional non-profit organisations/ social economy entities (pursuing a social aim and generating some form of self-financing, but not necessarily engaged in regular trading activity);

A social dimension, i.e. a primary and explicit social purpose, which distinguishes social enterprises from mainstream (for-profit) enterprises; and,

A governance dimension, i.e. the existence of mechanisms to ‘lock in’ the social goals of the organisation. The governance dimension, thus, distinguishes social enterprises even more sharply from mainstream enterprises and traditional non-profit organisations/ social economy entities.

It is also worth mentioning that from a scientific point of view, according to the European Research Network for Social Economy (EMES), social enterprises should meet the following 4 economic and 5 social characteristics:

Their economic characteristics are (EMES, 1999):

- a) the continuous production of goods and services;
- b) their high level of administrative and their administrative autonomy;
- c) their undertaking entrepreneurship and financial risk in their operation;
- d) the existence of paid and secure work in their actions.

Their social characteristics are (EMES, 1999):

- a) their aim so as to be benefited by their members and the community;
- b) the collective dimension of their operation;
- c) their members' participation in decisions;
- d) their multi-partnership;
- e) the restriction on the distribution of their surplus and profits.

Last but not least, according to Geormas and Kostas (2018:468), the social enterprise should meet the following criteria:

- to be activated on a entrepreneurship activity on a stable basis by producing goods and/or offering services;
- to have a defined social purpose;
- to set strict specifications on the distribution of profits so that they can be reinvested so as to create greater social impact;
- to be independent either from the state or from private sector enterprises;
- to be democratically managed and to be participated both by employees and those, who are affected by its commercial activities (members, partners, etc.).

In other words, their key aim is to effect social and economic transformation which contributes to sustainable inclusive growth. They are at the heart of the Europe 2020 Strategy for smart, sustainable and inclusive growth. In fact, the EU institutions and in particular the European Economic and Social Committee support the establishment of a political framework and action plan to support and promote social entrepreneurship both inside and outside the EU borders through the "Social Business Initiative: Building a system to promote social enterprises at the heart of the social economy and the social innovation" (COM/2011/0682). Last but not least, the EC has introduced to member states to include measures for the support of social enterprises in the Operational Programmes of the programming period 2014-2020.

Although there is no single institutional framework for the social economy in Europe, each country has set up its own regulations or/ and laws for defining the social economy and the social enterprises.

In Bulgaria there is (not yet) a specific law on social economy and social entrepreneurship. There is a policy framework developed as a result of the implementation of the EU 2020 strategy and the National Reform Program "Bulgaria 2020" for the modernization of the social services, the health services and the education, as well as to combat the poverty, the unemployment and social exclusion. Within this context, in 2011, the Bulgarian government approved a policy document: the **National Plan for Social Economy**. This plan reflects the social commitment of the state to foster the creation of a favorable environment for the application and the development of models and practices in the field of S.E. in Bulgaria. This policy document is accompanied by the Action Plan on Social Economy 2016-2017, which

includes includes 5 main priority actions which aim to supporting the development of the social economy sector in Bulgaria. These axes are:

Axis 1: Raise awareness of stakeholders in the nature and operation of the sector;

Axis 2: Creating support structures for the social economy and entrepreneurship;

Axis 3: Supporting information on the social economy;

Axis 4: Providing favorable conditions for education, training and researching so as to support the social economy and

Axis 5: Creating a favorable environment that encourages the development of the social economy.

The term "social enterprise" is not defined in the Bulgarian legislation. However, the national legislation of Bulgaria provides a complex set of regulations intended for the development of activities relating to the nature of the social economy. The most important documents concerning social entrepreneurship are the Cooperatives Act and the Non-Profit Legal Entities Act. Therefore, the social enterprises do not have a specific legal form, but instead they adopt a variety of legal forms. The three most common are the Non-Profit Legal Entities (NGOs) with utilities (associations and foundations) with activities that generate revenue, cooperatives that pursue a social goal, including the cooperatives for people with disabilities, and the specialized enterprises with people with disabilities. Two more categories are the social enterprises created by municipalities and other social enterprises such as cultural centers, lyceums, etc.

The main models of social enterprises in Bulgaria are the following:

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.

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.

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.

Last but not least, it is important to mention that the most important types of social enterprises are the following:

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.

Above all, it should be mentioned that according to the National Social Economy Concept social enterprises are defined as businesses which develop economic activity, produce goods and services for the market economy and allocate part of their resources to the accomplishment of social and economic goals. In the case of NGOs, only the economic activity that has a pronounced social effect covering certain target groups - disadvantaged persons - could be called a social enterprise.

Finally, social enterprises in Bulgaria should have the following characteristics:

Their economic activity should have a specific social goal, such as the improving of the living standards of vulnerable people through employment and ensuring their financial independence and the provision of services or other forms of support for their effective social and economic integration.

Their economic activity should have a continual social impact. This means that the social enterprises must pursue fundamental and sustained social goals.

The activity of enterprises is regulated by the Ministry of Economy and by the Ministerial Council. The Agency Social Assistance at the Ministry of Labour and Social Policy registers social enterprises that offer social services and includes them in National Registry. However, despite of these positive developments in the regulatory framework, it has to be mentioned that Bulgaria still lacks a dedicated law for defining social economy and social enterprises and as a result there is a confusion over which enterprise can use the term and gain access to public and European funding as a social economy actor.

On the other side, **in Greece** there is a particular legislative and regulatory framework for social economy and social entrepreneurship. In particular, Social Economy was developed mainly after 2000 and it was initially instituted with the Law 4019/2011 that established the Social Cooperative Enterprises as the only legal form of social entrepreneurship. All Social Cooperative Enterprises were registered in the Registry of Social Economy in the Ministry of Labor, Social Security and Social Solidarity. Until 2016 approximately 847 social enterprises were registered. Five years later, Greece adopted a new law, Law 4430/2016, for the Social and Solidity Economy (SSE). The new law aimed at the clear institutional reconstruction and the renewal of the ecosystem of SSE by giving emphasis not to the legal form itself but to the creation of collective and social benefits by the SSE entities, to the dissemination of SSE's practices in all possible sectors of economic activity and to the support of self- managed productive projects and collective social enterprises. With the adoption of this law, the Special Secretariat for SSE was created as the first discrete administrative unit in the Greek government for the sector. The main purpose of the new law was to create a clear legal framework for the SSE as an alternative form of organisation of economic activities (art. 1), to establish measures to support the SSE (arts. 4-13), and to regulate cooperative social enterprises (arts. 14-23) and workers cooperatives (arts. 24-34). Today, more than 1300 social enterprises are registered.

According to the new law, the definition of the SSE is the set of economic activities that are based on an alternative organisation of production, distribution, consumption and reinvestment relations, founded on the principles of democracy, equality, solidarity and collaboration and on respect for the environment and for human beings (art. 2.1).

The bodies of SSE under the Law 4430 are:

- the Social Cooperative Enterprises (SCEs)
- the Social Cooperatives with Limited Liability (SCLL)
- the Workers' and Labor Cooperatives
- any other non-single legal person, if cumulatively:
 - i. They develop activities of collective and social benefit.

- ii. They ensure the information and the participation of their members and implement a democratic decision-making system, according to the principle one member one vote, regardless of the contribution of each member.
- iii. Their statutes provide restrictions on the distribution of profits.
- iv. They apply a system of convergence to labor compensation.
- v. They aim to strengthen its economic activities and to maximise the social benefit generated through the horizontal and equal networking with other SSE bodies.
- vi. They have not been established and they are not directly or indirectly governed by Legal Entity of Public Law or Local Authorities Entities grade a and b or by any other legal entity of the wider public sector.

In addition, the Social Cooperative Enterprises (SCEs), are divided in:

1. Social Cooperative Enterprises (SCEs) for Integration, which are divided into two subcategories:
 - i. CSE for Integration of Vulnerable Groups, seeking to integrate into the economic and social life of people who belong to Vulnerable Social Groups. A minimum of 30% of the members and employees of these enterprises belong to these categories.
 - ii. SCE for Integration of Special Groups, which aim to integrate into the economic and social life of people belonging to Special group of population. At least 50% of the members and the workers in these enterprises are obligatory in these categories.
2. Limited Liability Social Co-operatives of Article 12 of the Law 2716/1999 (considered to be ipso facto Social Cooperative Enterprises of Integration).
3. Social Cooperative Enterprises (SCEs) for Collective and Social Benefits, which develop "sustainable development" or provide "social services of general interest".

The general characteristics of SSE entities are:

- They develop activities of collective and social benefit;
- They implement a democratic decision-making system, according to the principle one member one vote, regardless of the contribution (cooperative share height) of each member;
- They provide in their statutes a limitation on the distribution of profits as follows:
 - a minimum of 5% is allotted to forming a reserve;
 - up to 35% is given to the workers' productivity as a motivation;

- the remaining 60% is allotted to creating new job position and expanding the productive activity.

Two basic obligations that apply horizontally to all SSE entities are to:

- maintain a Volunteer Register, which includes non-members who are volunteer;
- have an annual salary charge of at least 25% of the turnover provided that the turnover and
- the grant revenue from the previous management use exceeds 300% of the annual cost of the wage of a worker based on the minimum statutory salary.

The Department of Registry of Social and Solidarity Economy is under the direction of the Social and Solidarity Economy, the Special Secretariat of Social and Solidarity Economy (SSE) of the Ministry of Labour, Social Security and Social Solidarity. It controls and approves the applications of the registration, it monitors the actions of the entities and it certifies their operation as social and solidarity-based organizations and it designs and it develops the supportive measures for their operation. Finally, it maintains the General Registry of SSE where the entities are registered according to their category and operation.

The following section is going more in detail on the legislative framework, the forms of the social enterprises in the CB area and their basic ecosystem.

Section 2 “The eco-system of the social entrepreneurship in the CB area of the CP INTERREG Greece-Bulgaria 2014-2020”

The main objective of this section is to identify the public policies/laws that recognise, regulate and support such social economy actors, with a view to enhance their development and operation as well as to present other factors and actors that affect their evolution such as access to market, the public support (for start up and scaling up, as well as the fiscal framework), access to finance, networks and mutual support mechanisms, research, education and skills development.

For the above purpose, a structured form was developed in order to record the legislative framework for both Bulgaria and Greece. This form included the following sections: legislative text / policy paper, purpose of the law / policy paper, definition/ purpose of the social economy, legal forms of social economy entities, institutional organisation that supervises/monitors the social economy sector / committees or task Forces that set up, guidelines or strategy for the social economy sector, certification of registration (if any), measures/plans that promote and foster the social economy - public support schemes fiscal framework or benefits, access to finance, networks and mutual support systems with particular reference in the cross-border area, educational and training programmes tailored for social enterprises, main barriers for the development of the social economy according to national reports, main recommendations according to national reports. The last two (barriers and recommendations are presented in the last section of the report).

As it was already mentioned Greece has a dedicated legislative framework that defines and regulates the social economy sector and the social enterprises since 2011. As a result, an ongoing developing social economy ecosystem exists that provide guidelines, institutional framework and support for the development and the operation of social enterprises. Social enterprises in Greece have access to tailored made programmes for the social economy sector as well as to all the programmes that are offered to the mainstream enterprises. On the other hand, in Bulgaria, despite the absence of a dedicated law for Social Economy and social entrepreneurship, there is an active movement towards its development and legislative recognition and definition. There are many social economy actors operating that are supported by national operational programmes and EU initiatives. However, the lack of a clear definition in the field is still a backing stone on the development of the sector.

The table below presents all the information side by side in order to track the major differences and make comparisons.

	BULGARIA	GREECE
Legislative text / policy paper	The National Social Economy Concept,	Law no. 4430 of 31.10.2016 on the social and solidary economy and development of its entities
Purpose of the law / policy paper	<ol style="list-style-type: none"> 1. To enable introduction of indicators for identification of SE-entities; 2. To serve as a source of norms, supporting SE-development and helping stake-holders to widespread and apply the spirit of social economy. 3. To be a ground for streamlining legal and administrative environment for development of SE-entities (access to financing, social provisions in public procurement, tax-alleviation, etc.) 	Create the legal framework for the SE as an alternative form of organisation of economic activities (art. 1), establish measures to support the SSE (arts. 4-13), and regulate cooperative social enterprises (arts. 14-23) and workers cooperatives (arts. 24-34), mainly.
Definition/ Purpose of the Social Economy	Social Economy is a part of real economy as well as of Civil Society while the result of enterprises is reinvested into financing activities to achieve social goals and only a reasonable part is covering overheads. By its functionality, SE is efficient in achieving social inclusion of disadvantaged strata of the population, thus being	The social and solidary economy (SSE) is the set of economic activities that are based on an alternative organisation of production, distribution, consumption and reinvestment relations, founded on the principles of democracy, equality, solidarity and collaboration and on respect for the environment and for human beings (art. 2.1).

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	<p>distinguished from corporate economy, although SE-subjects operate entities under the trade law.</p>	
<p>Legal forms of Social Economy Entities</p>	<p>There is no specific legal form for social enterprise in Bulgaria. Consequently, social enterprises adopt a variety of legal forms, the three most common ones being non-profit legal entities (NPLEs) such as associations and foundations; cooperatives for people with disabilities, and specialised enterprises for people with disabilities.</p>	<p>The SSE entities are:</p> <ul style="list-style-type: none"> *Co-operative social enterprises (Law 4430/2016, arts. 14- 23); limited responsibility social cooperatives (Law 2716/1999, art. 12); workers cooperatives (Law 4430/2016, arts. 24-34); and *any other entity with legal personality, particularly farming cooperatives (Law 4384/2016); urban cooperatives (Law 1667/1986) and civil societies (Civil code art. 741) that meet the following conditions: <ol style="list-style-type: none"> 1. Carry out common good and social benefit activities (meeting general needs or needs shared by their members; conducting sustainable development, social services or social inclusion activities). 2. Provide information to their members, who participate on the principle of one person one vote. 3. The entity’s statutes provide for limitations on profit distribution (at least 5% must be allocated to the reserve fund and the rest to expanding the productive activity and creating new jobs; however, 35% may be allocated to the entity’s workers unless a 2/3 vote by the general meeting decides to allocate this sum to the previous point).

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		<p>4. A remuneration system by which the maximum net salary may not be greater than three times the minimum net salary a 2/3 vote by the general meeting decides otherwise.</p> <p>5. The aim of strengthening its economic activities and maximising its social profit by producing through horizontal cooperation with other SSEs.</p> <p>6. Not set up or directed, directly or indirectly, by public law legal persons (art.31).</p>
<p>Institutional Organisation that supervises/monitors the Social Economy sector / Committees or Task Forces that set up guidelines or strategy for the Social Economy sector</p>	<p>In Bulgaria there is no clearly differentiated sector of social entrepreneurship, the activity of enterprises is regulated by the Ministry of Economy and by the Ministerial Council. The Social Assistance Agency at the Ministry of Labour and Social Policy, however, is responsible for the social services that are offered and for all policies in this field.</p>	<p>*National Commission for the Social and Solidary Economy, comprising representatives of government, the universities and organisations representing people with handicaps, workers, cooperatives and other SSE entities. Its brief is to promote civil dialogue in order to formulate policies for developing social and solidary activities, and to give its opinion on implementation of the National Plan for the Social Economy (art. 12).</p> <p>*SSE Coordination Committee. Made up of representatives from different ministries, it rules on matters related to the National Strategy for the SSE; monitors and assesses the application and updating of the said Strategy and makes proposals to the Ministry of Labour regarding studies and programs to promote application of the Strategy (art. 13).</p>

<p>Certification of registration (if any)</p>	<p>Agency for Social Assistance at the Ministry of Labor and Social Policy registers social enterprises offering social services and include them in National register.</p>	<p>*The General Registry of SSE entities department is entrusted with accreditation of social and solidary economy entities. The General Registry of SSE entities is the database in which these entities and their acts are entered (art. 4).</p>
<p>Measures/plans that promote and foster the Social Economy - public support schemes</p>	<ul style="list-style-type: none"> - Annual Implementation Plan - Action Plan on SE for 2016-2017 - OP “Human Resources Development” 2014-2020 - National Strategy for Combating Poverty and Social Exclusion - Long term strategy for employment of people with disabilities 2011-2020 - National Strategy for the Youth 2010-2020 - National Strategy for the Roma integration - Action Plan for entrepreneurship 2020 	<p>SSE enterprises have access to the SE Fund (which has the aim of funding programmes and actions to strengthen SSE enterprises, art. 10.2) and to the National Entrepreneurship and Development Fund; they qualify for programmes to support entrepreneurship and can be assigned assets (immovable and otherwise) by local public bodies to support their public and social interest activities (art. 5). They can also enter into contracts with the public authorities to design and carry out social interest projects and may receive European Union or national or regional funding and be assigned goods, installations, machinery, etc. (art. 6).</p> <p>SSEs have access to all the support programmes of the National Strategic Reference Framework that refer to mainstream enterprises and are funded within the framework of the Multiannual Financial Framework 2014-2020.</p>
<p>Fiscal framework or benefits (Reduced social security contributions/costs, tax exemptions lower rates, tax</p>	<p>Very recently a Law on Enterprises of the Social and Solidarity Economy in functioning in the state if include some incentive measures for those wishing to invest in a social enterprise. They will include support from the</p>	<p>Those belonging to vulnerable groups and are members of a Social Cooperative Enterprises or of an Employees’ Cooperatives continue to enjoy all the benefits they receive (such as unemployment benefit, etc).</p>

<p>reductions for private and or institutional donors, etc.)</p>	<p>Social Protection Fund and tax incentives regulated in the Corporate Income Tax Act. Tax reductions are foreseen to 10% for conventional businesses investing in the creation of a social enterprise.</p> <p>Tax incentives are primarily for social enterprises NGOs that are regulated by the relevant tax laws such as:</p> <p>Under the Personal Income Tax Act, the annual taxable income of individuals can be reduced to 5% by donations made to NGOs,</p> <p>Under the Local Taxes and Charges Act, NGOs with public benefit activities are exempt from donation tax.</p> <p>The tax incentives provided at the moment are extremely insufficient to stimulate the development of social entrepreneurship in Bulgaria. There are no serious tax incentives for the activity as a social enterprise; What exists as a policy of financial incentives is largely aimed at people with disabilities;</p>	<p>Membership to a SSE actor does not accompanied by the requirement to pay social security contributions unless the member is at the same an employee (is working) for the SSE actor.</p> <p>The Social Cooperative Enterprises and the Employees' Cooperatives are exempted from paying a business fee for the first five years from start-up. After five years they pay a business fee of 500 euro per year instead of 750 euro which is the business fee of the mainstream social enterprises.</p> <p>35% of the profits distributed to employees of SSE bodies, regardless of whether they are members of the organization or not, are not taxed as corporate profits (29% of tax and 100% advanced payment of the tax for the next year) but are taxed to the employee based on the scale of earned income.</p>
<p>Access to finance</p>	<p>European Social Fund</p> <p>EaSI</p> <p>Social protection fund</p>	<p>1) SSEs have access to finance to many EU funding tools and programmes of which the most important are the following:</p> <p>European Social Fund, European Regional Development Fund, European Investment Bank, EU Programme for Employment and Social Innovation (EaSI- PROGRESS, EURES, Progress</p>

		<p>Microfinance), Cooperation Programme INTERREG, ERASMUS+, Creative Europe, HORIZON 2020, LIFE, Humanitarian Aid, Environment, Justice and Civil Society programmes</p> <p>2) Microcredits – microfinance through Corporate banks / ethical banks (Corporate Bank of Karditsa, Pancreta Bank, etc) and social capital investors</p> <p>3) Crowdfunding-crowdsourcing, foundations-donors (Praksis, Social-Economy Institute, Bodossaki Foundation, Stavros Niarchos Foundation, Latsis Foundation, Tima Foundation, etc)</p> <p>4) Corporate partnerships</p> <p>5) Bartering economy</p> <p>6) Access to all the public support measures mentioned above (NSRF).</p>
<p>Networks and mutual support systems (Type: union, representative body, -example –role) with particular reference in the cross-border area</p>	<p>The institutions that protect rights and support the development of social enterprises are the trade unions of the workers, the various created cooperatives of the disabled, the various associations in the field, specialized enterprises of disabled people.</p> <p>Some projects funded by European funds have set up networks for social entrepreneurship with a questionable</p>	<p>Network of Social Cooperative Enterprises of the Region of East Macedonia and Thrace</p> <p>Network of Social Cooperative Enterprises of the Region of Central Macedonia</p> <p>Panhellenic Federation of Social Cooperatives in which members are all the Greek Limited Liability Social Cooperatives (Koi.S.P.E.) on mental health issues</p>

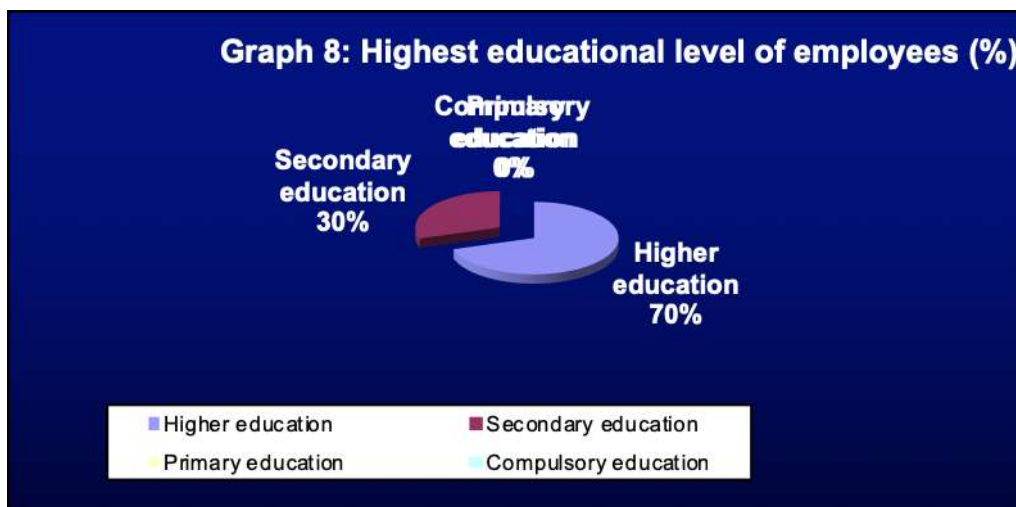
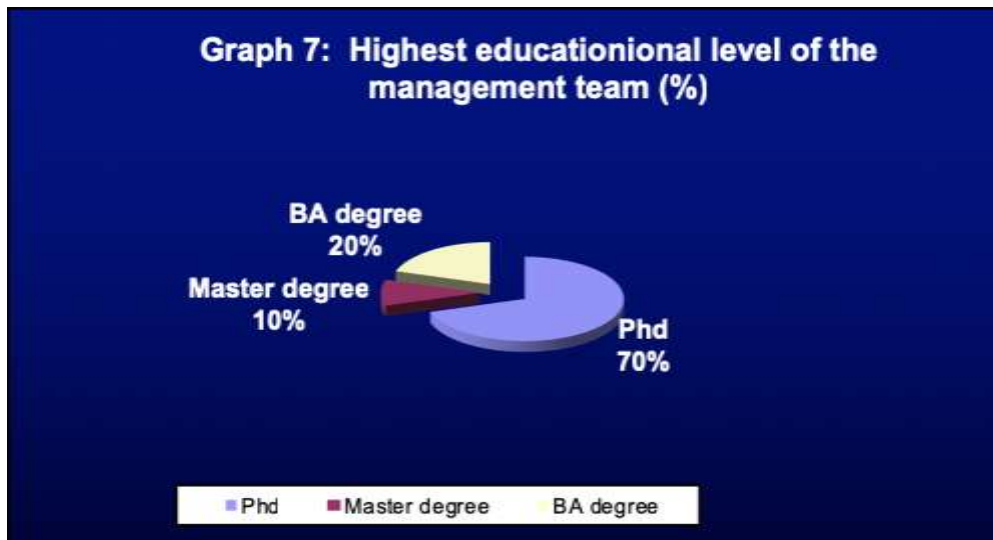
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	<p>and unproven effect of their functioning.</p>	<p>Cooperation Initiative for the Social and Solidarity Economy "PROSKALO", Thessaloniki Social Entrepreneurship Forum, Greece</p>
<p>Educational and training programmes tailored for social enterprises (Name of the University/Institute/Research Centre, place, title of the course or name/scope of the provided services)</p>	<p>New Bulgarian university - Master's program "Social Entrepreneurship"; Sofia University "Kliment Ohridski", Economic Faculty, course in Social Entrepreneurship; Bulgarian Centre for Not-for-Profit Law runs annual programs for social entrepreneurship for NGOs; Rinker Entrepreneurship and Training Center; Forum "Social enterprises in Bulgaria"; Academy for social entrepreneurship, part of Reach for change Bulgaria;</p>	<p>Open Greek University, Post-graduate course on the Social and Solidary Economy University of Messolongi, Messolongi, Department of Business Administration, Course on Business Administration of Social Economy Athens University of Economics and Business, Educational Programme on Social Entrepreneurship Agricultural University of Athens, Athens, Laboratory of Agricultural Policy and Cooperatives, Focuses on agricultural policy and the financing of agricultural enterprises and cooperatives Last but not least, apart from the official Higher Educational Institutes (Greek Universities) there are many research institutes or initiatives in the Greek part of the cross-border area that provide research and or formal or informal training on social entrepreneurship. The most important of them are the British Council, the Heinrich Boell Stiftung, the People's University of Social Solidarity Economy, the center "Ergani", the Social Economy Institute and the Network of Social Cooperative</p>

		<p>Enterprises of Central Macedonia that are based in Thessaloniki. In the Region of East Macedonia and Thrace “DOMI Development” private enterprise in Kavala and the Social Cooperative Enterprise Thrakis Kinitro (Motivate Thrace) in Komotini provide information and informal training mainly through the Network of Social Cooperative Enterprises of East Macedonia and Thrace and the cooperation programmes that they develop and implement.</p>
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In the sector of education, it is worth to mention that both in Greece and Bulgaria the management team and the employees have succeeded a Bsc / MA / MSC or PHD from a higher educational institute.

According to the qualitative and quantitative researches that were conducted in the cross-border area in 2018, for this study, the Social Economy Entities in the Greece and Bulgaria, possess higher educational background in their management team and their workforce. The educational level of their members and their workers is quite high. The majority not only has completed Academic Education but has obtained a postgraduate and / or doctorate degree. Therefore, most people involved in social entrepreneurship tend to have completed studies at higher education institutions.



However, according to the qualitative research held during September-December 2018 there is a lack of integrated training programs and training actions in the field of social entrepreneurship in the cross-border area. More specifically, education and training in the field of social entrepreneurship is fragmented by various entities without providing a comprehensive curriculum.

The current social entrepreneurs of the cross-border area prefer an educational program of social entrepreneurship that will certainly include the themes of the basic principles and the institutional framework of social entrepreneurship, but also thematic issues related to the development of social entrepreneurship models, social impact measurement, basic principles of administration and networking.

In addition, there is a necessity to develop specific skills for the development of social entrepreneurship. The diagnosis of social needs, the preparation of a social business plan, the communication skills and leadership are of high importance for both sides of the border. In terms of educational techniques a preference of traditional technique (lectures and study) is observed in traditional theoretical themes, such as the basic principles of social entrepreneurship, institutional framework, finance, leadership and sales, while in practical themes such as market research and social impact measurement, more advanced training techniques, such as case studies and experiential learning, are preferred.

Section 3 Mapping of Social Enterprises in the CB area

3a. Methodology

This section provides an attempt to assess the size of the social enterprise sector in the cross-border area. For this purpose, during August 2018 - January 2019, a field research was carried through an anonymous online questionnaire that was distributed to the current social entrepreneurs of the cross-border area. The questionnaire included a series of questions concerning a) general entrepreneurship data such as the industry and the legal form; b) company financial data such as turnover, number of employees etc.; (c) other evidence concerning the main development approaches followed and the most important problems encountered.

The aim is to provide a picture of the size of the sector (statistical information on the number of social enterprises, the field of their activity, the income and the employment they produce, etc.) in the cross border area as well as their development strategies and the main obstacles they face (the latter will be presented in the last section of this study).

The results of this quantitative research resulted from the completion of 174 anonymous online questionnaires from existing social entrepreneurs. The online questionnaire complies with GDPR (Personal Data Protection) requirements and was promoted to the target group via emails, webpages, and social media.

However, providing reliable and comparable statistics is a strategic challenge since there are a series of different methods of producing statistics. Greece and Bulgaria are using different methods and this makes comparability of data a difficult task. Bulgaria have made serious improvements in the statistics published by their national statistics institutes, in some cases using the satellite account methodology for non-profit organizations while Greece can provide statistical observation through the General Registry of SEE in combination with surveys and questionnaires.

According to the data of the General Register of Social Solidarity Economic Entities of the Ministry of Labour (on 16-01-2019), a total of 1316 social enterprises are registered in the Greece while in the Greek part of the cross-border area 205 social enterprises are operating. On the other hand in Bulgaria the figures are very different. This is mainly due to the lack of

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normative act to define the limits and the operation of the social economy sector. According to the National Statistical Institute (NSI) data in 2012, 4872 enterprises have defined themselves as "social", 2717 of them were registered as trading companies and cooperatives. In 2013, the number of self-identified as social enterprises was lower - 3612. Of these, 2046 were registered as trading companies and cooperatives.

Despite our efforts to gather a large number and a percentage of completed questionnaires, the target group did not respond to an excellent degree. However, out of the 205 SSE entities in the Greek section of the cross-border area, the 52 entities responded to the questionnaire, i.e. over 25% of the total sample, a figure capable of delivering reliable results. On the Bulgarian side out of 501 SSE entities, the 121 entities responded to the questionnaire, i.e. over 24% of the total sample.

3b. Sample and technical data processing

This quantitative research took into account all the conditions for its proper conduct and the processing of its results. The research tool (data collection tool) was a standard online questionnaire docs.google.com. The estimated completion time was 8-10 minutes. The three (3) thematic questions (key questions) of the questionnaire (Annex A), from which the data and the results emerged, concerned:

- to capture the profile of the respondent in relation to their field of activity and the educational level,
- to examine the size of the social enterprises via economic data (turnover, financial results, number of volunteer workers, etc.),
- to examine development and expansion strategies (if any),
- to describe the main problems they face for their operation and further development.

Finally, during the period January 2019 - February 2019, these results were studied, processed, analyzed, interpreted and commented, in order to obtain key conclusions and findings.

Thus, the data of the specific quantitative research combined with the secondary data (official ministry reports, register of social entrepreneurship, official publications at European level, etc.) are used to map the SSE sector in the cross-border area.

3c. Analysis and comments on the quantitative research data

The first question examined the location of the activities of the existing SSE entities (place, regional unit, region). The highest rate of respondents (representatives and executives of SSE), 75% (6 out of 8 registered SSEs), was in the Regional Unit (hereafter RU) of Rhodopi, representing 11,54% of the sample. The second highest rate of respondents, was found in the RU of Kavala, 53,33% (8 out of 15 registered SSEs), representing 15,38% of the sample. The next ones were, from higher to lower rate of response, RU of Serres, RU of Drama, RU of Xanthi and RU of Thessaloniki. Although the response rate in the RU of Thessaloniki was the lowest, 15,67% (21 out of 134 registered SSEs), they do have the highest representation in the sample, 40,38%.

Table 1: Geographical Distribution of the sample (Greece)					
Region	Regional Unit	Frequency	Registered	Representation rate (%)	Response rate %
East Macedonia and Thrace	Drama	3	8	5,77	37,50
	Evros	6	17	11,54	35,29
	Kavala	8	15	15,38	53,33
	Xanthi	3	11	5,77	27,27
	Rhodopi	6	8	11,54	75,00
Central Macedonia	Thessaloniki	21	134	40,38	15,67
	Serres	5	12	9,62	41,67
	Total	52	205	100	

However, there is a balance between the larger regions, with 26 respondents (representatives and executives of SSE) responding from the Region of Eastern Macedonia and Thrace and 26 others from the Region of Central Macedonia.

In Bulgaria the highest response rate is observed in the Regional Administration (RA) of Kardzhali while the highest representation rate is observed in the RA of Blagoevgrad, which is the RA with the higher number of registered (self-defined) as social enterprises.

Table 2: Geographical Distribution of the sample (Bulgaria)				
Regional Unit	Frequency	Registered	Representation rate (%)	Response rate %
Blagoevgrad	46	234	38,02	19,66
Smolyan	25	98	20,66	25,51
Kardzhali	24	37	19,83	64,86
Haskovo	26	132	21,49	19,70
Total	121	501	100%	

According to the findings, the main activity sector of the Greek sample is in the "Food and Nutrition" sector with a rate 21,15% followed by the "Culture and Leisure" sector with a rate of 13,46%.

Activity sector	Frequence	Rate (%)
Food and nutrition	11	21,15
Culture and leisure	7	13,46
Education - training	5	9,62
Manufacturing	5	9,62
Primary sector – agriculture / livestock / fishery	4	7,69
Environmental- recycling / reuse / awareness	4	7,69
Other (networking, research, cleaning)	4	7,69
Business Support / Consultancy	3	5,77
Tourism / hospitality	3	5,77
Retail	2	3,85
Creative industries – web, design, print	2	3,85
Social care	2	3,85
Total	52	100

In Bulgaria, the main economic activity of the sample is observed in the ‘Social care’ and ‘Retail’ sectors with a percentage of 20% and 19% respectively followed by ‘Manufacturing’ and ‘Primary sector’.

Activity sector	Frequence	Rate (%)
Social care	20	16,53
Retail	19	15,70
Manufacturing	14	11,57
Primary sector – agriculture / livestock / fishery	10	8,26
Food and nutrition	9	7,44
Tourism / hospitality	8	6,61
Creative industries – web, design, print	6	4,96
Education - training	5	4,13

Justice / rehabilitation / human rights	5	4,13
Transport	5	4,13
Business Support / Consultancy	4	3,31
Culture and leisure	3	2,48
Financial support and services	3	2,48
Healthcare	3	2,48
Information Communication Technology	2	1,65
Energy and clean technology	1	0,83
Forestry	1	0,83
Housing	1	0,83
local government	1	0,83
Water and sanitation	1	0,83
Total	242	100

With regard to their overall objective, the main scope of the SSE entities in both sides is the creation of employment opportunities. In the Greek part other important overall objectives are ‘education and training’, ‘addressing financial exclusion’ and ‘empowering women’ while in the Bulgarian side ‘improving health and well-being’ and ‘supporting vulnerable children and young persons’.

Table 5: Overall objectives of the sample in Greece

Overall objective	Frequency
Creating employment opportunities	40
Promoting education and literacy	13
Addressing financial exclusion	13
Empowering and uplifting women	9
Addressing social exclusion	8
Supporting agriculture and allied activities	8
Protecting the environment	6
Supporting other social enterprises and organizations	4
Other (historical tourism, youth support, etc)	4
Supporting vulnerable children and young persons	3
Improving health and well-being	1

Table 6: Overall objectives of the sample in Bulgaria		
Overall objective	Frequency	Rate (%)
Creating employment opportunities	87	72
Improving health and well-being	17	14
Supporting vulnerable children and young persons	15	12
Supporting other social enterprises and organizations	12	10
Addressing social exclusion	11	9
Other (historical tourism, youth support, etc)	8	7
Promoting education and literacy	7	6
Protecting the environment	6	5
Empowering and uplifting women	1	1
Supporting agriculture and allied activities	1	1
Addressing financial exclusion	0	0

The following questions look at the financial profile of the SSE entities. It is noted that SSE entities in Bulgaria have larger figures compared to those of the Greek side of the border. The majority of the SSE in the Greek side have a turnover of less than 10.000,00 EUR, at 65,38% of the entities, have a turnover of 0 to 10,000 EUR while in the Bulgarian side the 80% of the SSE entities have turnovers more than 30.000,00 EUR.

Table 7: Turnover 2017 of the Greek sample		
Turnover	Frequency	Rate (%)
0 to 10.000Euro	34	65,38
50.001 to 100.000Euro	6	11,54
10.001 to 20.000Euro	6	11,54
250.001 to 1 million Euro	2	3,85
100.001 to 250.000Euro	2	3,85
40.001 to 50.000Euro	1	1,92
30.001 to 40.000Euro	1	1,92
Over 1 million Euro	0	0
20.001 to 30.000Euro	0	0
Total	52	100

Table 8: Turn over 2017 of the Bulgarian sample		
Turn over	Frequence	Rate (%)
40.001 to 50.000Euro	29	24
50.001 to 100.000Euro	26	21
30.001 to 40.000Euro	16	13
20.001 to 30.000Euro	15	12
100.001 to 250.000Euro	14	12
0 to 10.000Euro	8	7
250.001 to 1 million Euro	5	4
Over 1 million Euro	4	3
10.001 to 20.000Euro	4	3
Total	121	100

The financial results are interesting. The majority of the SSE entities in the Greek side do not show any profits. In particular, 32,69% of the sample (17 entities) has balanced profits and losses, while 28,85% (15 entities) have very small profits of up to 1,000 EUR. 17,31% of the sample (9 entities) shows losses, that is, they have more expenses than revenues, while only 9,62% (5 entities) have profits of between 1,000 and 5,000 EUR. Finally, a rate of 7,69% (4 entities) appears to be earning more than € 10,000 a year.

Table 9: Results 2017 in the Greek sample		
Results	Frequence	Rate (%)
0	17	32,69
Profit 0 to 1.000 Euro	15	28,85
Loss	9	17,31
Profit 1.000 to 5.000 Euro	5	9,62
Profit 10.000 +Euro	4	7,69
Profit 5.000 to 10.000 Euro	2	3,85
Total	52	100

On the other hand, in the Bulgarian side, the majority of the SSE entities profits of up to 10.000,00 EUR., 50% of the sample (60 entities) while only 9% (11 entities) have balanced profits.

Table 10: Results 2017 in the Bulgarian sample		
Results	Frequency	Rate (%)
Profit 10.000 +Euro	60	50
Profit 5.000 to 10.000 Euro	24	20
Profit 1.000 to 5.000 Euro	20	17
0 Euro	11	9
Profit 0 to 1.000 Euro	6	5
Loss	0	0
Total	121	100

With regard to the number of employees in the Greek SSE respondents, 51,92% of the sample (27 entities) indicates that there are no employees in their organization. 38,46% (20 entities) say it employs between 1 and 5 employees. A small percentage of this sample, 5,77% (3 entities), indicates that it employs between 6 and 10 employees. Only two entities, representing 3,85% of the sample, say they employ between 11 and 50 employees.

Table 11: Number of paid employees in the Greek sample		
Employees	Frequency	Rate (%)
There are no paid employees	27	51,92
1 to 5	20	38,46
6 to 10	3	5,77
11 to 50	2	3,85
More than 50	0	0
Total	52	100

On the contrary, in the Bulgarian side all the SSE entities have paid employees. 43% of the sample (52 entities) indicates that there are 11 to 50 employees in their organization, 35% of the sample (42 entities) indicates that there are 6 to 10 employees and 21% indicates that there are 1 to 5 employees.

Table 12: Number of paid employees in the Bulgarian side		
Employess	Frequency	Rate (%)
11-50	52	43
6-10	42	35

1-5	26	21
More than 50	1	1
There are no paid employees	0	0
Total	121	100

In addition, with regard to the type of employment, in the Greek side most entities (16 entities - 30,77%) employ part-time staff while only 5 entities (9,62%) employ full-time staff. On the contrary, in the Bulgarian side most entities (108 entities - 89%) employ full-time staff while only 12 entities (10%) employ part-time staff.

Table 13: Type of employment in the Greek sample		
Type of employment	Frequency	Rate (%)
Not applicable	27	51,92
Part Time	16	30,77
Full Time	5	9,62
Seasonal	4	7,69
Total	52	100

Table 14: Type of employment in the Bulgarian side		
Type of employment	Frequency	Rate (%)
Full Time	108	89
Part Time	12	10
Seasonal	0	0
Not applicable	1	1
Total	121	100

Concerning the number of volunteers in the Greek side, the highest percentage (24 entities – 46,15%) indicates that they have 1 to 5 volunteers, while several entities (20 in number and 38.46%) do not have volunteers. They are followed by a percentage of 7,69% (4 entities). 6 to 10 volunteers, with only 2 (3,85%) claiming that they have between 11 and 50 and 2 (3,85%) more than 50 volunteers.

Table 15: number of volunteers in the Greek sample		
Volunteers	Frequence	Rate (%)
1 to 5	24	46
There are no volunteers	20	38
6 to 10	4	8
11 to 50	2	4
More than 50	2	4
Total	56	108

Concerning the number of volunteers in the Bulgarian side, it is important to mention that 92% (111 entities) do not use any volunteers for their activities. Few of them, 8 entities have from 1 to 5 volunteers and only 1 of them have 6 to 10 or 11 to 50 volunteers.

Table 16: Number of volunteers in the Bulgarian side		
Volunteers	Frequence	Rate (%)
There are no volunteers	111	92
1-5	8	7
6-10	1	1
11-50	1	1
More than 50	0	0
Total	121	100

Regarding the sources of income of the SSE entities on both sides of the sample, the trends are very similar. The major source of income come from private transactions, while the second from transactions with public sector entities. Another important source of income come from transactions with other entities and social economy entities.

Table 16: Basic source of income / GR	
Source of income	Frequency
Transactions with private entities	30
Transactions with public entities	8
Transactions with other social economy entities	5
Transactions with international organizations	4
Transactions with donors/charities/civil society	4
Other (members' contributions)	1

Table 17: Basic Source of income / BG	
Source of income	Frequency
Transactions with private entities	95
Transactions with public entities	50
Transactions with donors/charities/civil society	9
Transactions with international organizations	8
Transactions with other social economy entities	6
state profit	2
state funding	1
Other (members' contributions)	0

With regard to the basic sources of funding, most entities on both sides are self-financing, which is based on the use of private capital and contributions in kind (concession of land, equipment, etc.). A significant number in the Greek side declared that they received funding from EU funds, while few received funding from public / national funds. On the contrary in Bulgaria, the second major source of funding is the public sector followed by donors/charities and less funding is depended on EU funds.

Table 18: Basic Source of funding / GR	
Source of funding	Frequency
Private funds/own contribution/in kind contribution	41
European Union funds	12
Public funds (national programmes)	8
Donors/charities	4
Loans	1
Other (sponsorships)	1

Table 19: Basic Source of funding / BG	
Source of funding	Frequency
Private funds/own contribution/in kind contribution	94
Public funds (national programmes)	35
Donors/charities	14
Loans	14
European Union funds	5
No funding	1
Other (sponsorships)	0

Last but not least, an important aspect that was examined in the survey was the most favored ‘strategy development’ of the SSE entities in the cross-border area. The majority of the entities in the Greek sample intend to develop through the development of new products and services and attraction of new customers while in the Bulgarian sample through the increase in sales with existing customers. Both sides mentioned the attraction of new customers and the expansion into new geographic areas.

Table 20: Ways of growth / GR	
Ways of growth	Frequency
Develop and launch new products and services	41
Attract new customers	35
Increase sales with existing customers	23
Expand into new geographic areas	20
Win business as part of consortium	13
Attract investment to expand	8
We have no growth plans	2
Merge with another organisation	1
Acquire another organization	1
Other (new members)	1
Replicate or franchise	0

Table 21: Ways of growth / BG	
Ways of growth	Frequency
Increase sales with existing customers	73
Attract new customers	57
Expand into new geographic areas	19
We have no growth plans	18
Win business as part of consortium	16
Develop and launch new products and services	12
Merge with another organisation	1
Other - Quality services for disabled people	1
Attract investment to expand	0
Acquire another organization	0
Replicate or franchise	0

Section 4 Barriers and recommendations

The aim of this section is to summarize the main barriers for the development of the SSE in the cross-border area by extracting information from primary (quantitative survey) and secondary data (official national reports).

In Greece, according to the “Report for the Social and Solidarity Economy” of the British Council (2017) for the Ministry of Labour, the main barriers of the SSE entities are, in order of importance, the following (Ministry of Labour, Social Insurance and Social Solidarity, 2017b):

- Lack of awareness and knowledge among the wider public sector (tax offices, social security services, local authorities, schools and universities) about the social economy entities and their treatment according to the legal framework;
- Lack of access to finance and lack of financing tools tailored made for social enterprises;
- Lack of tailored made education (formal or informal) for the sector of social and solidarity economy and its role on local development as well as lack of dedicated educational programmes for the development of social enterprises and dedicated skills of the social entrepreneurs (start-up skills, communications skills, decision making skills);
- Bureaucracy and lack of understanding the legal framework.

The experience of the operation of SSE entities in Greece, has recorded many problems and obstacles for their operation. These are (Kostas, Tsoukalidis, Chainas, 2016):

- their weak financial situation;
- the non-absorption of the funds for social entrepreneurship, through the Greek NSRF;
- the delay in activation of the Social Economy Fund;
- the weakness to acquire technical equipment and infrastructure for their operations;
- the absence of tools for measuring the social impact of their activities;
- the enhanced bureaucracy and the low rate of specialisation and knowledge for the institutions of social enterprises of the responsible public servants;
- the limited and impedimental cooperation with other entities, either public or private;

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- the shortfall of specialized staff for their administration;
- the “hesitation” of the state to create actual conditions for their development;
- the delay in establishment of an institutional national observatory and appropriate regional support structures for social entrepreneurship;
- the absence of an environment/conditions for their network with other organisations of social economy;
- the fragmented actions for information, training and counseling in social economy and social entrepreneurship.

According to the qualitative and quantitative researches that were conducted in the cross-border area in 2018, for this study, the main barriers and obstacles faced by social enterprises, in order of importance, are:

- Lack of access to finance (loans, etc);
- Maintaining cash flow;
- Taxation, VAT, business rates;
- Availability/ cost of suitable premises;
- Lack of understanding/awareness of social enterprise among banks and support organizations;
- Identification / diagnosis of social needs.

According to the “Report for the Social and Solidarity Economy” of the British Council (2017) for the Ministry of Labour, the main recommendations for the SSE entities are the following: (Ministry of Labour, Social Insurance and Social Solidarity, 2017b):

- Creation of a National Center for the development of SSE;
- Development of a dedicated strategy for the promotion and communication of SSE sector and its entities;
- Creation of an independent fund for SSE;
- Creation of a Social Finance Task Force;
- Improvement of accessibility to finance through awareness and cooperation with private / cooperative banks;

- Development of dedicated educational programmes for SSE, SSE skills development and measurement of social impact with the cooperation of all the relevant entities (universities, schools, SSE entities, etc);
- Development of experiential training with the support of SSE networks;
- Simplification of the legislative and regulatory framework;
- Tax incentives for those that produce social impact and results.

Last but not least, the key suggestions, according to the Report of the British Council on the Social and Solidarity Economy in Greece, include the following (Ministry of Labour, Social Insurance and Social Solidarity, 2017b):

- a) the establishment of a national center for SSE in Greece;
- b) the planning and the implementation of a holistic communication strategy, as well as, sensitization in order to promote the SSE movement;
- c) providing start-up capital in the form of grants or loans, in order to emerge the SSE enterprises;
- d) the establishment of a Social Action Group for finding alternative forms of financing;
- e) introducing and adapting tested models of specialised training programs;
- f) providing specialised training for measuring the social impact.

In Bulgaria, apart from the lack of a dedicated legal framework for the definition and regulation of social enterprises, the main challenges facing social enterprises in the cross-border region can be summarized below:

- 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, the main recommendations for the creation of a supportive environment could be the following:

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- Improving the competitiveness and access to markets and orders of social enterprises;
- Introducing uniform standards for quality management in social enterprises;
- Targeted support through training programs, business incubators for social enterprises, experience sharing platforms (similar to the current project);
- 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;
- 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.

In addition, in Bulgaria, 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.

Other problems related to Operational Programme funding are the following:

- 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.

The following tables summarize the main results from the survey and the research conducted:

Table 22: Main barriers and recommendations	BULGARIA	GREECE
<p>Main barriers for the development of the Social Economy according to national reports, bibliography (please make reference to them)</p>	<p>Financial problems: Lack of adequate funding to support social enterprises; Lack of resources to start a business - buildings, land, equipment; Lack of managerial and marketing experience - a major problem of the NGO sector.</p> <p>Disadvantages of the project approach: the enterprise exists only while there is funding from the fund; The project financing pattern suffers from a chronic lack of sustainability</p> <p>Slow, cumbersome procedures for project administration – sinking into loans; Project funding raises doubts as to the existence of corrupt interests</p> <p>Lack of systematic and targeted policy at national level</p> <p>Lack of normative basis</p> <p>problems with finding and training appropriate staff</p> <p>Aid trap - workers get benefits and have no willingness to work</p>	<p>According to the “Report for the Social and Solidarity Economy” of the Ministry of Labour (British Council 2017) and the Social Economy Mapping Report (European Commission / 2014) the main barriers of the SSE actors are the following:</p> <p>Lack of awareness and knowledge among the wider public sector (tax offices, social security services, local authorities, schools and universities) about the social economy entities and their treatment according to the legal framework</p> <p>Lack of access to finance and lack of financing tools tailored made for social enterprises</p> <p>Lack of tailored made education (formal or informal) for the sector of social solidary economy and its role on local development as well as lack of dedicated educational programmes for the development of social enterprises and dedicated skills of the social entrepreneurs (start-up skills, communications skills, decision making skills,</p> <p>Bureaucracy and lack of understanding the legal framework</p> <p>According to the quality and quantitative surveys that were</p>

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		<p>conducted in the cross-border area in 2018, the main barriers are:</p> <ul style="list-style-type: none"> Lack of access to finance (loans, etc) Maintaining cash flow Taxation, VAT, business rates Availability/ cost of suitable premises Lack of understanding/awareness of social enterprise among banks and support organisations Identification / diagnosis of social needs
<p>Main recommendations according to national reports, bibliography (please make reference to them)</p>	<p>Recommendations:</p> <p>Resources to support social enterprises are not spent enough effective. In addition, the lack of entrepreneurial skills and culture in representatives of the non-governmental sector, who still provide the main staff resource from social entrepreneurs, requires a new, modern approach to financing new or existing enterprises in which the provision of funds is not limited to the donor but is accompanied by long - term support and tracking the development of the enterprise.</p> <p>Mobilize available internal and external resources (alternative forms of tourism, attracting young and enterprising Bulgarians from the country and abroad for</p>	<p>According to the Annual Report 2017 of the Ministry of the main recommendations for the SSE actors are the following:</p> <ul style="list-style-type: none"> Creation of a National Centre of the SSE that will do research of the sector and will coordinate and communicate all the activities of the sector among the ministries and the active institutions/entities of the sector Development of a dedicated strategy for the promotion and communication of SSE sector and its entities Creation of an independent fund for the start-up of a social enterprise in the form of a social enterprise pre-start grant fund that could be ideally accompanied by coaching and

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	<p>the cause of social entrepreneurship) can provide much wider opportunities for the sector to develop.</p> <p>Active work with local businesses to promote social entrepreneurship and social enterprises is also a step in this direction.</p> <p>In practice, the opportunities of the integrated European market and the developed practices in the leading economies in Europe are a resource that can be used very efficiently.</p> <p>Optimizing legislation and creating a flexible legal environment is a necessary condition for the development of the sector.</p> <p>As is seen in the European practice, a proven solution for supporting social entrepreneurship is the creation of a civil organization acting as a body that protects the interests of the social entrepreneurship sector, generates and maintains a database of social enterprises, lobbies at a political level, promotes social business as an activity for the benefit of society, monitors public procurement and funding schemes.</p>	<p>mentoring for a small business plan</p> <p>Creation of a Social Finance Task Force that will identify the main funding barriers and will develop proposals for possible funding innovations adjusted to the Greek environment that are based on the alternative forms of funding (micro-finance, micro-credits, crowdfunding, etc)</p> <p>Improvement of accessibility to finance in the main funding programmes of the state and the European Union</p> <p>Improvement of accessibility to finance through awareness and cooperation with private / cooperative banks</p> <p>Development of dedicated educational programmes for SSE, SSE skills development and measurement of social impact with the cooperation of all the relevant bodies (universities, schools, SSE actors, etc)</p> <p>Development of experiential training with the support of SSE networks</p> <p>Simplification of the legislative and regulatory framework</p> <p>Promotion of the inclusion of social clauses and social value in public procurements</p> <p>Tax incentives for those that produce social impact and results</p>
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According to the quantitative research in the Greek area, the biggest obstacle for the development of social enterprises is the obtaining of grant funding. The next main obstacles are taxation / VAT and the maintenance of cash flows. Another important factor is the availability and / or cost of suitable premises. One more important daily obstacle is the lack of understanding / awareness of the existence of social enterprises, among banks and other support organizations and the bad economic climate in Greece. Finally, the lack of a marketing / marketing strategy for the product / service and the lack of access to technical support and advisory services have also been mentioned as obstacles to the development of SSE operators.

Table 23: Most important barriers in Greece (sample survey)	
Barrier	Frequency
Obtaining grant funding	17
Maintaining cash flow	11
Taxation, VAT, business rates	11
Availability/ cost of suitable premises	8
Understanding/awareness of social enterprise among banks and support organisations	6
Economic climate	6
Luck of market plan / marketing strategy of our product/service	5
Lack of access to technical support and advisory services	5
Late payment	4
Access to public services	3
Recruiting other staff	2
Recruiting executives	1
Shortage of managerial skills	1
Understanding/awareness of social enterprise among general public/customers	1
Shortage of technical skills	0
Lack of demand for product/service	0
Other (please specify)	0

According to the quantitative research in the Bulgarian area, the main barrier for the development of social enterprises is the lack of marketing plan. The second important barrier is the same with the Greek side, the taxation. Last but not least, as is the case in Greece in Bulgaria as well the economic climate does not favor the development of social enterprises although they seem to be more resilient in the global economic crisis.

Table 24: Most important barriers		
Barrier	Frequency	Rate (%)
Lack of market plan / marketing strategy of our product/service	61	50
Taxation, VAT, business rates	41	34
Economic climate	24	20
Lack of demand for product/service	15	12
Lack of access to technical support and advisory services	12	10
Access to public services	9	7
Obtaining grant funding	5	4
Understanding/awareness of social enterprise among banks and support organisations	5	4
Recruiting other staff	5	4
Understanding/awareness of social enterprise among general public/customers	5	4
Shortage of technical skills	5	4
Late payment	4	3
Maintaining cash flow	3	2
Availability/ cost of suitable premises	1	1
Recruiting executives	1	1
Shortage of managerial skills	0	0
Other (please specify)	0	0

In order to develop social entrepreneurship at local level, it is very important to have an environment that will stimulate the cooperation and interaction among regional-local administration; local non-governmental organizations and local business. 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 the first stages of implementing an entrepreneurial idea that does not have a high interest rate (as would be provided by the bank). 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, municipalities with a financial resource problem could provide state property with low rent or free of charge to help the operation of social enterprises that produce tangible social impacts. Also the municipality can support social enterprises by using or buying services provided by social entrepreneurs for the social services delegated by the municipality. In some cases, the social economy entities could undertake the role of the intermediate management body for the provision of municipal social services.

Last but not least, in order for social entrepreneurship to be effective the presence of well-functioning and stable civil society organizations is more than necessary as well as the presence of local business that is socially involved in the solution of public issues. In other words, strong reliable joint partnerships among SSE entities, public and private sector could be a key solution for the development of the social economy sector which is in favor of sustainable inclusive growth.

In this regard what would be a good start at the cross-border local level is the creation of local funds to finance ideas for social entrepreneurship, provision of resources for the multiplication of successful models of social enterprises through affordable financing and exchange of experience with mainstream 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.

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5b. Other Resources for further study

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

Institute for Social Entrepreneurship www.sociale.bg

Мрежа за социални предприятия в Югозападна България www.socialnet-bg.com

National Concept of Social Economy

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