



MESMER+

**Mapping European Social Economy:
Employment, Social Dialogue and the European Pillar of Social Rights**

Project nr. 101052222

2nd European Event

**Social economy and its visibility and representation in national IR
system in Bulgaria**

27 September 2023

From 11.30 to 13.00

Venue: WYNN'S HOTEL, Abbey Room 35-39 Lower Abbey Street, Dublin 1, Ireland D01 C9F8



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POLICY LAB

BULGARIA

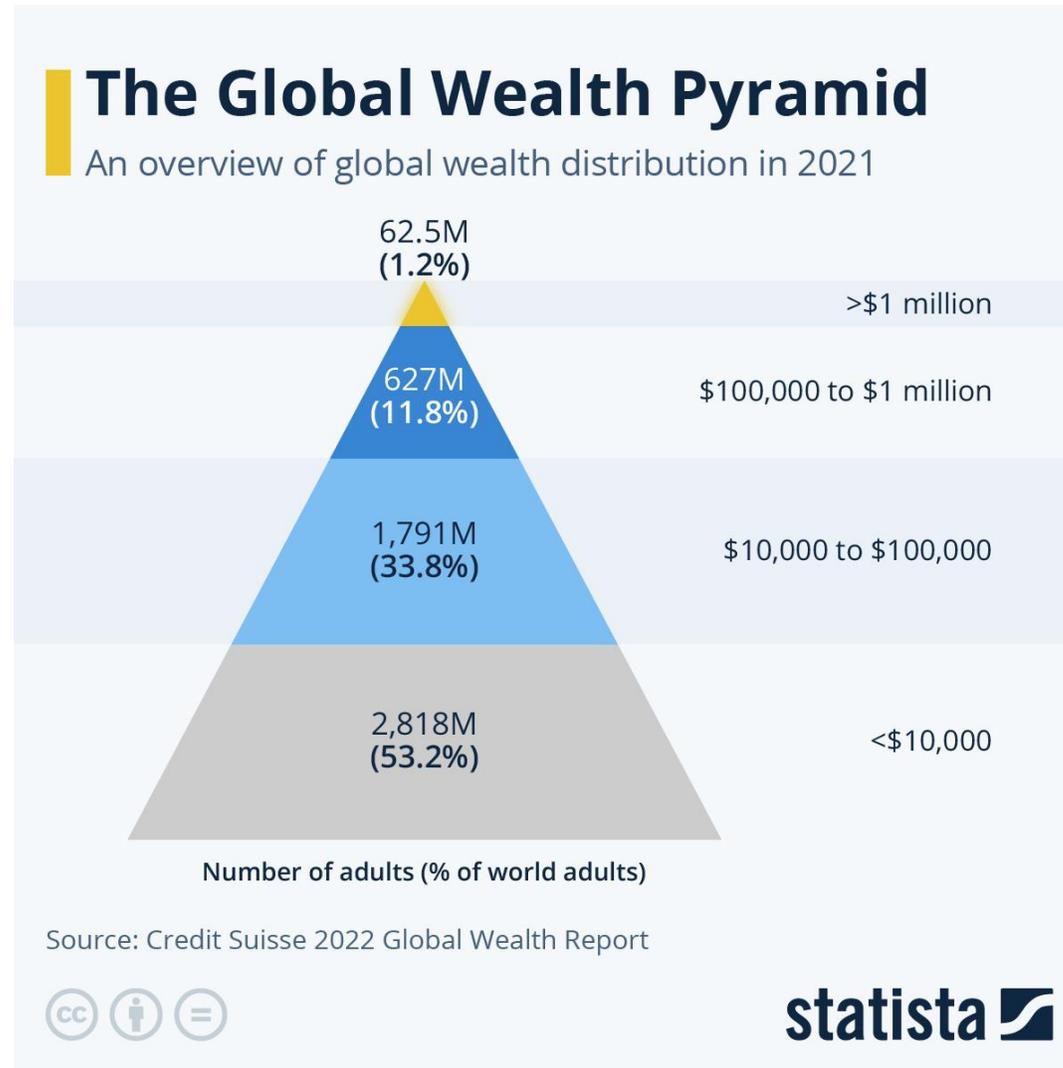


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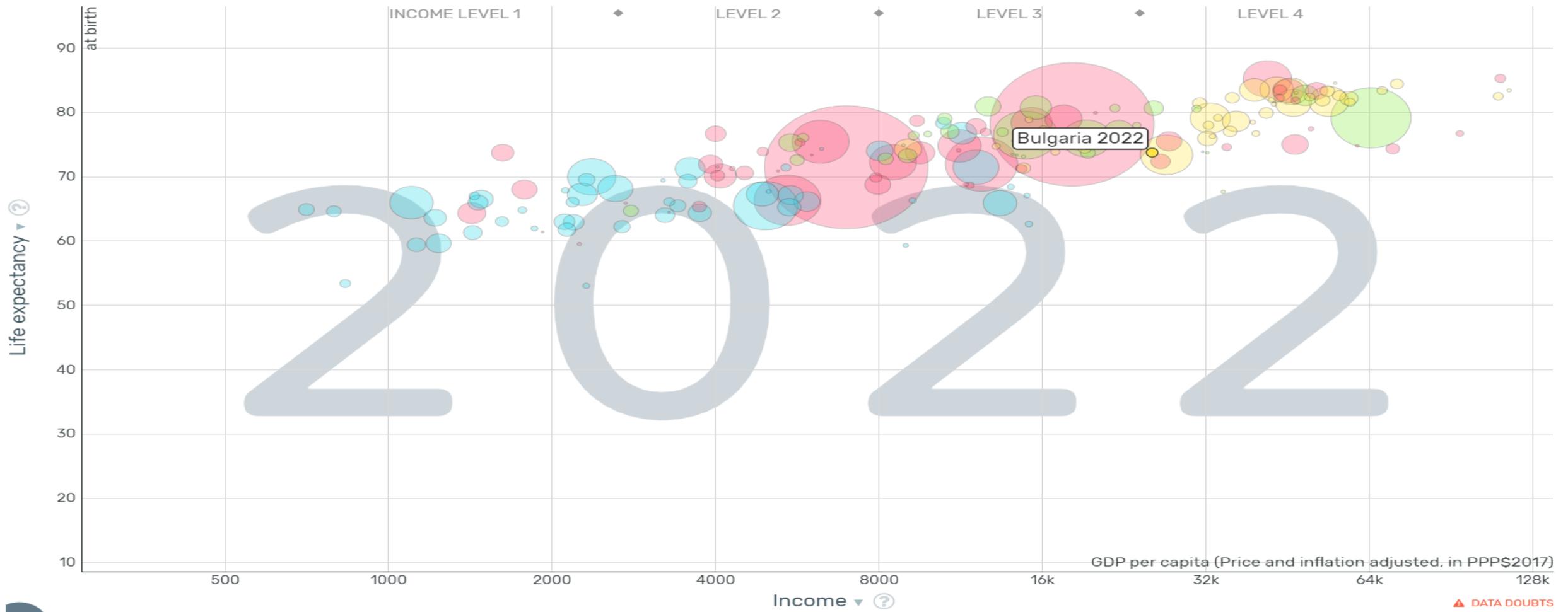
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World wealth distribution:



World trends: [https://www.gapminder.org/tools/#\\$chart-type=bubbles&url=v1](https://www.gapminder.org/tools/#$chart-type=bubbles&url=v1)



Social entrepreneurship in Bulgaria:



Research/analyses data:

Enterprises with social aims in Bulgaria have a long history and tradition, mainly in the form of the powerful **cooperative** movement and **community cultural centers** (chitalishta). Social enterprises in the country cover different **legal forms**, namely: associations and foundations; cultural community centers; specialized enterprises for work integration of people with disabilities; and cooperatives of people with disabilities.

Three main drivers fuelled the further expansion of the germs of social enterprises: **growing needs**, **EU integration** and **newly accrued sources of financing**. The “prototypes” of social enterprises emerged despite the lack of a normative framework. An additional driver explaining social enterprise development came with the **municipalities' progressive welfare activities** combined with the lack of financial resources to respond to the local population's needs.

The **Law on Enterprises of Social and Solidarity Economy**, adopted by the National Parliament came into force on **2 May 2019**. So far only 35 enterprises have **registered** as part of the social economy by the Ministry of Labour and Social Policy. Training materials are published by Living standards, demographic policy and social investment Directorate at: <https://secprod.mlsp.government.bg/index.php?section=HOME&a=37>

Social entrepreneurship in Bulgaria:

Социално предприаятир - Клас А

Министерство на труда и социалната политика

социална икономика

Вход

Потребителско име

Парола

Вход

Заявление за вписване в Регистъра на социалните предприятия по чл. 3 от Правилника за прилагане на Закона за предприятията на социалната и солидарна икономика (клас А)

Заявление за вписване в Регистъра на социалните предприятия по чл. 3 от Правилника за прилагане на Закона за предприятията на социалната и солидарна икономика (клас А+)

Заявление за доброволно заличаване от Регистъра на социалните предприятия по чл. 12 ал. 1 от Правилника за прилагане на Закона за предприятията на социалната и солидарна икономика

Пускане (к)

Превъртете за подробности

ПРОДУКТ НА СОЦИАЛНО ПРЕДПРИЯТИЕ

Research/analyses data:

The measuring of social enterprises is based on the types of legal entities which correspond to the EU operational definition. According to the assessment, the number of **chitalishta** is 7771; the number of **associations and foundations** performing as social enterprises (excluding chitalishta) increases over 2,000; the number of **specialized enterprises and cooperatives of people with disabilities** remains relatively stable 638 in September 2023.

Interestingly, those self-identifying as social enterprises are 4,391. The vast majority of them (around 4000) have less than 9 employees (micro-enterprises). It is more difficult for micro enterprises to be united and organised as participants in the social dialogue. The difficulties in meeting the formal criteria for registration as a social enterprise mostly affect the NGO sector - it is not possible for non-profit enterprises to reach the volume of profits required, and to invest back into social activities. More information is published at: <https://secprod.mlsp.government.bg/>

Key actors involved in the social economy system in Bulgaria:

| Type of institution/organisation | Actors |
|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policy makers – High level governmental institutions | <ul style="list-style-type: none"> ➤ Ministry of Labor and Social Policy (MLSP) ➤ Ministry of Culture > Ministry of Finance (MF) > Ministry of Economy and Energy (MEE) > Ministry of Education (ME) > Ministry of Healthcare > Regional Ministry > Ministry of Youth and Sports |
| Policy makers – Second-level governmental institutions | <ul style="list-style-type: none"> > Agency for Social Assistance > Agency for People with Disabilities > Agency for Employment |
| Regional and local level institutions | Regional and Local authorities/ municipalities |
| Social partners, nationally representative | <ul style="list-style-type: none"> > Trade-union confederations - 2 > Employers' associations - 5 |

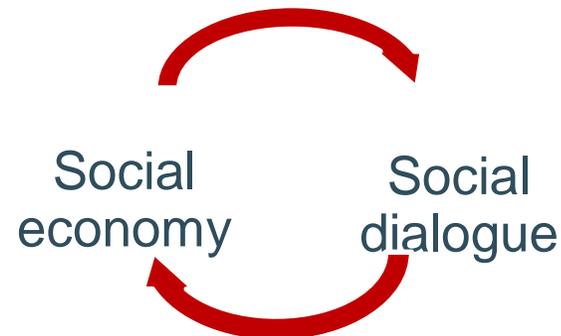
Key actors involved in the social economy system in Bulgaria:

| Type of institution/organisation | Actors |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Networks | <ul style="list-style-type: none"> ➤ Registered Social Enterprises ➤ Central Cooperative Union (CCU) ➤ National Federation of Employers of Disabled People ➤ National Union of Worker Producers Cooperatives ➤ NGOs working with different vulnerable groups |
| Organisations | <ul style="list-style-type: none"> > Bulgarian Centre for Not-for-Profit Law (BCNL) > Centre for Entrepreneurship and Executive Development (CEED) > Bulgarian Charities Aid Foundation (BCAF) > Millennium Foundation > Institute for Social Entrepreneurship |
| Main donors and financial programmes | <p>EU funds; Social Assistance Agency; municipal budgets; The Bulgarian Charities Aid Foundation (BCAF); Millennium Foundation; BCNL, Pia Mater Foundation; The Bulgarian Association of Regional Development Agencies (BARDA), etc.</p> |

Social economy and social dialogue:

The social economy in Bulgaria, according to the Labor Code, is represented by the **nationally representative** organizations of employers and workers and employees, meeting certain criteria, proven every 2 years by the Ministry of Labor and Social Policy.

An interdepartmental **working group** has been established at the Minister of Labor and Social Policy, which includes employers, trade unions, the civil sector, the academic community, state bodies and **enterprises of the social and solidarity economy**. The members participate in discussions of specific cases in different formats - working groups, conferences, seminars, projects. Perhaps the need for more active participation in the social dialogue is not ripe, and at the current stage there is no obstacle for them to be represented by the social partners. The main topics are subject to discussion in bipartite and tripartite committees and advisory bodies.



Good practice examples:

Social dialogue

In 2020, social partners identified three serious challenges for the Bulgarian economy in short and medium-term - the **COVID-19 pandemic**, the **green transition**, and **digitalization**.

Within the project 'Improving the adaptability of employees and strengthening collective bargaining, through joint actions of social partners at national, sectorial and branch level' funded by "Human Resources Development" OP, Confederation of Independent Trade Unions in Bulgaria (CITUB) and three employers organisations - project partners (CEIBG, BIA and BICA) initiated the signing of a **bipartite Memorandum** of the social partners for the prevention of COVID-19, preservation of jobs and adaptation of the skills of the workforce to the digitalizing world of work. A new **tripartite agreement** has been prepared 2022 by all nationally representative social partners.

Vouchers will be given for basic and intermediate level of **digital skills** development to 500,000 **employed** and registered **unemployed** people, co-financed by "Human Resources Development" Programme and the National Recovery and Resilience Plan.

Good practice examples:

The **Social Economy Action Plan 2022 - 2023** was adopted by Protocol No. 23 of the Council of Ministers dated June 1, 2022 and amended by Protocol No. 20 of the Council of Ministers dated May 3, 2023 for postponement of two of the activities financed with funds from the European Social Fund + under the Human Resources Development Program 2021-2027 and their inclusion in the next two-year Social Economy Action Plan 2024-2025.

The amendments and additions to the document will help to create an environment for the: **exchange of information and good practices, proposals** for solutions, **measures, policies** in the field of the social economy at the EU level, as well as to encourage the participation of other member states.

The implementation of the activities, according to the amended plan, will help the **digital transformation, visibility** and **consolidation** of the social economy sector through **improved access to information** and **opportunities for market realization** of the created products and services.

Over 100 social enterprises will be able to receive up to BGN 90,000 to develop their activities and become more visible on the market. The funds will be provided under the "**Development of the Social Economy**" project **/2023-2026/**, co-financed under the National Plan for Recovery and Resilience. With the financial resource, social enterprises will be able to **train their employees** and **modernize their production**.

Good practice examples:

The main objective of the BGN 27 million project is the development of a **regional approach** to the social and solidarity economy policy and the creation of 6 regional focus points in the cities of Plovdiv, Lovech, Varna, Burgas, Blagoevgrad and Gabrovo, with the aim of modernizing enterprises of the social and solidarity economy and support of the regional competitiveness. The emphasis will be on the transformation of the entities of the social and solidarity economy in the context of the **twin (green and digital) transition**, as well as conducting specific training in digital skills for their workers. At the same time, the project envisages **promoting the creation of networks and conducting training activities, initiatives and partnerships** to include social entrepreneurs in the **social and civil dialogue** with state institutions, local authorities and local communities.

The regional centres of the social and solidarity economy will have an important role in building connections between market participants, will provide technical, logistical and communication support for building networks of enterprises for production and distribution of products. Their activities will include participation in exhibitions, exchanges, forums, events and conferences related to the development of the social and solidarity economy in Bulgaria.

Last developments are illustrating activation of the activities toward initiatives for support of the social economy by establishment of a **network of regional focus points** parallel to the **register** and the **platform** of enterprises of social and solidarity economy.



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Thank you for your **attention!**

Yuliya Simeonova – Vice-President of ISTURET Steering Committee



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