



# Social and solidarity-based economy in Bulgaria

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# CITUB Information & Consultation experience

- ▶ VS/2011/0277 **The Role of Information and Consultation of Employees and Workers at National and European Levels for the Improvement of Competitiveness, Employment Growth and Better Implementation of the European Social Model - INFORMIA II**, 2011-2012 <http://informiaproject-2.org>
- ▶ VS/2013/050 **The Role of Information and Consultation in the Prevention of Industrial Tensions and Conflicts and the Improvement of Social Partnership at Company Level – INFPREVENTA**, 2012-2013, <http://infpreventa.org>
- ▶ VS/2014/0361 **Apprenticeship – setting up a European quality framework for apprenticeship and work-based learning**, 2014-2016
- ▶ VS/2016/0285 **Supporting Anticipation of Change and Development of Skills** (SACADOS), 2017-2018
- ▶ VS/2016/0305 **The Development of Direct Employee Participation and its Impact on Industrial Relations at Company Level - DIRECT**, 2016-2018 [www.direct-project.org](http://www.direct-project.org)

# Political & Legislative Framework

- ✓ National concept on social economy adopted by Council of Ministers in April **2012**
- ✓ Action plans on social economy 2014 – 2015, 2016-2017, 2018-2019, adopted by Council of Ministers
- ✓ Permanent Interinstitutional Working Group with the Minister of Labor and Social Policy (since July, 2014)
- ✓ **Social and Solidarity-based Enterprises Act, SG. 91 of 02.11.2018,**
  - provides for public relations connected to social and solidarity economy,
  - the types of subjects and the measures for the promotion
  - the conditions and procedures of the activity of social enterprises.

# Social and Solidarity-based Enterprises Act Contributions

- ▶ Aims to promote the development of a social and solidarity economy as a branch of the economy with special rules for:
  1. improvement of access to employment and training to acquire or improve professional qualification aimed to raise the living standard
  2. the creation of conditions for support of the social inclusion and independent lifestyle
  3. reduction of social inequality and sustainable territorial development
- ▶ Introduces legal definitions.
- ▶ Takes encouragement measures
- ▶ Leads to improved statistical information
- ▶ Refers to the categories of social enterprises and vulnerable groups of people in the scope of social entrepreneurship

# Social and Solidarity-based Enterprises Act

## Legal Definitions

- ▶ Social and solidarity economy is a form of entrepreneurship aimed at one or several social activities and/or social goals, including by the production of various goods or the provision of services in cooperation with state or local authorities, or independently.
- ▶ The principles of social and solidarity economy:
  1. advantage of social before economic goals
  2. association for public and/or collective benefit
  3. publicity and transparency;
  4. independence from state authorities;
  5. participation of the members, workers or employees in managerial decision-making

# Social and Solidarity-based Enterprises Act

## Legal Definitions

- ▶ The subjects of social and solidarity economy shall include cooperatives, not-for-profit legal persons operating for public benefit and social enterprises.
- ▶ Social enterprises shall be Class A and Class A+ according meeting the requirements to be:
  1. engaged in social activity that produces social added value determined according to a methodology issued by the Minister of Labour and Social Policy
  2. managed in a transparent manner with the participation of the members, workers or employees in decision-making under a procedure established in the articles of association, the statutes or another statutory document
  3. the positive financial balance of the enterprise after taxes for the last reported period shall be spent over 50 % and no less than BGN 7,500 for social activity or purpose
  4. no less than 30 % and no less than 3 of the persons employed at the enterprise at the starting date of legal labour relations shall be from the vulnerable groups

# Social and Solidarity-based Enterprises Act

## Legal Definitions

- ▶ Social enterprises **Class A+** meet the requirements or the conditions for a Class A social enterprise, as well as one of the following additional conditions:
  - ▶ 1. the social added value occurs entirely within the administrative boundaries of municipalities that have a level of unemployment for the previous year equal to or higher than the average for the country as compared to the existing statistical data at the date of submission of the application
  - ▶ 2. over 50 per cent and no less than BGN 75,000 of the positive accounting financial balance of the enterprise after taxes is spent on social activity
  - ▶ 3. no less than 30 employed are persons from the vulnerable groups and have worked at the enterprise non-stop in the last six months.

# Social and Solidarity-based Enterprises Act

## Legal Definitions

- ▶ A **specific** form of entrepreneurship that is geared to finding solutions to social, social or environmental needs that can not be resolved solely by market or administrative mechanisms.
- ▶ A **basic principle** is the achievement of an objective in the public interest and in the interest of the participants.
- ▶ The **overall idea** of a social and solidarity economy and entrepreneurship is to help people in need & disadvantaged people at a given moment, to enhance the sense of community and unity, and to enable creative people to develop alternative business ventures that both bring profit and added, socially measurable, value to society.



# Social and Solidarity-based Enterprises Act Encouragement Measures

The Minister of Labour and Social Policy shall encourage the subjects of social and solidarity-based economy, and shall provide the support thereof by:

- ▶ 1. assisting the **dialogue** between them and the state authorities, including by helping organize joint initiatives in the field of social and solidarity-based economy with various state authorities
- ▶ 2. assisting the **inclusion** of citizens in the activity of the subjects of social and solidarity-based economy, and for the achievement of their social goals by establishing an **electronic platform** through which they will be able to present their activity before the stakeholders with a view to future partnerships and joint action

# Social and Solidarity-based Enterprises Act Encouragement Measures

- ▶ The Minister of Labour and Social Policy shall support them by:
  1. providing **methodological assistance** in finding specialized **funding** for their activity
  2. organizing **national training campaigns** to build their managerial capacity
  3. establishing, registering and maintaining a distinctive **Certification brand** for social enterprises and their goods and services, placing it at the disposal for use by the social enterprises entered in the **Register of Social Enterprises** free of charge
  4. proposing the establishment of **objective indicators for statistical accountability** of the social and solidarity-based economy with the National Statistical Institute, carrying out analyses and proposing changes or new measures for encouragement.

# Social and Solidarity-based Enterprises Act - vulnerable groups

- a) people with permanent disabilities
- b) long-term unemployed eligible to receive monthly social aid according to the Social Assistance Act and the Rules of Implementation thereof
- c) persons under 29 years of age without previous professional experience
- d) persons accommodated outside their families under the procedure of Art. 26 of the Child Protection Act, incl. after accommodation has ended
- e) unemployed persons over 55 registered at the Labour Exchange Directorate
- f) persons raising children with permanent disabilities and receiving aid pursuant to Article 8e of the Family Allowances for Children Act
- g) persons who have served a prison sentence for a period of no less than 5 years where their penalty has expired in the last three years after employment

# Social and Solidarity-based Enterprises Act - vulnerable groups

- h) persons with alcohol or drug **addiction** who have successfully completed treatment or a psychosocial rehabilitation programme in the last two years prior to appointment to a job, which is attested by a document issued by the persons where the treatment of psych-social rehabilitation occurred
- i) **homeless** persons in the sense referred to by Item 1 of § 1 of the Supplementary Provisions
- j) aliens who have been granted **asylum** in the R. Bulgaria under the procedure of the Asylum and Refugees Act in the last 3 years after employment
- k) persons who have been granted **special protection status** under the procedure provided by the Fight against Human Trafficking Act
- l) persons **victims of domestic violence** in the sense referred to by the Protection from Domestic Violence Act.

# Social and Solidarity-based Enterprises Act Encouragement Measures

- ▶ Local self-government authorities may assist the subjects of social and solidarity-based economy in their activity by:
  1. encouraging the **development of human resources** in the field of social and solidarity-based economy by ensuring **access to the electronic platform**
  2. developing **mechanisms** and **programmes** in support of social and solidarity-based economy by inclusion of measures in statutory instruments related to the development of the municipality
  3. participating in the activities of the social and solidarity-based economy through various forms of **cooperation**. The manner in which local self-government authorities may assist the subjects of social and solidarity-based economy shall be determined by a decision of the Municipal council.

# The Electronic platform / Digital cluster

An innovative approach combining **online shop & social network!**

Enhances the participants to offer their goods and services in an easy and accessible way, to seek personal communication with current and future clients, to find a suitable highly qualified workforce, to broaden the horizons of business entrepreneurship and to be always in the most up-to-date information in the country and abroad.



A distinctive Certification brand for registered in the Register of Social Enterprises in the Republic of Bulgaria



PRODUCT OF A  
SOCIAL ENTERPRISE

# Social and Solidarity-based Enterprises Act Added Value

- ▶ In the field of **employment**
- ▶ In the field of **social cohesion**
- ▶ in the area of the development of **democracy**
- ▶ In the field of **social innovation**
- ▶ In the field and **local development**

**Thank you for your attention!**



