

# Social Economy Entities and Social Enterprises in the Greece-Bulgaria Cross-Border Area



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**Abstract** The current article records the recent evolutions and institutionalisation of the Social Economy and Social Entrepreneurship in Greece and Bulgaria, while it also illustrates public support policies in terms of legal framework and support measures, by showcasing selected results of a recent study in the cross-border area Greece-Bulgaria. The research presentation draws on the following aspects: (a) the size and characteristics of the Social Economy and Social Entrepreneurship in the Greece-Bulgaria cross-border area; (b) the profile and various issues at economic, social, professional, productive and developmental levels of the Social Economy Entities and Social Enterprises within the designated cross-border area and finally, (c) the main obstacles and barriers faced by the Social Economy sector and its Entities, in the same area.

**Keywords** Social Economy Entities · Social Enterprises · Greece · Bulgaria · Cross-border area

**Classification Codes** L31

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## 1 Introduction and Brief Literature Review

Social Economy aims to solve social, mainly, problems that the state (public sector) is unable to cover and where the market (private sector) does not want to intervene and includes all economic activities conducted by Associations, Cooperatives, Mutual Benefit Societies, Institutions, Foundations, Voluntary Organisations, Non-Governmental–Non-Profit Organisations, Social Enterprises, etc. that operate on the principles of justice, independence (autonomous management), democracy (democratic decision-making process), free participation, solidarity, equality, sustainability, etc. to provide social, proactive, economic and supportive actions for employment, entrepreneurship, local development, social inclusion, etc. (such as the prevention of unemployment, advances in education, support of the health system, environmental protection, the well-being of local community and so on), with the distribution of revenues, work take precedence over capital and service to members or the community takes precedence over profit. As a major aspect of the Social Economy, Social Entrepreneurship aims to function as an intermediate in the management of social issues, which cannot be handled otherwise (that is, neither by public nor by private bodies/institutions). The term Social Entrepreneurship consists of two components, the entrepreneurship dimension and its social dimension. On a theoretical level, this task corresponds to various roles, active involvement and decision-making that directly serve a social purpose, in several ways by the application of radical ideas and entrepreneurship innovation and with the “good use” of resources and initiatives. In addition, Social Enterprises (SEs), as the basic part of the Social Entrepreneurship, focus on producing and supplying products and services to meet the socioeconomic needs of the local community and its members for supporting actively the vulnerable and susceptible social groups and communities at local level. More specifically, SEs are organisations founded by groups of individuals with a clear focus on serving the community and in which the material interests of capital investors are subject to restrictions. SEs place a great priority on their independence, and assuming financial risks associated with continuous socioeconomic activities, they can be established and developed by persons or entities, in any sector, without discriminations or restrictions, and use earned income strategies to attain a social cause as they address a wide range of social problems (i.e. poverty, unemployment, social exclusion, climate change, healthcare availability and so on) by relying on market-based activities (Borzaga and Maiello 1998; Campbell 1999; Defourny and Develtere 1999; Borzaga and Defourny 2001; Defourny 2001; Amin et al. 2002; Boschee and McClurg 2003; Evers and Laville 2004; Moulart and Ailnel 2005; Anheier and Salamon 2006; Defourny and Nyssens 2006; Hulgård 2006; Laville et al. 2006; Mair and Marti 2006; Nyssens 2006; European Commission 2013; Mair 2020).

The aim of the present study is to provide a non-exhaustive overview/preview on the profile of the Social Economy (SE) Entities and Social Enterprises (SEs) and their eco-systems in the Greece–Bulgaria cross-border area. For this purpose, the subsequent parts of this article refer to: 1. the legal framework and the governmental

support policies for the Social Economy and Social Entrepreneurship in Greece and Bulgaria; 2. the employed methodology which was produced and 3. specific findings of the study “Synthetic report on the profile of the Social Enterprises in the cross-border area Greece-Bulgaria”<sup>1</sup> which had been designed so as to involve and reflect the geographical location, the activities, the objectives, the operation, the characteristics, the financial data, the employment matters, the development issues, the barriers and the obstacles of the faction, the main challenges, etc. in the context of the SE Entities and SEs. Hence, that study serves a wider goal that is to provide an account of the Social Economy and Social Entrepreneurship eco-system in the aforementioned cross-border area (Karavangeli et al. 2019).

It should be noted that in the current article, two (2) specific terms have come in handy, particularly that of 1. Social Economy (SE) Entities and 2. Social Enterprises (SEs), for the comparative examination of the research. Both functioned complementarily as “umbrella” terms in order to cover the entire spectrum of miscellaneous entities, operators, organisations, associations, cooperatives, institutions and enterprises of the Social Economy and Social Entrepreneurship, due to the inexistence of either robust definition, or legally similar corresponding entities, in the countries under consideration (Greece and Bulgaria).

## **2 Public Policies, Legal Framework and Needs for Support Measures for the Social Economy and Social Entrepreneurship in Greece and Bulgaria**

In Greece, according to Law 4430/2016 of the Ministry of Labour titled “Social and Solidarity Economy and Development of its Entities and Other Provisions” (replacing former Law 4019/2011), Social and Solidarity Economy (SSE) is the set of economic activities in which products and services follow a non-ordinary procedural cycle, embracing the democratic values, fairness, respect and team spirit, and acting responsibly both toward people and environment (Article 2). Law 4430/2016 provides an inclusive approach to the SSE in Greece attributing to it an alternative corporate identity which extends its operation from non-prominent fields of entrepreneurship to creative new self-managed productive entrepreneurial ventures (Article 1).

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<sup>1</sup> The study research titled “Synthetic report on the profile of the Social Enterprises in the cross-border area Greece-Bulgaria” was developed in 2019, during the implementation of the project “Support of Social Enterprise and Enhancement of Employment—SoSEDEE”, through the Cooperation Programme INTERREG V-A “Greece-Bulgaria 2014–2020”. The report’s main goal was to give a comprehensive overview of the profile of the Social Enterprises (SEs) and their eco-systems in the cross-border area Greece-Bulgaria. The purpose of the study was to contribute to the preparation of a responsible academic training package which would ensure a good understanding of the concept and principles of SEs and their legislative framework, as well as a good knowledge of professional and managerial skills, in order to develop business plans, analyse the market needs and potentials, gain access to funding and generate social impact (Karavangeli et al. 2019).

Prior to the enactment of Law 4430/2016, the main factors on the legislative, financial and administrative level, as well as the threats and impediments which the Social Cooperative Enterprises (SCEs) in Greece had to deal with, were (a) discrepancies in the legislation concerning the day-to-day exchanges and communication between SCEs and public entities, since the relevant framework on the SCEs was quite ambiguous; (b) issues related to taxation, since the relevant framework was proved to be inconvenient for the establishment of a reserve, there were no clear social aims in place, and accounting was troublesome; (c) work-related problems, due to lack of a taxation approach pertaining to tasks of legal nature performed by members/employees, also the option of recruiting personnel from the SCEs, and imposed work compensation, all of which had raised various obstacles both operational and technical; (d) problems of economic nature, in cases when the SCEs were relying on financial aid and developmental mechanisms from the Social Economy Fund (founded in 2011); (e) bureaucratic issues such as the outdated, costly and time-consuming communication by post with the Ministry of Labour—Registry of Social Economy (instead of the electronic communication); (f) problematic failed communication between the SCEs and Local Entities about issues related to contracts, between certain Municipal Administrations and SCEs which they wanted to have under their influence (Kostas et al. 2017, 2018).

Based on the Social and Solidarity Economy (SSE) Law 4430/2016, SSE Entities can be (a) Social Cooperative Enterprises (SCEs); (b) Limited Liability Social Cooperatives (LLSCs); (c) Workers' Cooperatives and (d) any other multiple-stakeholders' legal entities that apply the statute, regulations and requirements pertaining to the mandatories-specifics for the operation of SCEs (Article 3). SCEs in Greece are labelled as social welfare cooperatives (under Law 1667/1986) with the statutory aim of collective and social benefit (Article 2, Law 4430/2016) as well as with corporate/entrepreneurial character based on law (Article 14, Law 4430/2016). Moreover, according to Law 4430/2016, the SCEs are 1. the SCEs for Integration that fall into two sub-divisions: (i) the SCEs for Integration of Susceptible Social Groups, and (ii) the SCEs for Integration of Special Social Groups; 2. the Limited Liability Social Cooperatives (LLSCs), which function as SCEs for Integration in accordance with Article 12 of Law 2716/1999; 3. The SCEs for Collective and Social Benefits that promote "sustainable activities" or deliver "social services for the common good". Finally, the SSE wider scope entails: (a) the implementation of actions to the best interest of communities and the society, at large; (b) the application of democratic decision-making processes drawing on the "one member, one vote" principle, regardless of each member's degree of involvement and (c) the allotment of revenue based on their strategic framework (Ministry of Labour, Social Security and Social Solidarity 2017).

The study of European Economic and Social Committee (2017), argues that Law 4430/2016 in Greece first, defines a legal foundation for Greece's SSE (Article 1); second, develops measures to promote SSE Entities (Articles 4–13) and third, governs SCEs (Articles 14–23) and Worker's Cooperatives (Articles 24–34). Furthermore, Law 4430/2016 on SSE Entities: (a) have access to the Public Investment Fund (Article 10) and the Social Economy Fund (the goal is to fund programmes and

initiatives to strengthen SSE Entities); (b) meet the standards for programmes that boost Social Entrepreneurship, and local public bodies to concede assets that are not only reliable, but also assist their public and social interest activities (Article 5) and (c), it is also feasible to enter into contracts with public authorities to design and implement beneficial social projects, and to get finance for installations, machinery and other items from the European Union, as well as national and regional sources (Article 6).

According to Adam (2019), for the first time in Greece, Law 4430/2016 attempted a significant move toward the formal acknowledgment of SSE Entities. It also made an effort to circulate the ideas and principles advocated and shared by the SSE movement in Greece and abroad, in current debates. Even so, “blind” dependency on the legislative process as well as the lack of a partnership culture coupled with enforcement mechanisms on ministerial level have all prevented these goals from being put into practice. Adam’s research shows the stumbling blocks in the unifying process, which are mostly caused by misalignment in two (2) respects: (a) due to the restrictions placed upon other legal entities to be registered as SSE actors and the provisions of Law 4430/2016; and (b) because of the criteria set by several legislative frameworks addressing traditional Social Economy operators in Greece as well as the stipulations of Law 4430/2016. It could be argued that for reasons, irrelevant to the SSE conformity to standards, legislation might sometimes ignore legal actors. Despite good intentions, the greater “picture” and final outcome may stand as a barrier to the dissemination of SSE practices. It is urgent that the task of unifying and harmonising cooperative legislation in Greece be undertaken with a dual purpose: (a) to investigate how international collaboration principles can be translated into legal provisions in the country, and (b) to extend interest in cooperative legislation in order to preserve the distinctiveness of the partnership identity.

Until recently, Bulgaria has been lacking unified legislation for the Social Economy and Social Entrepreneurship (it is noted that Bulgaria only recently, in 2018, enforced a legal framework specifically designed for SEs). In Bulgaria, the role of SE Entities and SEs was previously assumed by associations, foundations, institutions or non-profit legal entities, whose structure and mission entailed social, environmental, cultural and humanistic purposes, prioritising human value and reinvesting profit exclusively toward such goals (Terziev et al. 2016). As evidenced in the national approach on Social Economy in Bulgaria, the State appears decisive to help build favourable conditions as well as a unified legislative framework for the Social Economy and Social Entrepreneurship with the adoption of the innovative ideas and models which the sector has to offer (European Commission 2014). Bulgaria’s immediate priorities include the fight against poverty and social exclusion, youth employment, equal access to the labour market for all citizens, social innovation and the integration of minorities. Therefore, the socioeconomic situation prevailing in Bulgaria, combined with the increase in local society’s interest in culture, environment and innovation, leads the country toward strengthening the field of Social Economy and Social Entrepreneurship (Terziev and Nichev 2017). Thus, over the past few years in Bulgaria a large number of social projects and social organisations

have emerged with the intention to assist addressing some of the major socio-economic issues ending up to the development of the SE Entities and SEs (Marinova and Yoneva 2021).

The four (4) SEs models in Bulgaria are 1. the Social-Business model (Specialised Enterprises for people with disabilities and Commercial Companies); 2. the Social-Cooperative model (Cooperatives pursuing a social mission, Cooperatives for the disabled, Credit Cooperatives and Microfinance Organisations); 3. the Entrepreneurial Non-Profit model (Associations, Foundations and Chitalishte) and 4. the Public-Sector SE model (Specialised enterprises for people with disabilities created by the Municipalities and other SEs established by the Municipalities) (Defourny et al. 2019; Marinova and Yoneva 2021).

In another approach, the main SEs models in Bulgaria are listed as follows: 1. The model for employment and labour 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 the so-called “Protected Employment”, where the SEs are employers of people with disabilities. 2. The entrepreneurial model, in which the SEs mediate between the disadvantaged people and the market. In this model, particularly in its form of occupational therapy, people with disabilities participate in the production of goods for which the respective SEs seek a market and engage in the marketing and distribution process. 3. The direct service model. This model is most directly related to social service providers. In this case, SEs provide social services in exchange of payment to external clients, while simultaneously supplying social services to their members, the payment being made via contracts with a municipality or the state (Karavangeli et al. 2019).

The Cooperative Law of 1999 and the Non-Profit Legal Entities Act of 2000 were the first laws that have been passed in Bulgaria that might be associated with the sphere of SEs. In accordance with European priorities and policy initiatives in this field, the government designed the national policy on Social Economy and the SEs. In 2012, the Bulgarian government approved a policy document called “The National Social Economy Concept”, which reflects the social commitment of the state to support the creation of a favourable environment for the implementation and development of models and practices in the field of Social Economy and Social Entrepreneurship, in the country (Marinova and Yoneva 2021). It should be mentioned that, according to the National Social Economy Concept, SEs in Bulgaria are defined as enterprises which perform and 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 (Ministry of Labour and Social Policy 2011).

Moreover, the Biannual Action Plans for the Social Economy in Bulgaria prioritise enhancing the legal environment, fostering favourable conditions for Social Economy education, training and research, and evaluating the economic and social impact of SEs on employment and social inclusion. Biannual Action Plans support the implementation of the National Social Economy Concept and lay out a series of priority actions/axes aimed at facilitating the development of Social Economy. These axes are (1) Raise of awareness of stakeholders about the nature and operation of the

Social Economy sector; (2) Create support structures for the sector; (3) Disseminate information on the Social Economy and SEs; (4) Provide favourable conditions for education, training and research to strengthen the Social Economy sector; (5) Create a favourable environment that encourages the development of the same sector (European Commission 2019).

The enactment of the Law on Social and Solidarity-Economy Enterprises in October 2018 called “Social and Solidarity-based Enterprises Act” and its implementation in May 2019 show that the evolution of SEs has reached a national priority level in Bulgaria. With enhanced market access and increased competitiveness, this law intends to foster an environment that is favourable for SEs. The Ministry of Labour and Social Policy also established a Social Economy and Social Responsibility Department in 2018. According to the Article 5 of the Law on Social and Solidarity-Economy Enterprises in Bulgaria, Social and Solidarity-Economy Entities are Cooperatives, Public-Benefit Non-Profit Legal Entities and Social Enterprises (Marinova and Yoneva 2021).

### 3 Research Methodology

The present article illustrates selected quantitative research results of the study “Synthetic report on the profile of the Social Enterprises in the cross-border area Greece-Bulgaria” (Karavangeli et al. 2019). For the collection of primary data, an online questionnaire addressed to active social entrepreneurs and employees of SE Entities in the cross-border area was used, in order to identify the profile of Social Economy and Social Entrepreneurship sector, as per its type (legal form, sector of activity, main objective, etc.) and size (turnover, number of employees, main source of income/funding, etc.). The questionnaire included also questions regarding the capabilities and the development strategies, as well as the main barriers for the development of the SEs. The use of the questionnaire intended to contribute to the mapping of the Social Economy and Social Entrepreneurship eco-system in the cross-border area between Bulgaria and Greece.

In the research context of the abovementioned study, all specific conditions were observed. Its subjects, meaning the surveyed sample, were social entrepreneurs (target group) of all legal forms of SE Entities. The research methodology was based also on quantitative research conducted electronically, by distributing, receiving and processing an online closed-ended structured questionnaire. Quantitative research methods analyse the number and quantity of occurrence of the object under consideration and include precise measurements and strict control of variables in order to collect data through recording and with the ultimate purpose to extract statistics, mainly standardised and measurable uniform data elements (Kiriazzi 2001; Babbie 2018).

The online research approach often entails no interaction with the interviewer or researcher throughout the data collection process, because surveys carried out via the internet are typically based on automated self-administered questionnaires

(Vasja et al. 2007). Moreover, this quantitative research is particularly based on cross-sectional research methodology, which has been employed to achieve the research objectives. In the cross-sectional approach, a representative sample of respondents is only questioned once at a certain time, allowing for descriptive statements about the population at the allotted time of inquiry. Furthermore, web surveys have got the benefit of allowing respondents to finish a research whenever it is convenient for them, making it a non-intrusive, flexible and affordable method of requesting individuals to respond to self-administered surveys (Wolf et al. 2016).

Research results have been highly satisfactory, since there was a significantly sufficient number of answers retrieved through the questionnaire. In particular, a total of 173 questionnaires were completed by the social entrepreneurs and employees active in the respective SE Entities, of whom 121 corresponded to the Bulgarian sample and 52 to the Greek sample of the entire research. Technically, the 173 anonymous online questionnaires comprised a series of questions concerning: (a) general entrepreneurship data, such as the industry and the legal form of SE Entities and SEs; (b) company financial data, such as turnover, number of employees, etc. of SE Entities and SEs; (c) other facts related to the main development approaches implemented and the most important problems encountered; in order to draw a picture of the size of the sector (statistical information on the number of SE Entities and SEs, their activity field, the income and employability they incur, etc.) in the cross-border area, as well as their development strategies and the main obstacles they were facing.

According to the data of the General Register of Social Solidarity Economic (SSE) Entities of the Ministry of Labour in Greece (on 16-01-2019), a total of 1316 SSE Entities were registered, while in the Greek part of the cross-border area 205 were operating. On the other hand, in the Bulgarian context, the respective figures differentiated substantially and the basic reason for that was the lack of normative act to determine the limits and operation specifics of the Social Economy sector. As the National Statistical Institute (NSI) data demonstrated in Bulgaria in 2013, the number of self-identified SE Entities and SEs was 3612; of those, 2046 were registered as trading companies and cooperatives. Furthermore, 52 SSE Entities out of the 205 ones in the Greek section of the cross-border area responded to the questionnaire equal to a sample of over 25% of the total, a figure capable of delivering reliable results. Accordingly, on the Bulgarian side 121 out of the 501 SE Entities and SEs responded to the questionnaire, producing a sample of over 24% of the total.

## 4 Research Findings

The thematic questions (key questions) from which the data and the results emerged attempted to (i) capture the profile of the respondent in relation to their field of activity; (ii) examine the size of the SE Entities and SEs via economic data (turnover, financial results, number of volunteer workers, etc.); (iii) investigate the development and expansion strategies (if any); and lastly, (iv) describe the main problems intercepting their operation as well as their further development.



The first question introduced the location details of the activities of the existing SE Entities and SEs (place, regional unit, region). The highest rate of replies (from representatives and executives) was 75% (corresponding to 6 out of 8 registered SSEs) and concerned the Regional Unit (hereafter RU) of Rhodopi, representing 11.54% of the sample. The second highest rate of answers came from the RU of Kavala, i.e. 53.33% (that is 8 out of 15 registered SSEs), representing 15.38% of the sample. In turn, the subsequent ones, from higher to lower rate of response, included the RU of Serres, the RU of Drama, the RU of Xanthi and the RU of Thessaloniki. Although the response rate from the latter was the lowest, i.e. 15.67% (that is 21 out of 134 registered SSEs), it did nevertheless have the highest representation in the entire sample, with an overall per cent of 40.38% (Table 1).

Also, the amount of replies is counterbalanced between the larger regions, with 26 respondents (representatives and executives of SE Entities and SEs) from the Region of Eastern Macedonia and Thrace, and another 26 from the Region of Central Macedonia (Table 1).

In Bulgaria, the highest response rate is observed in the Regional Administration (RA) of Kardzhali (64.86%), while the highest representation rate is observed in the RA of Blagoevgrad, which is the RA with the higher number (46) of registered (self-defined) SE Entities and SEs (Table 2).

According to the research findings, the main activity sector of the Greek sample is in the “Food and Nutrition” sector with a rate of 21.15% followed by the “Culture

**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	<b>37.50</b>
	Evros	6	17	11.54	<b>35.29</b>
	Kavala	8	15	15.38	<b>53.33</b>
	Xanthi	3	11	5.77	<b>27.27</b>
	Rhodopi	6	8	11.54	<b>75.00</b>
Central Macedonia	Thessaloniki	21	134	40.38	<b>15.67</b>
	Serres	5	12	9.62	<b>41.67</b>
	Total	52	205	100.00	

**Table 2** Geographical distribution of the sample (Bulgaria)

Regional unit	Frequency	Registered	Representation rate (%)	Response rate %
Blagoevgrad	46	234	38.02	<b>19.66</b>
Smolyan	25	98	20.66	<b>25.51</b>
Kardzhali	24	37	19.83	<b>64.86</b>
Haskovo	26	132	21.49	<b>19.70</b>
Total	121	501	100.00	

and Leisure” sector with a rate of 13.46% and the field of “Education—Training” and “Manufacturing” (both with a percentage 9.62% respectively) (Table 3).

In Bulgaria, the key economic activity of the sample is found in the “Social care” and “Retail” sectors with a percentage of 16.53% and 15.70% respectively, followed by the “Manufacturing” and “Primary sector—agriculture/livestock/fishery” with a rate of 11.57% and 8.26% respectively (Table 4).

With respect to their overall objective, the main scope of the SE Entities and the SEs of both sides (Greece and Bulgaria) is the creation of employment opportunities. More specifically, in the Greek part some important general objectives are “to promote education and knowledge”, “to address financial exclusion” and “to empower and uplift women”, while for the Bulgarian part these goals aim to “improve health and well-being” and “support vulnerable children and young persons” (Tables 5 and 6).

The following questions concern the financial profile of the SE Entities and SEs. It is noticeable that, on financial level, SE Entities and SEs in Bulgaria present larger figures compared to those on the Greek side of the border. In fact, the majority of the SE Entities and SEs for the Greek part (65.38% of the Entities) produce a turnover of 0–10,000 EUR, while in the Bulgarian side, the 77.69% of the SE Entities and SEs yield turnovers of more than 30,000.00 EUR (Tables 7 and 8).

Indeed, the financial results of the current study are quite interesting. In particular, the majority of the SE Entities and SEs on the Greek side do not show any profits. Statistically, 32.69% of the sample (17 Entities) exhibits balanced profits and losses, while 28.85% (15 Entities) generates very small profits of up to 1,000 EUR. Moreover, 17.31% of the sample (9 Entities) shows losses (more expenses than revenues), while only 9.62% (5 Entities) have got profits of between 1,000 and 5,000 EUR. Finally, only 7.69% (i.e. 4 Entities) appears to be earning more than 10,000 EUR

**Table 3** Activity sector of the sample in Greece

Activity sector	Frequency	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	100.00

**Table 4** Activity sector of the sample in Bulgaria

Activity sector	Frequency	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	121	100.00

**Table 5** Overall objectives of the sample in Greece

Overall objective	Frequency
Creating employment opportunities	40
Promoting education and knowledge	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 SE entities and SEs	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
Creating employment opportunities	87
Improving health and well-being	17
Supporting vulnerable children and young persons	15
Supporting other SE entities and SEs	12
Addressing social exclusion	11
Other (historical tourism, youth support, etc.)	8
Promoting education and literacy	7
Protecting the environment	6
Empowering and uplifting women	1
Supporting agriculture and allied activities	1
Addressing financial exclusion	0

**Table 7** Turnover 2017 of the Greek sample

Turnover	Frequency	Rate (%)
0–10,000 euro	34	65.38
10,001–20,000 euro	6	11.54
20,001–30,000 euro	0	0.00
30,001–40,000 euro	1	1.92
40,001–50,000 euro	1	1.92
50,001–100,000 euro	6	11.54
100,001–250,000 euro	2	3.85
250,001–1 million euro	2	3.85
Over 1 million euro	0	0.00
Total	52	100.00

**Table 8** Turn over 2017 of the Bulgarian sample

Turn over	Frequency	Rate (%)
0–10,000 euro	8	6.61
10,001–20,000 euro	4	3.31
20,001–30,000 euro	15	12.40
30,001–40,000 euro	16	13.22
40,001–50,000 euro	29	23.97
50,001–100,000 euro	26	21.49
100,001–250,000 euro	14	11.57
250,001–1 million euro	5	4.13
Over 1 million euro	4	3.31
Total	121	100.00

**Table 9** Financial results 2017 in the Greek sample

Results	Frequency	Rate (%)
Losses	9	17.31
0	17	32.69
Profit 0–1,000 euro	15	28.85
Profit 1,000–5,000 euro	5	9.62
Profit 5,000–10,000 euro	2	3.85
Profit 10,000 + euro	4	7.69
Total	52	100.00

**Table 10** Financial results 2017 in the Bulgarian sample

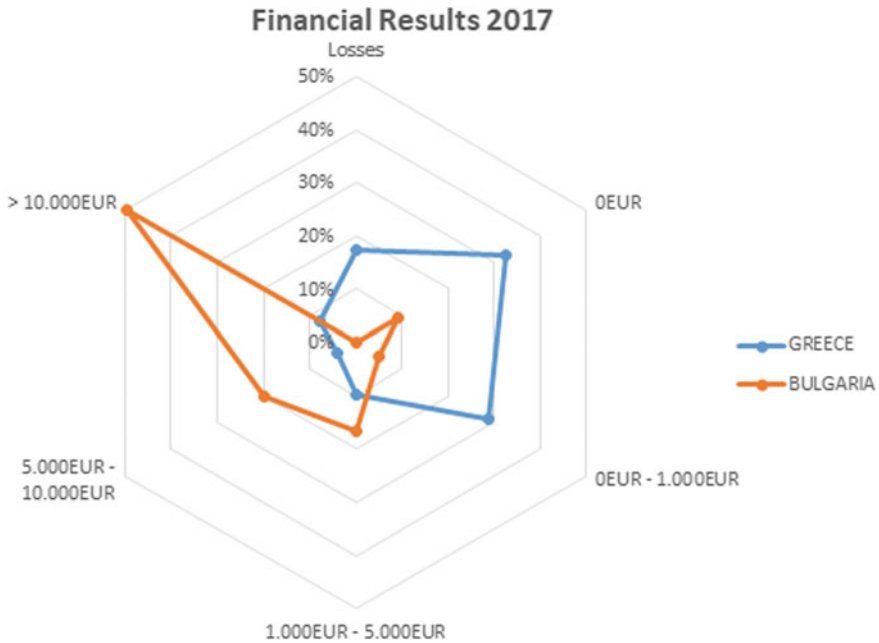
Results	Frequency	Rate (%)
Losses	0	0.00
0 euro	11	9.09
Profit 0–1,000 euro	6	4.96
Profit 1,000–5,000 euro	20	16.53
Profit 5,000–10,000 euro	24	19.83
Profit 10,000 + euro	60	49.59
Total	121	100.00

a year. On the other hand, on the Bulgarian side, the majority of the SE Entities and SEs profits of up to 10,000 EUR. That is 49.59% of the sample (60 Entities), 19.83% of the sample profits between 5,000 and 10,000 EUR (24 Entities), 16.53% (20 Entities) have got profits of between 1,000 and 5,000 EUR, while only 9.09% (11 Entities) have balanced profits (Tables 9 and 10 and Fig. 1).

Regarding the number of employees, from the Greek SE Entities and SEs respondents, 51.92% of the sample (27 Entities) indicates that there are no paid employees whatsoever in their organisation. At the same time, 38.46% (20 Entities) reports that it has hired 1–5 employees. A small percentage of this sample, 5.77% (3 Entities), mentions a larger number of staff, between 6 and 10 employees. And, lastly, only two (2) Entities, representing 3.85% of the sample, comment that they occupy 11–50 employees (Table 11 and Fig. 2).

On the contrary, in the Bulgarian part of the cross-border area, all the SE Entities and the SEs were fortified with paid employees. In detail, 42.98% of the sample (52 Entities) indicates that there are 11–50 employees in their organisation, 34.71% of the sample (42 Entities) reports that there are 6–10 employees and 21.49% (26 Entities) answers that there are 1–5 employees in their organisation (Table 12 and Fig. 2).

As far as the type of employment is concerned, in the Greek section of the sample, most SE Entities and SEs (16 Entities—30.77%) maintain part-time staff, while only 5 Entities (9.62%) occupy full-time staff. On the opposite contrary, in the Bulgarian



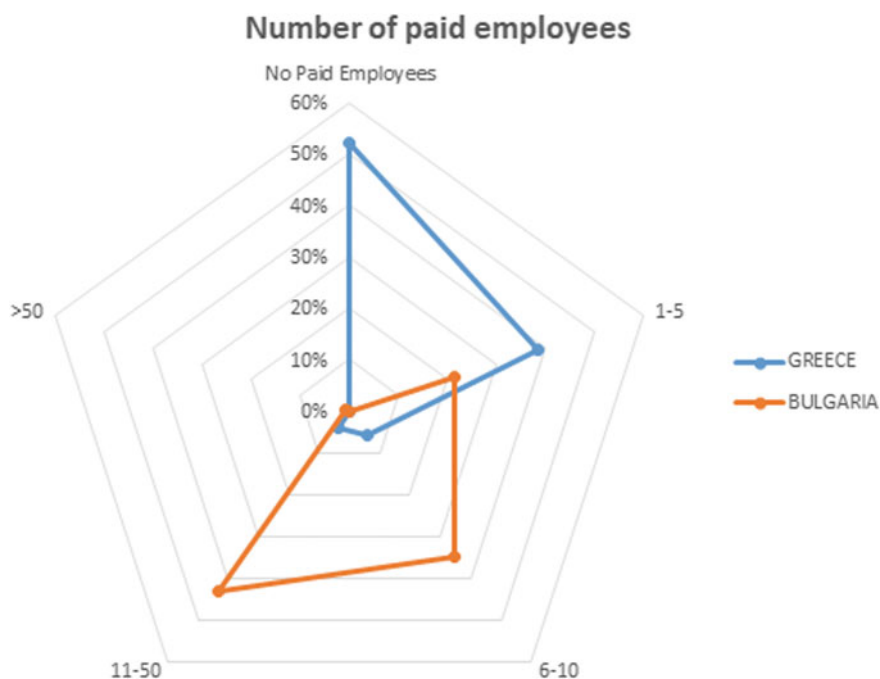
**Fig. 1** Radar chart for financial results of SEs in Greece and Bulgaria

**Table 11** Number of paid employees (2017) in the Greek sample

Employees	Frequency	Rate (%)
There are no paid employees	27	51.92
1–5	20	38.46
6–10	3	5.77
11–50	2	3.85
More than 50	0	0.00
Total	52	100.00

section, most Entities (108 Entities—89.26%) employ full-time staff, while only 12 Entities (9.92%) employ part-time staff (Tables 13 and 14).

Concerning the number of volunteers employed on the Greek side, the highest percentage (24 Entities—46.15%) corresponds to 1–5 volunteers, while several Entities (20 in number and 38.46% percentage-wise) do not have volunteers among their staff. It then subsequently follows a percentage of 7.69% (4 Entities) which occupy 6–10 volunteers, while only 2 (3.85%) comment that they maintain a number of unpaid staff between 11 and 50; finally, there are merely 2 instances-cases (i.e. 3.85%) with more than 50 volunteers. Respectively, as for the number of volunteers in the Bulgarian part, it is important to mention that 91.74% (111 Entities) claim that they do not employ any volunteers for their activities; only a few of them (that is



**Fig. 2** Radar chart for paid employees of SEs in Greece and Bulgaria

**Table 12** Number of paid employees (2017) in the Bulgarian sample

Employees	Frequency	Rate (%)
There are no paid employees	0	0.00
1–5	26	21.49
6–10	42	34.71
11–50	52	42.98
More than 50	1	0.83
Total	121	100.00

**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	100.00

**Table 14** Type of employment in the Bulgarian sample

Type of employment	Frequency	Rate (%)
Not applicable	1	0.83
Part time	12	9.92
Full time	108	89.26
Seasonal	0	0.00
Total	121	100.00

**Table 15** Number of volunteers in the Greek sample

Volunteers	Frequency	Rate (%)
There are no volunteers	20	38.46
1–5	24	46.15
6–10	4	7.69
11–50	2	3.85
More than 50	2	3.85
Total	52	100.00

**Table 16** Number of volunteers in the Bulgarian sample

Volunteers	Frequency	Rate (%)
There are no volunteers	111	91.74
1–5	8	6.61
6–10	1	0.83
11–50	1	0.83
More than 50	0	0.00
Total	121	100.00

8 Entities) are equipped with 1–5 volunteers and just one (1) of them has got at its disposal 6–10, or 11–50 volunteers (Tables 15 and 16).

Furthermore, regarding the sources of income for the SE Entities and SEs on both sides of the sample, the elicited trends seem to converge. In general, the major source of income comes from private transactions, while the second in a row from transactions with public sector Entities. Also, other important sources come from income derived from transactions with other Entities and SE Entities as well as with SEs, transactions with civil society and transactions with international organisations (Tables 17 and 18).

Proceeding with the basic sources of funding, it should be noted that most SE Entities and SEs on both sides rely on self-financing extensively based on the use of private capital and contributions in kind (concession of land, equipment, etc.). Following that a significant number of responders in the Greek section argued that they have received funding via European Union (EU) funds and a few through public/national funds, too. Conversely, in Bulgaria, the second major source of funding is



**Table 17** Basic source of income/GR

Source of income	Frequency
Transactions with private entities	30
Transactions with public entities	8
Transactions with other SE entities and SEs	5
Transactions with international organisations	4
Transactions with donors/charities/civil society	4
Other (members' contributions)	1

**Table 18** 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 organisations	8
Transactions with other SE entities and SEs	6
State profit	2
State funding	1
Other (members' contributions)	0

**Table 19** 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

the public sector followed by donors/charities, and next loans, whereas less funding depends on EU funds (Tables 19 and 20).

Last but not least, an interesting aspect that was discussed in the survey was the most favourable “strategy development” for the SE Entities and SEs in the Greece-Bulgaria cross-border area. The research results show that the majority of the SE Entities and SEs in the Greek sample intend to evolve and progress through the development of new products and services as well as via the attraction of new customers. On the other hand, in the Bulgarian sample, the SE Entities and SEs seem to be in favour of development through the increase in sales with existing customers. Still, on the whole, both sides did support the attraction of new customers, the expansion into new geographic areas and to win business as part of consortium, as ways of growth (Tables 21 and 22).

**Table 20** 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

**Table 21** 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 organisation	1
Other (new members)	1
Replicate or franchise	0

**Table 22** 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 organisation	0
Replicate or franchise	0

Drawing on the last question pertaining to the most significant barriers for the development of SEs, in Greece, the biggest obstacle appears to be the securing of grants or else funding. The next main impediments are reported to be taxation/VAT and the maintenance of cash flows. Also, another factor is the availability and/or the cost of suitable premises. What is more, on a daily the lack of understanding/awareness of the role and importance of the SEs among banks and other support organisations adds up to the so-called threats, not least to mention the bad “economic climate” in Greece, as well. Finally, the lack of a marketing strategy for the product/service coupled with the lack of access to technical support and advisory services have also been pointed out as obstacles to the development of SE operators (Table 23).

Finally, according to the same last question for the Bulgarian side, in short, the main barrier for the development of SEs is the lack of marketing plan/marketing strategy of SEs products. Then, the second negative parameter shared with the Greek side alike is that of taxation obstacles. Ultimately, again as in the case of the Greek part, in the Bulgarian section the economic climate does not favour the development of SE Entities and SEs, although they tend to be more resilient against the global economic crisis. Moreover, obstacles to access to public services, lack of expert technical support and advisory services, require of demand for products and services are other significant barriers to the development of SEs in Bulgaria (Table 24).

**Table 23** Most important barriers in Greece

Barrier	Frequency
Obtaining grant funding	17
Maintaining cash flow	11
Taxation, VAT, business rates	11
Availability/cost of suitable premises	8
Understanding/awareness of SE Entities and SEs among banks and support organisations	6
Economic climate	6
Lack 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 SE Entities and SEs among general public/customers	1
Shortage of technical skills	0
Lack of demand for product/service	0
Other (please specify)	0

**Table 24** Most important barriers in Bulgaria

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

## 5 Discussion and Conclusions

The field of Social Economy and Social Entrepreneurship constitutes a means and a tool which shall boost and reinforce entrepreneurship, employment, social inclusion, education, social cohesion, productive reconstruction, innovation, local development, etc. across the Greece-Bulgaria border region. This is true especially when contemplating the fact that this particular area is struggling with severe unemployment and low levels of productivity and education supply, while being inhabited by groups of people living in poverty and social exclusion (European Commission 2016).

Especially for services, but also products, that are needed in local communities, however they have only a limited profit margin which makes it hard for ordinary private entities to make a decision to develop and provide them, entities that do not prioritise the profit (i.e. SE Entities and SEs), could find the precious market space to develop, covering a real market need and at the same time, creating new jobs and increases the overall local GDP, which also means more cumulative community income to be spend, etc.

For the development of Social Economy and Social Entrepreneurship at local and regional levels in the Greece-Bulgaria cross-border area, it is very important to build an environment that would facilitate cooperation and interaction among

SE Entities, SEs, regional-local administration bodies, other public bodies, local Non-governmental organisations (NGOs) and local enterprises. In that sense, recommendations ought to be targeted at (a) incorporating Social Entrepreneurship as a specific priority and measure in regional and municipal strategies for the development of social services; (b) providing a mechanism for assessing the impact of different social instruments; (c) designating a Local Officer for the Development of Social Economy and SEs; (d) creating a fund or a special budget code at municipal level with the purpose to support initiatives of civil organisations and thus take action to popularise the SEs model, and at the same time, receive services for the local communities that would cover real needs for which the local authority have legal obligations to responsibilities.

In the Greece-Bulgaria cross-border area, SE Entities and SEs are in need of an initial financial support (grant) to organise their envisaged activities. Local authorities could make available certain land property or space in municipal buildings with low rent, or even free of charge (concession agreement), to assist the operation of SE Entities and SEs with social impact. Also, Municipalities could support SEs by using or buying services provided by them for social services delegated by the local authorities, for which they do not have sufficient human resources (public servants). Furthermore, in order for Social Economy and Social Entrepreneurship to be effective in the cross-border area between Bulgaria and Greece, the presence of well-functioning and stable civil society organisations would be a prerequisite, along with the presence of local enterprises dealing with public social issues. In other words, strong reliable joint partnerships among SE Entities and SEs, public and private sectors could be a key factor for the development of the Social Economy sector, which admittedly works in favour of sustainable inclusive growth at local level.

The creation of local mechanisms that support and promote SE Entities and SEs would provide also a tool to keep young people in the villages and small cities and allow them to work and create there and subsequently proceed with their family formation and prevent the population ageing. The substantial difference in the general development of SEs in Bulgaria and Greece, despite the differences in the legal framework, lead to the conclusion of the importance of exchange of experience and practices, allowing adoption, suitably adjusted to local conditions.

The formulation of policies for supporting Social Economy and Social Entrepreneurship is necessary for the development of local economies in Greece and Bulgaria. Today, more than ever, social problems have exacerbated, particularly during the recent economic crisis and the current global health crisis, too, afflicting more the weakest members of society. It is necessary to design a holistic approach, with the cooperation of every interested party, which shall take advantage of all possibilities-opportunities and invest in strategic action plans with a significant social and economic impact on SE Entities and SEs in the Greece-Bulgaria cross-border area.

It is important to consider solutions to the real needs of local communities, especially in the fields that are not the preference of the ordinary private sector, through SE Entities and SEs, in cooperation with other actors of community, at local level, as

its area has its particular needs, priorities, sets of assets, restrictions and in general combination of a variety of parameters, that affect the approach to certain issues.

It is proven that SEs and SE Entities can play a significant role in the local communities and the cooperation with the local authorities for certain services, can upgrade the applied social policies, without increasing the cost that is related to those services. It is suggested to upgrade the related legislation and provide incentives (e.g. financial or other) for those local authorities that cooperate with SEs and SE Entities for social services.

In conclusion, it would be very important for the Greece-Bulgaria cross-border local level to build a network of local funds so as to finance ideas for the development of the Social Economy and Social Entrepreneurship and to support SE Entities and SEs at local level, particularly through affordable financing, the exchange of experiences with mainstream enterprises, as also by creating conditions for a competitive mode of SE Entities and SEs distribution of products as well as promotion. For each of these proposed interventions, roles and responsibilities should be shared between the three sectors at local level (public, private and non-profit) to enable the formation of local expertise.

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