

## THE ROLE OF SOCIAL ENTREPRENEURSHIP FOR RURAL DEVELOPMENT

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### Abstract

About 38% of the EU budget is spent on agriculture and rural areas. The funds are used in developing and implementing projects with economic, environmental and social goals targeted mainly at agricultural holdings and small and medium-size enterprises. For the conditions in Bulgaria, the investment in social entrepreneurship may become a key factor in providing employment and development of entrepreneurial initiatives leading to sustainable rural development. Social entrepreneurship is a paradigm that can be seen as one of the solutions to reduce poverty, migration, depopulation and retention of the working population in rural areas.

The research aims to reveal the role and benefits of social entrepreneurship for sustainable rural development through analysis of the factors and barriers to its application. It is important in rural areas to create suitable conditions for building social enterprises with a large scope covering all vulnerable groups of the territory. In this context, the logical connection between the factors of social entrepreneurship is discussed which takes into account the peculiarities of rural areas in Bulgaria in connection with its application. Some of the most important factors, challenges, and constraints that have been analyzed are economic, social and institutional. The results show that sustainable rural development can be achieved in solving socially significant problems with the means and approaches of social entrepreneurship and its promotion in rural areas.

**Keywords:** social entrepreneurship, rural areas, in sustainable development.

### INTRODUCTION

According to the EU typology of a division of urban and rural areas in Bulgaria out of 28 administrative areas 15 are mostly rural, 12 – intermediate, and just one is a typical urban area. Data for 2012 show that predominantly rural areas occupy 53.6% of the country, which is close to the EU average of 57%. The share of the population in predominantly rural areas is 37% of the population and is higher than the average for EU-27 (23% in 2010). In 2010 rural economy creates 25% of gross added value in Bulgaria and provides 33% of employment. The importance of rural areas for the added value and employment is much higher than the average for the EU-27 (16% and 21% correspondingly). These data are provided in the national a rural development program and underline the importance of rural development and substantiate its setting as a priority of future development in the country.

According to the EU typology in the category of sparsely populated areas fall 4467 settlements, which are mainly villages. In the

intermediate category are 134 small towns, most of which are located in rural areas. In 2012 in sparsely populated areas at risk of poverty or social exclusion is 43% of the population, and in the intermediate – 22%. Low employment, high unemployment, low incomes and a high proportion of people of 65 and older are among the main reasons for the higher poverty and social exclusion in rural areas. Thus, establishing mechanisms for the creation of social enterprises and the development of social entrepreneurship is a prerequisite to prevent replication of the model of social exclusion and revitalizing the economic situation of rural areas.

One of the important concepts of sustainable socio-economic development of rural areas is the entrepreneurship and social entrepreneurship in particular. In the National Development Program: Bulgaria 2020 there is a measure of impact associated with the social economy and entrepreneurship, in particular in Priority 2: Reducing poverty and promoting social inclusion, Sub-priority 2.1 Providing employment opportunities and raise wages: "Promoting

entrepreneurship - encouraging entrepreneurship, including social entrepreneurship for unemployed persons and persons from disadvantaged groups. According to this document, the policy of social inclusion requires a special approach for the most vulnerable groups in the Bulgarian society, which to contribute to the overcoming of their social exclusion and to break the transmission of poverty between generations. The political decision to strengthen the status and role of social enterprises would provide an additional tool to achieve the national target of Bulgaria to reduce the number of people living in poverty with 260 000 by 2020.

The vision and priorities to promote a development of social economy are defined in the National concept of social economy adopted in 2011. It follows the priorities of the strategy "Europe 2020" to promote the social economy to achieve sustainability, economic growth and quality of life (mostly of disadvantaged groups). To realize these commitments, the state should create an appropriate legal and institutional environment and coordinated sectoral policies to allow in an accelerated scope to put into practice successful models of social enterprises. In the concept criteria for identification of enterprises and organizations of the social economy are developed, which could serve as a basis for creating a favorable (administrative and legal) environment for the development of social enterprises (access to finance, social clauses in public contracts, tax breaks, etc.). The concept serves as a standard to support the development of social economy and encouraging all participants to promote the spirit of social solidarity. According to the concept social economy is *"both part of the real economy and of civil society in which individuals and/or legal persons, associations of volunteers or other organized entities doing business in the public interest and reinvest profits to achieve social objectives"*.

According to the National Strategy for Combating Poverty and Social Exclusion 2020, the lack of employment is one of the main reasons of poverty and social exclusion. Therefore a priority is the promoting of active inclusion of those furthest from the labor market - economically inactive young people, long-term unemployed, people on social assistance, with primary or lower education and no professional qualifications or lack of key competencies, people with permanent disabilities, elderly workers and others. Through the development of viable social enterprises, the state can facilitate access to employment and provide support for the social inclusion of vulnerable groups by creating appropriate conditions for their

professional integration in the social economy (Bencheva et al., 2016).

The strategy of the Operational Program "Human Resources Development" 2014 - 2020 justify that critical to tackling poverty, and social exclusion is the implementation of social policies that give people access to economic opportunities and the necessary knowledge and skills to utilize the opportunities. This creates preconditions for overcoming poverty and social exclusion, dependency on social protection system, vulnerability to adverse events of economic or social nature.

The implementation of such active social policies must take into account not only national but also local specifics and characteristics (Terziev, 2015). Here the important is the role of social entrepreneurship in solving the problems of poverty and social exclusion, especially characteristic for rural areas. It is important in rural areas to create suitable conditions for building social enterprises with a wide range, including all vulnerable groups of the territory. In this connection, the current study aims at revealing the role and benefits of social entrepreneurship for sustainable rural development through analysis of the factors and barriers to its application.

## MATERIALS AND METHODS

The current research is based on analyses of existing regulations, strategic documents, and analysis of the development of social entrepreneurship in Bulgaria. The results of a pilot study under the Erasmus+ project "Social enterprise skills for business advisors" are used. The latter embrace a survey of opinions, evaluations and expert analyses of representatives of various categories of organizations in expert and managerial positions. The field study was conducted in the period February - April 2016.

The main research questions are: What is the role of social entrepreneurship as a paradigm for the sustainable development of rural areas? What are the main factors, challenges, barriers and opportunities of social entrepreneurship for rural development?

## ROLE OF SOCIAL ENTREPRENEURSHIP AND SOCIAL ENTERPRISES IN RURAL DEVELOPMENT

Social economy and social entrepreneurship are subject to special attention from the European Commission (EC), particularly in recent years. This is due to their potential to find solutions to society's problems related to the

creation of sustainable jobs, facilitating social and occupational integration, provision of social services and improving the quality of life, including the fight against poverty and social exclusion. Social entrepreneurship takes a central place in "Europe 2020" – the EU strategy for smart, sustainable and inclusive growth. It is at heart and the European social model.

Among the specific objectives set by the Europe 2020 for the period, 2010-2020 are: providing 75% employment for groups of 20-60 years, reducing school drop-out by 10% and providing at least 20 million fewer people who get in a situation of risk of poverty or social exclusion. In the Platform for social economy development in Bulgaria social entrepreneurship is recognized as a measure to achieve those objectives as a tool to achieve sustainable development.

The analyses of social policies show that reducing direct support decreases effectiveness, and sustainability of the "successful" models remains reciprocal of inputs (Terziev, 2015). This trend can be stopped only by promoting innovative social models that overcome unemployment, poverty and social exclusion permanently. Social benefits and services, promoting education, training, and skills in various fields, improving access to public services, etc. as measures of influence should be complemented by targeted efforts and resources to maintain the forms that would serve as a bridge to primary labor market for socially vulnerable groups (Terziev et al., 2016f). Namely as a successful solution to achieve effective long-term results the role of social entrepreneurship has been recognized also in the Roadmap of promoting and developing social enterprises in Bulgaria.

A legally binding definition for social enterprise at EU level has not been introduced. However, in the last years we have seen that the leading strategic and normative documents define uniformly key elements in the definition:

- *Social enterprises pursue profit (socially significant) goals:* Social enterprises are created to achieve social objectives (overcoming social injustice and social inequalities of vulnerable groups of people or achieve important public goals in the fields of ecology and sustainable development) and subject its economic activity, in contrast, goals of profit in favor of individuals. Social enterprises pursue a direct leading goal to create social benefits in the public interest or for their members.

- *The activity that carries out an economic/commercial in nature:* The activity of social enterprises is expressed in the provision of goods or services in a competitive market in an entrepreneurial way. Very often economic activity covers the delivery of services of general interest (eg social, health, educational, etc.) and very often they are in their essence a social innovation. It is possible that the goods/services are not in themselves directly for the needs of vulnerable groups, but the results or revenues to be in direct benefit or directly to support vulnerable groups and to solve socially significant problem
- *Reinvestment of profits from economic activity:* All or at least most of the profit of the enterprise is reinvested back into the activity itself and not being distributed to private shareholders or owners.
- *Institutional independence and inner self-governance:* Social enterprises are institutionally independent of the state authorities at central and local level (ie state institutions and municipalities do not have the ability to influence in inner decision-making social enterprises neither by law nor by its founding documents). Internal management of social enterprises include mechanisms for participation in the decision-making of representatives of vulnerable groups (such as its employees, users, members) for which it exists or the basis of the mechanism of control laid down the principle of social justice. Internal control is based on the principles of representativeness and transparency.

The social economy develops through various organizational and legal forms of entrepreneurship as cooperatives, mutual societies, associations, social enterprises and organizations, foundations and other existing in different EU member countries entities (Terziev et al., 2016e).

On criteria for the identification of the entities in the social economy Bulgaria will adhere to the indicators of the European Parliament to determine the economic and humanitarian activities

as part of the social economy as pointed out into the National strategy on social economy: rule of community and social activity before profit; protection and enforcement of the principles of solidarity and responsibility; reconcile the interests of the participants and the general interest; democratic control by the participants (one member - one vote); voluntary and open membership; self-government and autonomy from government authorities; use a major part of the economic outturn; to follow sustainable development objectives of the company; to meet the specific needs of participants; in favor of the collective interest.

These indicators contribute to the visibility of social enterprises and activities among businesses from the real economy, but should not be seen as absolute as it can also hamper their activities and development.

Typological features of this type of entrepreneurship in Bulgaria do not differ greatly from those of similar enterprises in the rest of Europe (Kumanova & Shabani, 2013):

- *There is a clear social impact* - in the main activity on balance between the pursuit of profit and direct support to the social status of certain groups.
- *There is a defined target group* - main persons from socially vulnerable groups - those who need help to equalize their life or social status to that of other members of society.
- *There is a specific business purpose* - is aimed at improving living standards, employment, provision of services and other forms of direct support to overcome social exclusion of the target group.

An important feature of all social enterprises is a special symbiosis that carries a priori - between financial viability and ability to have a social impact. So they achieve the simultaneous realization of economic, financial and social objectives, which become an even greater value and cost to society (Terziev et al., 2016d).

To characterize an enterprise as social, it needs to meet the following criteria:

- *Business Initiative* - the economic activity carried out by an entrepreneurial way.
- *Social purpose* - to achieve a sustainable social change for a vulnerable group or a social problem of general importance to be solved. For each social enterprise dimensions of this profit should be clear (employment, social integration, inclusion, environmental protection and so on).

- *Institutional independence* - the social enterprise is not created/is not subordinated to a state authority or a municipality according to internal organizational documents;
- *Democratic involvement* - decisions on the development and operation of the business initiative are made taking into account wishes and preferences of representatives of the vulnerable groups.
- *The transparent way of management* - comply with common or specific rules for transparency and accountability to society.
- *Reinvestment of profits* - the profit is primarily and regularly reinvested within the business initiative.

The support and promotion of social enterprises can make the most of their growth potential and capacity to create social added value expressed through job creation, creative approaches to small business, new opportunities for social inclusion, and revenue for development activities of civic organizations (Terziev et al., 2016c).

The significance of social entrepreneurship for rural development is expressed in the following areas: delivery of social services; increasing the adequacy of pensions; creating a network of services for long-term care; creating integrated social, health and educational services for homeless people; promoting employment opportunities and career development of people without jobs, people with disabilities and other vulnerable persons, as well as assistance in finding or returning to work; promoting opportunities for self-employment, entrepreneurship, start own business; equal access to participation in rural economy; equal access to participation in the economy of the population in small towns/rural areas; social Innovation; integration of minorities.

Social entrepreneurship as a concept allows the creation of alternative models of social enterprises for doing business that is market-oriented and at the same time integrate all market actors - employees, employers, investors, consumers and others (Terziev et al., 2016a).

The most compelling reason for activating the role of social enterprises for rural development is the crisis that forced large restructurings, severe economic turmoil, rising unemployment or underemployment, and serious gaps in the provision of public services, especially for the most vulnerable groups of people (Terziev et al., 2016b).



The contribution of social enterprises to the socio-economic development of rural areas can be viewed from different perspectives:

- Provision of access to basic services (social, educational and health) of local communities, including the most vulnerable groups;
- Contributing to a more balanced use of local resources, and with the support of stakeholders, which promotes inclusive governance models that enable local communities in making strategic decisions;
- Supporting the creation of new jobs as a result of offering new services provided to people with disabilities;
- Inclusion in the labor market of minority groups, single women, people with disabilities and others remaining excluded from opportunities to generate incomes.

## FACTORS OF SOCIAL ENTREPRENEURSHIP FOR RURAL DEVELOPMENT

### *Distribution and demographic structure of the population in rural areas*

Rural areas of the country cover the territory of 231 municipalities, representing 88% of the total number of Bulgarian municipalities. Their territory is 90000 sq. km (81% of the country territory).

According to the data of the National Statistical institute rural population is distributed in 4128 villages (208 cities and 3920 villages). Around 48% of the rural population lives in cities, and in the villages - 52% (Table 1). Small towns are evenly distributed in the territory and have a favorable influence on the development of social activities available in the near villages.

**Table 1.** Population and settlements data for rural and urban areas in Bulgaria

Population	Towns		Villages		Total	
	Number /thousands/	%	Number /thousands/	%	Number /thousands/	%
Rural areas	1382	48,5	1468	51,5	2850	100
Urban areas	3926	88,5	509	11,5	4435	100
Total	5308	72,9	1977	27,1	7285	100
Settlements	Number	%	Number	%	Number	%
Rural areas	208	5	3920	95	4128	100
Urban areas	47	4	1127	96	1174	100
Total	255	4,8	5047	95,2	5302	100

Source: National statistical institute, <http://nsi.bg/>

The population in rural areas is concentrated mainly in the administrative centers of rural communities. There live 50% of the population in rural areas, 53% of the population aged 15-64 and 40% of the population aged 65 and older.

In the period 2007-2012 the population in Bulgaria and rural areas decreases. The decline of the rural population is two times higher than the national average.

The particularly large decline in the rural population was observed during 2007-2012 - 13%. In 2011 in 31% of settlements in rural areas live below 100 people. The main reasons for the reduction of the population are the demographic decline, lack of employment and entrepreneurial business initiatives and investments for job creation.

The age structure of the population in rural areas is unfavorable. The share of the population

under 15 years in rural areas for 2011 is 14%. Population aged 65 and over is 21%. Evident is the process of demographic aging. The population under 15 years decreases and the share of the population of 65 and older are increasing.

The share of the working-age population in rural areas is 65%, which is lower than urban - 71%, and an average for the country - 68%. In rural areas, the educational structure of the population is unfavorable compared to urban areas. Of the population, aged 20-64 in 2011 64% have secondary or higher education, compared with 86% in urban areas. The share of people with university and higher education is 12% in rural areas, and in urban areas, the proportion is 32%. In the age group 30-34 the percent of persons with higher education is 15%, while in urban areas is 40%.

The lower share of people with higher education is explained by the lack of opportunities

for professional development. Because there are no policies to attract and retain graduates of secondary and higher education entities, they are forced to migrate. A strong motivator to attract young people with higher education in rural areas is the development and implementation of policies for the development of alternative jobs outside agriculture in social activities.

#### *Economic factors*

Economic development of rural areas lags far behind the urban areas. GDP per capita in rural areas is 3.7 times lower than urban areas. The differences are mainly due to lower economic activity in rural areas and the associated low employment and unemployment. The largest decline in employment in rural areas is reported in 2010-2011. After 2012, albeit with a slower pace, the decline continues. In 2012 the employment rate of working-age 20-64 in rural areas was 60%, and in urban - 71%, while the average for the country is 63%.

The unemployment rate in rural areas is the highest. In 2012 the unemployment rate was 14% versus 7.3% for urban and 12.3% for the country. The unemployment of the youths (15-29 years old) in rural areas exceeds 30%. The problem with the high levels of long-term unemployment is serious, which is three times higher than that in urban areas.

Educational and qualification structure of the unemployed is extremely unfavorable. A significant part of the unemployed is with primary or no education and lack of any qualification. The worst educational structure of the population, low skills, and high unemployment lower the quality of the labor force in rural areas and negatively affects economic activity.

Into the structure of the rural economy, the service sector creates 52% of the added value which is lower than the national average (64%). Industry and the agricultural sector creates 37% and 11% of gross added value. The services sector employs 40% of the population, industry, and agriculture - 28% and 32% correspondingly. In the services sector, the employment is mainly in government, health, education and social activities.

#### *Social factors, infrastructure, and quality of life in rural areas*

Rural population in 2012, which is socially excluded or a risk of poverty, is 61%, while in the country as a whole it is 49%. The main reasons for the higher poverty in rural areas are low employment, high unemployment, low incomes, a large proportion of people over 64. Because of the lower education, employment and high unemployment in the higher risk of social exclusion

are the ethnic groups of Roma. The level of employment of Roma is about 20% Usually the life in the segregated neighborhood with poor infrastructure and limited access to services. The creation of mechanisms and conditions for the active involvement of Romain economic and social life in rural are assisting critical imperative.

In all rural municipalities, the rural settlements are grouped around the municipal center (usually a small town or large village) and are at a maximum distance of 50 km. In the municipal center institutions providing basic services are located - education, health, administrative, cultural and information centers, banks and shopping centers.

Settlements, which act as the municipal center, usually have adopted plans for the development of territories and well are, sports facilities and parks, distinct manufacturing are with accessible infrastructure, commercial areas and markets advanced and active community center and cultural activities.

Access and quality of services in settlements outside the municipal center is limited and infrastructure in poor conditions. Reducing their population leads to a gradual closing of the public services, which worsens the quality of life in them and stimulates migration. Access to specialized medical services to the rural population is difficult because of the closing of hospitals, the poor state of health infrastructure and basic medical equipment, which affects adversely the quality of services.

These problems are serious obstacles to maintaining the quality of life and access to quality health services especially for the chronically ill, disabled and elderly people in rural areas.

Specialized social services for vulnerable groups and adults are provided by municipalities, and the bulk of the more delegated state activities. A special problem, especially for municipalities with numerous scattered villages, is the poor quality of roads and the lack of special vehicles for the provision of mobile health and social services for the elderly and people with physical disabilities. The development of services is hampered by the lack of financial resources and low-income residents. In about one third of the smaller rural municipalities additional problem is the lack of qualified personnel to perform specialized support and services.

Given the aging population in rural areas is increasing the need for expansion and modernization of social services in the community, aimed at preventing institutionalization, such as day centers for people with disabilities and social services in their homes.

*Institutional factors and potential of social enterprises*

Social entrepreneurship can not be existing without considering the role of various organizations and institutions because every business needs a kind of organizing and organization at different levels, whether national or regional. The potential of social enterprises lies in two of their essential characteristics. *First*, they act locally networked with multiple stakeholders and knowing well the local problems, and they can offer solutions proven to work in a place like reach those groups at risk of poverty or social exclusion to which active social policies reach very rarely in comparison to purely passive assistance. *Second*, social economy organizations have the potential to mobilize and activate people themselves at risk of poverty and social exclusion and thus enable them to engage themselves in improving their living situation.

The Economic and Social Council of the Republic of Bulgaria (ESC) believes that social enterprises in Bulgaria are still an untapped business model. Considering that the social economy has a substantial capacity for social innovation, the ESC insists that social enterprises are further encouraged in their efforts to find innovative solutions to social problems.

The Platform for the development of the social economy in Bulgaria provides the following recommendations:

- Introduction of a definition of social enterprise and a clear legal regulation of the procedure for acquiring the status and functioning of social enterprises;
- Policy development and institutional framework for their implementation to create an optimal environment promoting and supporting social economy;
- Along with the support for existing social enterprises to work to promote market efficiency and competitiveness and access to markets and public procurement to social enterprises to reduce the share of public subsidies for social enterprises to a reasonable minimum and ensure adaptation to market environment and more sustainable social enterprises.

Currently, the lack of adequate supporting infrastructure for start-up social enterprises and fragmentation of existing practices and experiences to support the work of social enterprises lead to waste of resources and ineffective interventions for the development of the social economy sector. Practice on the development of social enterprises in different countries of the European Union shows that the process is much more effective when there

are specialized organizations/platforms to provide business support to social entrepreneurs beginners. Social enterprises need access to specially-developed training programs and technical and logistical support particularly in the initial stage of their business. Especially important it is to promote the structuring of an expert unit and a supporting organization of national and regional branches that to act as a "resource center" and to provide expert support for the creation and development of social enterprises. Special emphasis should be placed on investment readiness programs, and proper diagnosis needs support and funding of the different stages of social enterprises.

**BARRIERS AND LIMITATIONS OF SOCIAL ENTREPRENEURSHIP**

The problems of different types of social enterprises embrace a wide range of problem areas that are determined primarily by the type of enterprise in the Report – social enterprises in Bulgaria as follows:

- *Resourcing* - lack of adequate financing, supporting social enterprises; lack of resources for starting a business; lack of managerial and marketing experience.
- *Disadvantages of project approach* - the project financing model suffers from a chronic lack of resistance.
- *Problems with the environment* - lack of systematic and deliberate policy at the national level; lack of legislation; problems with the institutions.
- *Personnel problems*.

Respondents in the current study indicate strongly that in the construction and operation of social enterprises the ambition must be to responsibility and profit, followed by social values and professional relationships, communication with the outside environment and career development.

Placing responsibility before profit is indicative of the consensus on the need to change to new business models driven by something more by profit, particularly linking the activities of organizations with significant social goals (Table 2). For respondents, it is particularly important to work for organizations with social objectives and targets for environmental protection (Table 3).

The evaluation of the significance of the role of social entrepreneurship and social enterprises in rural areas is very high (Table 4). The results, in conjunction with this study, show a high confidence in the role of social entrepreneurship and social enterprise for rural development, followed by social economy, non-profit and third sector - the latter two showing the greatest variation in responses.

**Table 2.** Assessment of significance of business goals' orientation

	Profit	Personal relations	Professional relations	Communication with outer environment	Responsibility	Career development	Social value
Strongly disagree	0	1	0	0	0	0	0
Disagree	0	6	0	0	0	0	0
Neither agree nor disagree	7	34	14	16	6	22	7
Agree	27	31	23	43	23	39	29
Strongly agree	70	32	67	45	75	43	68

**Table 3.** Importance to work for an organization which includes social and environmental aims

	Social aims	Environmental aims	Both	Other	None of those
Strongly disagree	0	0	0	1	17
Disagree	0	0	0	1	9
Neither agree nor disagree	15	14	16	86	77
Agree	31	36	26	12	1
Strongly agree	58	54	62	4	0

According to respondents, there is a need of a unified understanding of the essence of social entrepreneurship, social enterprises, social economy, etc. Many often different concepts are confused due to ignorance of the theoretical and legal basis, the need for information and training, motivational and promotional activities.

The answers highlight the role of government policies and the efforts of local authorities, as well as the study of "foreign experience". Among the benefits of the development of social entrepreneurship are pointed the following: an opportunity to develop socially

engaged business; a good opportunity for helping people in need; satisfaction with work, etc.

Respondents show fluctuations on whether society is ready to accept and support social entrepreneurship (Table 5), most are rather neutral (36%) and agree (34%).

Dissenters are 8% and fully agree only 23% of respondents. This shows the need for a more thorough study of the causes and seeks improvements once the answers to the above questions highlight the advantages and benefits of social entrepreneurship that respondents are well aware of and accept.

**Table 4.** The significance of different notions for sustainable development

	Social entrepreneurship	Social enterprise	Non-profit sector	Third sector	Social economy
Strongly disagree	0	0	1	0	0
Disagree	1	0	3	4	1
Neither agree nor disagree	4	11	36	48	20
Agree	24	23	28	22	25
Strongly agree	75	70	36	30	58



**Table 5.** Statements on whether society is ready to accept and support social entrepreneurship

Strongly disagree	0
Disagree	8
Neither agree nor disagree	37
Agree	35
Strongly agree	24

**Table 6.** Problems/barriers in social entrepreneurship development

	Local business environment	Community perceptions	Funding opportunities	Lack of knowledge	Lack of advisory services	Lack of legal structure	Lack of state policies	Credit access	Market access	Other
Strongly disagree	0	1	0	1	4	0	0	0	0	0
Disagree	6	9	0	9	13	3	1	3	5	0
Neither agree nor disagree	24	25	9	15	17	25	12	33	35	99
Agree	40	34	33	27	34	32	30	35	30	1
Strongly agree	34	35	62	52	36	44	61	33	34	4

Among the various barriers and limitations for initiating sustainable social entrepreneurship in rural areas are low skills, lack of financial resources, lack of information and knowledge about the benefits of entrepreneurship (Table 6).

The other restrictions in entrepreneurship can be marked as uncertainty and ambiguity in the revenue from entrepreneurship, a risk of loss due to poor public infrastructure.

Respondents indicate that the concept of social entrepreneurship is unknown to the majority of society, and information on social entrepreneurship among business organizations in Bulgaria is insufficient, and there is a need to work systematically and consistently to raise awareness and motivation for the development of social enterprises.

**CONCLUSIONS**

The development of social entrepreneurship in rural areas can have a significant impact on their sustainable development by promoting entrepreneurial initiatives to solve the severe socio-economic problems such as long-term unemployment, lack of employment for disadvantaged people, integration, and employment of

ethnic groups, a social involvement of other people in a vulnerable position.

To solve the seissues, it is necessary to create appropriate conditions for building social enterprises for successful integration and sustainable tackling social exclusion and depopulation of rural areas.

Social entrepreneurship can improve the vitality of rural areas by providing new opportunities for diversification and a more efficient use of local resources.

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