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SOCIAL ENTERPRISE BAROMETER

BULGARIA

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TABLE OF CONTENTS

TABLE OF FIGURES

ABBREVIATIONS

SE	Social Entrepreneurs
NGO	Non-Governmental Organizations
NEET	Not in Education, Employment or Training
SME	Small and Mid-sized Enterprise
EU	European Union
SSE	Social and solidarity economy
ESER	European Social Economy Regions
CEE	Central and Eastern Europe
HRDP	The Human Resources Development Operational Programme
NASR	National Alliance for Social Responsibility
NNC	National Network for Children
BASE	Bulgarian Association of Social Entrepreneurs
BCNL	Bulgarian Center for Not-for-Profit Law
ABLE	Association of Bulgarian Leaders and Entrepreneurs
RAPIV	The Regional Agency for Entrepreneurship and Innovation - Varna
SROI	Social return on investment
HDI	Human Development Index
GINI	Index for inequality distribution
GDP	Gross Domestic Product
CITUB	Confederation of Independent Trade Unions in Bulgaria (CITUB)
EPI	Environmental Performance Index (EPI)
ERSO	European Reintegration Support Organizations

ABOUT THE PROJECT

The research is part of the Erasmus+ project „Social Enterprise Barometer“, Key Action 2: KA220-YOU-Cooperation Partnership in youth, Agreement No 2023-1-MK01-KA220-YOU-0000156667, implemented in partnership with Youth Alliance - Krusevo, North Macedonia and Coalition for Solidarity Economy Development- Serbia, with the support of EU.

The Social Enterprise Barometer is an innovative tool designed to strengthen the social enterprise sector across Europe by offering a flexible, scalable, and standardized framework for data collection and analysis. Addressing the sector's fragmented data landscape, it supports informed decision-making and cross-border collaboration, providing educators, policymakers, entrepreneurs, and youth organizations with practical insights to foster strategic growth, innovation, and social inclusion in line with Erasmus+ values.

INTRODUCTION

The Social Enterprise Barometer aims to be effectively applied across various scales and geographic contexts, making it a flexible and valuable tool for supporting social enterprises. As partners in an Erasmus+ initiative, Bulgarian Association of Social Enterprises uses the available experience and knowledge to apply the Social Enterprise Barometer to the Bulgarian ecosystem.

The Social Enterprise Barometer is a carefully crafted tool designed to provide a systematic assessment of the social enterprise ecosystem. It was developed in response to the recognized need for accessible, well-structured, and dependable data to better understand the sector's complex dynamics—previously limited by inconsistent and incomplete information. Evolving through continuous refinement, the Barometer now offers a practical, evidence-based framework that allows stakeholders to evaluate ecosystem capacity, uncover key strengths and weaknesses, and support the sustainable development of the sector. This tool enables ecosystem actors to clearly identify areas in need of focused intervention.

The primary aim of the Social Enterprise Barometer is to create a cohesive, adaptable, and context-aware instrument for systematically assessing social entrepreneurship across international, national, and local contexts.

Most importantly, the Social Enterprise Barometer aims to provide a regular (annual) assessment of the state of the social entrepreneurship ecosystem - in this way improvements will be visible and trackable, so good case practices and challenges can be easily accessible for all stakeholders. The current report examines the status quo in the year 2025.

Data collection

The Barometer draws primarily on official statistical data from the National Statistics Institute of Bulgaria, covering key economic, social, and labor market indicators relevant to social entrepreneurship.

To ensure a comprehensive and reliable dataset, it also incorporates data from international reports and indexes, publications by governmental and non-governmental organizations, as well as secondary sources such as project reports and research outputs published on institutional websites.

About the Social Enterprise Barometer indicators

The Social Enterprise Barometer employs an analytical framework based on 26 carefully selected indicators, organized into four key pillars to ensure a holistic and in-depth evaluation of the ecosystem:

Pillar I Funding and Capital Access

Focuses on the range, availability, and ease of access to financial instruments such as grants, loans, and impact investments that are vital for the growth of social enterprises.

Pillar II Support systems

Reviews the surrounding institutional and structural support—policy environments, legal mechanisms, business services, and networking platforms—that sustain and enhance the ecosystem performance.

Pillar III Human Capital

Assesses the ecosystem's capacity in terms of skills, education, training opportunities, and overall workforce preparedness necessary for building sustainable and innovative social ventures.

Pillar IV Quality of life

Evaluates broader socio-economic conditions that shape the need for social enterprise solutions, including aspects of social inclusion, public health, and environmental sustainability.

Together, these pillars provide a clear and complete view of the ecosystem, helping stakeholders identify key strengths and challenges, plan effective actions, and monitor progress over time.

Target audience

The Social Enterprise Barometer aims to inform and assist a wide range of stakeholders, acknowledging the complexity and interdependence within the social enterprise ecosystem. Its key audiences include policymakers, social entrepreneurs, investors, support organizations, academic researchers, and emerging youth leaders—each positioned to gain meaningful insights from the Barometer's findings.

Policy-makers

The Barometer provides government bodies at all levels with a structured, data-driven **snapshot of the social enterprise ecosystem**, identifying key strengths, gaps, and challenges across areas like funding, workforce, institutional support, and community wellbeing. While not a standalone solution, its standardized indicators support informed policymaking, continuous monitoring, and targeted interventions—such as introducing grant schemes or loan guarantees when limited access to capital is identified.

Social enterprises

For social enterprise leaders and practitioners, the Barometer acts as a **strategic guide**, offering data-driven insights that help benchmark performance, spot resource gaps, and identify opportunities for growth or collaboration. While it provides valuable context for planning—such as choosing where to launch, or scale initiatives based on ecosystem readiness—it serves as an advisory tool, offering indicative insights rather than definitive prescriptions.

Potential and current investors

Impact investors, philanthropic foundations, and financial institutions can use the Barometer to **gain insight into the maturity** of the social enterprise sector, capital flow dynamics, and potential areas for growth. By offering harmonized data, it supports risk assessment, improves due diligence, and helps identify promising investment opportunities—such as addressing early-stage funding needs—thereby fostering more informed and confident financial engagement in the social economy sector in Bulgaria.

Support and Capacity-Building Organizations

Organizations offering advisory, incubation, training, and networking services can leverage the Barometer's ecosystem analysis to **identify key bottlenecks** in human capital, institutional support, and infrastructure, allowing for more targeted and effective

interventions. Its shared evidence base fosters cross-sector collaboration and strategic alignment, though adaptation to local context and evolving ecosystem conditions remains essential.

Academic and Research Communities

The Barometer is a valuable tool for scholars and researchers studying comparative analyses, social entrepreneurship, ecosystem development, and socio-economic policy, offering a robust methodological framework and transparent data sources. It supports rigorous analysis and **enables deeper insight into ecosystem dynamics**, as well as assessment of intervention effectiveness over time.

Next generation social entrepreneurs

The Social Entrepreneurship Barometer provides valuable insight on and for the youth of Bulgaria. When crafting the recommendations for the sector and policy-makers, the future outlook and the involvement of youth is always kept in mind. With this approach the Barometer regards a key population group, as well as **ensures the sustainability of the sector**.

The Social Enterprise Barometer comes at an important time, as global interest in social entrepreneurship, accountability, and youth economic inclusion is growing.

Social enterprises are playing a bigger role in tackling problems like weak institutions, youth unemployment, and declining democracy.

The Barometer provides a new way of understanding regarding what helps or holds back youth-led social enterprises, especially in Southeast Europe.

Data limitations and challenges

While the Social Enterprise Barometer aims to offer a thorough and accurate evaluation of the social enterprise landscape in Bulgaria and all countries involved in the project, several inherent data limitations and contextual challenges must be acknowledged to properly interpret the findings and inform future research directions.

1. Limited availability of disaggregated local data

A significant limitation in the research was the lack of sufficiently detailed and disaggregated data at the local or municipal level. The data collected for bigger and economically developed regions prevails and skews the data towards higher results. The data collectors, as well as we, do identify this trend and name the disparities within the country's rural regions and urban centers. However, this differentiation needs to be done within most national-level statistics, in order to maintain reliability of the further analysis.

2. Difficulties in capturing informal and emerging activities

Many social enterprises operate within informal or early-stage contexts, where economic activity and social impact are not yet systematically documented. As a result, available quantitative data may underestimate the prevalence and significance of these informal initiatives, despite their important contributions to innovation and community resilience.

3. Lack of longitudinal data

The Barometer primarily offers a cross-sectional view of the current state of the sector, limited by the absence of long-term data needed to analyze trends over time. This restricts the ability to assess how the ecosystem evolves or how policies and interventions influence the sector in the long run.

Methodology

A mixed-methods approach was employed for data collection and analysis, enabling both breadth and depth in examining the social enterprise ecosystem. The research focused on four core pillars, analyzed at both national and local levels, depending on data availability.

1. Desk Research: Extensive secondary research was carried out using publicly accessible data and statistics from official government sources, academic studies, NGO reports, municipal records, legislation, strategic frameworks, and other relevant documents.

2. Online Surveys: Digital questionnaires were distributed to over 100 individuals from key stakeholder groups, including social entrepreneurs, NGOs, government officials, political representatives, business professionals, and academics. A total of fourteen responses were received.

3. In-Depth Interviews: Eleven semi-structured interviews were conducted with experts across the fields of social entrepreneurship, academia, business, and civil society.

4. Focus Groups: Three focus group discussions were held with representatives from social enterprises and the business sector.

To ensure the study captured diverse perspectives, six key stakeholder groups were included, with a partial geographic emphasis on the city of Varna:

- Social Entrepreneurs (SEs) – Central actors in the sector (national level and Varna).
- Non-Governmental Organizations (NGOs) – Supporters of social causes and social enterprise (national level and Varna).
- Public Administration – Municipal and state representatives involved in social enterprise governance (Varna).
- Political Representatives – Legislators and policymakers influencing the sector (national level and Varna).
- Private Sector – Business representatives and corporate actors (Varna).
- Academia – University staff and researchers (local and national level).

Despite these efforts, there remains a lack of comprehensive statistical data on the broader social and solidarity economy. The Ministry of Labour and Social Policy maintains a dedicated social economy website that provides statistics on officially registered social enterprises. Currently, 181 enterprises are either registered or in the

process of registration.[1] However, the registration is still in progress and not all enterprises operating under a social enterprise model are visible in these numbers, highlighting a significant gap between formal recognition and actual practice.

[1] https://secprod.mlsp.government.bg/

The state of the social entrepreneurship ecosystem in Bulgaria

Social entrepreneurship in Bulgaria encompasses a range of organized initiatives designed to tackle key social, environmental, and economic challenges through sustainable and mission-driven business models. These enterprises seek to generate measurable social impact while ensuring financial sustainability, typically reinvesting profits to advance social goals rather than distributing them to shareholders.

In the Bulgarian context, social enterprises occupy a distinct and evolving niche within the national economy. They play a crucial role in addressing issues such as long-term unemployment, social exclusion, rural depopulation, and limited access to essential services—often stepping in where traditional public or private sector responses fall short.

Social enterprises in Bulgaria contribute to inclusive local development by creating meaningful employment opportunities, particularly for vulnerable and marginalized groups, including people with disabilities, youth not in education, training or employment (NEET), Roma communities, and others. In doing so, they help strengthen social cohesion and reduce inequality across regions.

Moreover, these enterprises often act as catalysts for community engagement and innovation, leveraging local knowledge and resources to deliver context-specific solutions. Their emphasis on sustainability, solidarity, and participation aligns with broader European Union priorities and positions them as key partners in advancing the country's social and economic development agenda.

As the sector continues to gain institutional recognition—through supportive policies, funding mechanisms, and the creation of dedicated regional centers—social enterprises are increasingly seen as strategic drivers of social innovation and territorial resilience in Bulgaria. The Social Enterprise Barometer makes valuable recommendations on enhancing the positive trends and keeping a direction towards a thriving social economy in Bulgaria.

Legal and Policy Framework

Despite its growing relevance, social entrepreneurship in Bulgaria remains a developing sector, marked by evolving legal frameworks and still-limited institutional integration. Bulgaria has made notable strides in recent years, but challenges persist in terms of consistent legal recognition, targeted support mechanisms, and coherent policy implementation.

Legal Recognition and Legislation

A major positive development in the sector is that Bulgaria has an official legal framework for social enterprises. The key legislative milestone was the adoption of the Law on Enterprises of the Social and Solidarity Economy (Закон за предприятията на социалната и солидарна икономика) in 2018 (promulgated in SG No. 91/2018, effective from 2 May 2019).

This law:

- ➔ Defines social enterprises and distinguishes between two categories: *Class A* and *Class A+* social enterprises, based on criteria such as social added value, employment of vulnerable groups, reinvestment of profits, and community benefit.
- ➔ Introduces a national register of social and solidarity economy enterprises, maintained by the Ministry of Labor and Social Policy.
- ➔ Provides for the use of a national label ("Продукт на социално предприятие") to enhance visibility and market access.

However, while the law formally recognizes social enterprises and provides a legal identity, its implementation has been gradual, and access to targeted benefits (such as procurement preferences or tax incentives) remains limited.

Secondary Legislation and Regulation

The Regulations for the Implementation of the Law were adopted in 2019, detailing the criteria for registration, procedures for recognition, and institutional roles in supporting social enterprises. Despite the formal structure, challenges remain in the consistency of application, particularly at the municipal level.

Policy Framework and National Strategies

Social entrepreneurship has been integrated into various national and sectoral policy documents over the past decade:

- The National Social Economy Concept (2012) was Bulgaria's first strategic document explicitly addressing the sector. It outlined the potential of the social economy for job creation, social inclusion, and sustainable local development.

- The Action Plan for Social Economy (2024–2025), adopted by the Council of Ministers, outlines concrete measures to support the sector, including:

    - ➔ Establishment of regional social economy centers;
    - ➔ Capacity building and training for enterprises;

➔ Improved access to EU and national funding;
➔ Support for digital transformation.

These policy tools are aligned with the European Action Plan for the Social Economy and seek to harmonize Bulgaria's approach with EU-level developments.

Institutional Responsibilities

Responsibility for the sector is shared between multiple institutions:

- The Ministry of Labor and Social Policy leads on the implementation of the Law and manages the national register;
- The Employment Agency supports employment schemes that can be accessed by social enterprises;
- The Ministry of Economy is engaged in broader SME and entrepreneurship policies but lacks dedicated instruments tailored for the social economy;
- Municipalities have the discretion to support social enterprises through local economic development plans, but this varies widely and often depends on external (EU or donor) funding.

Historical Context of Social Entrepreneurship in Bulgaria

Social entrepreneurship in Bulgaria has its roots in community-driven initiatives and cooperative traditions dating back to the early 20th century. During the socialist period, elements of social economy—such as labor cooperatives and worker collectives—were embedded within the centrally planned economy, though not recognized as entrepreneurship in the modern sense. With the democratic transition of the 1990s, many of these structures were dismantled, and a vacuum emerged in service provision for vulnerable communities, which was partially filled by non-governmental organizations (NGOs) and donor-supported civil society initiatives.

The early development of social entrepreneurship in Bulgaria was largely informal and driven by the civil sector, with support from international donors and development agencies, particularly after Bulgaria's EU accession process began in the early 2000s. NGOs began experimenting with income-generating activities to support their missions, often targeting marginalized groups such as people with disabilities, Roma communities, and long-term unemployed individuals. However, the absence of a unified legal definition and institutional framework limited the sector's visibility and scalability.

Key turning points in the evolution of the sector include:

- The adoption of the National Concept for the Social Economy (2012), which marked the first formal acknowledgment of social enterprises as actors in the Bulgarian economy;
- The inclusion of social entrepreneurship priorities in national strategies for employment, poverty reduction, and social inclusion;
- The passing of the Law on Enterprises of the Social and Solidarity Economy in 2018, which provided the first legal definition of social enterprises and laid the groundwork for institutional recognition and support mechanisms.

Since 2019, reforms in the social services sector—particularly the decentralization of social service provision to municipalities—have opened opportunities for social enterprises to act as licensed providers of social services, representing a major shift from charity-oriented to sustainable service models.

Over the past decade, several support structures and ecosystem actors have emerged, often initiated through EU-funded or donor-supported projects. These include:

- Incubators and training hubs;
- National networks that promote legal advocacy and capacity building;
- Pilot programs for social impact investment and municipal partnerships.

Despite this progress, much of the support infrastructure remains project-based and externally funded, with limited continuity and state co-financing. While the 2024–2025 Social Economy Action Plan reflects increased government engagement, the sector's long-term sustainability still depends on better integration into national economic and social policy, improved access to finance, and stronger local ownership.

Current Landscape of Social Entrepreneurship in Bulgaria

Despite significant legislative and policy progress over the past decade, social entrepreneurship in Bulgaria continues to face persistent structural challenges. Much of the ecosystem remains externally driven, with few sustainable mechanisms for long-term capacity building, financial support, or integration into mainstream economic development policies.

As an emerging instrument for inclusive and community-led development, social entrepreneurship in Bulgaria remains in a formative phase. Most active social enterprises are engaged in a limited range of sectors, primarily clustered around activities that blend low-barrier production with high social value.

On the product-oriented side, this includes:

- Handmade foods and crafts;
- Natural and organic cosmetics;
- Textile and wood products derived from recycled or upcycled materials;
- Eco-friendly goods with an environmental or educational component.

In the service sector, social enterprises are active in:

- Social services for the elderly, children, and people with disabilities;
- Addiction rehabilitation and mental health support;
- Employment and training for vulnerable groups (e.g. long-term unemployed, Roma communities, people with disabilities);
- Maternal and child health programs;
- Community-based educational and cultural activities;
- Hospitality sector- restaurants and cafes.

There is also growing engagement in non-formal education, social tourism, green innovation, and community publishing, often led by hybrid NGOs or cooperatives. These efforts reflect a broader attempt to fill systemic social gaps—particularly where public institutions or the private sector have been slow to respond.

Of the visible and formally recognized social enterprises, many exhibit strong local belonging, high levels of volunteer engagement, and a commitment to reinvesting profits into community-benefiting activities. However, their scalability remains limited due to the lack of tailored financing, technical assistance, and opportunities that could support sustainable growth.

Overall, the sector demonstrates significant social innovation potential, but it continues to operate at the margins of economic policy. Unlocking its full contribution to Bulgaria's social and territorial cohesion will require deeper integration with regional development strategies, stronger municipal engagement, and expanded access to inclusive finance.

Local variations in the ecosystem

Geographically, social entrepreneurship in Bulgaria is heavily concentrated in larger urban centers, particularly Sofia, Plovdiv, Varna, and Burgas. These cities host the majority of formally recognized social enterprises and support organizations, owing to their greater access to funding, better-developed infrastructure, and proximity to national and international networks.

In contrast, smaller municipalities and rural areas exhibit significantly lower levels of social enterprise activity. Initiatives that do emerge in these regions tend to be smaller in scale, more informally structured, and often lack the visibility and institutional support necessary for long-term sustainability. They face a combination of structural and institutional barriers, including:

- Limited access to financial instruments tailored for social enterprises;
- Lower awareness among local populations and public authorities of the benefits and models of social entrepreneurship;
- Weaker administrative capacity within municipalities to support or integrate social economy initiatives into local development plans;
- Poor infrastructure and reduced access to skilled labor or support services.

While the national legal framework—through the 2018 Law on Enterprises of the Social and Solidarity Economy—provides a formal basis for the sector, implementation at the local level is uneven. Many municipalities lack the capacity or incentives to actively promote social entrepreneurship, and few have designated staff or strategies that include the social economy as a pillar of local development. Moreover, municipal support often depends on the availability of EU project funding, rather than sustained local investment or policy commitment.

In summary, while Bulgaria has seen the growth of diverse social enterprises—both in goods and services—the sector remains uneven in its geographic distribution and institutional support.

Bulgaria in international context

Bulgaria's social entrepreneurship ecosystem is developing within a broader global and European landscape where the social and solidarity economy (SSE) is increasingly recognized as a key instrument for inclusive economic development, social innovation, and resilience. Over the past two decades, global interest in social entrepreneurship has expanded significantly—reflected in the proliferation of national strategies, legal frameworks, international networks, and impact investment vehicles aimed at supporting social purpose-driven enterprises.

While Bulgaria has taken notable steps toward alignment with EU social economy objectives, the country's ecosystem still trails behind some Western and Central European counterparts in terms of maturity, institutional support, and data infrastructure. For example:

- ➔ France, Italy, and Spain have long-established legal statuses and national-level support structures for social enterprises;
- ➔ Poland and Slovakia have integrated social cooperatives and impact measurement tools into their labor and welfare policies;
- ➔ By contrast, Bulgaria only formalized social enterprise status in 2018, with the adoption of the Law on Enterprises of the Social and Solidarity Economy and is still in the early stages of implementing accompanying support mechanisms.

Within the Central and Eastern European (CEE) region, Bulgaria presents a hybrid model, combining nonprofit, cooperative, and private-sector elements. Like its regional peers—such as Romania, Hungary, and Slovenia—social enterprises in Bulgaria often emerge out of necessity, addressing systemic gaps in social services, labor market inclusion, and community development. However, while these countries have begun integrating social enterprises into national employment and inclusion strategies, Bulgaria has only recently launched coordinated initiatives such as the 2024–2025 Social Economy Action Plan and regional support centers.

One of the key comparative challenges for Bulgaria lies in data and visibility. Although the national registry introduced by the 2018 law offers a formal mechanism for recognition, many active social enterprises operate outside this framework, either unaware of the benefits or facing barriers to registration. This contributes to:

- A lack of comprehensive data on the number, size, and financial performance of social enterprises;
- Limited insight into beneficiary demographics, especially in underserved or rural areas;

- Difficulty in assessing the sector's economic contribution at the national and regional levels.

Nonetheless, stakeholder consultations and EU-funded studies point to a growing but fragile ecosystem. Active social enterprises in Bulgaria often blend commercial and social objectives, but their scalability and sustainability are constrained by limited access to capital, weak market integration, and inconsistent local government engagement.

In summary, while Bulgaria benefits from its EU membership and has adopted the foundational legal and strategic tools for promoting social entrepreneurship, its ecosystem is still in the early stages of consolidation.

Summary

Social entrepreneurship in Bulgaria has made important progress through the adoption of legal frameworks and alignment with EU strategies. Social enterprises address critical societal needs—such as unemployment and social exclusion—often where public and private sectors are less effective. However, the sector continues to face challenges, including fragmented policy implementation, limited funding, and uneven municipal support. Rural and small community initiatives remain underrepresented due to weaker infrastructure and capacity. Compared to more established ecosystems in countries like France or Poland, Bulgaria's social economy remains in an early stage of consolidation. Many enterprises operate outside the official framework, limiting visibility and access to support. To unlock the sector's full potential, better coordination, sustainable financing, and stronger data systems are needed. With targeted investment and local engagement, social enterprises can become a driving force for inclusive and sustainable development across Bulgaria.

THE FOUR PILLARS METHODOLOGY: STRENGTHENING THE SOCIAL ENTERPRISE ECOSYSTEMS

PILLAR I FUNDING AND CAPITAL ACCESS

INTRODUCTION

Financing plays a vital role in the growth and sustainability of the social ecosystem by providing essential resources to social enterprises and initiatives. Ideally, key sources of funding include government subsidies and grants, social investment funds, crowdfunding and donations, as well as microcredits for social entrepreneurs. Adequate financing ensures the long-term viability of social initiatives, fosters innovation, and lowers financial barriers for social projects. Without sufficient funding, social enterprises would face significant challenges in delivering lasting impact and supporting vulnerable communities.

This chapter of the report explores the current financing sources for social innovation in Bulgaria, drawing from both public and private sectors. It provides details on available grants and financial instruments, as well as private initiatives and donation practices that support social innovation and social entrepreneurship.

INDICATORS OF FUNDING AND CAPITAL ACCESS

The indicators of funding and capital access evaluate the variety, accessibility, and sufficiency of financial mechanisms that support the establishment, development, and sustainability of social enterprises.

The number and type of public funding programs, along with their accessibility, alignment with social enterprise models, and consistency of support, reflect the extent to which social enterprises are integrated into national and local development strategies and politically prioritized—yet even well-funded initiatives may be underutilized if their design fails to accommodate the hybrid nature of social enterprises.

The share of national or municipal budgets allocated to SE-related activities indicates the extent to which governments integrate the social economy into fiscal planning and ensure its structural stability.

The presence and diversity of financial institutions offering SE-specific instruments reflect the private sector's openness to alternative enterprise models and its commitment to financial innovation.

The range of funding instruments available determines whether social enterprises can access appropriate types of capital at each stage of their development.

Crowdfunding platforms introduce innovative, participatory financing models that are especially valuable where institutional capital is limited, and their use by social enterprises reflects openness to tech-driven solutions. Furthermore, funding from international donors and development partners remains a key resource in emerging SE ecosystems, with the volume of supported projects offering insight into external investment trends and levels of dependency.

Together, these indicators offer a comprehensive view of the funding landscape for social enterprises, revealing structural strengths and weaknesses while guiding the development of targeted financial and policy solutions.

PUBLIC SPENDING

Number of existing sources of funding available for SE from public donors

In Bulgaria currently, there is no variety of financial instruments targeting social enterprises. What is needed for the sustainable growth of the sector is substantial investment in know-how, human resource and exploration of business growth opportunities, such as market expansion and improvement of processes and production. One of the funding sources are European programs and projects, which have some limitations regarding the social enterprises that qualify for funding.[2]

On the national level, The Human Resources Development Operational Programme (HRDP) allocates funding specifically to social enterprises. During the 2014–2020 programming period, it launched two funding procedures totaling BGN 18 million, primarily aimed at improving access to employment and supporting the social inclusion of vulnerable groups through measures that promote their professional integration. Alongside social enterprises, eligible applicants included employers, specialized enterprises and cooperatives for people with disabilities, municipalities and their districts, social service providers, and NGOs. Funded activities focused on establishing

[2] https://bcnl.org/uploadfiles/documents/bcnl-report-social-entrpreneurship%202023(3).pdf

new social enterprises or expanding existing ones, particularly those involved in creating employment opportunities for disadvantaged groups.[3]

Between 2021 and 2027, over BGN 44.3 million is expected to support social entrepreneurship in Bulgaria, mainly through two projects. The first, “Promotion of Social Entrepreneurship at Local and Regional Level” (BGN 22 million) funds training, employment, equipment, visibility, and management support for registered social enterprises.[4] The second, “Development of the Social Economy” (BGN 26.7 million), focuses on advisory and support services via six regional centers, without direct funding for SE activities.

Under the project “Development of the Social Economy”, six state regional centers (focus points) have been established in the country, covering the six planning regions:

- Varna (North-Eastern Region),
- Burgas (South-Eastern Region),
- Gabrovo (North-Central Region),
- Blagoevgrad (South-Western Region),
- Lovech (North-Western Region) and
- Plovdiv (South-Central Region)[5]

The Ministry is launching regional centers as part of a focused effort to develop the social and solidarity economy through a new legal framework. These centers aim to support the growth of social enterprises and improve the inclusion and independence of vulnerable individuals. Identifying and registering social enterprises is essential for implementing effective national policies in this sector. A key goal is to improve employment and training opportunities for disadvantaged groups, helping to raise their quality of life.

The regional centers are being developed under "Development of the Social Economy," which also seeks to modernize social and solidarity economy enterprises. The project supports digital and green transitions, in line with the European Commission’s initiative to create European Digital Innovation Hubs. It also encourages networking, training, and partnerships to strengthen the role of social entrepreneurs in dialogue with local institutions and communities. Funded by the Recovery and Resilience Plan, the project has a total budget of nearly BGN 26.7 million, including over BGN 24 million from the Recovery and Resilience Mechanism. It will be implemented over 45 months, with one key result being the establishment of the regional centers. Additional support includes a digital platform for promoting social enterprises and a free label, “Product of a Social Enterprise,” to help raise visibility and foster new partnerships.

[3] https://esf.bg/wps/portal/program-hrd/about-program

[4] https://old.esf.bg/nad-44-3-mln-lv-po-prchr-2021-2027-shte-badat-nasocheni-kam-podkrepa-na-social noto-predpriemachestvo/

[5] https://seconomy.mlsp.government.bg/centers/

Fig 1. "Product of a social entrepreneurship" Label

Quality of exact programs and funds percentage of total local budget

In 2024, Varna established Bulgaria's first municipal fund to support registered social enterprises, with a budget of BGN 150,000 and a maximum of BGN 15,000 per project, to be completed within 4.5 months. The fund supports hiring from vulnerable groups, retaining existing jobs, recruiting mentors, and purchasing raw materials. While the inclusion of mentor funding and material costs is viewed positively compared to national programs, criticisms include the lack of support for administrative costs, project management, reporting, and hourly employment—especially important for people with disabilities. Overall, 0.000211% of Varna's 2024 municipal budget is dedicated to social enterprises.

PRIVATE INVESTMENT

Funding institutions

In Bulgaria, social enterprises (SEs) face the same lending conditions from banks as conventional businesses. Currently, only one institution—SIS Credit—has offered micro-credit specifically for SEs, but this program has been discontinued. The availability of this opportunity remains largely unknown among social enterprises.

In an interview for Economic.bg Nadya Alkalay, a social entrepreneur, shares her experience of financing the early stage of an enterprise: *"The funding provided by "SIS Credit" was the only financial product that took into account the realities of social enterprises—it allowed for self-determination, had a low administrative threshold, required only a personal guarantor for securing the loan, offered a minimal interest rate, and included an excellent grace period."*[6]

DONOR MONEY

Donations for support of social enterprises

In Bulgaria, although the overall culture of giving is steadily growing there is still a notable lack of dedicated support for social enterprises through donations. Corporate

[6] https://www.economic.bg/bg/a/view/poveche-ot-socialno-predpriemachestvo

and foundation giving is mainly directed toward areas such as health, education, and crisis relief, with very few programs specifically targeting social entrepreneurship. Some social enterprises manage to secure irregular donations from individual or corporate donors, typically based on long-standing relationships, but this support is inconsistent and not guaranteed. While tax incentives exist to encourage charitable giving, there are no structured mechanisms or donation channels—such as targeted corporate programs, foundation grants, or crowdfunding platforms—focused exclusively on social enterprises. As a result, despite a positive trend in overall philanthropy, the donation landscape in Bulgaria remains underdeveloped when it comes to systematically supporting social enterprise growth and sustainability.[7]

[7] https://dfbulgaria.org/wp-content/uploads/2023/12/BDF-Giving-Analysis-2022.pdf

CONCLUSION AND SCORE | PILLAR I

Sources of public funding

Rating: 2.5/5, Score:1

Some social enterprises can access a few funding sources, but these are limited and often insufficient to ensure long-term financial viability. There is a mix of local and foreign funding, although it is insufficient for long-term security. Public funding sources and the value of local spending on social enterprises are improving but need further enhancement.

Funding institutions

Rating 2/5, Score: 0.6

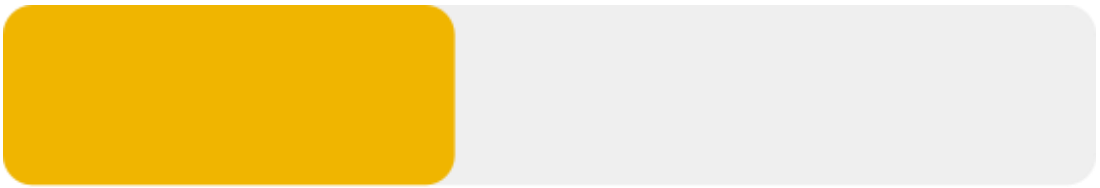
Funding institutions and donations for social enterprises are available but limited.

Donations

Rating 2/5, Score: 0.6

Many social enterprises struggle to conduct local fundraising activities or generate enough income by selling products and services.

OVERALL SCORE FOR PILLAR I FUNDING AND CAPITAL ACCESS



2.2

The financial ecosystem for social enterprises remains underdeveloped, though there are signs of gradual improvement. Public funding sources exist and are becoming more accessible, but they remain limited in scope and often fall short of ensuring long-term financial sustainability. A combination of local and foreign funding is present, yet not sufficient to meet the sector's needs.

Funding institutions and donation opportunities are available but not widespread, and many social enterprises face challenges in raising funds locally or generating consistent income through commercial activities. Despite these limitations, the value placed on supporting social enterprises is increasing, pointing to potential future growth in financial support mechanisms.

POLICY RECOMMENDATIONS

1. Establish a Dedicated Public Funding Program for Social Enterprises

To address the insufficiency and fragmentation of current public funding, the government should develop a dedicated national funding mechanism specifically for social enterprises. This program should offer multi-year grants to support long-term financial sustainability and include simplified application and reporting processes tailored to the capacity of SEs.

2. Create a National SE Support Fund with Blended Finance and Donation Matching

A Social Enterprise Support Fund should be established through collaboration between government, private donors, and international organizations. This fund would:

- ➔ Provide blended financing options (grants + low-interest loans);
- ➔ Match private donations to incentivize local fundraising;
- ➔ Support awareness campaigns to encourage corporate and individual giving.

PILLAR II SUPPORT SYSTEMS

INTRODUCTION

Support systems for social enterprises encompass a broad spectrum of legal, institutional, and community-based mechanisms that create an enabling environment for their establishment, development, and long-term sustainability. These systems are essential in addressing the unique challenges faced by mission-driven businesses and play a critical role in fostering their social and economic impact.

Such support includes access to diverse financing instruments—ranging from grants and low-interest loans to impact investments and crowdfunding platforms—that help social enterprises start and scale their operations. Capacity-building services, including mentorship, entrepreneurship training, and technical assistance, equip organizations with the necessary skills to navigate complex markets and achieve their social goals. In addition, legal and regulatory frameworks that formally recognize and define social enterprises provide legitimacy and access to targeted benefits, such as public procurement preferences or tax relief. Lastly, vibrant networks and platforms that encourage collaboration, peer learning, knowledge exchange, and advocacy further enhance the sector's resilience and visibility, ensuring that social enterprises can thrive in both urban and rural contexts.

INDICATORS OF SUPPORT SYSTEMS

The selected indicators capture essential aspects of the enabling environment for social enterprises, including both formal legal frameworks and practical ecosystem components. Key legislation—such as laws on social entrepreneurship, public procurement, and taxation—shapes how social enterprises are recognized and supported, directly impacting their access to funding, operational viability, and long-term sustainability.

Policies beyond main laws, active networks, and support structures like hubs and incubators show how much the government supports social enterprises and how strong the sector is in terms of collaboration, learning, and business development.

Education programs and accessible information platforms reflect how well social entrepreneurship is integrated into learning and support systems, helping to develop future leaders and meet the practical needs of social entrepreneurs.

And last but not least, systems of awards within the sector and beyond enhance visibility, make the sector more accessible to the general public and provide much needed recognition for the people and organizations involved in the social economy.

POLICY AND REGULATIONS

Existence of legal framework

The Law on Social and Solidarity Economy Enterprises came into force in 2019. For Bulgaria it is the pioneering legislative framework through which the state defines social entrepreneurship and declares support for the development of an environment in which more social entrepreneurs successfully implement their ideas and causes.

Significant part of the implementation of the law is the establishment of The Register of Social Enterprises as Subjects of the Social Economy.[8] Currently, as of July 2025, 181 social enterprises are registered in the official Register of Social Enterprises.[9] The highest number of social enterprises are registered in the regions of Varna and Sofia - 32 each. Vidin, Kardzhali, Yambol and Razgrad are not yet represented by registered social enterprises in the Register´s statistics. However, it is important to note that the completion of the Register is still a work in progress, with social enterprises going through the registration procedure continuously. The main recommendation points from representatives of the sector is that the current state of the law and the Register put more administrative weight on the social enterprises.[10] Removing some barriers should increase the percentage of registered social enterprises, which would in turn make the data extracted more representative for the social ecosystem in Bulgaria. Following the better collection of data, more informed and practice-oriented decisions can be made.

Policy documents supporting SE

[8] *https://bcnl.org/uploadfiles/documents/bcnl-report-social-entrpreneurship%202023(3).pdf*

[9] https://www.storytel.com/bg/books/%D0%BD%D0%B5%D0%BA%D0%B0-%D1%82%D0%B8-%D1%80%D0%B0%D0%B7%D0%BA%D0%B0%D0%B6%D0%B0-925323

[10] *https://bcnl.org/uploadfiles/documents/%D0%94%D0%9E%D0%9A%D0%9B%D0%90%D0%94-%D0%BE%D1%86%D0%B5%D0%BD%D0%BA%D0%B0%20%D0%BD%D0%B0%20%D0%B2%D1%8A%D0%B7%D0%B4%D0%B5%D0%B9%D1%81%D1%82%D0%B2%D0%B8%D0%B5%D1%82%D0%BE-%D0%97%D0%9F%D0%A1%D0%A1%D0%98(1).pdf*

The Ministry of Labour and Social Policy mentions the following regulatory documents on their official website[11] dedicated to Social Economy:

- *Law on Social and Solidarity Economy Enterprises (Закон за предприятията на социалната и солидарна икономика)*

The Law on Social and Solidarity Economy Enterprises in Bulgaria establishes the legal framework for recognizing, supporting, and promoting enterprises that operate with social objectives, reinvest profits for social purposes, and apply democratic governance principles. It defines the criteria for registration, the rights and obligations of social enterprises, and the mechanisms for state support, aiming to enhance their role in employment, social inclusion, and community development.

- *Regulations for the implementation of the Law on Social and Solidarity Economy Enterprises (Правилник за прилагане на Закона за предприятията на социалната и солидарна икономика)*

The Regulations for the Implementation of the Law on Social and Solidarity Economy Enterprises, adopted by the Bulgarian Council of Ministers on May 17, 2019, establish the procedures and conditions for registering and deregistering social enterprises in a centralized registry maintained by the Ministry of Labour and Social Policy, with electronic data exchange linked to national business and NGO registers.[12] The regulations also set out the framework for allocating state aid, particularly *de minimis* schemes, to Class A+ social enterprises for staff training and skills development targeting vulnerable groups.

- *Methodology for assessing the social added value produced by the activities of social enterprises under Art. 7 and Art. 8 of the Law on Social and Solidarity Economy Enterprises (Методика за оценка на социалната добавена стойност, произвеждана от дейността на социалните предприятия по чл. 7 и чл. 8 от Закона за предприятията на социалната и солидарна икономика)*

The methodology mandates a standardized, comprehensive evaluation

11 https://seconomy.mlsp.government.bg/%d0%bd%d0%be%d1%80%d0%bc%d0%b0%d1%82%d0%b8%d0%b2%d0%bd%d0%b8-%d0%b4%d0%be%d0%ba%d1%83%d0%bc%d0%b5%d0%bd%d1%82%d0%b8-%d0%b2-%d0%be%d0%b1%d0%bb%d0%b0%d1%81%d1%82%d1%82%d0%b0-%d0%bd%d0%b0-%d1%81%d0%be/

12 https://kik-info.com/novini/ms/Proekt-na-Pravilnik-za-prilagane-na-Zakona-za.8118.php?utm_source=chatgpt.com

framework—applicable to all social enterprises—that requires them to identify their operational models, social objectives, stakeholder environments, and economic and social contexts, and to assess both direct and indirect effects of their activities through specific indicators such as training expenses, reinvestment rates of post-tax profit, and employment of vulnerable groups.

- *The National Concept for Social Economy (Националната концепция за социална икономика)*

The National Concept for Social Economy sets out a vision to support the socioeconomic inclusion of vulnerable groups, strengthen sector capacities through policy integration and stakeholder collaboration, and promote reinvestment of enterprise revenues for social goals rather than profit distribution.

- *Social Economy Action Plan 2024-2025 (План за действие по социална икономика 2024-2025 г.)*

The Social Economy Action Plan 2024–2025 of Bulgaria aims to strengthen and promote the social and solidarity economy through national and international initiatives, including forums, exchange of best practices, and partnerships. It also focuses on developing training programs, public campaigns, and support measures to encourage socially responsible employers and social enterprises.

- *Report on the implementation of the Social Economy Action Plan for 2024 (Доклад за изпълнение на плана за действие по социална икономика за 2024 г.)*

INTERMEDIARIES AND NETWORKS

Supporting network for SE

In Bulgaria, several key organizations play a vital role in supporting and developing the social entrepreneurship sector.

- *Bulgarian Association of Social Entrepreneurs (BASE)*

The Bulgarian Association of Social Entrepreneurs (BASE), founded in 2022, is currently the only umbrella organization for social enterprises in Bulgaria.

- *Bulgarian Center for Not-for-Profit Law (BCNL)*[13]

[13] https://bcnl.org/en/

The Bulgarian Center for Not-for-Profit Law (BCNL) is a civil organization dedicated to fostering a supportive environment for NGOs in Bulgaria, enabling free association and initiative development. It has trained and consulted over 4,000 organizations and runs programs like Entrepreneurship for Non-profits, which promotes cause-driven business models to ensure sustainability for civil society solutions. BCNL, together with Accenture Bulgaria, also created "Gift Market," an online store for products made by social entrepreneurs.

- *National Alliance for Social Responsibility (NASR)*[14]

The National Alliance for Social Responsibility (NASR) brings together and supports businesses, non-profits, municipalities, and regional structures in promoting socially engaged and responsible policies and actions, and serves as Bulgaria's representative to the European Association of Service Providers for People with Disabilities (EASPD).

- *National Network for Children (NNC)*[15]

The National Network for Children (NNC) is an alliance of civil society groups and supporters focused on improving the lives of children and families nationwide.

Supporting entities

Under the "Development of the Social Economy" project, six state regional centers have been established across Bulgaria's planning regions—Varna, Burgas, Gabrovo, Blagoevgrad, Lovech, and Plovdiv—to support social and solidarity economy growth. These centers aim to promote social enterprises, improve inclusion and independence for vulnerable groups, and enhance employment and training opportunities, while also supporting digital and green transitions in line with European initiatives. Funded by the Recovery and Resilience Plan with a budget of nearly BGN 26.7 million, the project includes the creation of a digital platform and a "Product of a Social Enterprise" label to increase visibility and foster partnerships.[16]

Additionally, there are privately funded organizations—both international and corporate—that support social innovation projects in Bulgaria by offering training programs, mentoring, funding access, knowledge-sharing networks, and opportunities to develop the social innovation ecosystem.

Cleantech Bulgaria is a business network focused on clean technology, innovation, and sustainable development, uniting SMEs, large enterprises, experts, NGOs, entrepreneurs, government bodies, and international institutions. It supports innovation through funding, accelerator programs, mentoring, and international networking opportunities.

[14] https://naso.bg/en/naso/
[15] https://nmd.bg/en/
[16] https://seconomy.mlsp.government.bg/centers/

MOVE.BG promotes societal impact via innovation and collaboration by providing research, educational content, and facilitating connections among future leaders across sectors.

The Business Institute offers workshops, masterclasses, and business programs in management, finance, marketing, sales, entrepreneurship, and innovation, adapting methodologies from Stanford, Cornell, Harvard, and Business Model Generation for the Bulgarian market, while partnering with universities.

ABLE (Association of Bulgarian Leaders and Entrepreneurs) is a community of young entrepreneurs who contribute to their environment through training and mentoring.

The Regional Agency for Entrepreneurship and Innovation - Varna (RAPIV), founded in 2002 as a non-profit, aims to stimulate regional economic growth by fostering entrepreneurship and innovation. Its membership includes representatives from government, academia, NGOs, businesses, and individuals.

Education and training

In Bulgaria, several universities offer programs and courses dedicated to social entrepreneurship, while entrepreneurship is also occasionally included in economics and management curricula.

Here's an overview of university programs on social entrepreneurship in Bulgaria:

Master's Programs in Social Entrepreneurship (Full programs):

- Plovdiv University "Paisii Hilendarski"
- Veliko Tarnovo University "St. Cyril and Methodius"
- Varna Free University "Chernorizets Hrabar"
- Burgas Free University
- Sofia University "St. Kliment Ohridski"
- New Bulgarian University (NBU)
- American University in Bulgaria (AUB)

- Bulgarian Academy of Science and Business (BASB)

These universities offer specialized Master's degrees focused on different aspects of social entrepreneurship, combining theory, practice, and innovation.

Modular Courses or Social Entrepreneurship Components within Other Programs:

- Technical University – Varna (modules integrated into business/engineering programs)
- Faculty of Economics, Sofia University "St. Kliment Ohridski"
- New Bulgarian University (NBU) (also offers courses beyond the full Master's program)
- National Academy of Arts (focus on social innovation and creative entrepreneurship)

Additionally, some economics and management programs include entrepreneurship courses with social entrepreneurship elements. Universities collaborate with NGOs and business organizations to offer workshops, internships, and real-life projects for hands-on experience in social entrepreneurship.

Access to information

The supporting entities mentioned earlier in this chapter act as information hubs for the sector. The type of provided information and training can be clustered as follows:

- ➔ Financial Support: Access to funding opportunities, accelerator programs, and guidance on financial sustainability;
- ➔ Legal Aid: Legal consultations, support with registration, compliance, and understanding social economy legislation;
- ➔ Knowledge and Training: Workshops, masterclasses, mentoring, educational programs, and best practices sharing;
- ➔ Networking and Partnerships: Platforms and events for collaboration among social entrepreneurs, businesses, NGOs, and public institutions.

➔ Market Access and Promotion: Online marketplaces and labels such as “Product of a Social Enterprise” to boost visibility and sales.

RECOGNITION AND VALIDATION

Recognition of SE values

- *“Product of a Social Enterprise” Label*

This official label is awarded to products and services created by certified social enterprises, helping increase their visibility and market recognition. It is part of the national efforts under the Social Economy Action Plan and supported by the Ministry of Labour and Social Policy. The label certifies that the product/service contributes to social inclusion, employment of vulnerable groups, or other social goals.

- *Social Innovation Awards*

Various NGOs and organizations, sometimes in partnership with European initiatives, organize awards that recognize outstanding social entrepreneurship projects and innovations addressing social challenges. These awards often come with mentoring, funding opportunities, and public recognition.

- *Competitions and Grants with Recognition*

Programs like those run by the Bulgarian Center for Not-for-Profit Law (BCNL), Bulgarian Association of Social Entrepreneurs (BASE), or international donors often include certificates or distinctions for social enterprises demonstrating impact and innovation.

CONCLUSION AND SCORE | PILLAR II

Existence of legal framework

Rating 3/5, Score: 0.6

The legal environment for social enterprises is moderately supportive, with some legal provisions in place, but still facing occasional restrictions and complexities in registration and operation.

Policy documents supporting SE

Rating: 3/5, Score: 0.3

The legal environment for social enterprises is moderately supportive, with some legal provisions in place, but still facing occasional restrictions and complexities in registration and operation.

Supporting network for SE

Rating: 3/5, Score: 0.3

Access to finances has improved, allowing more opportunities to compete for government contracts, although requirements can still be discouraging and somewhat opaque. Foreign resource access is moderate but not fully open.

Supporting entities

Rating: 3/5, Score: 0.3

Support organizations and resource centers are more active, providing a broader range of services, although not uniformly across all regions.

Education and training

Rating: 3/5, Score: 0.3

Education and training opportunities are increasing, with some support from local programs.

Access to Information

Rating: 2.5/5, Score: 0.25

Business support is available but not extensive, and well-established networks and coalitions exist, fostering cooperation and capacity building.

Recognition of SE values

Rating: 3/5, Score: 0.3

Inter-sectoral partnerships are emerging, and the value of social enterprises is gaining some recognition among society and stakeholders, though it is not yet widespread.

OVERALL SCORE PILLAR II SUPPORT SYSTEMS

2.9

The overall legal and policy environment for social enterprises is moderately supportive, with a legal framework and relevant policy documents in place. While there are some challenges in registration and regulatory clarity, the foundation allows for operational development, and recommendations are being made by practitioners from the sector.

Access to financial resources and government contracts is improving, though administrative requirements can still pose barriers. Support networks and entities are becoming more active and diversified, offering valuable services, albeit unevenly across regions.

Education and training related to social entrepreneurship are gradually expanding, supported by local initiatives. Access to information and business support exists, though it remains limited in scope. Importantly, recognition of social enterprise values is growing, supported by emerging partnerships and increasing societal awareness.

POLICY RECOMMENDATIONS

In June 2025, the Bulgarian Association of Social Entrepreneurs (BASE) addressed the Minister of Labour and Social policy with concrete recommendations for improving the status quo of the sector.

Here is a summary of the recommendations:

1. **Improving the Legislative Framework**

Revise the Law on Social and Solidarity Economy Enterprises to introduce incentives such as public procurement preferences, tax reductions, and priority access to grants, while removing financial criteria that hinder social enterprises. Expand benefits similar to those for specialized enterprises, including social insurance reimbursements, and allocate specific funds for social enterprises within operational programs.

2. **Financial Instruments and Funds**

Establish a National Fund for Social Innovations modeled after successful European examples, offering grants, microloans, and guarantees. Ensure direct access to European funding programs like EaSI, ESF+, and Interreg to support sustainable financing.

3. **Human and Technical Resources**

Develop educational and internship programs in universities focused on social entrepreneurship, funded by ministries, and create incubators with technical infrastructure and support services for social enterprises.

4. **Other Measures**

Provide state subsidies to civil networks and establish a national advocacy network for social economy development, inspired by European best practices. Introduce a legal requirement for measuring social return on investment (SROI) in publicly funded social enterprises to ensure accountable and measurable social impact.

PILLAR III HUMAN CAPITAL

INTRODUCTION

Human capital encompasses the skills, knowledge, and abilities individuals bring to society. It plays a vital role in enabling people to engage in and contribute to economic and social systems. In the context of social entrepreneurship in Bulgaria, human capital is a key asset. Many social enterprises face challenges due to limited access to skilled workers, committed volunteers, or professionals who grasp both social impact and business dynamics. These organizations depend on people to develop and implement solutions, particularly in marginalized communities. Their sustainability relies primarily on the ability to attract, retain, and nurture individuals who are both motivated and capable.

Pillar III of the Social Enterprise Barometer examines the status quo of the human capital in Bulgaria in the context of social entrepreneurship, zooms in on the challenges and potentials in the system and provides valuable recommendations for the future.

INDICATORS OF HUMAN CAPITAL

The social economy builds on the human capital in the country - therefore the following chapter examines the structure, change and potential of the human capital in Bulgaria.

Demographic factors

The structure of a population provides an essential foundation for understanding workforce availability and anticipating future labor market developments. Key demographic factors—such as age, gender, ethnicity, and the urban-rural divide—help identify specific human capital challenges and opportunities for the system. Furthermore, employment opportunities and unemployment rate show potential as well as key strengths and weaknesses of the country's labor market. These topics are often tackled by social enterprises in two particular ways. On the one hand some social enterprises directly address the gaps in the labour market by evolving vulnerable groups. On the other hand the social enterprises as actors of the social economy, regardless of the industry they operate in, employ, develop and retain skilled talent. Another relevant factor for the talent pool of Bulgaria is education and programs available which prepare students for future careers in the social economy.

Civic engagement

Level of volunteering, as well as any other kind of civic engagement, is an indication for society's understanding of the importance of social economy, people's available resources to personally get engaged, and the formalized efforts to make any kind of engagement regular, sustainable and meaningful. Strong volunteer engagement (and supporting structures) strengthen the sector of the social economy, spread its message and make sure communities carry together the responsibility over the social issues addressed, to eventually not only tackle but also solve them.

DEMOGRAPHIC

Structure of local population

According to the National Institute of Statistics, the population of Bulgaria is around 6,4 million people (data as of December 2024). Since 2022 the population has been steady with a slight incline, compared to several years of steady decline.[17] The age distribution of the country shows an aging population due the declining birth rates and higher life expectancy. Nearly a quarter of the population is about 65 years, while the current retirement age is around 62 years for women and 64 for men. On the other end of the spectrum, around 880 thousand, or 13,7 % of the overall population, is youth between 15 and 29 years old. Further in this charter there is data provided on the education level, occupation activities and risk of unemployment of the entire society, yet with a focus on the group of youth.

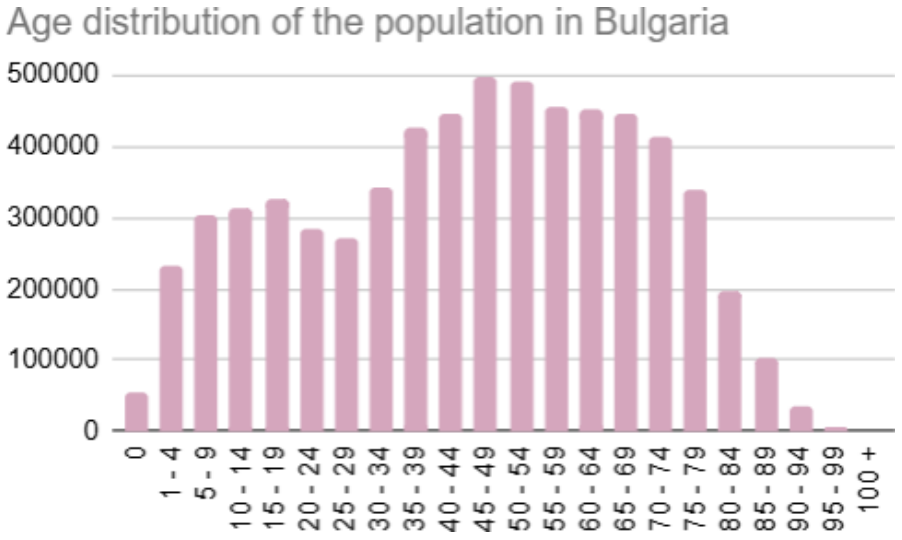


Fig.2. Age distribution of the population in Bulgaria[18]

[17] https://www.macrotrends.net/global-metrics/countries/bgr/bulgaria/population

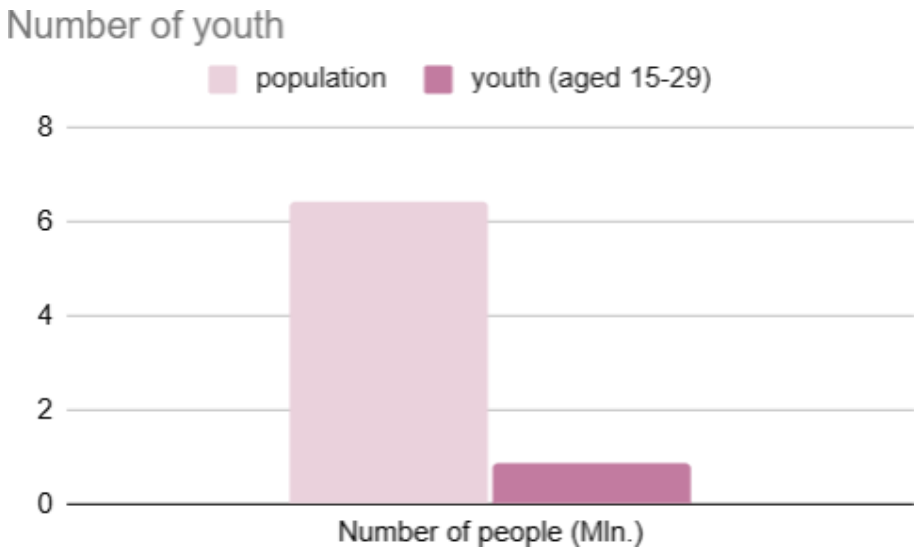


Fig. 3 Youth in the population of Bulgaria[19]

Women make up slightly over half of the overall population. This distribution of sex is different for the different age groups with a higher prevalence in the older population.

The most numerous ethnic group in Bulgaria are Bulgarians - around 5 million people or 84% of the overall population, followed by the Turkish and Romani which represent 8,4% (508 378) and 4,4% (266 720) of the population, respectively. 'Other ethnicities' in the country include smaller populations of Russians, Armenians, Vlachs, Macedonians, Greeks, Ukrainians, Jewish, Romanians, Tatars and Gagauz.

[18] НАСЕЛЕНИЕ КЪМ 31.12.2024 Г. ПО ОБЛАСТИ, ВЪЗРАСТ, МЕСТОЖИВЕЕНЕ И ПОЛ https://www.nsi.bg/statistical-data/206/649
[19] НАСЕЛЕНИЕ КЪМ 31.12.2024 Г. ПО ОБЛАСТИ, ВЪЗРАСТ, МЕСТОЖИВЕЕНЕ И ПОЛ https://www.nsi.bg/statistical-data/206/649

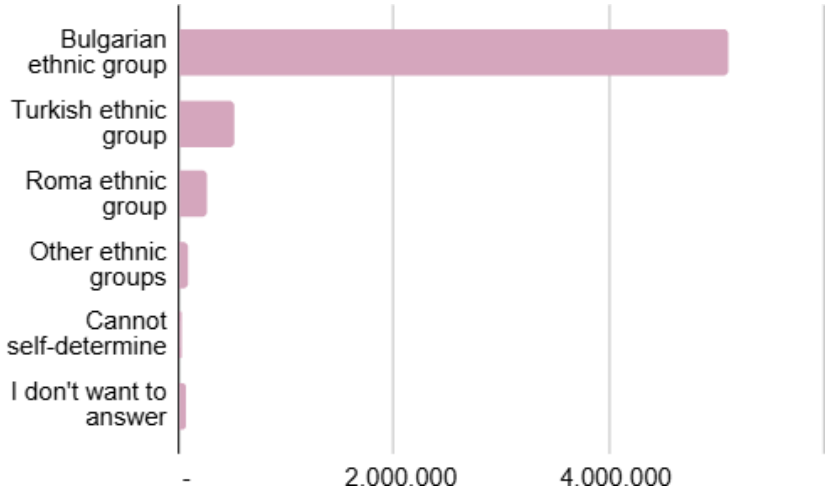


Fig.4. Ethnocultural characteristics of the population in Bulgaria [20]

One of the particularly marginalized vulnerable groups is the Roma ethnic community. As the Council of Europe's Advisory Committee on the Framework Convention for the Protection of National Minorities points out in a 2020 press release, "Bulgaria has made progress in the implementation of the Framework Convention through advancing non-discrimination legislation, promoting education for Roma children and supporting religious rights."[21] The Roma population continues to face significant socio-economic disparities, particularly in the areas of education, housing, and employment, and remains subject to widespread discrimination. Challenges persist regarding the progression of Roma children to secondary education, as well as the overall quality of education they receive. Although legislation prohibits compulsory segregation, de facto segregation remains prevalent, and governmental efforts to address this issue have been largely inadequate. On the other hand, there has been a noticeable improvement in school attendance among Roma children, accompanied by a steady decline in early school leaving rates. The Advisory Committee has commended the initiatives aimed at strengthening the role of Roma mediators in the fields of education and healthcare.
Several social enterprises in Bulgaria combine their efforts to address the access to education, job market and the social services by marginalized groups, among others on the basis of ethnicity.

Residence

The disparity of the number of people living in urban and rural areas in Bulgaria is

[20] Етнокултурни характеристика на населението в България

[21] https://www.coe.int/en/web/portal/-/national-minorities-in-bulgaria-more-needed-to-combat-segregation-and-hate-speech#:~:text=There%20are%20a%20number%20of,combating%20this%20situation%20are%20insufficient.

significant. The overall population density of the country is 58 people per square meter. The capital Sofia has the highest density (5 022 people per square meter) and among the other urbanized areas there is a significant difference - e.g. between Plovdiv (1831 people per square meter) and Vidin (535 people per square meter).[22] The overall number of people residing in urban areas is three times higher than that of people living in rural Bulgaria.

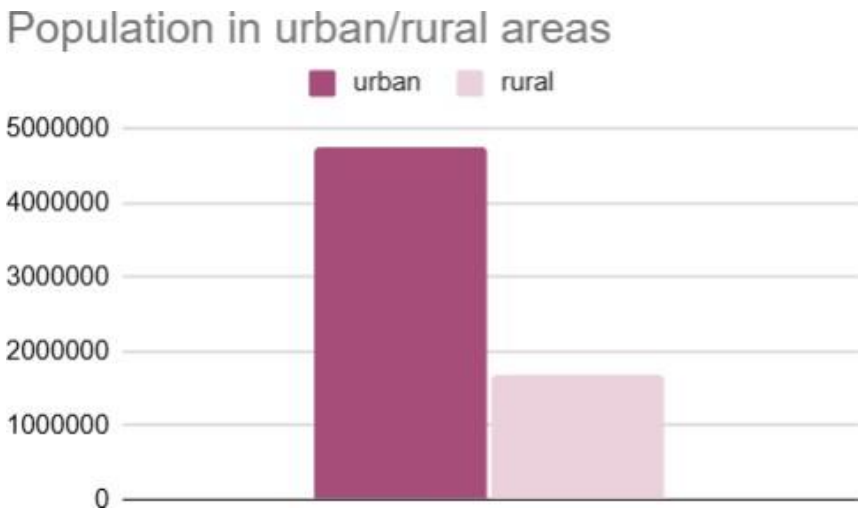


Fig.5. Population in urban/rural areas in Bulgaria[23]

Structure of vulnerable groups

Level of inclusivity and diversity in the SE ecosystem, including representation of vulnerable groups such as women, PWD, ethnic minorities, and others.

The Law On Social And Solidarity Economy Enterprises (Закон За Предприятията На Социалната И Солидарна Икономика) from 2019 regulates public relations related to the social and solidarity economy, the types of entities and measures for their promotion, as well as the terms and conditions for the activities of social enterprises.[24] The law divides the social enterprises in class A and class A+, which have the following specifications regarding inclusivity and diversity:
Class A social enterprises employ ¨not less than 30 percent and not less than three persons employed in the enterprise¨ who are:
¨a) people with permanent disabilities;
b) long-term unemployed persons who are entitled to monthly social assistance under the

[22] Population density in Bulgaria is 58 people per square kilometer

[23] НАСЕЛЕНИЕ КЪМ 31.12.2024 Г. ПО ОБЛАСТИ, ВЪЗРАСТ, МЕСТОЖИВЕЕНЕ И ПОЛ https://www.nsi.bg/statistical-data/206/649
[24] https://lex.bg/en/laws/ldoc/2137187968

Social Assistance Act and the regulations for its implementation;
c) persons up to 29 years of age who have no previous professional experience;
d) persons placed outside the family pursuant to Art. 26 of the Child Protection Act, including after termination their accommodation;
e) unemployed persons over 55 years of age who are registered with the "Labour Bureau" Directorate;
f) persons raising children with permanent disabilities and receiving benefits under Art. 8e of the Family Benefits for Children Act;
g) persons who have served a sentence of imprisonment for a term not shorter than 5 years, if the end of the sentence occurred within the last three years of starting work;
h) persons with alcohol or drug addiction who have successfully completed a treatment or psychosocial rehabilitation program in the last two years prior to starting work, which is certified by a document issued by the persons who underwent the treatment or psychosocial rehabilitation;
i) homeless persons within the meaning of § 1, item 1 of the additional provisions;
k) foreigners who have received protection in the Republic of Bulgaria under the Asylum and Refugees Act during the last three years since their employment;
l) persons who have received special protection status under the Anti-Trafficking in Human Beings Act;
m) persons who have suffered from domestic violence within the meaning of the Protection from Domestic Violence Act. ¨

Class A enterprises are obliged to employ the above-mentioned individuals at the moment of start of the employment relationship. Social enterprises class A+ need to have employed the mentioned individuals uninterruptedly for the prior six months.
These measures should ensure the inclusivity and representation of diverse groups in the social entrepreneurship ecosystem.

Labor force

According to the National Institute of Statistics, in Bulgaria for the year 2024 there were 124 000 unemployed people, 55 000 of which were women and almost 70 000 - men.
Around 73 000 of the unemployed live in urban areas, compared to 55 000 living in rural areas.

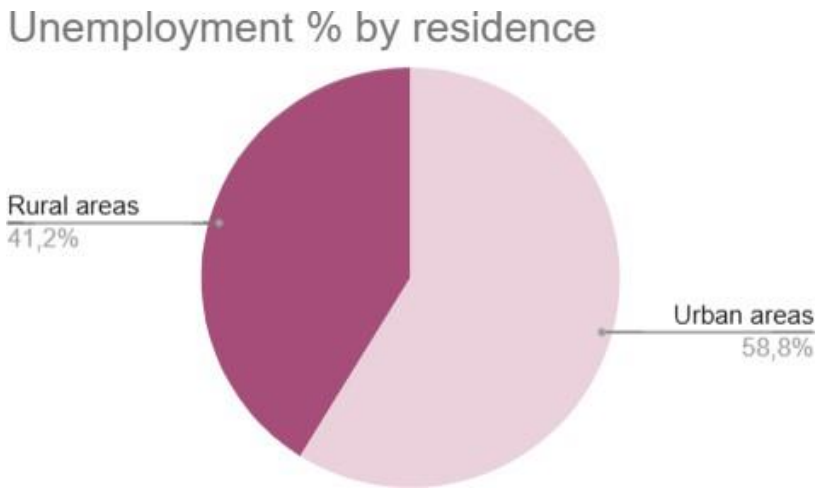


Fig 5. Unemployment percentage by residence[25]

The occupation profile of Bulgaria shows that there are few prevalent industries with a significant skewing towards the processing and trade industries which employ most of the workers - more than 800 thousand people altogether. Followed by health and social work, education, transportation, telecommunications, construction, government and administration with more than 100 thousand employees each.

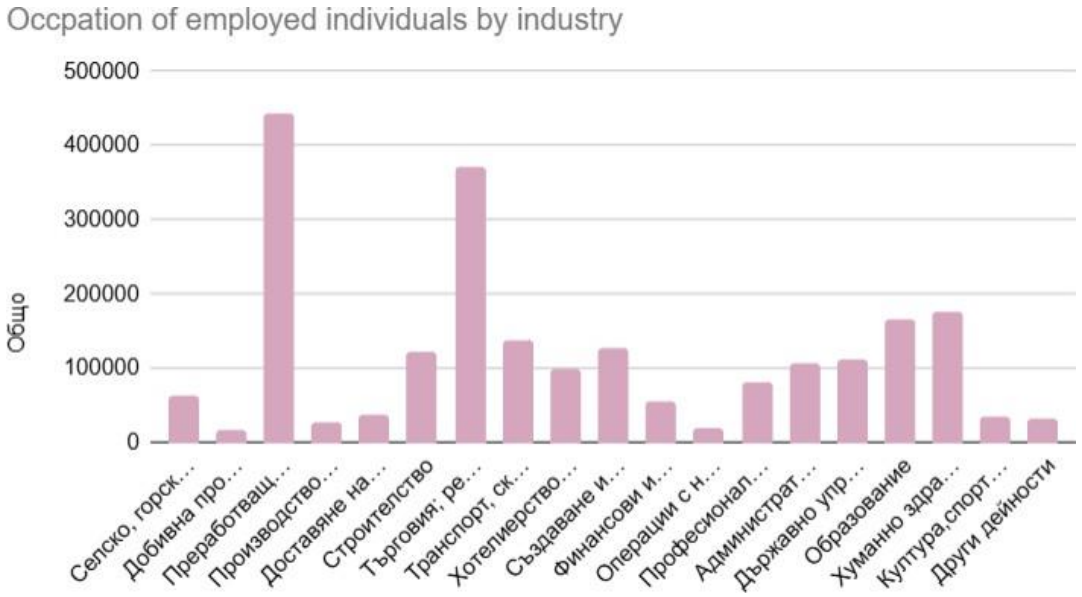


Fig 6. Occupation of employed individuals by industry[26]

[25] https://www.nsi.bg/statistical-data/168/542
[26] https://www.nsi.bg/statistical-data/174/562

The Country Report on "Social Enterprises and their Ecosystems in Europe" published by the European Commission in 2019 estimates a total number of 26.000 people employed in the sector. [27] The social entrepreneurship sector in Bulgaria represents an emerging field that, while exhibiting signs of growth, remains relatively nascent and limited in scale, with a significant proportion of enterprises still in the initial phases of their development.[28]

Among the challenges the sector faces is the retention and stimulation of the employees. The limited financial resources and the difficulty of scaling result in limited financing of the human resource. Attracting and retaining high-skilled personnel, which would be essential for the growth of the business side of the enterprises, remains difficult due to the financial limitations. Apart from that, the sector often requires additional emotional and/or personal investment from the workers, which may result in higher pressure on the individual and a prevalence of burnout. This in turn affects the decision-making and prioritizing in the enterprise. To ensure the growth and sustainability of the enterprise, organizations often need additional knowledge, new instruments and ways to optimize their business. In the social enterprise sector, it is rather common to try to upskill the available personnel. This decision often results from the financial restrictions to attract external specialists. [29]

NEET rate

The percentage of unemployed youth in the European Union differs between the member states with the highest proportion of 15-29-year-olds neither in employment nor in education and training in 2024 was in Romania - 19%, whereas the lowest number reported The Netherlands - 5%. On average, 11% of youth in the EU were neither in employment nor in education and training. Bulgaria ranks 7th with 12,7%, similarly to Cyprus and France.[30]

High NEET levels lead to both immediate and long-term effects such as:

- Straining public finances;
- Limiting growth and innovation;

[27] European Commission. (2019). *Social enterprises and their ecosystems in Europe: Updated country report: Bulgaria* (Author: Maria Jeliazkova). Publications Office of the European Union. https://europa.eu/!Qq64ny

[28] https://www.uni-vt.bg/userinfo/1858/pub/29853/eco-system%20for%20social%20economy%20in%20bulgaria.pdf

[29] https://bcnl.org/uploadfiles/documents/bcnl-report-social-entrpreneurship%202023(3).pdf

[30] https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Statistics_on_young_people_neither_in_employment_nor_in_education_or_training

- Undermining individual potential and well-being.

NEET individuals are not economically active—leading to lower labour participation and potential output losses for the economy. This absence diminishes the availability of skills and human resources essential for economic growth and competitiveness. Governments need to come up with additional costs through unemployment benefits, social welfare and healthcare, as well as carry the opportunity costs of potentially foregone wages and taxes. Extended periods of disengagement in early life can affect individuals' future earnings potential, trapping them in lower-paying jobs and creating 'scarring' effects that persist into adulthood. When youth are sidelined, economies miss out on their drive and creativity. High NEET rates correlate with poorer innovation performance and lower competitive edge.

Young NEETs in Bulgaria have a clearly defined socio-demographic profile. The majority have secondary or lower education and live predominantly in smaller communities, while over 50% belong to ethnic minority groups.[31]
Furthermore, high NEET rates reflect skills shortage Bulgaria struggles with low adult participation in training and persistent skills gaps, which suppress labor productivity.[32]

The engagement, and long-term opportunity for NEETs is essential for the healthy economic and the individual development. Some social enterprises in Bulgaria tackle this issue directly.

Percentage of students in formal education

Bulgaria shows strong overall enrollment in formal education, especially in primary and early secondary levels. However, challenges remain in early childhood access, upper-secondary retention, and equitable inclusion—particularly for Roma youth, rural populations, and low-income families. Addressing these gaps is key to improving human capital outcomes and reducing long-term social and economic inequalities.

31 https://www.unicef.org/bulgaria/sites/unicef.org.bulgaria/files/2018-09/NEETs_ENG_Summary.pdf
32 https://www.oecd.org/en/publications/education-and-skills-in-bulgaria_ac0229da-en/full-report/skills-making-bulgaria-s-skills-system-more-effective-and-future-ready_efa695cd.html

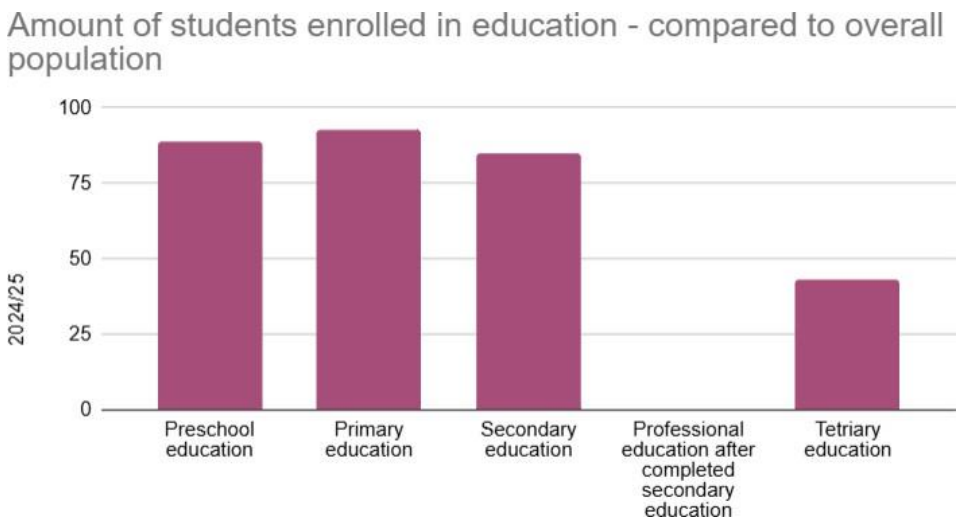


Fig. 7 Number of students enrolled in education - compared to overall population[33]

Figure 7 shows the coefficient of students enrolled in education facilities. While a relatively high percentage of students are enrolled in the obligatory early, primary and secondary education, tertiary education reaches less than 50% of the population. The group coefficients are calculated as percentages by relating the number of students by educational levels in the age groups 3–6, 7–10, 11–13, 14–18, 19–20, and 19–23 years to the population in the corresponding age groups.

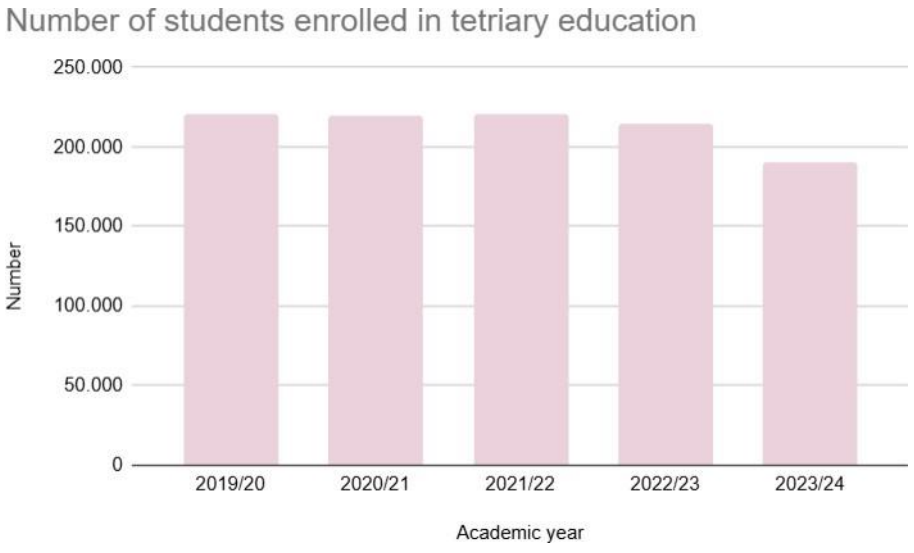


Fig 8. Number of students enrolled in tertiary education[34]

[33] https://www.nsi.bg/statistical-data/182/575
[34] https://www.nsi.bg/statistical-data/182/575

Fig 8 displays the number of students enrolled in tertiary education in Bulgaria across five academic years, from 2019/20 to 2023/24. A significant decrease occurs in the academic year 2023/2024, with enrollment falling to under 200,000 students, marking a clear downward shift. Possible reasons for this trend are: Bulgaria's shrinking youth population due to low birth rates and emigration is likely a major factor; Many Bulgarian students pursue higher education abroad; Some young people may forgo university in favor of employment or vocational paths.

Detailed information on level of education, type of education, etc.

The most pursued and offered majors in Bulgaria are business-related studies, followed by health and technical majors. Fig. 9 below shows the distribution of students according to the topic of their studies - in bachelor, masters and doctoral degrees altogether.

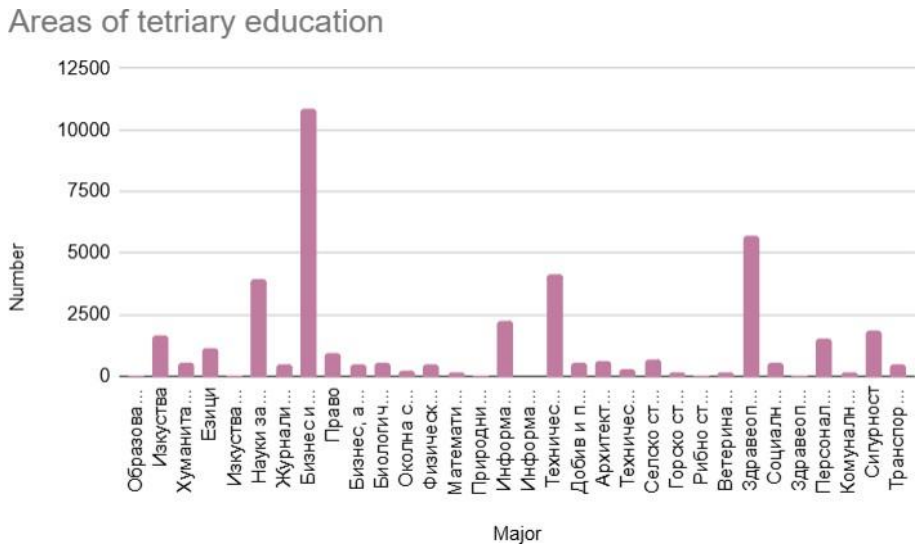


Fig 9. Areas of tertiary education[35]

Overall, there are some formal and informal education programs available, providing both theoretical and practical learning opportunities for students interested in the social economy.

[35] https://www.nsi.bg/statistical-data/190/590

CIVIC ENGAGEMENT

Volunteer rate

The available data on volunteering in Bulgaria shows a rather small percentage of the population engages in voluntary activities on a regular basis. The data available is from the year 2015 and identifies around 80.000 individuals who volunteer.[36] It is worth mentioning some volunteer groups who have a potential for a regular involvement in societal activities such as:

- school and university students who volunteer for various cultural, environmental and social causes;
- people who volunteer in disaster relief situations for their own and other communities;
- companies whose workers get involved in voluntary activities;
- campaign-based volunteer effort such as the annual environmental protection day called ¨Let´s clean Bulgaria together´[37].

Volunteering is generally valued and accepted within the Bulgarian community, however mostly spread within a small part of the population, as shown by the data above. Several initiatives, including some Social enterprises, focus on increasing the percentage of voluntary involvement for meaningful causes.

Overall, volunteering in Bulgaria is valued by society but remains underdeveloped due to legal barriers and lack of supportive policies, with only 34% of people having participated in volunteer initiatives. A new draft law aims to regulate and promote volunteering by providing legal clarity, state support, youth engagement programs, and incentives for corporate involvement, which are crucial for strengthening social entrepreneurship and community resilience.

36 https://bnr.bg/en/post/100509993/volunteers-in-bulgaria-are-about-80000-people?page_1_3=2

37 https://btvnovinite.bg/bulgaria/da-izchistim-balgarija-zaedno-blizo-130-000-dobrovolci-se-vkljuchiha-v-iniciativata.html

CONCLUSION AND SCORE | PILLAR III

Structure of the population

Rating: 2/5; Score: 0.3

The ecosystem exhibits significant deficiencies in human resources, with a limited and somewhat narrow array of skills and knowledge, which impedes the development of social entrepreneurship. While gender distribution remains somewhat balanced, age distribution skews towards aging population, ¾ of the population are concentrated in the cities and there is unequal access to educational and labour opportunities between different ethnicities, however a progress in inclusion is visible in certain areas.

Structure of vulnerable groups

Rating: 3/5, Score: 0.45

Programs, resources, and support mechanisms for vulnerable groups are present but not extensive. There are some training, mentoring, and funding opportunities available, but these do not reach all vulnerable groups effectively.

Labour force

Rating: 3/5, Score: 0.45

The labour force has a mix of skilled and unskilled workers, with moderate motivation and some opportunities to integrate into the social economy sector.

Formal education

Rating: 2/5, Score: 0.3

There are few formal or informal education programs, and those available offer limited theoretical and practical learning opportunities for students interested in the social economy.

Civic engagement

Rating: 2.5/5, Score: 1

Point Volunteering rates are low, with a small number of volunteers engaged in the social economy. Volunteering regulation exists but is not strong enough to fully encourage community participation. Volunteering is somewhat valued and accepted within the community.

OVERALL SCORE PILLAR III HUMAN CAPITAL

2.5

The human capital landscape shows both challenges and areas of promise. The population structure presents limitations due to an aging demographic, though gender balance is relatively stable. Urban concentration is high, and while inequalities in education and employment persist across ethnic groups, there is noticeable progress in inclusion efforts.
Support for vulnerable groups is moderately developed, with existing training, mentoring, and funding programs—though their reach remains limited. The labor force offers a diverse mix of skilled and unskilled workers, showing moderate motivation and some engagement in the social economy.
Formal education related to the social economy presents some tailored programs available. Civic engagement is modest; volunteering exists but remains underutilized due to weak regulation, though community values around participation are slowly evolving.

POLICY RECOMMENDATIONS

1. Enhance Human Capital and Education

- ➔ Develop specialized training programs in social entrepreneurship, tailored to local needs (e.g., inclusive business models, impact measurement, funding strategies);
- ➔ Incorporate social economy topics into existing formal education curricula at vocational schools and universities;
- ➔ Create accessible informal learning options, such as online courses, workshops, and community-led training (especially in rural and marginalized areas);
- ➔ Partner with NGOs, universities, and international organizations to co-develop scalable education and skill-building initiatives;
- ➔ Improving the motivation for employees through better opportunities for developing professionally within the sector and competitive income.

2. Strengthen the Labour Force

- ➔ Promote lifelong learning and reskilling programs, especially for older or low-skilled workers, with a focus on social innovation and entrepreneurship;
- ➔ Encourage businesses to adopt inclusive hiring practices and partnerships with social enterprises;
- ➔ Foster public-private collaboration to support job matching, internships, and apprenticeships within the social economy.

3. Boost Civic Engagement and Volunteering

- ➔ Improve legislation and incentives for volunteering (e.g., recognition systems, tax breaks for organizations engaging volunteers);
- ➔ Launch public awareness campaigns to highlight the societal value of volunteering and community-driven projects;
- ➔ Support schools and universities in developing service-learning programs linked to social economy objectives.

4. Address Urban-Rural and Ethnic Inequalities

- ➔ Design and implement inclusive policies that target urban-rural and ethnic disparities in access to education and employment;
- ➔ Fund community-based projects that promote integration and participation of underrepresented groups;
- ➔ Strengthen the local social economy infrastructure in small towns and rural areas through micro-grants and local leadership development.

PILLAR IV QUALITY OF LIFE

INTRODUCTION

Quality of life is a broad concept that refers to the general well-being of individuals and communities, encompassing both material and non-material aspects of life. It reflects the degree to which people's basic needs are met and their ability to live with dignity, purpose, and security. It is often measured using both objective indicators and subjective assessments. The Social Entrepreneurship Barometer chooses seven specific indicators to reflect on the quality of life in the context of social entrepreneurship.

INDICATORS OF QUALITY OF LIFE

The indicators of quality of life are divided in four areas:

1) Socio-economic situation
2) Living costs
3) Health and environment
4) Mobility

The socio-economic situation is measured through standard international indexes such as the Human Development Index (HDI), GINI - an index for inequality distribution, Gross Domestic Product (GDP) per capita, and others. Furthermore, the barometer examines access and informed usage of the Internet within the population - acknowledging regional disparities, differences by age groups, marginalization etc. Another indicator that is crucial for describing the socio-economic situation is safety - defined by the crime rates in a country, available numbers on domestic violence and the situation of the prisoner population.

The average salary and the costs of living within the country combined define the living costs in the examined country.

For the “Health and environment” area the barometer takes a close look into the Environmental Performance Index, the carbon dioxide footprint of the country, as well as the green spaces in communities. Furthermore, it examines the health system and infrastructure and their effect on individual life. The data considered for these

measurements are the current life expectancy and death rate in the country, as well as the available doctors per capita and the access to health insurance within the population.

Each of the indicators within those areas reflects a different aspect of life, which is relevant - and sometimes crucial - to the ecosystem of social enterprises. Again, as with other pillars, it is worth mentioning that the measure of quality of life influences both the need for the existence of the enterprise - by tackling a single or more societal issues, as well as the enterprise's possibility to sustain itself as an economic entity.

SOCIO-ECONOMIC SITUATION

Socio - economic indicators

As of the latest WHO data, Bulgaria's Human Development Index (HDI) stands at 0.845, placing it in the very high human development category. While the country shows steady progress in health, education, and income, regional disparities and lower income levels compared to Western Europe remain key challenges.[38]

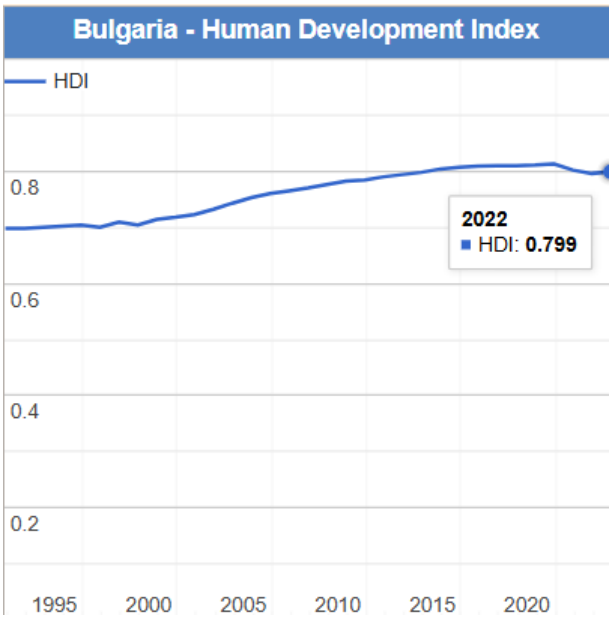


Fig 10. Bulgaria - Human Development Index[39]

The Gini Index (also called the Gini Coefficient) is a statistical measure of income or wealth inequality within a country. As of the latest World Bank data, Bulgaria's Gini index was 40.0 in 2022, indicating a relatively high level of income inequality compared to

[38] https://gateway.euro.who.int/en/hfa-explorer/hdi/bulgaria/#zZmt4yAjhx
[39] https://countryeconomy.com/hdi/bulgaria

other EU countries. Although the index has slightly improved from previous years, Bulgaria remains among the most unequal countries in the European Union.[40]
Bulgaria's GDP per capita of €24 200 ranks below the EU average (€37 600). It accounts for 0.6% of the EU's total GDP. Despite steady economic expansion, GDP per capita remains among the lowest in the EU, reflecting ongoing challenges in productivity and income convergence.[41]

Access to the Internet

Between 2019 and 2024, Bulgaria has seen significant progress in both household access to the Internet and individual usage patterns, with notable differences between urban and rural areas gradually decreasing.[42] In urban areas, the percentage of households with Internet access was already relatively high in 2019, around 80%, and rose steadily to exceed 90% by 2024. In rural areas, the growth is even more pronounced: access levels increased from around 60% in 2019 to over 80% in 2024.

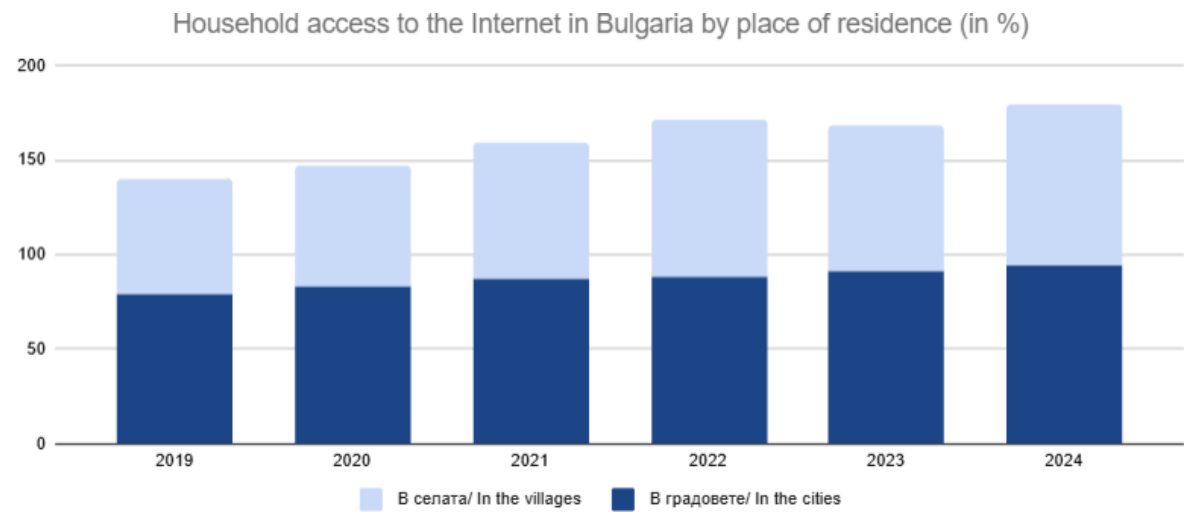


Fig 11. Household access to the Internet in Bulgaria by place of residence (in percentage)

[40] https://data.worldbank.org/indicator/SI.POV.GINI?locations=BG
[41] https://european-union.europa.eu/principles-countries-history/eu-countries/bulgaria_en
[42] https://data.worldbank.org/indicator/IT.NET.USER.ZS?locations=BG

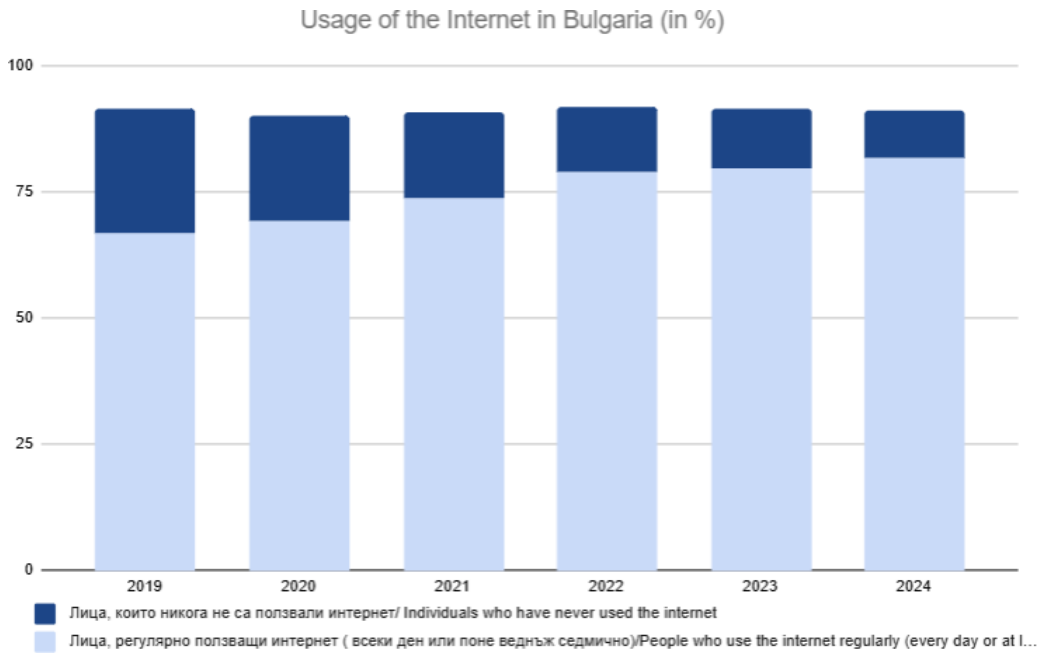


Fig 12. Usage of Internet in Bulgaria (in percentage)[43]

The second chart shows how people in Bulgaria use the Internet. The share of individuals who use the Internet regularly (defined as every day or at least once a week) has grown steadily from around 70% in 2019 to more than 80% in 2024. In contrast, the percentage of people who have never used the Internet has declined significantly, dropping from about 22% in 2019 to below 15% in 2024.

Taken together, the data highlights Bulgaria's steady progress toward becoming a more digitally connected society. As Internet infrastructure expands, especially in rural areas, individual usage increases alongside it. The narrowing gap between urban and rural areas and the decline in people who have never been online suggest that efforts to improve access and digital literacy are yielding results.

However, while the trend is positive, there is still room for improvement—particularly in eliminating the remaining disparities between different regions and demographic groups. Further investment in infrastructure, education, and affordable access can continue to bridge the gap.

Safety

In recent years, Bulgaria has experienced moderate levels of crime compared to other European countries. While violent crimes are relatively low, issues such as organized

[43] https://www.nsi.bg/statistical-data/315/924

crime, corruption, and theft remain notable challenges. The overall crime rate in Bulgaria remains moderate. In 2021, it stood at approximately 1.28 incidents per 100,000 people, showing a slight increase from previous years.[44] Many offences are non-violent: in 2024, 87% of all crimes were against people and property, with theft being the most frequent (23,727 cases). Notably, street theft and residential burglary decreased by about 9–10% compared to 2023.[45]
The homicide rate is around 1.3 to 1.5 per 100,000 inhabitants, which is well below the global average.
Organized crime has long been an issue in Bulgaria. Criminal networks are involved in various illegal activities, including drug and human trafficking, arms smuggling, extortion, and financial fraud.

Domestic violence remains a serious and growing problem in Bulgaria, with recent years showing a sharp increase in reported cases and growing public awareness. Although legal reforms have been implemented, challenges such as under-reporting, societal tolerance, and lack of institutional support persist.

Bulgaria's prison population is moderately sized, with an incarceration rate that's lower than many other EU nations. The prison system is under capacity. Bulgaria has started reforms to shift its correctional approach from basic incarceration to structured rehabilitation and reintegration. Despite progress, challenges include underfunding, slow expansion of mental health staffing, and uneven availability and probation services.

LIVING COSTS

Wages in Bulgaria increased to 2556 BGN/Month in March from 2366 BGN/Month in February of 2025. Wages in Bulgaria averaged 797.97 BGN/Month from 1997 until 2025, reaching an all-time high of 2556.0 BGN/Month in March of 2025, which makes the current salary level the highest in the examined period of time.[46]

44 https://www.macrotrends.net/global-metrics/countries/bgr/bulgaria/crime-rate-statistics#:~:text=Bulgaria%20crime%20rate%20per%20100K,a%209.86%25%20decline%20from%202017

45 https://www.bta.bg/en/news/bulgaria/854532-crime-down-by-1-clearance-rate-up-by-0-1-in-2024-y-y-interior-ministry#:~:text=Bulgaria's%20Interior%20Ministry%20on%20Wednesday,13.1%25%20were%20against%20the%20economy.

46 https://tradingeconomics.com/bulgaria/wages

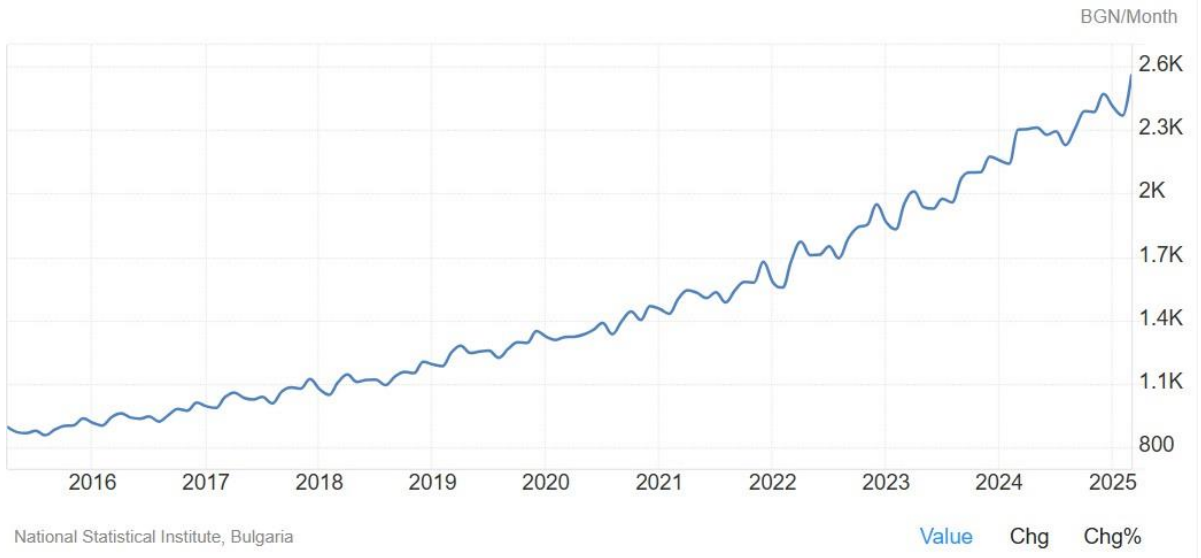


Fig 13. Wages in Bulgaria

There is a significant disparity between the average wages in the capital Sofia and some of the larger cities and industrial centres and the rest of the country. In 2024 the highest average salary in Bulgaria was in Sofia - 3387 BGN/Month, and the lowest in Smolyan - 1615 BGN/Month. [47]

Living costs

1,453 BGN net per person or 2,615 BGN per month for a three-member household (2 adults + a child up to 14 years old) are needed to afford food, cover household expenses, clothing, and access medical and educational services according to normal Bulgarian standards. This is shown by data from the Confederation of Independent Trade Unions in Bulgaria (CITUB) on the cost of living as of June 2024.[48] It is important to note that the cost of living in Bulgaria largely varies between urban and rural areas, as well as between different cities.

HEALTH AND ENVIRONMENT

Environmental Performance Index

Bulgaria´s ranking in the Environmental Performance Index (EPI) in 2024 is 37th out of 180 countries with a score of 56.2. The highest-ranking country according to EPI is Estonia with a score of 75.2, while Vietnam ranks lowest with a score of 24.6. This puts Bulgaria in the upper-middle part of the chart. Among others, the score reflects on Bulgaria´s conservation of natural habitats - 41% of the land is designated as protected areas, which is significantly higher than the EU and world average. Among the

47 https://bnr.bg/en/post/102115877/the-average-salary-in-sofia-is-eur-1732-according-to-nsi
48 https://forbesbulgaria.com/2024/07/17/kolko-pari-sa-neobhodimi-za-da-prezhivyavame/

challenges that Bulgaria faces in terms of environmental protection is waste management.

Bulgaria

	RANK	SCORE	10Y Δ
Environmental Performance Index	37	56.2	-1.5
Ecosystem Vitality	14	70.8	-0.4

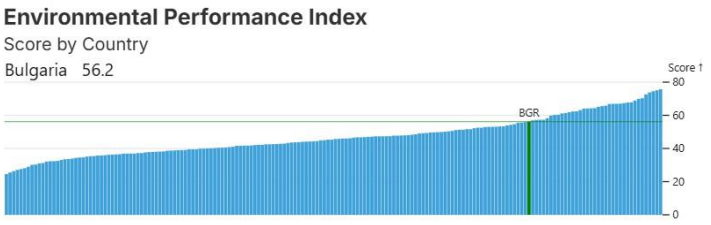


Fig 14. Environmental Performance Index Bulgaria[49]

Bulgaria's carbon dioxide (CO2) emissions have seen fluctuations in recent years, with a general downward trend as the country moves toward cleaner energy and complies with European climate goals.[50] The main contributors to Bulgaria's emissions are: Energy production, transport and industrial processes. Although per capita emissions remain above the EU average, recent declines signal progress toward environmental sustainability - provided that the right policy and regulation practices are provided.

Green public spaces in the city

Urban green spaces—parks, gardens, recreational areas, street greenery—are crucial for public health, well-being, and environmental quality in cities. Sofia benefits from a combination of inner-city parks and a vast natural green belt and aims at increasing its coverage and green infrastructure. [51] Varna and Burgas feature large public green areas (called Sea Gardens), contributing tens of thousands of m² to their public green spaces. It is important to note, that the public often faces challenges in the protection and preservation of the green spaces by private interest.

Life expectancy

The latest data indicates that life expectancy at birth for the total population in Bulgaria, calculated for the period 2022-2024, is 75.6 years. For males, it is 71.9 years, and for females, it is 79.3 years. This represents an increase of 2.1 years compared to the

49 https://epi.yale.edu/downloads/2024-epi-report-20250106.pdf
50 https://www.worldometers.info/co2-emissions/bulgaria-co2-emissions/#:~:text=CO2%20emissions%20per%20capita%20in,in%20CO2%20emissions%20per%20capita.
51 https://ebrdgreencities.com/assets/Uploads/PDF/Sofia-GCAP_ENG.pdf

previous period (2021-2023).[52] The life expectancy by birth in Bulgaria is lower than other European countries and higher than the world average.
In 2023 and 2024, Bulgaria's mortality rate was 15.7% and 15.6% respectively, making it the highest in Europe. While this reflects a slight improvement compared to 2018 (16.2%), Bulgaria's rate remains significantly higher than the European average of 10.8%. [53]

Doctor per capita
In Bulgaria, the doctor-to-population ratio is above the EU average, with approximately
4.6 doctors per 1,000 inhabitants. However, there's a significant concern about the aging medical workforce, as a large percentage of doctors are over 55. While the ratio of physicians to the population is relatively high, there are regional disparities, and a shortage of nurses is also putting pressure on the healthcare system.[54]

Health insurance
While universal health coverage in Bulgaria is mandated by law, estimates suggest that between 11-14.8% of the population may be uninsured. This equates to roughly 700,000 to 1 million people.[55]

MOBILITY

Mobility
Percentage of coverage of walking and bicycle paths
No official national metric exists for the percentage of streets or urban areas covered by walking/cycling infrastructure. Urban-level studies (especially for Sofia) mention policy and planning efforts, but lack quantified figures.

Percentage of people with access to public transport
Reliable nationwide data for the percentage of people in Bulgaria who have access to public transport within walking distance isn't readily available.

52 https://www.bta.bg/en/news/895890-bulgaria-s-life-expectancy-at-birth-up-by-2-1-years-statistics#:~:text=Life%20expectancy%20at%20birth%20for%20the%20male%20population%20is%2071.9,years%20higher%2C%20at%2079.3%20years.

53 https://bntnews.bg/news/bulgaria-has-the-highest-mortality-rate-in-europe-1339619news.html#:~:text=In%202023%20and%202024%2C%20Bulgaria's,was%2010.8%E2%80%B0%20in%202023.

54 https://bnr.bg/en/post/101971533#:~:text=The%20number%20of%20practising%20doctors,53%2C%20according%20to%20the%20study.

55 https://economy-finance.ec.europa.eu/document/download/3fc8558a-a62a-451f-aff3-23158aaa31f6_en?filename=joint-report_bg_en.pdf

Quality of roads in Bulgaria
According to the 2024 ERSO Country Overview for Bulgaria, the overall quality of roads is poor, with many in urgent need of repair and modernization. The country's road density is among the lowest in the EU, and insufficient infrastructure maintenance contributes to high traffic risk and safety concerns.[56]

Organization of the city

The percentage of people who have to commute under 30 minutes in urban area Bulgaria's average one-way commute is around 29.1 minutes regardless the mean of transportation. Most efficient means of transportation are by walking, by car and by motorbike, which score under the country's average.[57] Public transportation - such as metro, bus, tram - average significantly higher. These transportation means are typical for larger urban areas or the capital, which indicates a slower commute in those.

City organization, planning and development which promote social entrepreneurship such as zoning regulations, urban design, and infrastructure support
Bulgaria's urban policy is gradually evolving to support social entrepreneurship by introducing more flexible zoning and legal frameworks that accommodate cooperatives and socially driven enterprises. Cities and private initiatives are integrating innovation parks and business incubators into their development plans, providing infrastructure that may foster entrepreneurship in the future.

56 https://road-safety.transport.ec.europa.eu/document/download/6651377a-c148-42aa-a3d1-d35a07f5320d_en?filename=erso-country-overview-2024-bulgaria.pdf
57 https://www.numbeo.com/traffic/country_result.jsp?country=Bulgaria&utm_source=chatgpt.com

CONCLUSION AND SCORE | PILLAR IV

Socio-economic indicators

Rating: 3/5, Score: 0.6

Bulgaria shows moderate numbers in most indexes and coefficients on social-economic development compared to the world-average. Compared to the EU-average Bulgaria ranks in the rather lower percentage of the countries.

Access to Internet

Rating: 4/5, Score: 0.4

Internet access is widespread, significantly enhancing most people's communication, education, and business opportunities.

Safety

Rating 2,5/5, Score: 0.25

Crime levels are moderate. Domestic violence is high. The prisoner population is moderate, reflecting some effectiveness in rehabilitation programs and the legal system.

Income stability/ cost of living

Rating: 3/5, Score: 0.3

Average salary/wage rates are sufficient for a modest standard of living, though living costs are somewhat high.

Environmental situation

Rating: 3/5, Score: 0.3

CO2 emissions are moderate, with a fair number of green public spaces contributing to a healthier environment. The Environmental Performance Index is average, showing some commitment to ecological responsibility.

Life expectancy

Rating: 2,5/5, Score: 0.25

Health and well-being indicators, such as an average death rate and life expectancy at birth, indicate poor to moderate health outcomes.
The doctor per capita ratio is generally high with large inequality between regions, and above 85% of people have health insurance, ensuring basic healthcare access.

Mobility infrastructure

Rating: 2/5, Score: 0.2

City organization is lacking—walking and bicycle path coverage is limited, and access to public transport is poor, leading to inefficient mobility. Roads are in poor condition, and long commute times are common, reflecting poor city planning.

Organization of the cities

Rating: 2/5, Score: 0.4

The city's organization, planning, and development outside of the capital provide minimal support for social entrepreneurship, lacking supportive zoning regulations, urban design, and infrastructure.

OVERALL SCORE PILLAR IV QUALITY OF LIFE

2.7

The overall quality of life shows potential for improvement, with encouraging signs in several areas. Crime levels are moderate, and the legal system demonstrates some effectiveness through rehabilitation programs. Income levels generally support a modest standard of living, even though living costs are relatively high. The environmental situation is promising, with moderate CO_2 emissions and a fair amount of green public spaces contributing to urban well-being. In terms of healthcare, a high percentage of the population has health insurance, and while regional disparities exist, basic access is widely available. Mobility infrastructure faces challenges, but there's room for development in public transit and city planning. Outside the bigger cities, urban organization is limited, yet this highlights opportunities to invest in more inclusive and sustainable city development across regions.

POLICY RECOMMENDATIONS

1. Prioritize regional equity through integrated socio-economic and infrastructure investments

While Bulgaria has achieved strong national indicators like high internet access, deep regional disparities persist in wages, healthcare coverage, and digital inclusion. Targeted public investment is needed in underdeveloped regions to reduce income and infrastructure gaps between urban and rural areas. This would enhance the local environments where social enterprises operate and ensure more equitable quality of life outcomes across the country.

2. Strengthen City-Level Support Systems for Social Entrepreneurship

City planning, and governance must do more to embed supportive legal, physical, and policy environments for social enterprises. This includes:

- Introducing regulations that designate mixed-use or affordable spaces for social enterprises;
- Scaling up innovation hubs and incubators in mid-sized cities;

This approach would position cities as active enablers of inclusive growth, making them hubs for innovation, service delivery, and employment through social entrepreneurship.

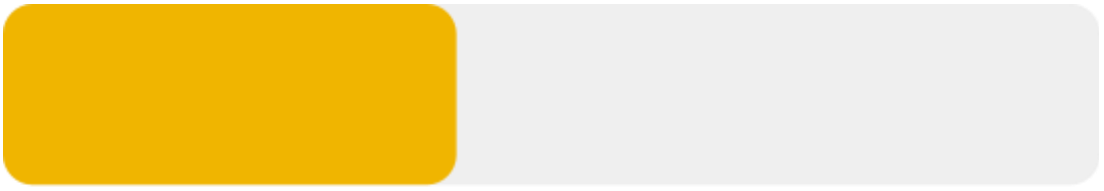
CONCLUSION

Overview of Progress and Persistent Gaps

The social entrepreneurship ecosystem in Bulgaria is undergoing a period of foundational growth, driven by both national and European-level support. The establishment of the *Law on Social and Solidarity Economy Enterprises* in 2018, followed by the creation of a national register and various regional centers, represents a major institutional shift in the sector's formalization and visibility. Yet, despite these legislative and policy advancements, the sector remains in an early stage of consolidation. Social enterprises continue to face considerable challenges across all four key pillars evaluated in this Barometer—especially in the areas of funding, support infrastructure, and human capital development.

As of July 2025, the assessment of the Social Enterprise Barometer shows the following values:

PILLAR I | FUNDING AND CAPITAL ACCESS



2.2

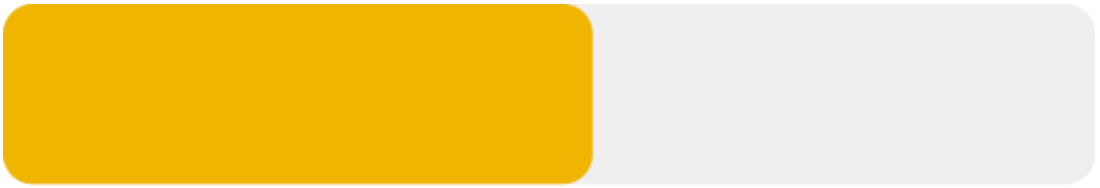
PILLAR II | SUPPORT SYSTEMS

2.9

PILLAR III | HUMAN CAPITAL

2.5

PILLAR IV | QUALITY OF LIFE



2.7

Pillar I: Funding and Capital Access

The report identifies a critical shortage of diversified and sustainable funding options for social enterprises. While the government has allocated funding through European programs such as the Human Resources Development Operational Programme, accessibility remains limited, particularly for early-stage or rural initiatives. Municipal support is virtually concentrated in the major urban centers, with Varna having created a dedicated municipal fund in 2024.

Private investment is minimal, and philanthropic support lacks the structure and targeting needed to effectively aid the sector. While one institution used to offer microloans tailored to social enterprises, this program has been discontinued, leaving a gap in mission-aligned finance options. Moreover, donation culture in Bulgaria is growing, but remains narrowly focused and inconsistent in supporting social enterprises. As a result, the sector remains over-reliant on EU-funded projects, limiting long-term sustainability.

Pillar II: Support Systems

Bulgaria now possesses the legal frameworks necessary for defining and supporting social enterprises, notably through the 2018 law and the 2024–2025 Social Economy Action Plan. However, implementation is fragmented, and many municipalities lack the institutional capacity or political will to enforce supportive policies.

Encouragingly, new regional centers have been launched to support social economy development, and civil society organizations such as BASE, BCNL, and NASR are helping build networks and offer training. Despite these developments, the overall support ecosystem remains uneven, concentrated in urban areas. Crucially, recognition mechanisms like the "Product of a Social Enterprise" label and various national awards are helping improve visibility, though awareness is still limited among the general public and private sector.

Pillar III: Human Capital

Human capital is both a strength and a vulnerability of Bulgaria's social enterprise landscape. On the one hand, there is a strong civic tradition and growing youth interest in social causes. Universities across the country have integrated social entrepreneurship into their programs, showing progress in developing a skilled pipeline.

On the other hand, demographic challenges such as population aging, rural depopulation, and emigration continue to strain workforce availability. Many social enterprises struggle to attract and retain talent, particularly outside major cities. Volunteering remains informal and lacks the systemic support needed to foster long-term civic engagement.

Pillar IV: Quality of Life

The broader socio-economic context in Bulgaria—marked by low wages, uneven access to healthcare, environmental degradation, and regional disparities—both motivates the emergence of social enterprises and limits their operational effectiveness. These conditions create high social need but low financial capacity among target beneficiaries, further complicating the sustainability of social impact models.

Despite improvements in internet connectivity and digitalization efforts, quality of life remains substantially lower in rural areas, where infrastructure deficits and limited public services create both a gap and an opportunity for social entrepreneurship. However, without significant public or private support, scaling social enterprises in these regions remains a formidable challenge.

OUTLOOK AND RECOMMENDATIONS

For Bulgaria to fully unlock the potential of its social enterprise sector, coordinated action is needed across policy, finance, education, and civil society. The following overarching recommendations summarize the Barometer's findings:

1. Establish National and Local Funds: Create dedicated, long-term funding mechanisms with simplified administrative processes and blended finance

options.

2. Reform Legal and Policy Instruments: Improve tax incentives, procurement preferences, and reduce bureaucratic burdens associated with the official social enterprise status.

3. Expand Support Infrastructure: Strengthen the capacity and ensure all municipalities integrate social economy into local development strategies.

4. Invest in Human Capital: Promote formal volunteering programs, provide professional development for SE staff, and incentivize university partnerships.

5. Improve Data and Visibility: Strengthen data collection on registered and informal social enterprises to better tailor policies and monitor sector performance.

6. Encourage Multi-Stakeholder Engagement: Foster partnerships between public institutions, private sector actors, NGOs, and academia to ensure the ecosystem's long-term sustainability.

FINAL REFLECTIONS

Bulgaria stands at a critical inflection point in the development of its social economy. The frameworks and pilot initiatives introduced over the past five years lay a strong foundation—but they are not yet fully realized in practice. If given the necessary attention and investment, social enterprises can serve as transformative actors in Bulgaria's socio-economic landscape, driving inclusive development, civic empowerment, and regional resilience.

However, to move beyond project-based survival toward long-term impact, Bulgaria must prioritize systemic integration, regional equity, and coherent funding mechanisms. Only then will the social entrepreneurship sector evolve from a promising niche into a central pillar of national development.

The Social Enterprise Barometer is a valuable tool which, first of all, assesses the status quo of the Bulgarian social entrepreneurship ecosystem, and furthermore can keep identifying areas of development and the sustainability of the sector by being applied regularly. Our vision is that the data collected will significantly contribute to the sector's future in Bulgaria.

SOCIAL ENTERPRISE BAROMETER