

# ACT SOCIAL

## ACTIONS for the Support and enhancement of social entrepreneurship at local level

W.P.3	Market analysis and tourism/agro- food business opportunities in the CB area
Deliverable 3.1.3	Synthesis Report with the results of the study

November 2018

### Municipality of Thermi

Deliverable Number	3.1.3
Project title	Actions for the support and enhancement of social entrepreneurship at local level
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Project's partners	<b>LB (PB1)</b> Municipality of Thermi (GR) <b>PB2</b> Association of South West Municipalities (BG) <b>PB3</b> Sdruzhenie Yuni Partners (BG)

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## Project's report

The ACT SOCIAL project titled "Actions for the support and enhancement of social entrepreneurship at local level " (ACTions for the SuppOrt and enhancement of SociAl entrepreneurship at Local level) is part of the Priority Axis 4: Cross-border area without social exclusion and in particular in the Investment Priority 9.c "Support to social enterprises" of the European Territorial Cooperation Operational Program: Greece - Bulgaria 2014-2020, covers eleven (11) Greek and Bulgarian regions and sets the vision of "turning the cross-border area into a competitive, innovative, sustainable, climate-friendly, better interconnected area without social exclusion".



The budget for the ACT SOCIAL project amounts to 54.833, 90€ and its implementation timeline is estimated at 24 months. The Municipality of Thermi is the main Beneficiary – Lead Partner of the project and from Bulgaria, the Association of South West Municipalities and Sdruzhenie Yuni Partners (a nonprofit organization) are participating as beneficiaries/ partners.

**The aim of the project** is to promote the social economy at local and cross-border level by supporting the creation, operation and development of social enterprises, disseminating the idea of the Social Economy and consolidating it through permanent networks of cooperation and local agreements. Within the framework of its implementation, a structure for supporting social entrepreneurship will be created and the successful practice of the existing unemployed support structure of the Municipality of Thermi will be strengthened concerning the implementation of large scale social economic development actions:

counseling, education, business development services, networking of social enterprises, publicity and dissemination of the idea of the social economy.

Within the framework of the program's objectives, primary research was carried out in social economy enterprises and in respective organizations in the field of agriculture and tourism in Greece and Bulgaria, more specifically in the Region of Central Macedonia and Blagoevgrad in the neighboring country. This survey focused on the mapping of the present situation through questionnaires aiming at identifying the enterprises that are active in the field of social entrepreneurship, the intention to establish cooperation between businesses and institutions of the Social Economy as well as the prospect of developing social entrepreneurship in the field of tourism and agriculture in the common cross-border area.

In order to record the current situation in the agriculture and tourism sectors (Deliverable D.3.1.1), a survey was carried out simultaneously in both regions (Greece-Bulgaria), where quantitative and qualitative research was carried out, collected, analyzed and evaluated data for both the agriculture and the tourism sectors. For the collection of data, mainly bibliographic and internet sources were used.

In addition, a primary survey was designed and conducted using a questionnaire and telephone or private interviews in two distinct target groups:

- 1. Companies active in the tourism and agriculture sectors**
- 2. Promotion and development organizations of the two sectors.**

The survey sample consists of one hundred (100) enterprises in the Region of Central Macedonia and one hundred (100) enterprises for the Blagovgrad region as well as ten (10) organizations respectively in each region.

Accordingly, in order to investigate a) the potential for the development of the social economy in the field of tourism and agriculture and b) the future trends and prospects in these areas, a primary questionnaire survey was carried out, in;

1. Twenty-five (25) social enterprises in the fields of agriculture and tourism,
2. Twenty (20) local and regional organizations promoting the social economy, social partners, local development bodies, etc. operating in the cross-border area.

Based on the data gathered from the above surveys, significant findings and conclusions have emerged that make up the overall picture of the ACT SOCIAL project and are included in this report.

In particular, with regard to the spatial units to be explored, both Blagoevgrad of Bulgaria and the Region of Central Macedonia are areas with an appropriate geographic location, both in terms of soil morphology (good climatic conditions, fertile soil, sufficient land for agricultural production ) as well as in terms of their function as nodes, economic, social and cultural activities.

The Region of Central Macedonia as well as the Blagoevgrad region have a significant and large number of organizations and enterprises in the field of tourism and agriculture, which are partly or entirely related to social entrepreneurship, with the Blagoevgrad region significantly outpacing the RCM (Region of Central Macedonia).

The agriculture sector is a strong field for both countries, actively supporting their economic growth, contributing significantly to shaping both regional and national Indigenous Domestic Products. Sturdy soil contributes to the rich productive agricultural activity and hence the manufacturing of agricultural products, small and medium-sized enterprises and the shift of productive activity towards green growth and quality, organic products are supported.

Similarly, the tourism sector, having seen rapid growth in recent years, is the leader in the areas of economic growth in the case of both regions. There is, however, a significant predominance of the RCM with regard to the flow and number of tourists and visitors from neighboring countries, mainly due to its geographical position and direct access to the sea. In general, both areas have a rich cultural and environmental stock, a favorable climate, competitive prices, transport infrastructures that support easy and secure access, and prospects for the development of thematic tourism and the upgrading of the tourist product as a whole through the establishment of these two areas on the tourist map as important tourist destinations.

The economic crisis affecting both countries results in the internal and external migration of the active labor force and consequently the gradual depopulation of rural areas, the tertiary economy, the concentration of the population in the urban centers and the failure to cover the working posts in decentralized regions. However, despite all the damages it has suffered, due to the general economic hardship and poor state planning, the agriculture sector is characterized by resilience. In particular, both agriculture and tourism enterprises of the RCM and the region, Blagoevgrad, face the same needs and challenges, mainly related to the lack of a national strategy and overall development plan with negative effects on the production process, the lack of financial resources, the existence of structural problems and infrastructure issues both in the primary and manufacturing sectors, the lack of innovative applications and practices, the extremely low penetration-use of new technologies, the lack of skilled labor, the lack of investment, the presence of intense competition from third countries and, finally, the confined cooperation among enterprises with research institutions and academic institutions.

At the same time, the two sectors have significant opportunities for evolution through the development of cross-border, economic and transport cooperation,

attracting investors, upgrading agricultural production, enriching the tourism product, strengthening cooperation between the state, organizations and businesses, creating a positive entrepreneurship framework as well as fostering synergies-partnerships between business and the academic community.

By focusing specifically on social entrepreneurship and in order to determine the willingness to establish cooperation between enterprises and institutions of the Social Economy as well as the prospect in relation to the field of tourism and agriculture in the cross-border region, there has been a survey of organizations and enterprises. The findings have shown that the notion of social entrepreneurship is treated as a "newcomer", but nevertheless notes steady steps of acceptance and development. More specifically, the majority of companies and organizations have expressed their willingness to cooperate with social enterprises in the tourism and agriculture sectors and respectively the largest share of social economy enterprises considers it useful and necessary to establish co-operation relations and to support actions which are related to awareness raising, information and cultivation of social entrepreneurship.

The margins for the development of Social Economy enterprises are highlighted in the fields of agriculture and tourism. With regard to the main obstacles faced by a social enterprise when it is set up and which it is about to manage as challenges, respondents and entrepreneurs demonstrate the lack of a state mechanism or an integrated plan to support social economy enterprises, inadequate funding, lack of information and awareness of stakeholders (entrepreneurs and organizations), inadequate education, the lack of skilled workers and, of course, the economic downturn due to the global economic crisis.

On the contrary, as a major success story of a newly established or existing social economy enterprise, they emphasize the existence of collectiveness-cooperation-

solidarity among the members of the enterprise as well as the financial possibility through subsidized programs.

However, taking into account the overall context but mainly the willingness and the positive attitude of enterprises and organizations, attitude change and cooperation between enterprises and institutions of the Social Economy and their positive image of the prospect of developing social entrepreneurship, we reach the conclusion that the future in both regions is promising and full of hopes.

Particularly in Bulgaria, a new legal framework for social entrepreneurship was planned, which is expected to come into force immediately. It will create a national database and a single recognition mark for products and services developed by social enterprises coupled with the target of the Bulgarian government, where 2% of the state's GDP comes from social entrepreneurship, by 2021.

In conclusion, the tendency and the possibility of cooperation between institutions and enterprises in the interest of the Social Economy is recognizable. Among other things, the positive effects that such a prospect might have, particularly in terms of tackling unemployment and strengthening the local economy and social cohesion are apparent.