



DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP IN THE BLACK SEA REGION AND MARKETING SOLUTIONS FOR THE ACTIVITY

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Abstract: *In recent decades, there has been an emerging growth in socially engaged activities, both nationally and internationally. The basic reasons for this activity are the division between the social strata in society and the deepening of the problems of vulnerable groups. Based on the analysis, the need for application of specific business and marketing approaches for effective implementation and promotion of activities related to the cause. This report aims to clarify the nature of the need for social entrepreneurship and its forms of manifestation, as well as how businesses and the community in the face of local and state government are committed to a new kind of concept of social economy. The report is dedicated to the organizations of similar type, positioned in the Black Sea region (South and North) with administrative centers of Burgas and Varna and in particular to specific organizations with social profile, which both fulfill their commitment to vulnerable groups, but also have become an emblem of the Black Sea cities.*

Key words: *social entrepreneurship, Black Sea enterprises, marketing tools*

Introduction

Marketing is a powerful tool for promoting products and services, but also for introducing ideas and causes. Marketing carries messages, and the need to express the values of Thatcherism from the early 1980s, such as innovation, imagination, ingenuity, pragmatism, willingness to take risks - categories inherent in individualism and the creation of wealth and social element in the ideological concept of Margaret Thatcher, fundamental in the formation of the basic concept of social enterprise, today finds expression in marketing with a social cause.[5]

What is Social entrepreneurship

The European Commission explains social entrepreneurship with actions committed to securing self-employment, helping to create jobs, developing skills and enabling the unemployed and vulnerable to participate fully in social and economic life. The Commission seeks to systematize its efforts to start new businesses by unemployed and vulnerable people from disadvantaged groups; to stimulate already existing social entrepreneurs. A tool for this is to facilitate access to finance by supporting microcredit providers through the Employment and Social Innovation Program (ESIP); support for microfinance through the European Social Fund[10]. According to research by Seelos and Mayr[3], social entrepreneurship is considered in three directions (Birch, Whitham, 2009). First, as an activity of non-profit organizations that try to diversify their sources of funding in order to be almost independent of delegated funds to the government or private foundations; individual philanthropists who aim to solve a specific social problem; as well as a traditional business that carries out socially responsible activities.[9] Birch and

Whitham[2] argue that social entrepreneurship is identified by three main concepts. The first concept is that of the social enterprise. It can most easily be explained as an activity to achieve social goals through entrepreneurial business means and is part of the social economy.

The second is the social economy, which represents organizations that pursue social goals not set by the government or traders. Social entrepreneurship, thirdly, is a concept that covers individual motivation and leadership for the pursuit of a social goal.

Social Entrepreneurship in Bulgaria

Due to the lack of sufficient statistical data and with many reservations, currently established social enterprises could account for around 1% of all the enterprises in the country, employing about 2% of the employed population. They contribute to about 0.7% of the added value produced in the country. All three figures lie well below the EU averages. The analysis of Western management know-how transfer to Bulgaria in a broader comparative context revealed distinctions in norms, values, and practices.[6]

A report on social enterprises, prepared under the Operational Program for Innovation and Competitiveness, states that the first initiative to create and support social enterprises with funding was in 2002, where Counterpart Int. - Bulgaria begins the implementation of a program funded by the United States Agency for International Development. It can be said that this is the first purposeful use and introduction of the term "social enterprise" in the public space in Bulgaria, which arouses interest among non-profit organizations and local communities. In the next few years, campaigns have been launched to promote social enterprises, such as a mechanism for social inclusion, employment of disadvantaged groups and a strategic opportunity to increase the capacity of social service providers. There were also two competitions for non-profit organizations, where 45 organizations from 17 communities were selected to participate in trainings and receive technical assistance and funding for the establishment of social enterprises. As a result of the program and in view of the growing role of the social economy within the United Europe, as part of the activities to support social enterprises, a campaign was organized to prepare legislative changes to legally regulate the social enterprise in the existing legislation. Despite the efforts of non-profit organizations and the expressed political will of the government to ensure adequate regulation, the proposals remain only on paper.[11]

The first step for institutional support of social entrepreneurship was made in 2009, when the Social Assistance Agency opened a procedure for direct provision of grants under the scheme BG051PO001- 5.1.01 "Social Entrepreneurship[12] - Promotion and support of social enterprises / Pilot phase /. The purpose of the procedure is to support the development of social entrepreneurship as an opportunity to improve the quality of life of people from risk groups and overcome their social isolation. In 2011 a new procedure was launched - BG051PO001-5.1.02 - "New opportunities". The main goal is to support the process of development of the social economy and creation of social capital by supporting municipalities to ensure employment and activity of persons from risk groups. The specific objectives are: Support for people from the target groups; Optimization of social costs of municipalities; Support for initiatives at the local level aimed at addressing local problems arising from poverty and social isolation of people from the municipality; Creating and supporting good practices for the development of social enterprises.

Other government agencies and non-governmental organizations that provide support for activities in the field of social entrepreneurship are the Agency for People with Disabilities (APD)[12], The National Association of Employers of People with Disabilities



(HAEPD)[14], Insitute „Open society”[14], Trust for a social alternative ”[16] (TSA), mainly supporting the representatives of the Roma community, the organization „Reach for Change”[17], which is now starting its activities in Bulgaria and whose goal is to raise charity to a higher level by developing models of social entrepreneurship for children and youth at risk.

In our current legislation, the term „enterprise“ is not unambiguously defined. Individual laws provide their own autonomous definitions, intended solely for the purposes of their own regulation. In the Commercial Law [18] a commercial enterprise is defined as a set of rights, obligations and factual relations of a trader. According to the Law on Protection of Competition „enterprise“ [19] is any person, company or civil organization that carries out economic activity on the respective market, regardless of its legal and organizational form. Within the meaning of the Act [20] for State aid, "undertaking" means any natural, legal person or civil society which carries on business, regardless of its ownership, legal or organizational form. According to the Small and Medium Enterprises Act, an “enterprise” is any person trader according to Art. 1 of the Commercial Law and the craftsman within the meaning of the Crafts Act. In tax legislation, the concept is defined as broadly as possible in order to guarantee the fiscal interests of the state. For the purposes of taxation, the Corporate Income Tax Act deals with the concept of "place of business", which is a specific room, base or permanent business transactions in the country.[21]

The concept of social marketing builds on the traditional philosophy of modern marketing with a new, global goal - a comprehensive marketing activity aimed at meeting the needs of the target market, taking into account the socio-ethical and environmental problems of society as a whole[1] According to Philip Kotler, Ned Roberto and Nancy Lee, social marketing is the application of marketing principles and techniques to influence the target audience to voluntarily accept, reject, modify or abandon certain behaviors in order to provide benefits to individual groups or society as a whole.[4]

Social advertising is quite typical of American society, where it matters how it is used. There are a number of examples of successful and unsuccessful events. The problem is largely the intentions of social campaigns to assign advertising the main and extremely important task of achieving their social goals. This is in contrast to marketing truism, that a marketing goal requires the coordination of the promotional mix with the mix of goods and services and with the distribution mix. Social marketing is certainly significantly more influential than social advertising and even social communication. To make this finding more tangible, the authors define social marketing as follows:

„Social marketing is the design, implementation, and control of programs designed to influence the perception of social ideas and considerations regarding product planning, pricing, communication, distribution, and marketing research.“

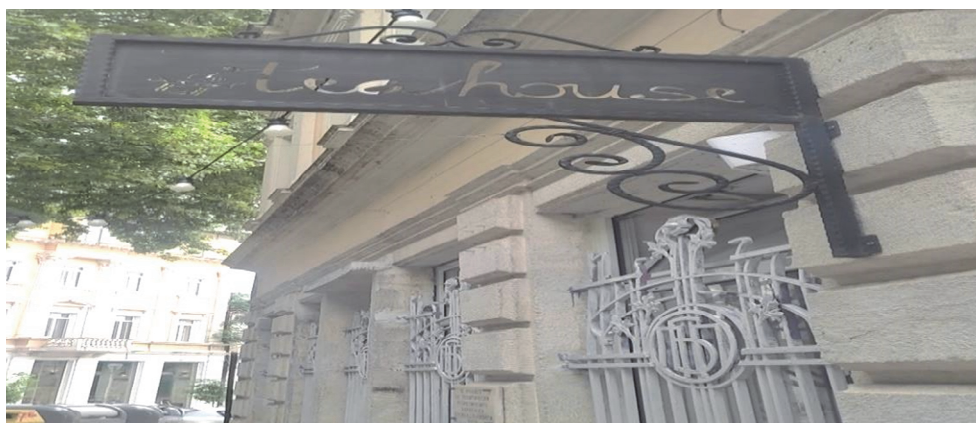
Therefore, the use of marketing skills helps to more effectively translate social actions about projects and communications that provoke the desired reaction of the audience. In other words, marketing techniques are the bridge - mechanisms between the simple possession of knowledge and the socially useful application of what knowledge possesses.[8]

The social enterprises in the Bulgarian Black Sea region, which we will consider, combine three main characteristics. Firstly, they have a clearly distinguishable brand, secondly they contribute to the development of local sustainability in tourism, producing products and services directly involved in tourism and thirdly they fully correspond to the concept and cause of social enterprise. These are Sea Signs - the city of Burgas and the Social Tea - the city of Varna.

Social Teahouse – city of Varna

Social tea [22] is located in the largest city on the Bulgarian Black Sea coast and the center of the northeast coast – Varna. The project was created in 2014 by two partners and a year later with the help of volunteers, Social Tea officially launched an alternative social space where young people with limited access to the labor market can get their first job. One of the main challenges for the team is the sustainable operation of TeaHouse. Thanks to our regular supporters, the active people who organize and come to our events and the lovers of our teas and lemonades, we manage to support our cause and at the same time develop the cultural and social life in Varna. In addition to delicious tea and lemonades served in the Tea Hall, we have a hall for events and presentations on the 2nd floor and a shared workplace on the 3rd floor. The Social Tea House is an organization that has been working in the field with children deprived of parental care for ten years. Its main mission at the moment is to provide the first job and support supported by these young people, to enable them to realize themselves more successfully on the labor market and to be qualitatively integrated in the society. The organization focuses on solving the problems that accompany young people leaving residential services after reaching the age of majority. Life in a family environment is extremely important for the development of every person and there is no alternative. This is why the lack of a sufficiently effective methodology on the part of the system in terms of their preparation for independent living and the gaps in basic knowledge and skills that everyone should have, such as communication skills, critical thinking, health and financial culture, often lead to not effective enough integration into society and even escalate into various forms of deviant behavior.

The tea room has multifunctional rooms suitable for trainings, workshops, lectures, literary readings, exhibitions, performances, cocktails, screenings and more. Here young people prepare dozens of our types of tea, home-made lemonades, freshly prepared specialties for eating, as well as souvenirs and gifts with a cause. All of them are branded, which promotes the place, the cause and leaves a deep and meaningful memory for their visitors. . In addition, the place is recognizable as Social Workspace.



source: photo taken by the author, 2022

„Sea Signs“ – city of Burgas

„Sea Signs“ [23] is a brand of the Municipal Enterprise „Tourism“, Municipality of Burgas. Under this brand are born tourist souvenirs on maritime and Burgas themes. Here they make and decorate the products by hand, because at the organization believe that in



handmade products there is always a lot of love, care and attention to detail in order to create something unique and remain a precious memory. Souvenirs carry the sea spirit and the symbolism of Burgas, united in different thematic series - sea, floral, folklore, holiday and others. The products have won the following awards: The Grand Prize in the category „Social Entrepreneurship“ of the National Alliance for Social Responsibility / NASO / for 2020. Award for innovative product - textile magnet, Fifth European Forum for Social Entrepreneurship in Plovdiv 2020

At „Sea Signs“ disadvantaged people are employed in the design and production of souvenirs – with disabilities, single and mothers with many children. The initiative was implemented under a project under OP „Human Resources Development“, entitled „Municipal Social Enterprise“ Sea Signs „- New opportunities to support social inclusion. „By buying a souvenir „Sea Signs“, you get a fun memory of the sea and summer and provide employment for a disadvantaged person.

That brand is a good marketing decision for tourist souvenirs on the marine and Burgas theme, especially when using natural materials in them - textiles, leather, wool, glass, ceramics, wood and more. These souvenirs carry the marine spirit and the Burgas symbolism, united in different thematic series - sea, floral, folklore, festive and others. In the e-shop can be found souvenirs of popular Burgas tourist sites and attractions - St. Anastasia Island, Aquae Calidae, Aviation Museum, Festival of Sand Figures and other products representing the tourist city.

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source: photo taken by the author, 2022

Conclusion

The two social enterprises are perhaps the most distinctive examples of social commitment to a large proportion of disadvantaged young people. They provide support, and self-confidence is the degree to which individuals in an organization or society are confident, prone to opposition, aggressive in their social relationships [7]. Thus, users of social services feel engaged and at the same time they create branded products, which in both cases are used in the tourism industry and create a sense of marketing through experience.

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