

## THE SOCIAL ORIENTATION OF THE ACTIVITY OF THE LABOUR WORKING COOPERATIVES FOR DISABLED PEOPLE IN BULGARIA

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### *Abstract*

*Bulgaria's membership in the European Union defines the orientation of our country in line with the key strategic priorities of Europe 2020, which aims to achieve smart, sustainable and inclusive growth. The role of the cooperative system becomes especially important at this time when the EU itself is constructed as a union of equal socially oriented states. In the paper is depicted the role of the labour working producer cooperatives for disabled people as one of the main actors of the social economy in the EU which contribute to solving many economic and social problems of a substantial part of the Bulgarian population and to implement the priorities of the strategy "Europe 2020". In line with this aim, are given suggestion for the trends in improving their activity. So that they could provide better labour rehabilitation, strengthen the social integration of their members, promotion of production, improvement of working conditions, proposals for changes in legislation.*

*Key words:* Europe 2020, social cooperatives

### INTRODUCTION

Bulgaria's membership in the European Union defines the orientation of our country in line with the key strategic priorities of Europe 2020, which aims to achieve smart, sustainable and inclusive growth. Directing the efforts towards the achievement of these "three mutually reinforcing priorities" involves not only developing an economy based on knowledge and innovation, which will be greener and more competitive and will create high levels of employment, but will accelerate the processes of social and territorial cohesion.

The role of the cooperative system becomes especially important at this time when the EU itself is constructed as a union of equal socially oriented states.

The labour working cooperatives for disabled people as one of the main actors of the social economy in the EU contribute to solving many economic and social problems of a substantial part of the Bulgarian population and to implement the priorities of the strategy "Europe 2020". In line with this aim, a priority for the specialized production cooperatives for disabled persons are the

support of labour rehabilitation, strengthening social integration of their members, promotion of production, improvement of working conditions, proposals for changes in legislation. These people need to be enabled to exercise their right to work having equal opportunities for productive and highly paid jobs, allowing them to have a dignified life based on labour.

### MATERIALS AND METHODS

Findings and conclusions in the paper are based on the results of university research project [4] and information from documents of National Union of labour working cooperatives. The analysis of the social activities of the labour working cooperatives for disabled people is made on the basis of information from the annual reports of cooperatives and from a conducted survey in which participated chairmen of 33% of the labour working cooperatives for disabled people. Questions contained in the survey are closed type, as well as for personal evaluation. Open questions were used to obtain additional information about the projects and problems.

## RESULTS AND DISCUSSIONS

### **Characteristics of the normative status of social cooperatives in Bulgaria**

The legal basis for the functioning of the Bulgarian cooperatives from the national Union of Labour Productive Cooperatives is defined by the Law on Cooperatives, Law for Small and Medium Enterprises, the Law for Integration of People with Disabilities and other regulatory documents. These laws regulate the employment of people with disabilities and their integration into the work environment.

In Labour working cooperatives for disabled people is executed the integration of people with disabilities in all directions included in Law for the Integration of People with Disabilities, namely: medical and social rehabilitation; education and training; employment; accessible environment; social services; socio-economic protection; available information[3].

The labour working cooperatives for disabled people is a voluntary association of people with disabilities and non-disabled people, with variable capital and variable number of members, who via mutual aid and cooperation carry out industrial, commercial, social, cultural, and other activities. The proportion of disabled people in the cooperative is not less than 30 percent of the total number of employees[2]. The proportion of non-disabled cooperative members can not be greater than 70 percent of the total number of employees.

The main objective of the cooperative is to create conditions for the integration of disabled people into specialized work environment through employment and social rehabilitation for carrying out of production, trade, social, cultural and other activities to meet the interests and needs of cooperative members. Thus the cooperative can be defined as an organization with a strong social function associated with the creation of equality of people with disabilities, social integration and support of people with disabilities to exercise their rights and their integration into the work environment [3]. In the specific provisions of the statute of Labour

working cooperatives for disabled people is added that the disabled persons and reassigned persons have rights to use rehabilitation and healthcare facilities, have social benefits and other rights under the Law for Integration of People with Disabilities, Labour Code and other special regulations [5]. One of the important features that executes the Managerial Board in these cooperatives is to choose the cooperative Rehabilitation Committee which has the status of a subsidiary body of the Managerial Board. This committee directs people with disabilities to appropriate jobs, gives prescriptions for ergonomic conditions in the workplace, develops individual rehabilitation programs for people with disabilities as prescribed by the Medical Commission, prepares an annual program for its activities which is approved by the Board and reports before him.

### **Analysis of the social activity of the labour working cooperatives for disabled people**

Members of the National Union of Labour working cooperatives are 31 specialized production cooperatives for disabled persons. They employ approximately 1180 cooperative members with varying levels of disabilities in terms of employment consistent with their condition. Cooperative members with different physiological and psychosomatic illnesses and disabilities are 30% of the staff of these cooperatives. In the market economy these cooperatives have an important role to solve social and economic problems of this highly vulnerable to economic change social group of people.

The executed social activities in these cooperatives are aimed in several directions. One of them is provision of a work rehabilitation and vocational guidance and training of members of the cooperative, which secures an income to support their existence and their social fulfillment and social inclusion. For this purpose are developed projects to improve working conditions, for modernization of production facilities, for development of new activities, for the implementation of international standards, for the qualification and re-qualification from the

Operative programs / OP "Competitiveness" OP "Regional Development", Agency for Persons with Disabilities / APD /.

The second, but not less important aspect of social activity is associated with a rendered by the National Union of labour working cooperatives help to these social cooperatives consisting of the provision of general support rehabilitation activities based on allocations from the state budget to the National Union as a national presented organization, by performing market research to find new market niches for new customers for the products and services of the social cooperatives, through financial support of social cooperatives for participation in fairs, bazaars, exhibitions and more., by exploring and implementing positive practices from international experience.

Third strand in the development of social activity of labour productive cooperatives for disabled people is allowing members of the cooperative to undergo social rehabilitation in recreation facilities, providing an opportunity for sports and tourism, assisting members in case of illness, provision of canteens, additional medical and dental care.

The fourth strand in the development of social activity of the labour working cooperative for disabled people is related to the activity of the National Union for labour working cooperatives regarding the support and representation of specialized cooperatives to the state and public authorities and organizations at home and abroad. The National Union, according to the decision of the Council of Ministers of the Republic of Bulgaria is a representative organization at national level and it is a member of the National Council for the integration of persons with disabilities where defends the interests of social cooperatives and participates in the development of protective legislation in this regard.

The volume and diversity of the executed social activity in the labour working cooperatives for disabled people is largely predetermined by the type and proportion of formed internal funds. There is a variety in type and proportion of formed internal funds.

The majority of the surveyed cooperatives - 70%, form such funds, while others have specified that do not set aside such funds. Most often the cooperatives form a Reserve, an Investment and a Social Fund in different proportions and on different basis - income /profit/, share capital. Half of the surveyed cooperatives allocate 20% Reserve Fund and 10% Investment Fund, 10% of the social cooperatives allocate 5% Reserve Fund and 10% Investment Fund and 10% of the cooperatives allocate only a Reserve Fund in the amount of 73% of the profits /Table 1/. None of the surveyed cooperatives do not set aside funds for dividends, for social and cultural events and for fund Education and training. Along with this fact, and the low share/only 10%/ remarked for investment, and not by all of the cooperatives is a testament to their difficult financial and economic situation and fewer opportunities for implementing active social activity. From the type and volume of the generated internal funds can be concluded that the support and development of social activity of the cooperatives is not their priority.

Table 1. Formed internal funds by types in labour working cooperatives for disabled people

Type of fund	Ratio, %
Reserve Fund – % from total number of cooperatives	70
Size of Reserve Fund - % from income	5-20
Size of Reserve Fund - % from profit	73
Investment Fund - % from total number of cooperatives	60
Size of Investment Fund - % from income	5-10
% from total number of cooperatives without any funds	30

In the studied cooperatives are developed various social activities for provision of social rehabilitation to their members and the developed social activities are consistent with the specificity and focus of their activities. Most cooperatives offer a combination of two or three social activities, which is a clear evidence of the social orientation of their activities/Table 2/. 80% of the analyzed cooperatives secure rehabilitation to their members and assist its members in case of illness, which is understandable in view of health status of their members. 40% of the

cooperatives propose provision of holidays, while 20% provide canteen/food vouchers to its members. More interesting is the fact that 20% of the cooperatives provide three different social activities. Average number of executed social activities per one cooperative is 2-3 activities.

Table 2. Types of social activities in labour working cooperatives for disabled people

Type of activity	Ratio of total number of cooperation, %
Helping the members in case of illness	80
Canteen/food vouchers	20
Securing of holidays	40
Securing of rehabilitation	80

It can be made a general conclusion that despite the difficult financial and economic situation and the lack of a specialized Social Fund the labour working cooperatives for disabled people develop significant volume and variety of social activity which according to the opinion of 50% of the respondents is not enough. Only 20% of the surveyed cooperatives believe that social activities are well developed. The majority of the surveyed cooperatives state /80%/ that social services should be developed within the capabilities of the cooperative. Some of them /30%/ give other reasons - want social work to be developed only at National Union level. This high percentage corresponds to the proposals to expand and enrich the functions of the regional unions in which 60% of the respondents want social activity to be organized by the regional unions./Table 3/ Other proposals are related to the implementation of social activities related to occupational rehabilitation, improvement of marketing activities, training of staff. 60% of surveyed cooperatives wish to strengthen the role of regional unions and the National Union in organizing the training of its members, who often have low educational and professional qualification. 30% of the members of social cooperatives support strengthening the role of regional unions to search for information and funding opportunities at European, national and other

programs and to encourage participation in national and international exhibitions and fairs to present their products and looking for new partners. 20% of the cooperatives consider that it is necessary to strengthen the role of these organizations to carry out market research to find but new customers and market segments, as well as to support the development of the projects of the social cooperatives. Not surprisingly, the proposals to enrich the activities of the National Union contain identical proposals - creating a marketing research team to examine markets, to seek for new customers for the goods and services produced by the cooperatives, offering new market niches to widen and diversify the assortment list of their activities. In this regard, fully corresponds the proposal to support the cooperatives when applying for European and national projects, when participate in competitions for government contracts. The only difference in the proposals for enrichment the functions of the National Union stems from its function of supreme representative body - actively to participate in various forums at higher government level where they can lobby for improved legislation concerning the activities of cooperatives for disabled people.

Table 3. Suggestions for enrichment and widening of the functions of the regional unions and of the National Union of labour working cooperatives

Suggestion	Ratio of total number of cooperation,%
Organization of social activities for cooperative members - % from total number of cooperatives	60
Organization of education for cooperative members - % from total number of cooperatives	60
Stimulation of cooperative participation in international and national fairs and exhibitions- % from total number of cooperatives	30
Provision of information for financing for new European, national programs - % from total number of cooperatives	30
Organization of marketing research- % from total number of cooperatives	20
Establishment of team of consultants for projects elaboration - % from total number of cooperatives	20

Proposals to enrich the functions of regional unions and of the National Union are made on the basis of their past activities to improve the

conditions of employment and social rehabilitation of the members of cooperatives, to look for opportunities for new activities and services, as well as for new partners, of their effort to improve the regulatory framework in order to alleviate the tax burden of the cooperatives. 80% of the investigated cooperatives state that they receive full support from the National Union and only 20% of them partially agree with this statement. The proportion of full support to the activities of regional unions in the studied cooperatives reduces to 40%. 30% partially agree with this statement and the remaining 30% of the cooperatives have no opinion on this issue. This is proof that the National Union provides more effective support to the specialized cooperatives and represents them to the state and public authorities and organizations at home and abroad and enjoys the confidence of the executive power as a reliable partner in the field of social policy for people with disabilities and is a signal where and how regional unions should improve their activities.

The activity of the National Union of labour working cooperatives is aimed primarily at changing the legislation covering the activities of specialized cooperatives for people with disabilities, specifically the Law for Integration of Persons with Disabilities. Additional opportunity for diversification of social activities provides the increase from 30 to 50% of remitted funds from the state budget for Social Security, mandatory health insurance and compulsory pension insurance. This change will allow for a greater volume of rehabilitation of disabled persons.

The National Union is a nationally represented organization of and for people with disabilities and as such is entitled to an annual subsidy from the state budget for the rehabilitation of people with disabilities. Each year the National Union based on estimates and financial statements presents to the Ministry of Finance a request for subsidy. For the period 2007 – 2010 was received a subsidy of 637 mln euro, which were used for:

- Occupational Rehabilitation - supplement for the reduced working abilities of the

cooperative members with disability in accordance with Regulation 13 of the Labour Code.

- Vocational guidance, training and qualification by organizing similar courses at the Center for Vocational Training with the National Union and training cooperative specialists to projects development .

- General rehabilitation needs - financial support for people with disabilities in social cooperatives when visit exhibitions and fairs, construction of information systems of social cooperatives and its connection to the National Union system with the aim to establish business contacts, marketing research, learning of positive experience of similar structures.

- Social Rehabilitation - improving the health of cooperative members who are disabled people through rehabilitation services, performing of medical checks at medical and dental centers.

#### **Financing of social activities of labour working cooperatives for disabled people**

The main part of the social activities of labour productive cooperatives for disabled people is provision of occupational rehabilitation, vocational training and education of cooperatives' members. Opportunities to provide decent and comprehensive occupational rehabilitation during the ongoing economic crisis are limited. 50% of surveyed labour working cooperatives for disabled people have reduced the value of its net sales from 20 to 50 percent compared to 2007, 10% have decreased by 20%, 20% of the cooperatives reduced them from 50 to 100%, 10% of them due to restructuring of production have kept the same level of the value of the net revenues from sales and only 10% of labour working cooperatives for disabled people have increased the net income by 10% (Table 4).

Despite the deterioration of the financial and economic conditions /in 80% of labour productive cooperatives for disabled people/ only 50 percent of them have cut the spending for social needs, which is a testament for the social focus of their activities.

Table 4. Influence of the economic crisis on cooperatives' activities in comparison to 2007

Influence	Ratio of total number of cooperation, %
Value of net sales revenues decrease up to 20%	10
Value of net sales revenues decrease from 20% till 50%	50
Value of net sales revenues decrease from 50% till 100%	20
Due to restructuring of production the net sales revenues are kept at the same level	10
Increase of net sales revenues with 37%	10
Have limited the expenses for social activities	50

Negative is the fact that the increase in the share capital of the cooperatives from the system of the National Union of Labour working cooperatives is noticed only in 10% of cases. In 50% of social cooperatives it does not change, in 20% of the cooperatives for disabled people decreases and 20% of the surveyed cooperatives do not answer this question. Alarming is the fact that in one social cooperative is observed 50% reduction of the share capital due to departure of cooperative members. The high average age of the membership of most cooperatives for disabled people postulated the development of this trend in the future in other cooperatives as well.

Small is the number of cooperatives using long-term loans - 20 percent. /Table 5/ The main source of financing the activities are proceeds from various European and national programs /70% of cooperatives for disabled people/, which is a positive signal for activation of their activity toward seeking diverse sources of funding. 50% of the cooperatives for disabled people finance their activities by selling assets. In some cases, this is related to the disposal of unneeded assets and in others - indicates inability to use more appropriate sources of funding. 40% of the cooperatives cited as a source for financing their activities the depreciation. Given the outdated material and technical base of most of them and the low book value, this source does not allow generation of sufficient amount of financial resources to perform various occupational rehabilitation. 30% of cooperatives for disabled people finance their activities through additional installments. Because their size is usually low, they do not

represent a serious source which can ensure the opportunities for realization of their social activities. 20% of the cooperatives present their reserves as a source to finance their activities. 30% of the surveyed cooperatives cited as a source for their work the short-term loans and 20% of them the long-term loans as well, which is an indication for their poor financial and economic situation /the majority of the cooperatives perform poor investment activity/. 10% of the social cooperatives fund their activities from the retained profits. The low rate of the profits in some cooperatives prevents the successful finding of their activities, which does not ensure an appropriate capital structure and an implementation of wide and varied social activities.

Table 5. Sources for current funding of labour productive cooperatives for disabled people activities /are possible more than one answer/

Type of source	Ratio of total number of cooperation, %
Retained profit	10
Long-term loans	20
Short-term loans	30
Assets sale	50
European and national programs	70
Additional installments	30
Depreciation	40

The development and implementation of projects financed by the state budget is implemented mainly by the producer cooperatives for disabled people. During the analyzed period, there is a relatively high activity when applying for national projects - 90% of the surveyed cooperatives applied and accomplished such projects. Only 10% of the cooperatives have no experience in this field. For the period 2007-2011 were won and implemented 26 projects from 9 cooperatives for disabled people, as one cooperative successfully completed 6 projects /Table 6/. The average value of completed projects is 22497 euro, they varied between 15338 and 36813 euro. Despite the variety of their goals it can be identified two main directions with almost equal number of projects. The first trend is focused on improving health and safety at work and in the second projects aimed at technological upgrading of the

equipment, repair of production facilities and warehouses, increase of labour productivity, reduction of production costs and increase of the quality of production. These topics fully meet the needs of the social cooperatives because 80% of them are engaged with the production of knitwear and baby-wear, children's and women's clothing, 10% are engaged within the manufacturing of metal products and 10% produce souvenirs. As a negative can be count the fact that a single donor for the projects is the Agency for People with Disabilities /APD/. Overall for a year the Agency provides funds for implementation of projects to the amount of 3067798 euro for the last four years. For the analyzed period all cooperatives for disabled people have won about 33% of the allocated budget funds. This is a proof for the success of the social cooperatives as in the Agency competitions take part 128 specialized companies and cooperatives across the country.

Table 6. Approved and realized projects of the cooperatives for disabled people during the period 2007-2011

Topic of the project	Number of projects	Number of cooperatives
Improvement of healthy and safety working conditions	11	6
Technological renovation of material basis	5	4
Repair of production facilities	4	4
Decrease of cost price and increase of production quality	3	2
Increase of labour productivity	1	1
Repair of flooring of production facility	1	1
Installation of air conditioning system	1	1

Non-approved by APD projects of the investigated cooperatives are five /Table 7/, two cooperatives have applied two times with the same projects that were rejected by the APD and 1 cooperative failed in approving one project.

It can be appreciated positively the relatively small number of rejected projects from the total number of projects - only 19%. Worth approval and praise the tenacity of these cooperatives that by improving their projects

they were successfully approved during their second or third time application.

Table 7. Non-approved and non-realized projects of the social cooperatives during the period 2007-2011

Topic of the project	Number of projects	Number of cooperatives
Improvement of healthy and safety working conditions	1	1
Technological renovation of material basis	2	1
Repair of flooring of production facility	2	1

The development and implementation of projects financed by the Operational Programs is implemented by the National Union of labour working cooperatives, by labour working cooperatives and by the labour productive cooperatives for disabled people. By the end of December 2012 according to data from the information system of the Ministry of Finance were registered and implemented 9 projects under three operational programs - one in OP "Administrative Capacity", 6 in OP "Human Resources Development" and 2 in OP "Competitiveness".

Under the Operational Program "Human Resources Development" on 15.06.2011 was launched a scheme for provision of grants 'Opportunity for all' through an open competitive process for the selection of projects. The aim is to promote the development of social services and to invest in the social capital. The maximum size of the financial grant is up to 127 825 euro and does not require co-financing by the applicant. Under OP after examination and approval of projects till 31.12.2012 were approved 6 projects, 2 of which are suspended. All six social cooperatives work in the textile and clothing industry, which together with the clothing industry are the predominant activities of the cooperatives for disabled people.

All projects envisage better and more effective professional qualification of cooperatives' members via provision of training and education. The aim is to prevent social exclusion of people with disabilities

working in the cooperatives. Will be promoted EU policy for equal opportunities for people with disabilities.

From the analysis of registered and completed projects can be concluded that there is still a small number of social cooperatives who have participated in projects funded by EU programs, this fact suggesting poor knowledge of the requirements and conditions for eligibility under each Operational Program. In most labour working cooperatives for disabled people there is no clear concept for participation in the projects of the operative programs, nor are performed analyzes for the cooperatives' needs from technical and technological development. In the management of most organizations there is a sense of uncertainty about the ability to ensure an adequate cash resources required for the project realization, due to the low rate of advance subsidy and the ongoing financial and economic crisis.

Explanation for the small number of donors may be looked at the reasons hampering labour working cooperatives for disabled people in applying for funding from the EU and national funds. Difficulties can be divided into two groups - requirements related to the financial position of the cooperatives and requirements related to existing institutional capacity and professional experience in project preparation and the complicated application procedure. From the first group of difficulties as the main obstacle to diversify funding 80% of the surveyed cooperatives for disabled people indicate requirements for needed amount of profit, and 60% of the cooperatives consider that the requirement for co-financing hinder their participation in such programs. This is easily explained, since most studied organizations do not generate profit, but rather it is noticed a decrease in their income. They find working capital with great difficulties and thus the requirement for co-financing is impossible for most of them.

From the difficulties in the second group 30% of the surveyed cooperatives for disabled people indicate the complex procedures for validation of projects, 20% declare a shortage of capacity for independent development of

project documentation, and 10% identify as the main difficulty reporting of project activities. Most of them do not have trained people with skills to prepare the projects, to submit the documentation, to perform its reporting. So one of the recommendations of their members towards the regional unions and the National Union is to support their work precisely in this direction by creating a team of consultants for preparation and reporting of projects.

However, we should assess positively the intention of the majority of the surveyed cooperatives to work on projects over the next four years by emphasizing the applications in various operational programs or programs funded by other donors. Projects that they intend to prepare concern the improvement of health and safety work conditions, improvement of material basis, repair of production facilities, expansion of production capacity, development of social activities which will contribute to the sustainable development of the producer cooperatives for disabled people.

All opinions for the surveyed social cooperatives about what the problems are for the development of a favorable business environment for their employees with disability revolve around the unsupported legal, economic and institutional environment /insufficient funds, high bank interest rates, lack of institutional support, low wages/ the worsened age and qualification structure of the workforce /staff aging, low skilled workforce, low productivity, low wages, complex models/ and depict the main direction for improving the performance of the cooperatives which will allow them to enable the realization of a broader social activity.

Low labour productivity, impaired qualification and age structure of most social cooperatives do not explain their low activity regarding the proposals for raising the qualifications of directors, experts and executives. Underestimated is the importance of the human factor, as only 30% of the analyzed cooperatives have specific suggestions for improvement of the



workforce. Part of the cooperatives for disabled people wish to improve the applied information technology, the control on the material flow and manufacturing process, they understand the importance of their claims to be appropriately represented in the relevant institutions. Therefore, most of the proposals regarding the leaders and experts are linked with organization of courses in order they to acquire specific skills and competencies, and most often they are related to the work with computer programs, preparation and delivering of presentations, risk management, development of marketing strategies, training in computer accounting programs and changes in tax laws and courses which are associated with certain highly specialized skills led by foreign partners / "courses conducted by German and Austrian specialists" of clothing cooperative for disabled people working mainly for export/.

-Low skills and professional qualification of the staff explain the fact that most of the proposals are related to the organization of training courses to enhance their skills, courses for acquiring of specific skills /sewing, etc./, exchange of experience and others.

-Improving and strengthening the financial position of social cooperatives by provision of various financial sources through improved staff qualification, by diversifying the production range and by improving the facilities through the implementation of projects funded by EU and national programs will allow diversification and enrichment of their social activities.

Based on the analysis can be concluded that for the analyzed period is improved the social activity in the labour productive cooperatives for disabled people:

-The opportunities for decent and comprehensive occupational rehabilitation due to the ongoing economic crisis are limited. Despite the difficult financial and economic situation and non-forming of a specialized Social Fund in these cooperatives is developed a significant volume and variety of social activity.

-The majority of the surveyed cooperation believe that social activities should be developed within the capabilities of the cooperative.

-The studied cooperatives receive full support from the National Union and the support from the regional alliances is smaller, which is a proof that the National Union effectively supports and represents the specialized cooperatives with the state and public authorities and organizations in the country and abroad, and is trusted by governments as a reliable partner in the field of social policy for people with disabilities. This fact is a signal where and how regional unions should improve their activity.

-The activity of the National Union is aimed primarily at changing the legislation covering the activities of specialized cooperatives for people with disabilities and specifically the Law for Integration of Persons with Disabilities.

-The National Union of labour working cooperatives presented as a national organization of and for people with disabilities receive a subsidy from the state budget for the rehabilitation of people with disabilities, which is used legally according to the requirement of the Ministry of Finance and achieves the goals especially in the fields of "Training" and "social rehabilitation.

-The small size of the profit in the cooperatives prevents the successful financing activities, which could ensure an appropriate capital structure and the implementation of a wide and varied social activities.

-The main source for funding the activities are the proceeds from various European and national programs. Still is limited the number of social cooperatives who have participated in projects under programs financed by EU funds. In most of the cooperatives there is still no clear concept for participation in OP projects, are not performed analyzes for the technical and technological development of the organizations.

-The regulatory environment in which operate the cooperatives from the National Union creates preconditions for strengthening the social role of cooperatives for disabled people

and turning them into social enterprises, and this is done by:

-specified in the Law on cooperatives and in the Statute of the cooperatives rights and obligations of the members, which secure the implementation of some of the values of the cooperative organizational form;

-the executed functions of the General Assembly, some of them with a strong social focus;

-opportunities for re-qualification of managers and for enhancement of their knowledge in order to create conditions for the development of the social cooperatives, which is carried out through the Centre for Education and Extension Service with the national Union;

-the existing in the Cooperative Statute opportunities to form various funds which support activities, setting the high social responsibility of the cooperatives for disabled people;

-the possibility in the Cooperative Statute for the election and functioning of the Committee on Social Affairs;

-the opportunities of the Cooperative Statute to appoint on contract employees who are not cooperative members;

-the set in the Law on Cooperatives opportunities for social cooperatives to associate and to form cooperative enterprises;

-opportunities provided by the Law on Cooperatives and the Law for Integration of People with Disabilities to meet their interests, creating equality of people with disabilities, opportunities for social and work integration and to exercise their rights;

-activities performed by the Commission on Rehabilitation.

## CONCLUSIONS

The regulatory environment in which labour working cooperatives for disabled people from the National Union operate create conditions and prerequisites for the implementation not only of manufacturing, commercial and cultural activities of the cooperatives, but also of a social, through which they satisfy the interests of its members

and create opportunities for integration of people with disabilities. Despite the differences in legislation for social enterprises in different European countries it is necessary for Bulgaria to implement some of their practices related to social enterprises to improve the regulatory environment, and to achieve greater efficiency in their operation.

## ACKNOWLEDGEMENTS

Evaluations and conclusions in this report reflect the results of a research project developed by the author team. This research work was carried out with the support of the Bulgarian Ministry of education and the University of National and World Economy.

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