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Promoting social economy as an instrument for economic transformation

ABSTRACT

The social economy is often defined by the supremacy of democracy over capital in economic decisions of people and organizations and its performance - measured rather in welfare than (gross domestic) product. The paper looks at the phenomenon from three perspectives: a) Identification of institutional factors and organizational approaches that shape social economy models and develop a supportive eco-system in EU; b) identification of functioning policies and measures to promote social economy in new member states and make it a steady part of the national GDP; and last, but not least c) how social economy itself could serve as an instrument for economic transformation.

The paper builds on approaches to estimate the size and interconnectedness of social economy to the whole economy. We will analyze in detail quantitatively associations, foundations, and cooperatives and qualitatively - social enterprises. The paper will also seek to identify regulatory gaps, which could be resolved through transposition of EU legislation and good practices.

The post-pandemic and military conflicts on the territory of Europe highlight the importance of social economy and could serve as a growth anchor to the region.