

Inclusive entrepreneurship trends and policies in Bulgaria

This profile provides an overview of entrepreneurship activities by women, youth and seniors in Bulgaria and highlights of recent developments in inclusive entrepreneurship policy such as recent the focus on women and youth entrepreneurs in the Action Plan Entrepreneurship 2020.

Key trends: Self-employment rates in Bulgaria have been below the European Union average over the past decade. This was particularly true for youth and women in 2016 (3.7% and 7.8%), whereas the rates for men (13.5%) and seniors (13.1%) were in line with the European Union average. This is consistent with the low Total early-stage Entrepreneurship Activity (TEA) rate (5.5%), which was below the European Union average (6.7%) for the 2012-16 period. This gap was particularly large for youth over this period (5.4% vs. 7.8% for the EU). Entrepreneurs in Bulgaria were much less likely to offer new products and services than the European Union average over this period (13.4% vs. 28.9% for the EU). The gap held across all key social target groups and was greatest for women (12.0% vs. 28.1% for the EU). Moreover, Bulgarian entrepreneurs were also much less likely to expect to create a large number of jobs over this period. The exception was senior entrepreneurs who were more likely than the European Union average to anticipate very strong employment growth (13.5% vs. 8.9% for the EU).

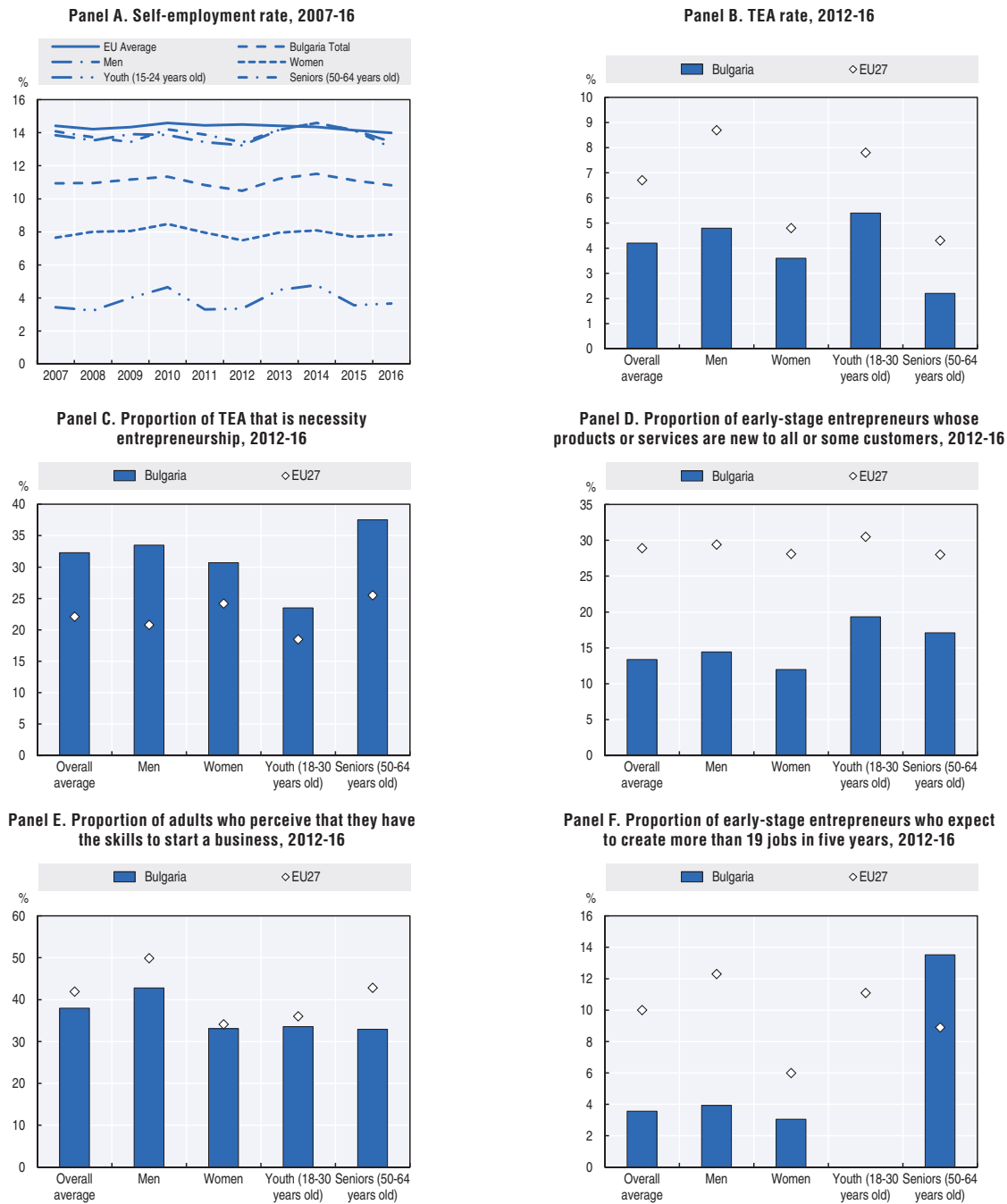
Hot issue: Inclusive entrepreneurship policy is at an early stage of development and a cohesive approach for social groups that are disadvantaged in the labour market has not yet been developed. However, there are tailored support initiatives for youth and women. Current policy discussion focuses on supporting youth entrepreneurship in lagging regions as there are few labour market opportunities for youth in these regions.

Recent policy developments: At the national level a variety of strategies, plans and programmes for supporting entrepreneurship were recently announced. However, the majority of the programmes do not explicitly support entrepreneurs from under-represented and disadvantaged groups. In the Action Plan Entrepreneurship 2020, the Bulgarian government put forward several measures to improve the institutional framework for under-represented and disadvantaged groups of society, including participation in the “European Network for Early Warning and for Support to Enterprises and Second Starters,” and reducing the time necessary for entrepreneurs to obtain licenses and permits. The action plan was implemented to promote and support entrepreneurship with a focus on women and youth from 2016 to 2017. In addition, the measure “Support for the activities of entrepreneurship centres at universities” was announced to promote the development of entrepreneurial skills among students by the provision of support to entrepreneurship centres at universities. However, an indicative budget and expected number of entrepreneurship centres receiving support was not specified.

The full Country Assessment Note can be found at: www.oecd.org/cfe/leed/inclusive-entrepreneurship.htm.

Key inclusive entrepreneurship data

Figure 11.1. Entrepreneurship and self-employment data for Bulgaria



Notes: 1. The self-employment rate is defined as the number of self-employed people (15-64 years old) divided by the number of people in employment. 2. The TEA rate is the proportion of adults (18-64 years old) involved in setting up a business or managing a business that is less than 42 months old. 3. Necessity entrepreneurship is defined as entrepreneurship activities that were launched because the individual did not have other options in the labour market. 4. Early-stage entrepreneurs are those who are in the process of setting up a business or manage a business that is less than 42 months old. 5. In Panels B, C, D, E and F, the population covered are those 18-64 years old.

Sources: Panel A: Eurostat (2017), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>; Panels B, C, D, E, and F: GEM (2017), Special tabulations of the Global Entrepreneurship Monitor adult population survey, 2012-16.

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Reader's guide to the country profiles

This section of the book provides a short overview of inclusive entrepreneurship trends and recent policy actions in each European Union Member State. Each Country Profile highlights recent trends for key inclusive entrepreneurship indicators, focusing on activity rates, quality and barriers to business creation for people in under-represented and disadvantaged groups, drawing on a set of charts (see below). In addition, the Country Profiles briefly describe a current policy issue relevant for inclusive entrepreneurship policy development. Finally, each Country Profile describes a recent policy action that was introduced to support the unemployed, women, youth or seniors in business creation and self-employment.

The country overviews are complemented with a common set of country-specific data that benchmark key inclusive entrepreneurship indicators against the European Union average and over time. Data are presented for men, women, youth, seniors and the overall population total. These data help to show the scale of the challenge and its recent evolution. All Country Profiles contain six figures (except for the Malta profile, which does not participate in the Global Entrepreneurship Monitor survey):

Panel A: Self-employment rate, 2007-16. This presents the proportion of those in employment who are self-employed.

Panel B: Total Early-stage Entrepreneurship Activity (TEA) rate, 2012-16. This presents the proportion of the population who is actively involved in starting a business or who is the owner-operator of a business that is less than 42 months old.

Panel C: Proportion of TEA that is necessity entrepreneurship, 2012-16. This presents the proportion of early-stage entrepreneurship that was launched due to a lack of other opportunities in the labour market.

Panel D: Proportion of early-stage entrepreneurs whose products or services are new to all or some customers, 2012-16. This presents the proportion of early-stage entrepreneurs who self-report that they offer products and/or services that are new to potential customers.

Panel E: Proportion of adults who perceive that they have the skills to start a business, 2012-16. This presents the proportion of the population who believe that they have the knowledge and skills needed to start a business.

Panel F: Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in five years, 2012-16. This presents the proportion of early-stage entrepreneurs who anticipate the creation of at least 19 additional new jobs over the next five years.



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