Call: H2020-SC6-MIGRATION-2019

Work Programmes:

- H2020-EU.3.6.1.1. The mechanisms to promote smart, sustainable and inclusive growth

- H2020-EU.3.6.1.2. Trusted organisations, practices, services and policies that are necessary to build resilient, inclusive, participatory, open and creative societies in Europe, in particular taking into account migration, integration and demographic change


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INTRODUCTION – METHODOLOGY AND ETHICS

PURPOSES OF THE STUDY AND RATIONALE FOR THE SELECTION OF COMPANIES AND STAKEHOLDERS

The objective of this report is twofold. First, to analyse the economic impact of migration on the local community and local development. Second, to review the emergence of social enterprises for/with migrants and refugees and their applicability to the Matilde region. What is specific to the Bulgarian case is that the Matilde Haskovo region is relatively less developed in socioeconomic terms, which also determines the specific characteristics of migration in the region. This report describes and explains the fact that migration in the region is not labour migration – it is family, refugee, and amenity migration.

For the purposes of the study, 39 interviews were conducted for WP3 & WP4. The interviews for the Policy Brief have also been used. The reasons for selecting the respondents can be summarised in four groups:

- **Identifying the social enterprises which work with migrants and refugees.** They are a new phenomenon in the development of social entrepreneurship in Bulgaria and their experience is key to understanding their role in labour market integration and empowerment of migrants and refugees, as well as to assessing their prospects for development.

- **Identifying the companies in the Matilde region which employ refugees and migrants.** They are not many because of the small and declining number of refugees and the absence of labour migration. Their experience, however, is very interesting as it is indicative of the local business community’s capacity to respond to the need of employment for refugees, as well as of its capacity and un/willingness to adapt to the mostly transit character of their migration.

- **Identifying the largest possible number of perspectives on the economic impact of migration on local development and its main drivers, on the one hand, and deficits and difficulties on the other.** Three types of stakeholders have been interviewed. The first one is composed of local actors and representatives of associations for the promotion of local development. The second type of stakeholders are the NGOs and representatives of national and international organisations providing humanitarian and legal assistance, as well as links with employers. The third type covers a small but interesting group of informants who have no business or residential connections to Harmanli, but have an impact on local development through their civic activity in helping refugees from the refugee centre in the town to find a job.

- **Hearing the voices of migrants.** The interviews included migrants from all main communities that have an impact on Harmanli and the Haskovo region – refugees, new TCNs such as British amenity migrants, the most-settled migrants such as
Russian family migrants, and migrant entrepreneurs. The interviewed refugees represent the various stages of status acquisition – some have already been granted humanitarian status, others are in an ongoing procedure, and still others have had their status applications rejected and are appealing against this. The goal of including diverse cases – in terms of nationality, status, length of residence, impact on the economic and social life in Harmanli and the region, and forms of labour and economic integration – was achieved.

The Bulgarian team managed to cover a variety of local, regional, and national actors who constitute a solid basis for a complex, multifaceted analysis of the social impact of TCNs.

This study is sensitive to gender aspects. Specific attention was paid to women's voices. It was especially important to us to hear women refugees and migrants formulate their practices, plans, problems, achievements themselves. The gender aspect is important for the Bulgarian report because women are the majority in one type of analysed local migrations; most of the NGO activists working on integration are women, as well as most of the teachers working with refugee children. Women were also interviewed in all other categories – experts, representatives of non-governmental and humanitarian organisations, education, business, etc.

**MULTI-METHOD APPROACH**

This report is based on a multi-method approach combining four methods: desk research supplementing the results of WP2 and the Policy Brief; focus groups; narrative interviews and observation of one social enterprise. This observation started after the lockdown, just before the finalisation of the report, and is to be continued after its submission. Especially useful were the results gained from the focus group discussion with NGO representatives. All participants were fully engaged in the discussion, which lasted two and a half hours and was full of interesting information and lively debates. The information provided is also crucial for understanding the shortcomings of labour integration of refugees in Bulgaria, because the refugees themselves were rather positive in their narratives and did not sufficiently detail the difficulties of their labour experience. Two of the interviews were collective, as requested by the participants – for example, two informants, usually close relatives. The other form of collective interviews was close to a small focus group – for example, three participants, a woman refugee together with two representatives of humanitarian organisations.

The large number of interviews enabled encompassing the perspectives both of migrants and of local actors as fully as possible. That was also because some interviewees were in a dual role – for example, a businessman who is also a representative of a local organisation for regional development. Thus, interviews with the same respondents were used in analysing the social and economic impact, in WP3 and WP4 respectively. Some of the interviews which have been crucial for WP3 – for example, on education – are less quoted in the WP4 report, but are very useful for better understanding the impact of
migration on local development, especially in the insightful theoretical framework of the foundation economy (Benthan et al. 2013).

A specific difficulty of the field work was the difficult access of some asylum seekers to the internet, computers and phones. Almost all interviews with refugees were conducted by phone, with a poor connection in several cases. The poor connection, insufficient fluency of asylum seekers and migrants in Bulgarian or English, and the impossibility to include an interpreter in this poor technological environment led to interesting, but in some cases insufficiently detailed and informative, interviews.

The major shortcoming of the fieldwork during lockdown was the lack of visits to the companies and of de visu observation with the exception of two social enterprises.

**ETHICS – ‘ETHICAL MOMENTS’ IN ‘ISLAND MIGRANT COMMUNITIES’**

Studying a small migrant community in a small urban centre in a mountain region highlights the ethical concerns of confidentiality and the privacy of the research subjects, as well as the management of trust, both analysed by Stachowksi (2020). The authors of this report share Stachowksi’s idea that methodological vigilance is needed to ascertain the potential effects of the specific context of small migrant communities on the conduct of the research and the production of knowledge. The Bulgarian fieldwork showed that the formal rules of guaranteeing anonymity cannot always achieve the desired result in ‘island communities’ (Stachowksi 2020). A characteristic example cited in the debates of Matilde scholars is an English-language teacher in a refugee camp. These tensions between principles and practice have been defined as ‘ethically important moments’: they arise when the ethical principles of doing research meet the research practice itself. Every fieldwork involves unforeseen situations and enhances the chance of treading into ethical grey zones (Stachowksi 2020: 7). I faced these ethical moments when studying the small migrant communities in Harmanli. The ethical moments apply also to the relatively small number of companies employing refugees and the few social enterprises working with migrants and refugees, which are very well-known. The ethical moments apply also to the not high number of stakeholders with expertise and/or experience in migrant labour market integration.
Social enterprises in Bulgaria can be characterised with several opposite trends. They have a long but very uneven history – with periods of progress and development alternating with periods of stagnation. Recent years have seen a growing interest, development of legislation, and an increasing number of social enterprises, but they still remain concentrated in a small number of spheres. I will summarise their characteristics, history, legislation, mapping and ecosystem on the basis of the European Commission (2019) study by Maria Jeliazkova titled *Social enterprises and their ecosystems in Europe. Updated report: Bulgaria*.

Cooperatives and *chitalishta* (community cultural centres) are the first forms of social enterprises: ‘Enterprises with social aims in Bulgaria have a long history and tradition, mainly in the form of the powerful cooperative movement and community cultural centres (*chitalishta*). These influential institutions first displayed the main characteristics of future social enterprises. Cooperatives experienced a remarkable expansion before World War II as a form of economic organisation that allowed people with limited material resources to cope with economic and social problems’ (EC 2019: 11). Both in the past and at present, social enterprises for people with disabilities have had a key place: ‘They underwent a rapid growth and development in the period 1951-1989 due to the legally defined right of reserved market niches for their products. After a period of difficulties during the first decade of transition, currently the enterprises facilitating work integration of disabled people are gradually restoring their capacity to fulfil their functions’ (EC 2019: 11). The history of associations and foundations is different. Unlike social enterprises for people with disabilities, which functioned during the communist regime, the latter terminated the development of associations. Post-communist democratisation has been a favourable environment for their multiplication and diversification in recent years.

Social enterprises in Bulgaria are defined as businesses that produce goods and services for the market economy and allocate part of their resources to the accomplishment of social and economic goals (EC 2019: 32). Social enterprises in the country cover different legal forms, namely: associations and foundations; cultural community centres; specialised enterprises for work integration of people with disabilities; and cooperatives of people with disabilities (EC 2019: 11). The new Law on Enterprises of Social and Solidarity Economy came into force on 2 May 2019: ‘The requirement for economic activity, the defining role of the social aim and the independence of the entities all resonate with the EU definition. The new legislation provides a few fiscal preferences relevant to the activities of social enterprises’ (EC 2019: 11-12).
Although they have been developing dynamically in recent years, social enterprises still have a very modest place in the Bulgarian economy: ‘They 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’ (EC 2019: 12). The factors constraining and hindering the development of social enterprises can be classified into two groups. The first is the overall social and economic situation in Bulgaria, which is the country with the highest level of income poverty in the EU (Jeliazkova and Minev 2020). The second group of constraining factors includes ‘poor understanding of the specific nature, role and potential of social enterprise; weak governmental acknowledgment, support and funding; insufficient targeted assistance through dedicated financial instruments; lack of adequate support from the municipalities; and insufficient scale of public procurement’ (EC 2019: 71).

For the purposes of the Matilde Project, it is important to point out that a significant part of the social enterprises in Bulgaria are for people with disabilities. Other vulnerable groups, such as refugees, homeless, etc., are not sufficiently targeted (EC 2019).

**SOCIAL ENTERPRISES FOR/WITH MIGRANTS AND REFUGEES**

Social enterprises for/with refugees and migrants are a new phenomenon and an emerging trend in Bulgaria. They have emerged in the last few years. Their initiators are humanitarian organisations and active members of civil society. One humanitarian organisation has founded two of the four best-known and interviewed social enterprises. Novel and innovative, social enterprises for/with migrants and refugees have attracted academic and public interest.

The reasons for their late appearance can be summarised in three groups. The first is the historical and contemporary ‘specialisation’ of social enterprises in Bulgaria, targeting mainly people with disabilities. The second reason is the socioeconomic profile
of economic migrants in the country, who are relatively well integrated (Krasteva 2019). The third reason is the relatively small number of refugees and their transit character.

The refugee/migrant crisis of 2015-16 was one of the catalysts for the creation of social enterprises for/with refugees and migrants. The reasons for their development can be systematised into two groups. The first is the increase in public sensitivity to refugee issues, the wave of solidarity and humanitarian aid. Even after their number decreased with the easing of the refugee crisis, interest and responsibility for integrating settled refugees have remained. The second is the development of Bulgarian civil society itself, some of whose representatives moved from volunteering and associational activities to social entrepreneurship.

For the purposes of the Matilde Project, representatives of four social enterprises for/with migrants and refugees were interviewed. They are the leading and best-known social enterprises of this kind in Bulgaria. All four are situated in Sofia. One of them operates also in Harmanli, another is exploring opportunities for working for/with refugees in the town, while a third social enterprise has a large-scale project with national coverage which includes the Matilde region. The period of fieldwork was hybrid because of the Covid-19 lockdown: part of the interviews were conducted online, and another part face-to-face. A small focus group was conducted with three participants. An observation of the work of one of the social enterprises was started and is to be continued after the submission of this report. Fieldwork is also to be conducted in Harmanli. The interviews themselves were informative and interesting, and the atmosphere was open and cordial. The informants were proud of their work and would be happy to have their social enterprises presented with their names and achievements.

I will structure this analysis in three parts. First, I will present each of the social enterprises in brief. Second, I will outline the similarities and differences, the main characteristics of these social enterprises for/with migrants and refugees, their achievements and challenges. Third, I will examine the in/applicability of their experience in Harmanli.

**Social enterprise for multicultural mediation**

This social enterprise is celebrating its tenth anniversary this year (2021). Today they are well-known and recognised, but they emerged spontaneously, without any concrete plan and strategy: ‘We started out as an informal group of volunteers, we had no financing, no structure – we were simply a group of enthusiasts and experts in the sphere of migration. Starting out as a group of volunteers in 2011, in December 2012 we arrived at the idea that we should register as a formal NGO, and received our first order as a social enterprise in the spring of 2013. We hadn’t looked for it, we were invited [by a large international organisation]. They were hosting an event with more than 100 participants and wanted to support a Bulgarian social enterprise with part of
the budget, so they chose us’ (BG WP3&WP4 31). This long quote from the founder and manager of one of the best-known Bulgarian social enterprises illustrates the typical way in which the first social enterprises for/with migrants and refugees emerged in the country. It shows that there is more demand than supply and that the initiative sometimes comes from outside – in this particular case, from a large international organisation which wanted to include a humanitarian cause in the organisation of a forum it was hosting. The founders of this social enterprise are typical citizen activists – volunteers and enthusiasts about integration of migrants and intercultural dialogue, as well as project experts. This dual identity is important to them: ‘We are experts and we don’t want to become businesspersons only. Social entrepreneurship is more a means of promoting the cause of migrants as well as of supporting them’ (BG WP3&WP4 31).

This social enterprise is specialised in multicultural catering. It has developed a network of more than twenty restaurants offering food from different countries – Iraq, Lebanon, Pakistan, Korea, Turkey, India, Russia, etc. (BG WP3&WP4 31). Its clients are big companies who hire them for various events, conferences, team building. The expert community on migration issues also prefers multicultural catering at its events. The NGO’s social-enterprise activities have developed dynamically in recent years – they have increased by 300%, but remain a small part in comparison to its project activities (BG WP3&WP4 31).

The NGO is interested in the Matilde region. In 2020 it conducted, together with another NGO, a workshop in Haskovo with local activists who were interested in working with refugees and migrants but had little or no experience. Another large-scale project of this NGO is building a network of migrants in Bulgarian towns and cities, including the Matilde region.

Social enterprise – restaurant with a social mission

This social enterprise was founded exactly two years ago, in May 2019, and has a dual objective: to help vulnerable groups and to facilitate the integration of migrants. It provides jobs to migrants and is specialised in intercultural cuisine. The social enterprise was founded by a big humanitarian organisation (BG WP3&WP4 33, 34, 35). Its business model has three pillars. The first are the socially beneficial activities of the humanitarian organisation itself, such as providing a hot lunch to children from minorities and children with disabilities as well as to elderly and socially disadvantaged people. This socially beneficial activity is key to the social enterprise’s orientation and spirit: ‘Yes, we are much less business-oriented than socially-oriented’ (BG WP3&WP4 33). The second pillar are individual clients, who know and love exotic food. The third pillar of the social enterprise’s business model are corporate clients, big companies, usually foreign or from the IT sector.

The team is small, consisting of four people – a refugee family and two Bulgarians. All four share the dual approach to their work – developing both business activities and
the social mission. The refugee social entrepreneur said: ‘I like working with clients, but I like the social part best – there you give love, you give something to someone who is in need. Not just someone who is hungry. It makes you feel part of a community, feeling that you belong’ (BG WP3&WP4 34). This excerpt from an interview conveys a dual message: the joy and satisfaction of the refugee who helps others in need and thus feels a full-fledged citizen; social entrepreneurship as a humanitarian mission which helps vulnerable groups, establishes contacts between people, and builds a community through solidarity and engagement. Another excerpt illustrates the positive circle of solidarity: ‘For example, the employees of a company ordered lunch from us. Everyone who ordered lunch brought a bag of products we need for the hot lunches we cook for socially disadvantaged people’ (BG WP3&WP4 33, 34, 35). Thanks to an increased number of sponsors, during the pandemic the social enterprise provided hot lunches to a wider range of people, including about a dozen families of refugees and migrants (BG WP3&WP4 33, 34, 35). Building bridges is an important cause for this social enterprise. They are accomplishing it through an interesting youth intercultural initiative: young refugees and young Bulgarians meet every month to get to know each other and to plan joint activities (BG WP3&WP4 33, 34, 35).

The social enterprise intends to expand, but for the time being does not include Harmanli in its plans.

**Social enterprise for souvenirs and ‘gifts with a cause’**

This social enterprise has been operating since 2019. It belongs to a big humanitarian organisation and is specialised in production of dolls, souvenirs, gifts with a cause, etc. The social enterprise operates in two centres. In the one, women refugees and migrants sew and knit, and in the other children and young people with disabilities make clay objects, postcards, badges in creative workshops. A good example of their joint creative work done in two different places is an angel doll whose big heart is made by the children with disabilities, while the doll is sewn by the women refugees (BG WP3&WP4 36).

The idea of creating this social enterprise had emerged in the course of work. The women refugees and migrants used to get together to sew and knit ‘for fun’, with a view to socialisation and integration. The idea gradually emerged that the products – dolls, hats, etc. – could be sold and thus generate income for the women refugees.

Among the most significant results of this social enterprise’s activity is the **empowerment of women refugees and migrants**. For some women refugees this is the only income, others rely on their families, earning extra money from sewing. What is common between the two categories is the strong feeling of satisfaction shared by different informants (BG WP3&WP4 37, 38). They feel empowered by the fact that they are appreciated, that people buy their dolls, that they are useful, that they are contributing. They are happy that they can apply their skills as well as that they are learning new ones. The coordinator explained the open policy of the social enterprise – every woman migrant
who is interested can join in: ‘We don’t turn down anyone who wants to work. We find them work according to their skills. If they are unskilled, they learn from me, from the other women migrants, or from the volunteers. There are always very simple things that also need to be done’ (BG WP3 & WP4 36). The migrants pointed out other aspects of their feeling of satisfaction from their work at the social enterprise – interaction with people; the creative character of making dolls and souvenirs (‘I rediscovered my hobby of making beautiful things’ [BG WP3 & WP4 37]); the cordial atmosphere (BG WP3 & WP4 37, 38). An informant emotionally summed up her positive experience: ‘I like it so much that I can come to the workshop constantly, I’m very enthusiastic about it’ (BG WP3 & WP4 37).

Besides the women refugees and children with disabilities, the social enterprise has begun to include in the workshops unaccompanied Afghan boys from a refugee centre. Most of them can sew and also like the creative atmosphere of making dolls and souvenirs.

This social enterprise’s business model is oriented at the women refugees – they are paid for everything they make, regardless of sales. The difference between made and sold products is covered by the social enterprise thanks to sponsors and support from the big humanitarian organisation that founded it. In dealing with clients, the purpose is not just to sell things but also to inform them about the mission of the social enterprise: ‘At the art bazaars where we offer our products for sale we seek to touch people and tell them what our mission is’ (BG WP3 & WP4 36).

Most of the managers of and participants in this social enterprise are migrants – the coordinator is a third country national (TCN), the refugees are mostly from Syria but also from other countries, the interpreter is from a mixed marriage of a migrant and a Bulgarian citizen. Bulgarian youths join in as volunteers.

The social enterprise is situated in Sofia, but provides work for women at the refugee centre in Harmanli as well. The coordinator explained its mobile model: ‘The refugees from Harmanli come to the centre in Sofia, take materials, sew in Harmanli, and then bring the ready products’ (BG WP3 & WP4 36).

Social enterprise in the sphere of outsourcing of data processing

This social enterprise was founded in 2017 with the vision of offering digital work to refugees and migrants from conflict zones. Later on, it acquired a hybrid structure: a company providing work to the beneficiaries and a foundation offering training courses: ‘This helped us to focus both on having a successful business and on socially beneficial activities which we finance from our profit from this business’ (BG WP3 & WP4 36).

This social enterprise is unique for Bulgaria in two respects. It is the first in the sphere of digital work and outsourcing of data processing. It is also the only Bulgarian social enterprise that is developing operations abroad: ‘We work not only in Bulgaria but
also in other countries – Syria, Turkey, Iraq. At present we have a new partnership in Afghanistan, a new pilot project in Lebanon’ (BG WP3&WP4 36).

A specific characteristic of this social enterprise is that two-thirds of the migrants are women. Two main reasons explain this gender asymmetry. The first is that women migrants’ access to the labour market is more difficult and that is why they are willing to accept temporary jobs as freelancers employed under contracts for services. The second is that women prefer jobs that allow them to manage their working hours.

This social enterprise is interested in Harmanli, its founder has wanted to open an office there from the very beginning. So far she hasn’t done so because she hasn’t found a suitable person to manage such a regional office as well as because of the social enterprise’s new trend of developing abroad rather than in Bulgaria.

The social enterprises for/with migrants and refugees in Bulgaria are characterised by the following specificities and development trends:

- They have merged in the last decade and are still few in number, but they are a promising emerging trend of social entrepreneurship in Bulgaria.
- A number of their founders have a dual identity – NGO activists and social entrepreneurs. This complex identity is significant for them.
- The social enterprises are small, often consisting of several people, who are joined by temporary staff and/or volunteers when they receive larger orders.
- Social entrepreneurship has a different share in the activities of the organisations in question: some have a hybrid profile, focusing more on project activities than on social entrepreneurship; in others, the company and the foundation are separate entities; still others operate solely as social enterprises.
- The management structure is network-like. Due both to the small teams and the shared mission, most teams operate on a horizontal, not on a pyramidal, basis. An informant stressed that all members of the team are equal, while a colleague of hers pointed out that she is the manager after all (BG WP3&WP4 33, 34).

The positive impact of social enterprises has three main aspects.

- The most important one is the empowerment of migrants and refugees. It is manifested in various forms. Refugees and migrants work in almost all interviewed social enterprises. Migrants are key business partners, as in the case of the social enterprise that provides catering from migrant restaurants for different events. Refugees and migrants are also among the main beneficiaries of most social enterprises. Active citizenship is formed through solidarity and social entrepreneurship – for example, when a migrant from a social enterprise helps vulnerable Bulgarians (BG WP3&WP4 34).
- Also positive is the diversification of the social enterprises’ spheres of activity, which vary from a restaurant with a social mission to data processing.

- A key factor for the development of social enterprises for/with migrants and refugees are their clients – companies with a social policy as well as international organisations (BG WP3&WP4 31, 32, 33, 34, 35). Some of these clients are sponsors – they do not merely buy the products and services of social enterprises, they donate money and products for their socially beneficial activities (BG WP3&WP4 33, 34, 35). Among the most frequent clients of these social enterprises are IT companies: as they work with computers, they are quite open to intercultural socialisation, humanitarian causes and dialogue (BG WP3&WP4 33).

Inevitably for the initial stage of establishment and operation of social enterprises for/with migrants and refugees, they are faced with a series of difficulties and challenges:

- **The professionalisation of the new social entrepreneurs is still at a nascent stage.** A few are social workers who have taken courses in social entrepreneurship (BG WP3&WP4 35). Others did not have preliminary training and experience and stressed the need of training, of learning from the experience of other countries (BG WP3&WP4 31, 32). There are already good practices in this regard: a NGO offers grants for study visits devoted to social entrepreneurship in two spheres – people with disabilities and migration. One of the interviewees won such a grant and used the study visit as an opportunity to find new partners (BG WP3&WP4 32). Another interviewee has already taken two training courses for work in social enterprises (BG WP3&WP4 35).

- Social entrepreneurs **do not feel adequately supported by the state** and formulated expectations and demands in three main directions. The first is about training. The second is about financial support, especially at the start-up stage. Informants said that they had started their enterprise with a loan because they had no start-up capital (BG WP3&WP4 31, 32). The third is about assistance in renting premises, with some informants mentioning the experience of other countries in this regard (BG WP3&WP4 31, 32).

- **The network of social entrepreneurs is still under construction.** An Association of Social Entrepreneurs has been founded, but some of our respondents said they had no contacts so far (BG WP3 & WP4 33, 34, 35), while others told us they had tried to contact the Association but had not received an answer (BG WP3&WP4 31, 32).

- **The business model of some social enterprises is still not sustainable.** The founder and manager of a social enterprise described how their initial business model had failed at the end of the first year when the refugees and migrants, who had been employed on permanent contracts, had left. Forced to quickly change their business model, since then they have been working with freelancers, which has proved to be a more flexible model (BG WP3&WP4 39). Other social
enterprises cannot fully support themselves and rely on donations as well as on assistance from the big organisation that has founded them.

Prospects for social enterprises in Harmanli

It is reasonable and unsurprising that the first social enterprises for/with migrants in Bulgaria emerged in Sofia, which has the largest number of TCNs as well as of organisations and actors with a vision and experience enabling them to start this pioneering activity. It is characteristic that, with the exception of the restaurant with a social mission, the other social enterprises are interested in Harmanli as an additional place for present or future activities. Three stages of inclusion of the refugees from Harmanli can be distinguished. The social enterprise for data processing had intended to expand its operations to Harmanli but did not find someone capable of organising and running the local office. Another factor limiting the possibility of including refugees from Harmanli is the higher turnover. As the manager of a social enterprise pointed out, Harmanli is a transit destination, while in Sofia there are more settled refugees (BG WP3&WP4 36). The social enterprise for multicultural mediation is engaged in an impermanent but flexible form of cooperation involving projects and ad hoc initiatives such as workshops. The most active position is that of the social enterprise for souvenirs, which is already including women refugees from Harmanli in the processes of sewing and making products.
THE CONTEXT – INDICATORS OF ECONOMIC DEVELOPMENT OF THE MATILDE HASKOVO REGION

The latest study by the Institute for Market Economics (IME 2020) synthesises Bulgaria’s regional profiles on the eve of the pandemic based on National Statistical Institute data. The following table presents the dynamic of selected indicators of economic development of the Matilde Haskovo region in the last three years as compared to the national average.

Table 2. Economic development indicators for Haskovo region

<table>
<thead>
<tr>
<th>Economic development indicators</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>National average</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita (BGN)</td>
<td>7,807</td>
<td>8,545</td>
<td>n.a.</td>
<td>15,615</td>
</tr>
<tr>
<td>Average annual income per household member (BGN)</td>
<td>5,119</td>
<td>5,119</td>
<td>5,678</td>
<td>6,013</td>
</tr>
<tr>
<td>Average annual gross salary (BGN)</td>
<td>8,537</td>
<td>9,263</td>
<td>n.a.</td>
<td>13,775</td>
</tr>
<tr>
<td>Relative share of people living below the national poverty line (%)</td>
<td>n.a.</td>
<td>28.5</td>
<td>30.9</td>
<td>22.6</td>
</tr>
<tr>
<td>Annual average employment rate of the population aged 15 to 64 (%)</td>
<td>64.3</td>
<td>66.0</td>
<td>70.9</td>
<td>70.1</td>
</tr>
<tr>
<td>Annual average unemployment rate of the population aged 15 to 64 (%)</td>
<td>4.7</td>
<td>3.1</td>
<td>0.4</td>
<td>4.2</td>
</tr>
<tr>
<td>Relative share of the population aged 25 to 64 with primary or lower education (%)</td>
<td>20.0</td>
<td>21.0</td>
<td>24.0</td>
<td>17.6</td>
</tr>
<tr>
<td>Relative share of the population aged 25 to 64 with higher education (%)</td>
<td>17.3</td>
<td>20.1</td>
<td>20.2</td>
<td>28.0</td>
</tr>
<tr>
<td>Production value per capita (BGN)</td>
<td>11,211</td>
<td>12,598</td>
<td>n.a.</td>
<td>25,855</td>
</tr>
</tbody>
</table>
REGIONAL SOCIOECONOMIC PROFILE VS SPECIFICITIES OF THE REGIONAL MIGRATION

The regional profile of the mountainous Haskovo region is the socioeconomic context in which the settlement and inclusion of immigrants in local development takes place. Among all characteristics, the most relevant to the Matilde Project are the following (IME 2020a):

- The Haskovo region is among the least developed economic regions in Southern Bulgaria, with the lowest GDP per capita after Sliven – BGN 8,500 (2018). The average gross annual wage is the fifth lowest in the country – just BGN 9,600. Two different trends add details to this panorama: on the one hand, household incomes are gradually rising (BGN 5,678 per household member, as compared to a national average of BGN 6,013); on the other, poverty remains a problem – 30.9% of the population in the region lives below the national poverty line (2019) versus a national average of 22.6%, and 23.8% lives in material deprivation versus a national average of 19.9% (IME 2020a: 114).
- European structural and investment funds are an important factor for regional development, but their absorption remains low in the region – by mid-2020, their amount reached BGN 1,320 per capita, as compared to a national average of BGN 1,976 per capita (IME 2020a: 114).
- A positive trend is the establishment of more enterprises in the region – in 2018, their number reached 33 per 1,000 population. On the other hand, the local production value increased at a slower rate than the national average – in 2018, it amounted to BGN 12,598 per capita, or less than half the average in the national economy (IME 2020a: 114).
- Foreign direct investments increased almost four times in the 2014–2018 period, but remained at the very low level of EUR 801 per capita (IME 2020a: 113–116).
- The dynamic of the labour market is favourable. Unemployment is very low, practically disappearing in 2019 – 0.4% (IME 2020a: 114). The employment rate is above the national average, reaching 70.9%.

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2018</th>
<th>n.a.</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign direct investments in non-financial enterprises (EUR/per capita)</td>
<td>442</td>
<td>801</td>
<td>n.a.</td>
<td>3,560</td>
</tr>
<tr>
<td>Relative share of households with internet access (%)</td>
<td>66.1</td>
<td>72.3</td>
<td>68.1</td>
<td>75.1</td>
</tr>
<tr>
<td>Road network density (km/100 sq km of area)</td>
<td>20.7</td>
<td>20.7</td>
<td>20.7</td>
<td>17.9</td>
</tr>
</tbody>
</table>

The labour force is characterised by two specific features: shortage of people with higher education (20.2%, or 8% lower than the national average), and a growing share of people with primary or lower than primary education (24%, as compared to a national average of 17.6%).

The largest number of vacancies available are in the processing industry and agriculture. The vacancies that employers sought to fill through job centres in the region were mostly for low-skilled labour (89%), in line with the profile of the majority of the registered unemployed in the region. As regards high-skilled jobs, the highest demand here is for engineering and technical specialists, professionals in the transport and services sectors, economists, and teaching professionals (Catro Bulgaria 2018: 42).

The socioeconomic profile of the region is a key factor for explaining the specificity of the local migration profile. The latter cannot be understood within the explanatory scheme of wage differentials, more opportunities for employment, and other classic arguments of migration theories. Another type of push factors are relevant in explaining migrations to an underdeveloped region.

It is noteworthy that one type of migration is absent – labour migration, foreigners who have come to the Matilde region in search of higher wages or more job opportunities. A few informants mentioned the case of a woman factory worker from Kyrgyzstan, but she is an exception. This is the major distinctive feature of the Haskovo region. The reasons for this are connected to the above-mentioned socio-economic profile of the Haskovo region as the least developed region in Southern Bulgaria.

Four different types of migration have been identified: family migration, amenity migration, entrepreneurial migration, and refugee migration. The economic impact and labour integration strategies vary from one group to another.

**Family migration** easily evolves into labour inclusion. The access to the labour market takes place relatively quickly and easily because of immersion in the husband’s circles and neighbourhood and the good knowledge of Bulgarian. The labour integration of Russian women is diverse and successful (Krasteva 2018) – during our fieldwork, we met Russian women teachers, hairdressers, family business owners, doctors.

**Amenity migration** involves people moving to perceived desirable regions, usually for non-economic reasons, such as a physical or cultural environment that is seen as more beautiful, tranquil, or inspirational than their current environment (Borsdorf et al. 2012). In Bulgaria and in the Haskovo region, the most typical representatives of amenity migration are the British. A number of amenity migrants are pensioners, while the rest do not look for jobs on the local labour market – they are self-employed. The impact of this new group of TCNs on local development is in creating employment and boosting local business. House renovation provides new clients to buildings materials companies and jobs for construction workers. Service companies also benefit from the new clients, whose standard of living is higher than that of the local population: ‘British families have three or
four cars each. They are serviced by the local auto repair shops’ (BG WP3&WP4 04). As a local businessman put it in a nutshell: ‘Local business is boosted. The more [migrants] settle here, the more they boost the economy’ (BG WP3&WP4 04).

*Turkish immigration* is attracted by three pull factors: a border factor, a minority factor, and a business factor. Harmanli is located close to the border with Turkey. The ethnic Turkish minority is the largest in the Haskovo region and in the country. A specific push factor for the region and Bulgaria is the possibility of setting up a business comparatively more easily, especially at the beginning of Bulgaria’s transition to a market economy. Some of the Turkish entrepreneurs in the region are of Kurdish origin. The migrants from Turkey are employed mostly in Turkish companies in the region (BG WP3&WP4 15) or are entrepreneurs. As a company manager said, ‘The Turks are usually entrepreneurs. My husband [a Turkish citizen] is about to open a kebab shop with a young Turk who will work there but will also be a business partner’ (BG WP3&WP4 07).

*Refugees* are the latest immigration phenomenon in Harmanli. Their profile differs from that of all other previous groups in several respects. Unlike the other immigrants, they have not chosen Harmanli – they have been placed by the host country in the Registration and Reception Centre (known informally as the ‘refugee centre’) in the town. The key difference lies in the type of migration – they are not seeking sunlight and family life, but asylum from wars and conflicts. A third difference is that refugees are the most mobile migrant group – for the overwhelming majority of refugees, Bulgaria is a transit country. The fourth specific feature is that – unlike the rest of the immigrants in the Matilde region – several asylum seekers and refugees need assistance in labour market integration. They are at the centre of analysis in the next chapter.
This chapter has a double purpose: to analyse how companies respond to the challenges posed by the appearance in the last decade of a new type of migrants in the Matilde region – asylum seekers and refugees – as well as the good practices of and obstacles to their labour market integration; to assess the impact of the establishment of the refugee centre in Harmanli and the emergence of the new refugee community. Two factors analysed in the previous chapters outline the framework of analysis. The first is the relatively small and declining number of refugees and asylum seekers and the transit character of their migration. The second is the underdeveloped economic profile of the Matilde region, which does not attract economic migration.

ACCESS TO THE LABOUR MARKET OF TCNS IN BULGARIA

The legal framework for access to the labour market of TCNs includes the Employment Promotion Act, the Labour Market and Labour Mobility Act, the Law on Asylum and Refugees and the Law on Foreigners in the Republic of Bulgaria. In terms of access to the labour market, the TCNs are divided into two categories: economic migrants looking for employment and those seeking international protection or with refugee or humanitarian status. The beneficiaries of international protection are granted the right to register in the territorial divisions of the Employment Agency. This right is also granted to the persons whose procedure has not been completed (Union Migrant Net 2020).

The following table illustrates the panorama and dynamic of employment of TCNs in the Bulgarian labour market.

| Table 3. Number of TCNs working under different modes |
|----------------------------------------|------------|------------|------------|------------|------------|
| Type of work permit/registration       | 2016       | 2017       | 2018       | 2019       | 31 July 2020 |
| Permit mode                           |            |            |            |            |             |
| Single residence and work permit       | 427        | 467        | 636        | 1129       | 596         |
| EU blue card                          | 195        | 177        | 273        | 370        | 301         |
| Seasonal employment from 90 days to 9 months | 10        | 219        | 806        | 495        |
| Intra-corporate transfer of employees  | 39         | 20         | 37         | 38         | 1,531       |
The data in the table point to two characteristics of the employment of TCNs:

- A small number of TCNs employed in the Bulgarian labour market.
- An upward trend – from 1,224 in 2016 to 15,912 in 2019. In just three years the number of employed TCNs increased by 13 times, but the total number remains very low at the national level.

The situation in the Matilde region of Haskovo and Harmanli is the subject of analysis in the next part of this report.

**BUSINESS COMMUNITY’S NEEDS OF FOREIGN LABOUR**

One of the interesting findings of the study is the contradiction between the low number of TCNs and the business community’s needs for foreign labour. The shortage of workers is among the main factors that hinder the activities of companies and one of the main obstacles to the entry of foreign investments (Union Migrant Net 2020: 22). A national survey of employers and managers has found that 34.2% of those in industry need more workers (Union Migrant Net 2020: 22). I have found a similar trend in the Matilde region too, even though it is less acute because of the region’s underdeveloped profile. A representative of the business community in the Matilde region said that the
shortage of seasonal workers in agriculture has a direct negative impact on the balanced development of agriculture: landowners are reducing fields for vegetable production because it is labour-intensive, and leasing them to large tenant farmers to grow wheat and sunflower: ‘We will eat plastic-tasting foreign tomatoes because there’s no one to grow tomatoes here’ (WP3 & WP4 1). A manager described how labour emigration has led to the need for labour immigration: ‘Twenty years ago, Bulgarians went to Spain and Italy to work in agriculture for 30 euros a day. At present the wage here is also 20 to 25 euros a day, but there’s no one to work. Obviously, we will have to import them from third countries’ (BG WP3 & WP4 1). A stakeholder formulated a key paradox – there is both unemployment and a shortage of workers: ‘There are many people out of work, but when we go looking for people for work we can’t find any’ (BG WP3 & WP4 21).

Investigating the complex reasons for this contradiction is beyond the scope of this study. Here I will point out the main ones. A crucial reason is the absence of an active state policy for attracting foreign workers needed by the Bulgarian economy. Two attempts in the Matilde region have been and are made to fill this gap. Both have turned out to be unsuccessful. One is for businesses to rely on the services of private companies. The latter often turn out to be dishonest intermediaries. A manager in a company said they had wanted to employ workers from Kyrgyzstan, but a private intermediary company had cheated the latter, telling them that they would be given high-paid jobs in the capital city. When the bus brought the Kyrgyz women to the small town, the majority refused to stay – at present, only one of them is working at the factory (BG WP3 & WP4 01). The second way of recruiting foreign workers consists in attempts of businesspersons themselves to do so by visiting the countries of origin. It, too, has turned out to be ineffective.

LOCAL COMPANIES AND EMPLOYMENT OF REFUGEES

A key specific characteristic of the Matilde region is that of the two categories of TCNs – economic migrants and refugees – those who are integrated in the local labour market are mostly refugees.

The local companies employing refugees have three specific characteristics. The first is the relatively small number of employed refugees – ranging from several persons (BG WP3 & WP4 01) to several dozen in the years of a larger refugee flow. The second is the diverse spheres of production – bags and leatherware, confectionery, clothing industry, bed linen (BG WP3 & WP4 01, 04). The third is the different stage of employment of refugees: one company has been constantly providing jobs, albeit for a very small number of refugees, for three years now (WP3 & WP4 01, 07); others have employed refugees in the past but no longer do so because of the transit character of their stay in the Matilde region (BG WP3 & WP4 04, 22). I also interviewed a company
that was in the process of contacting the Harmanli refugee centre with a view to employing refugees for its new factory (BG WP3&WP4 20). We will follow up on this during our fieldwork in Harmanli.

Positive experiences and good practices

The first good practice are social services such as housing, which are provided by some companies – for example, a leatherware company which has provided an apartment to a large Afghan family (BG WP3&WP4 01). Another company that plans to employ refugees also intends to provide housing (BG WP3&WP4 15).

Most companies train their employees, organising training courses in the necessary skills. An employer was positively impressed by the fact that the Afghans had attended two courses simultaneously – a course in sewing and a Bulgarian language course: ‘The Afghans were very fast learners. They learned both Bulgarian and sewing’ (BG WP3&WP4 01).

Exceptionally important is the mediating role of matching employers and job-seeking refugees. The job fairs organised by Caritas and the UNHCR were assessed positively both by employers and by refugees (focus group, BG WP3&WP4 01). Other organisations, such the Bulgarian Red Cross, also play a mediating role (BG WP3&WP4 07). In some cases, the first contact was a humanitarian action. An informant said that after her first meeting with child refugees at a New Year’s party, she had suggested to her husband that they employ refugees in their confectionery factory (BG WP3&WP4 07). An interesting example of a mediator is a businessman who does not live in Harmanli and whose small company with permanent staff has not employed anyone from the new group of refugees, but who – because of his fluency in Arabic and humanitarian attitude – plays an active role in establishing contacts between new companies looking for workers and the refugees from Harmanli (BG WP3&WP4 16). This example is rather rare, but it attests to the vitality of civil society, to the appearance of new actors – mediators, to the role of humanitarian and intercultural attitudes as a factor facilitating labour market access and integration. Mediation is perceived by this businessman-mediator as a win-win game: ‘In this way, we help both refugees to integrate and employers who are looking for workers, as well as even the state – instead of receiving aid from the state, refugees prefer to feel useful’ (BG WP3&WP4 16).

Spirit of social enterprise in ordinary enterprises. A number of employers shared the spirit of social enterprise, of business with the socially beneficial function of helping others: ‘Neither business nor anything in this life can happen if there’s no humaneness, understanding and goodness. This is the way of existence, in my opinion – helping others with what we can’ (BG WP3 & WP4 07); ‘When they ask you for help and they are fleeing from war, of course you will help them. Besides this, they are
diligent people’ (BG WP3&WP4 22). A businessman said that there are two categories of employers: ‘those who are focused solely on profit, and those who are entrepreneurs who feel accountable to themselves, to their workers, and to society’ (BG WP3 & WP4 15). Another owner of a company, a foreign national himself, described the balance between corporate interest and humanitarian attitude: ‘My education as a doctor taught me not only to heal but also to help people with whatever I can. We are looking after the company’s interest and, at the same time, we want to help the refugees: it is a humane cause both to integrate them and to help the state’ (BG WP3 & WP4 20).

**Exchange of experience and information between companies employing refugees.** The companies with more experience share their experience at different forums as well as in bilateral contacts, explaining to managers of new companies the procedures and necessary documents for employing refugees (BG WP3 & WP4 07).

Some employers and managers in companies are an important **generator of positive images of refugees**. The interviews abounded in examples of appreciation of both the professional and the human qualities of refugees: ‘They quickly learned to sew and now they are the best tailors. Their handwriting is more beautiful than that of any of the Bulgarian workers. And they are such wonderful people! I rarely meet people like them’ (BG WP3&WP4 01).

**Good reception of refugees by workers and employees.** The interviews revealed positive attitudes at the shop-floor level: ‘The Bulgarian workers (some 15 – 16 people) received the refugees very well. They explain, show everything to them. When people are diligent and want to work, things happen easily (BG WP3 & WP4 07). This positive trend was confirmed by other interviews (BG WP3&WP4 28), as well as by the national survey: ‘the Bulgarian workers are becoming more inclusive, open and tolerant in a multicultural work environment’ (Union Migrant Net 2020: 23). The shared culture and religion create even stronger bonds: a young Afghan goes to Friday prayer with his Turkish employer; on Bayram day, the two of them went together to the mosque in the bigger city (BG WP3&WP4 28).

**Migrant employers employing refugees and migrants.** Some have been living in Bulgaria for several decades now, they have received their higher education here and have settled professionally and family-wise, often in mixed marriages (BG WP3 & WP4 15). Others arrived about a decade ago (BG WP3 & WP4 21). Well-known in the region is the case of a Syrian big businessman from Sofia, who provided jobs and housing to several dozen refugees in the Matilde region at the beginning of the refugee crisis. The positive circle of migrant employers employing migrants and refugees is characteristic not only of the Matilde region but of the whole country (Krasteva 2019).

Difficulties and obstacles to the labour market integration of refugees and TCNs
Inability to speak Bulgarian significantly hinders access to the labour market. It is identified as the first obstacle in the national survey on the labour market integration of TCNs (Union Migrant Net 2020: 17). Our fieldwork has verified this with regard to the Matilde region as well (BG WP3&WP4 03, 22).

The second difficulty for companies are the heavy administrative procedures for employing TCNs and refugees (Union Migrant Net 2020: 23). They are even heavier when it comes to employing asylum seekers in an ongoing procedure. A manager described how the vast, several-year-long, administrative efforts necessary for employing a single family of refugees had driven the company owner to stop offering jobs to other asylum seekers (BG WP3&WP4 01). Another aspect of the administrative procedures is also seen as an obstacle by employers – the majority of refugees are in an ongoing procedure for granting humanitarian or refugee status or are appealing against the rejection of their applications, and often leave their workplace to go to interviews, to submit documents at the police station, and for other meetings in the administration, thereby upsetting the working rhythm and placing managers in a difficult position (BG WP3&WP4 22). A significant problem for employers is that many asylum seekers look for work without documents, but employers are unwilling to employ them (BG WP3&WP4 20, 22).

The key obstacle is the transit character of refugee migration. An informant said that they ‘stay for a very short while, four or five months at the most. Just when we’ve trained them, they leave’ (BG WP3 & WP4 07). Well-known and often-cited in Harmanli is the case of a businessman who had devoted a whole year and invested in training migrants – in the Bulgarian language as well as in operating with sewing machines. They received training and jobs, but as soon as they were granted status they left for Europe. Nowadays the clothing factory no longer employs refugees (BG WP3&WP4 03, 04, 14). Similar is the experience of a bed linen factory which had employed about a dozen refugees who left for Western Europe, so the Turkish owner decided he would stop employing people from the refugee centre (BG WP3&WP4 22). The departure of refugees often frustrates employers because they are not given advance notice: ‘we thought he was arranging his documents in Sofia, but he had left Bulgaria [two weeks ago], yet we continued to pay [his social security and health insurance] contributions for another two weeks (BG WP3&WP4 22). An interesting detail is that the same employer has similar problems with workers from the Roma minority (BG WP3&WP4 22).

The skills mismatch is both a national (CATRO Bulgaria 2018) and a regional challenge: ‘In Harmanli there is no low skills workforce shortage, yet refugees offer precisely cheap labour’ (BG WP3&WP4 03).

Negative attitudes and discrimination. The interviewees shared what were rather apprehensions, not facts, about negative racist attitudes, but with real implications for non/employment of refugees as well as for the distribution of the tasks
they assign them. A factory owner explained the non-employment of refugees with several reasons, among which apprehension about a possible conflict between the employed Roma, who are the majority of workers at the factory, and the Afghan refugees (BG WP3&WP4 10). A manager noted that the refugees employed by his company work in production and are well-received by their co-workers, but they are not assigned to work with clients because the managers have noticed that some clients are reserved towards foreigners (BG WP3&WP4 07). Regardless of whether those apprehensions are real or exaggerated, they have a real impact on the non/employment of migrants and refugees and the kind of work they are assigned to do.

**THE MIGRANTS’ PERSPECTIVE**

The migrants’ perspective is key to the Matilde project, which aims to give them a voice and to strengthen their agency. It is noteworthy that the employers did not give us access to migrants employed by them. The Bulgarian team managed to contact employed migrants thanks to the established network of interviewed stakeholders and migrants.

Employed migrants were highly appreciative of the good attitude both of employers and of co-workers towards them: ‘They are good people, they help’ (BG WP3&WP4 27, 28); ‘It was a bit hard, but I met friends. It was good, they are good people’ (BG WP3&WP4 15).

A number of difficulties and obstacles hinder full and permanent labour market integration. A key obstacle are the low salaries. A migrant said that the factory she worked at employs refugees because it pays them very little (BG WP3&WP4 15); another informant was more specific: 35 leva, approximately 17.5 euros, for 12 hours’ (BG WP3&WP4 26). The second obstacle is the widespread employment in the grey economy – work without an employment contract, non-payment of social security contributions and overtime work (Union Migrant Net 2020: 20; focus group, BG WP3 & WP4 01). A typical example are construction companies which employ refugees from the refugee centre for a day or for a short time without paying any social security and health insurance contributions for them (focus group, BG WP3&WP4 01).

As regards working conditions and pay, the views of employers and employed refugees differed at times: for example, a manager underlined the humanitarian reasons for employing refugees (BG WP3 & WP4 07), while an employed refugee pointed out the low pay and long hours: ‘When there are many orders, we work 12 hours a day. I have high blood pressure and can’t work that long’ (BG WP3&WP4 15). It is positive that their views about the good relations with co-workers coincided (BG WP3 & WP4 07, 15).
Migrant empowerment. Refugees and migrants who work as interpreters, mediators, experts at NGOs and international organisations are success stories with a threefold impact: professional advancement; role models for their communities; active role in building intercultural bridges for mutual understanding and dialogue. One interviewee represents an exemplary story of successful integration. He was homeless; despite his education and qualifications, his first job was in a factory. He omitted these difficult periods in his personal story and highlighted the present where he works as an interpreter and cultural mediator. He is also a member of the Refugee Advisory Board. His mission is to be an agent of change: ‘The Refugee Advisory Board – we are a chance for change.’ (Policy Brief, Interview 2)

THE TRADE UNIONS’ PERSPECTIVE

Bulgarian trade unions are among the key stakeholders with an active position on labour migration and labour market integration. Their position has two pillars: on the one hand, foreign workers should not be exploited and their labour rights should be guaranteed; on the other, they should not undercut Bulgarian workers. In 2017 the Confederation of Independent Trade Unions of Bulgaria declared that import of foreign workers threatens the Bulgarian labour market (KNSB 2017). A representative of a large trade union gave as an example a Turkish company which employs Turkish workers and pays them more than the national average, even though the requisite workers are available on the Bulgarian labour market (BG WP3 & WP4 15).

The trade unions are still not active with regard to migrants in the Matilde region because of the small number of TCNs and refugees there, but they are analysing the processes of labour migration in Bulgaria through surveys and publications (Union Migrant Net 2020), and participate in policy-making on labour market integration (Policy Brief).

IMPACT OF THE NEW REFUGEE COMMUNITY IN A SMALL TOWN

The impact of the newly formed refugee community on local development is analysed in two regards – positive aspects of increased demand for local services and difficulties for inclusion. The two trends refer to different aspects of the refugees flows. The first one, of revitalisation of local businesses, is connected to the size of asylum-seeker flows and was more pronounced when the asylum seekers were more numerous. The obstacles and challenges of integration are associated with the transit character of the refugee flows in the Matilde region.

The refugee community’s impact on local business, the local real estate market, and even on population growth is assessed as positive in the following spheres:
The new Registration and Reception Centre is one of the biggest employers in the town (BG WP3&WP4 30).

Local business and services: There has been a growth in consumption in grocery shops and food establishments, internet clubs, in the number of passengers in local transport (BG WP3&WP4 03).

The labour market: ‘The refugees have started offering low-skilled labour – at car washes, on farms, in the sphere of transport’ (BG WP3&WP4 03).

The real estate market: ‘There was a period in which all vacant dwellings in the town and even the villages were filled up…’ (BG WP3&WP4 03). The dynamics of the refugee flow – after the peak in 2015 and 2016, the number of refugees in Bulgaria has decreased significantly by about eight or nine times – was assessed in a complex way by the informants. The decrease in the number of refugees is assessed positively from the point of view of the atmosphere and calm in the town. The transit character of refugee migration, on the other hand, is not conducive to their inclusion in the local community.

**Migrant entrepreneurship** has a threefold positive impact: on the empowerment and successful integration of migrants, on economic development, and in the intercultural atmosphere (Policy Brief, Interview 2). The potential for entrepreneurship is illustrated by an asylum seeker from Iran, the father of four children, who opened a hairdressing salon even before he was granted refugee status. Another refugee from Syria did the same (Policy Brief, Interview 1). Some migrant entrepreneurs target migrant customers: ‘An Iraqi refugee opened an internet café. This internet cafe is mainly used by refugees’ (Policy Brief, Interview 4).

**MIGRANTS AS AN OPPORTUNITY FOR LOCAL DEVELOPMENT – VISION AND LACK OF POLICY**

One of the interesting findings of this study is how the strategic vision about regional development includes different types of mobility. A business association has conducted a brainstorming session to identify the categories of mobile people that can contribute to the region’s strategic development. They have identified several groups. In the first place, foreigners from countries with higher living standards, such as British people, who should be attracted by the favourable climate and fine landscape. Second, TCNs from countries with lower living standards, such as Ukrainians, who would be of benefit to the local labour market. Third, residents of Harmanli working in other regions or countries, who should be encouraged to return home. Fourth, tourists (BG WP3&WP4 04, 21).

It is interesting how active civil society assesses the potential of mobility and migrations as an important resource for boosting the local economy. This strategic vision has not been turned into a policy so far.
CONCLUSION

Social enterprises for/with migrants and refugees are a brand new phenomenon in Bulgaria. Regardless of the long tradition of development of Bulgarian social enterprises, those working for/with migrants and refugees have appeared only in the last decade and, in this sense, carry an innovative spirit and can be regarded as pioneers. It is a positive trend that there is diversification of their activities even at the nascent stage – from multicultural catering to souvenir-making to outsourcing of data processing.

The most important impact is the empowerment of migrants. Migrants are active actors in a variety of functions and responsibilities – they are both managers and employees of social enterprises as well as key beneficiaries. A migrant employee in a social enterprise, who helps vulnerable Bulgarian citizens, is an example of active citizenship through solidarity and engagement.

Intersectionality is another positive characteristic of some social enterprises: they do not work with ‘island migrant communities’, they build bridges between different groups – for example, women refugees and migrants, Bulgarian children with disabilities, unaccompanied minors.

Most social enterprises have emerged and are developing in Sofia, where there is a large concentration of migrants and expertise in the NGO sector.

Among the difficulties and obstacles hindering the development of social enterprises, the following are particularly noteworthy: lack of support from the state, lack of expertise and experience, and need of training and exchange of experience with other countries with well-developed social entrepreneurship, as well as of more active inclusion of the new social enterprises for/with migrants and refugees in social enterprise networks. The business model of some social enterprises is still not sustainable, while others have had to move from one business model to another, in search of sustainability. A major obstacle is the lack of prospects for professional advancement of the migrants who are included in the activities of social enterprises mainly as free lancers, be they data processing or doll-making.

Social enterprises for/with migrants and refugees are interested in Harmanli. One social enterprise has already included women refugees from the Registration and Reception Centre, while another social enterprises has ad hoc initiatives.

The social and economic impact of migration in Harmanli and the Matilde Haskovo region varies from one migrant group to another. Amenity migration boosts local business and consumption and contributes to the regeneration of villages. The establishment of the refugee centre in Harmanli has also had a social and economic
impact: it is **one of the largest employers** in the town, providing jobs to highly qualified experts. The refugees themselves, especially in the periods when they are more in number, boost local business in the sphere of trade, services, real estate.

A number of the **companies employing refugees and migrants** seek to combine interest in corporate profit with the business community’s social responsibility.

**The key difficulties and obstacles** hindering the labour market integration of refugees – both at the local and national levels – are the **transit character** of their migration, their short stay, which has a negative effect on the willingness of employers to invest in their training and to employ them, as well as the **inability to speak Bulgarian** and the insufficient Bulgarian language courses. A significant obstacle is the **skills mismatch** between the needs of the labour market and the low skills of the majority of refugees.
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