



REPORT

ON A STUDY OF THE ATTITUDES OF POTENTIAL PARTICIPANTS FROM THE PRIORITY SECTOR OF TOURISM IN THE BORDER REGIONS OF SMOLYAN, BLAGOEVGRAD, HASKOVO AND KARDZHALI TOWARDS THE POSSIBILITY OF SETTING UP AND JOINING A BUSINESS COUNCIL



The Project is co-funded by the European Regional Development Fund and by national funds of the countries participating in the Interreg V-A “Greece-Bulgaria 2014-2020” Cooperation Programme.



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1. Explanatory Notes

This report on the study of the attitudes of potential participants from the priority sector of Tourism in the border regions of Smolyan, Blagoevgrad, Haskovo and Kardzhali towards the possibility of setting up and joining a Business Council is prepared in implementation of Activity 2 and Activity 3 of the Business Council Project – 6275_BC, financed under Subsidy Contact No. B6.3a.18/13.04.2021, Territorial Cooperation Program Interreg V-A Greece – Bulgaria 2014-2020.



In the implementation of Activity 2 and Activity 3, all the requirements of the Contracting Authority (Beneficiary) have been met, as we have strictly adhered to the requirements set out in the technical specification and the technical proposal. Due to the interrelatedness between the implementation of Activity 2 and the implementation of Activity 3, a survey of attitudes was carried out at the same time, and the results were combined in this document referred to as *Report on a Survey of the Attitudes of Potential Participants from the sector of Tourism in the Border Regions of Smolyan, Blagoevgrad, Haskovo and Kardzhali to the Possibility of Setting up and Joining a Business Council*.

2. Introduction

In connection with the implementation of Contract No. 3/17.11.2021 and in accordance with the technical specification for the implementation of the public procurement, a selection by public invitation for the following purpose - providing services for the implementation of the Business Council Project – 6275_BC, financed under Subsidy Contact No. B6.3a.18/13.04.2021, a survey was conducted regarding the attitudes of target groups for the setting up and joining a business council.

The purpose of the survey was to establish the specific needs, opinions and recommendations of the business representatives in the border areas in order to solve the problems and challenges they face, as well as for the purpose of partnership, which will help the consolidation of the factors influencing entrepreneurial success, stimulate survival of businesses and promote an entrepreneurial culture.

As a result, the Contractor has prepared this report, which graphically presents the results of the conducted survey. Based on them, a thorough analysis of the needs and problems of the representatives of the sector of **Tourism** in the border areas has been made, whilst the main conclusions have been drawn. They should serve as the basis for the work of newly established business councils in the project mentioned above.

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The target group of the survey, conducted for the needs of the project and used as the basis of this report, are the representatives of the sector of Tourism in the border regions of Blagoevgrad, Smolyan, Haskovo and Kardzhali.

It is important to point out that in connection with the implementation of the project, all the business representatives from the various priority sectors were asked the same survey questions, and therefore the same methodology was used. In this respect, the reports have a common methodology part but they differ in their analytical parts.

3. Methodology

The study of these attitudes was carried out using the following methods:



- A telephone survey;
- Filling out a questionnaire in a web-based form;
- Organizing individual and group sessions;

The survey included representatives of the sector of Tourism in the regions of Smolyan, Blagoevgrad, Haskovo and Kardzhali and the respondents were divided proportionally according to the representatives of the sector in the towns and villages in each region.

The questions developed for the purpose of the study were anonymous as they usually have an advantage as the survey participants feel better about sending their personal information to "third parties". Also, anonymous surveys ensure more trust and thus more feedback, and the goal of the survey was to make respondents feel comfortable and secure while providing open and honest feedback.

The survey card has been prepared in such a way that it takes as little time as possible to fill in, but gives a realistic idea of the opinions and attitudes of the representatives of the target group. The survey cards contain both specific questions tailored to the target groups and general questions focused on common problems faced by the business representatives. The survey also included questions related to the sector's developmental potential after setting up a business council.

The content of the questionnaires includes several types of questions aimed at studying the attitudes towards setting up a business council participation of the target groups in it. They aim to bring more clarity in the following areas:

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Survey of attitudes towards setting up a business council and its benefits for the business of the representatives;
Self-determination of business representatives (to which of the priority sectors they fall) and number of employees;
Studying the attitudes of target groups towards their participation in cross-border projects and their cooperation with cross-border partners;
What are the main difficulties and problems they often face, including finding manpower;
What are their attitudes towards membership in a business council and its functions, role and benefits for the specific priority sector;

The questions included in the survey card for the representatives of the sector of Tourism are: of a closed type, those allowing the expression of opinions and those with the option of more than one answer.



Having in mind that often in surveys, respondents instinctively mark the first possible answers that are brought to the fore, and to prevent such a possibility, the possible answers are not short and require the respondent to think. This guarantees awareness when the respondents mark the answers and makes the results accurate and reliable.

When applying the methodology for the analysis of the collected data, a standard logically determined process was used, which includes the following three main stages:

- Collection of initial information and data (the survey);
- Analysis of the collected information;
- Formulation of evaluation conclusions, comments and recommendations (the preparation of a report);

4. Results and Analysis of the Survey of the Attitudes of Representatives of the sector of Tourism towards Setting up and Participation in a Business Council

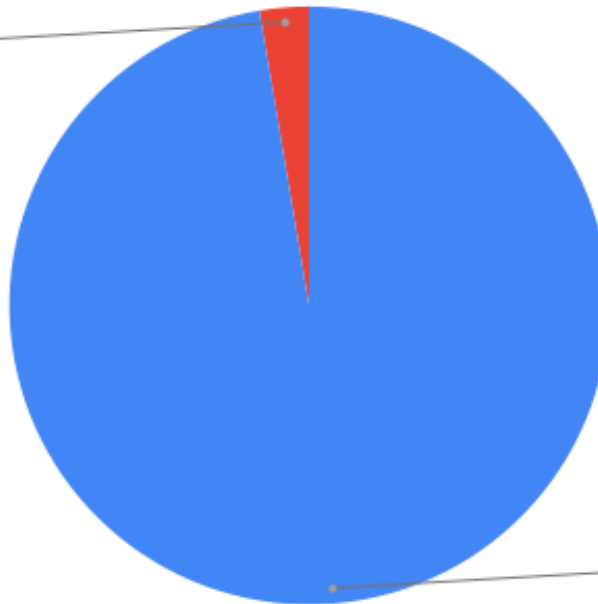
The respondents from this target group are 156, a group bigger than the other target groups, therefore, the validity of the survey is bigger as the number of representatives is bigger. The comparison of the results will be done on the basis of the number of

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respondents or distributed in percentages. For the needs of this project, we did a survey with the following questions and received the following answers:

1. Смятате ли, че сформирането на бизнес съвет ще допринесе за по-добра взаимовръзка между представителите на бизнеса и отговорните институции?

Не, защото вече
2.6%





Да, защото по-този
97.4%

As far as question No. 1 is concerned 97.4 % of the representatives in the sector believe that setting up a business council will improve the relationship between businesses and the institutions. Only 2.6% responded negatively as they had already established systematic ways of dealing with the institutions.

The results of the first question make it clear that it is difficult for the representatives of the sector to communicate with the representatives of the institutions, therefore, a business council should make the task to improve the communication between the two a priority in order to improve the business climate in the cross-border areas.

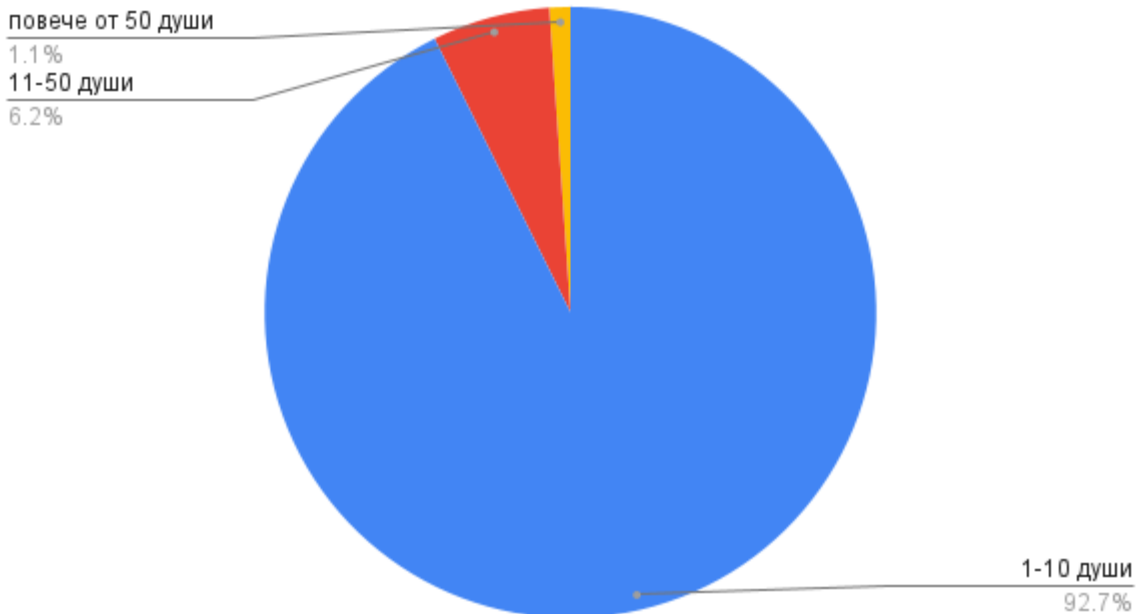
This question provides a strong and clear approval by the representatives of this target sector that setting up a business council is beneficial and of key importance for its development and will support it. A business council will be a fundamental link between business representatives and institutions. In addition, the business council will potentially improve the business environment in the sector, as it will proactively solve problems.

With the help of question No. 2 of the survey, which is an identifying question, we can figure out a representative of which of the project priority sectors has filled out the

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web-based survey. As we have mentioned above, there are 156 representatives of the sector of Tourism.

3. Във Вашата фирма/предприятие са заети:



По отношение на отговорите на въпрос № 3 е видно, че масово в сектор Туризм са заети от 1 до 10 души, като 92,7 % от анкетираните са потвърдили тези данни. Други 6.2 % имат наети от 11 до 50 служители. Над 50 наети служители имат само 1.1% от представителите на сектора. Това се дължи на факта, че в фирмите работещи в сектора са предимно малки или средни предприятия.

Regarding the answers to question No. 3, it is evident that 1 to 10 people are mostly employed in the sector of Tourism as 92,7 % have confirmed these data. Other 6.2 % employ from 11 to 50 people. Those who have more than 50 employees are 1.1%. This is because the companies in this sector are mainly small or medium-sized ones.

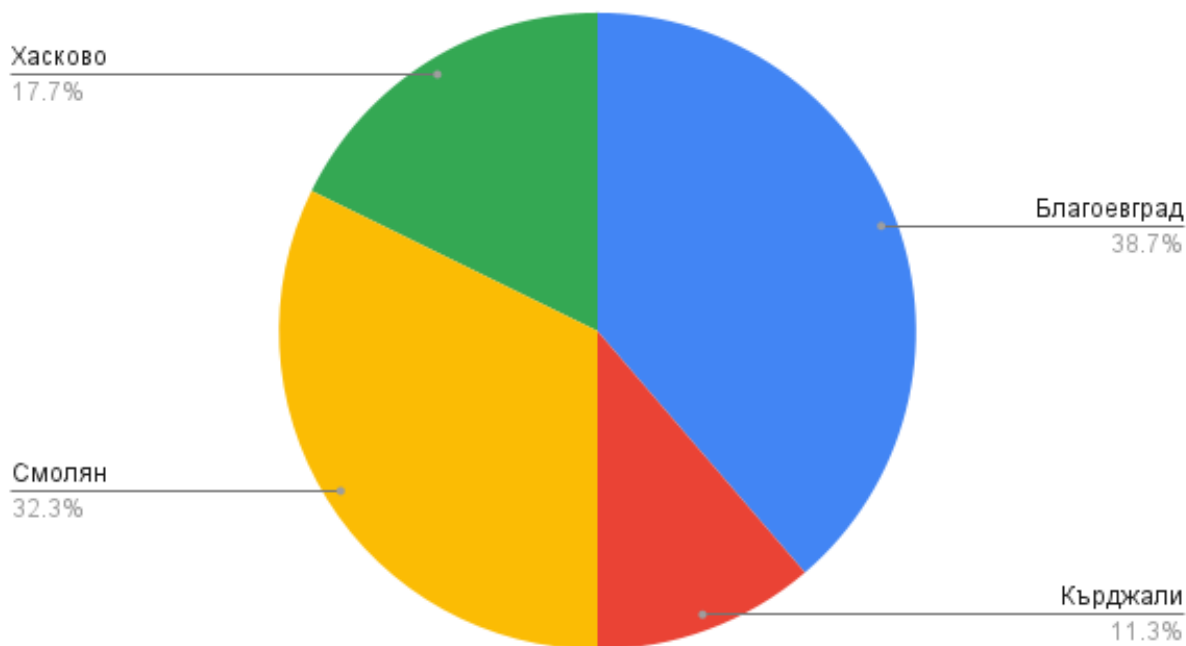
The respondents run mainly fast food restaurants, restaurants, cafes, guest houses, small hotels, etc.



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4. В коя област сте?



It is important to note that the surveys were sent proportionally to representatives of the sector from all priority areas, and according to the answers to question #4 it is clear that the largest share of the surveyed representatives of the sector of Tourism falls on the district of Blagoevgrad with 38.7%, due to the fact that with a web-based survey, the observance of an exact proportion is impossible since the recipients of the survey have also shared it with other representatives of this branch.

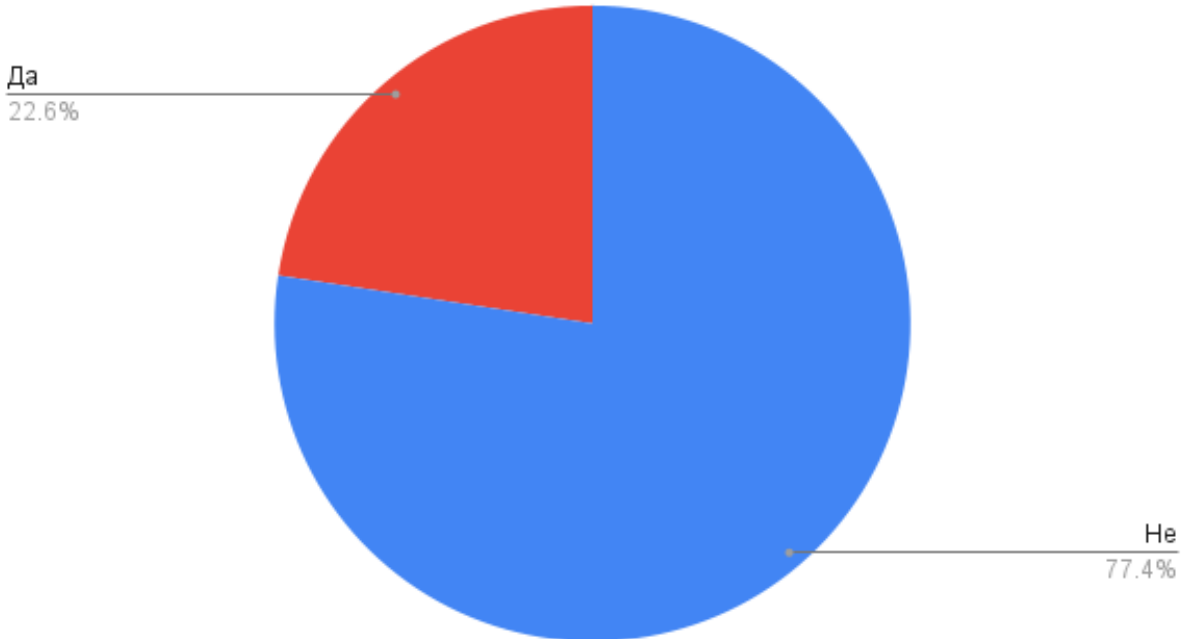
The region of Smolyan comes close second with 32.3 %, followed by the region of Haskovo with 17.7% and the region of Kardzhali with 11.3%.



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5. Участвали ли сте в трансгранични проекти?



The responses to question No. 5 77.4% of the representatives of the sector of Tourism gave a negative answer regarding their participation in cross-border projects, and only 22.6% gave a positive answer.

The reason for these responses can be found in the lack of training and information. This is unequivocal evidence that one of the issues that the business council should consider is providing an awareness environment and training for the participation in projects under various operational programs and European funds, as well as looking for partners in cross-border areas from the same management sector.

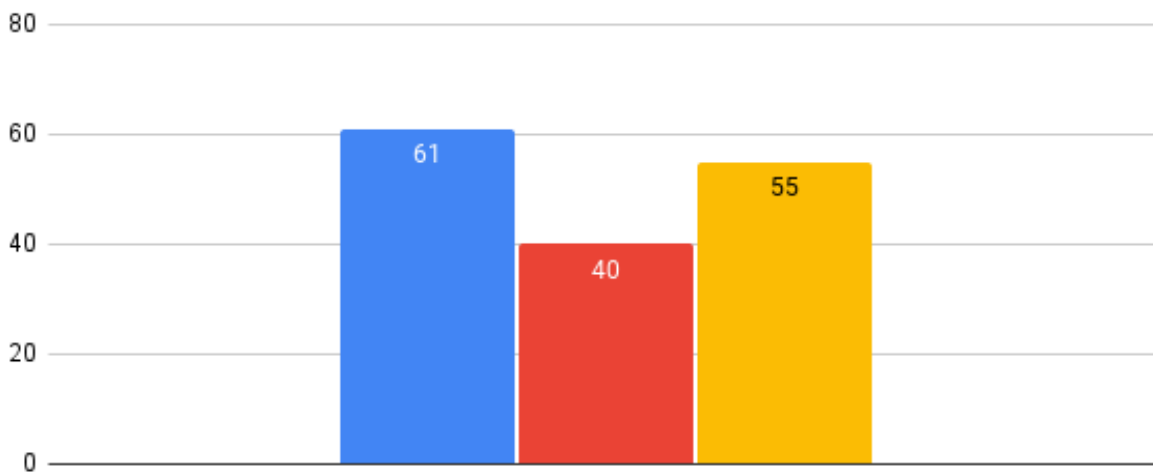
It is important to note that there is a possibility that the representatives of the sector have not participated in cross-border projects, since in Bulgaria there have been purposeful efforts to support small and medium-sized businesses, through programs of the Agriculture Fund, including funding local initiative groups and private projects of the representatives of the sector and/or other financial donors.

Therefore, it is necessary for the newly formed business council to set clear boundaries and activate and direct its members to get involved in those programs from which the development of these businesses would benefit. This should include disseminating information through various information channels and/or brochures about

the benefits of cross-border projects, which are particularly important for the development of border areas.

6. Какви са Вашите нагласи за работа с чуждестранни партньори във Вашата сфера на управление?

- Отворени сме за партньорство и работа с чуждестранни представители в сектора ни на
- Вече работим с чуждестранни представители на бизнеса от нашия сектор, но бихме искали да
- Не, нямаме необходимост от партньорство с чуждестранни представители

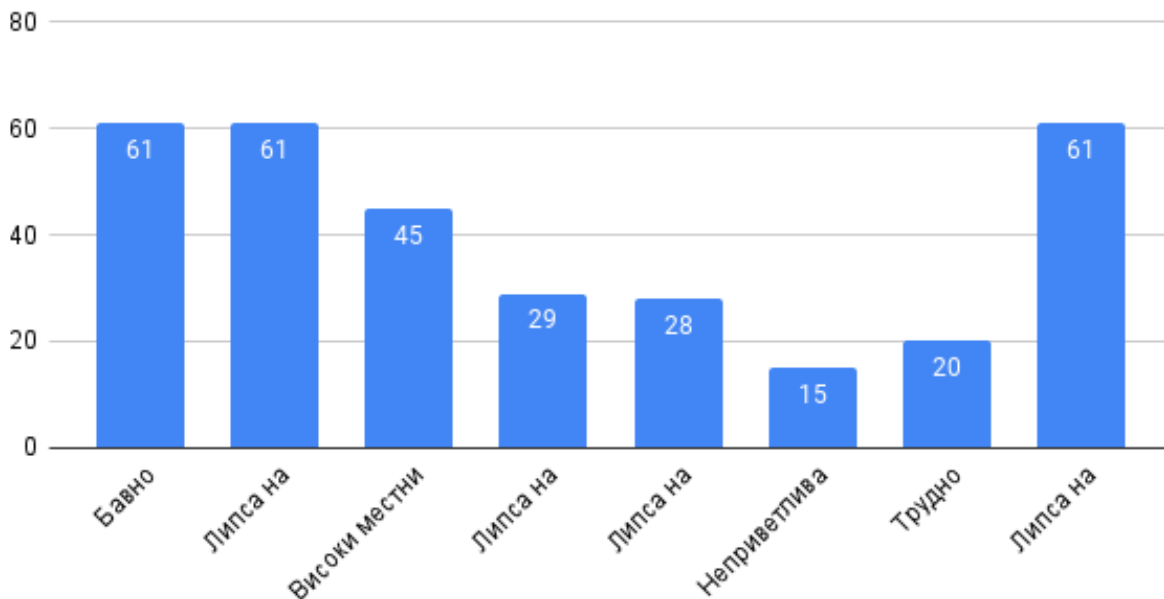


Regarding question No. 6, which aims at measuring the attitudes of the representatives of the sector of Tourism towards cooperating with foreign partners. It is evident that a large number of these representatives are open to partnerships and cooperation with foreign representatives in their sphere of management, i.e. 61 representatives of this target group. In the second place 55 of the respondents have indicated that they do not need foreign partnerships and lastly, 40 people replied that they already work with foreign business representatives and are also open to new work with new partners.

The representatives who are not willing to engage in partnerships outline a priority activity of a business council, i.e. focusing their efforts on building partnerships, both within business councils in Greece and as well as expanding partnerships within the European Union.

A functional business council could work to create the right business environment in which business representatives seek and find partner organizations from their sphere of management and, accordingly, help to create partner relationships and joint work.

7. Моля, опишете накратко, какви са основните трудности, пред които сте изправени, по отношение на съвместната работа с институциите?



According to the conducted survey 61 representatives of the sector of Tourism think that the main difficulties for them are the slow administrative service, the lack of awareness of the problems facing businesses and the lack of consultation with the businesses when formulating the policies that affect their development. In the second position 45 representatives view high local taxes and fees as a difficulty, followed by lack of specific expertise on specific business matters (29). Other 28 consider the lack of electronic management as a difficulty. The last two positions are taken by the difficult access to executives in the institutions (20) and unfriendly administration (15).

The results obtained from this question should be the starting point for one of the main priorities of the business council, namely, to improve the behavior of the administration by giving feedback and recommendations, thus increasing the trust of businesses towards the administration.

Another major problem in the joint work between businesses and the administration is the lack of trust in the representatives of the executive and local authorities. This hinders

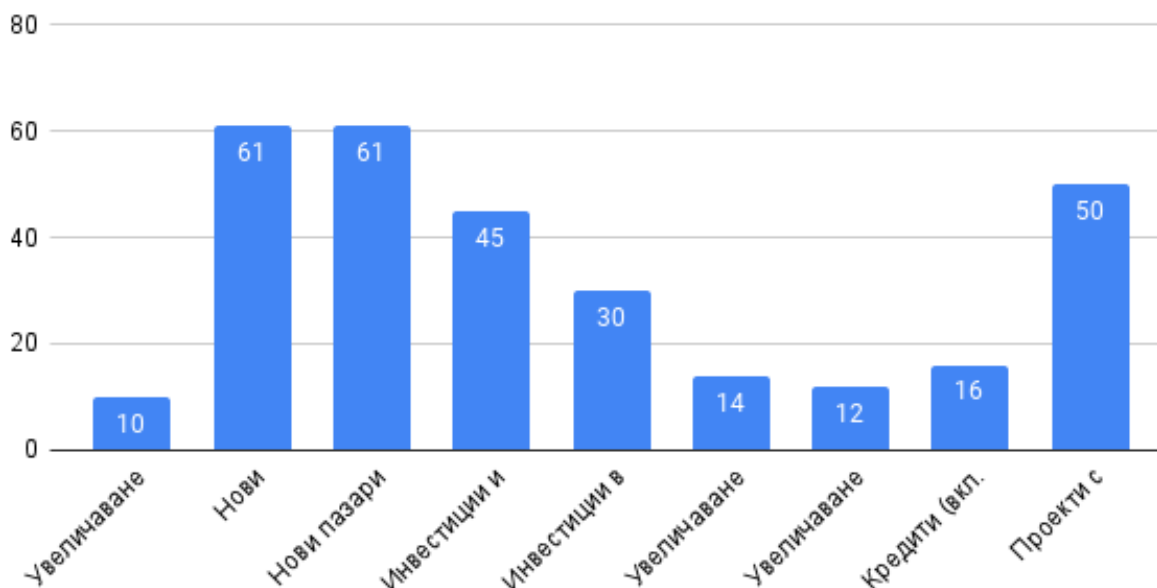
the companies' initiative and demotivates them to take an active part in the process. On the other hand, this contributes to the buildup of attitudes of the type "there is no point in such cooperation". This, combined with lobbying practices and the lack of invitations to participate in the decision-making process, completes the picture of the most common obstacles to good cooperation between businesses and administration. A business council should aim at changing precisely these attitudes of business representatives.

Therefore, a business council could require the district administrations to include business representatives in the discussions at the earliest possible stage, when their participation would have the greatest effect on the policies made and the management decisions made, and, in addition, require feedback about the progress made on the topics and issues discussed.

Day-to-day communication, coordination and management of the partnership will ensure the necessary smoothing of differences and the achievement of better mutual understanding between the participating organizations.

Clear and transparent mechanisms of interaction with the administration are the key to more active involvement of businesses in the process of articulating public policies. Receiving information from the administration about the measures taken in response to certain proposals is also an important element that influences the commitment of the representatives of the sector. It is also necessary to create a form of permanent partnership between businesses and the administration in order to have visible results in terms of the development of the sector.

8. Какви са намеренията Ви за развитие на Вашата фирма през следващата година?



Question No. 8 also provided the possibility of marking more than one answer. The results of the survey place two responses with the same frequency (61) in the first place namely entering new markets and offering new products. 50 representatives of the sector of Tourism plan to participate in projects with European and/or national funding, followed by investment in innovations and brands (30), loans and leasings (16), increasing the number of job positions (14), raising wages (12) and lastly increasing the volume of production (10).

In the context of the survey results described above, a business council will be a developmental tool that provides the framework for dialogue and activation of stakeholders around an economic or social problem, working towards its solution.

We might be able to explain reasonable the large number of those willing to raise the wages of their employees or increase the volume of their work as a result of crisis caused by the corona virus infection. Unfortunately, the tourist industry was one the first sectors that had to close down in managing the pandemic crisis. Although the state provided financial support through various measures for coping with the crisis a number of representatives of small and medium-sized businesses are under financial stress.

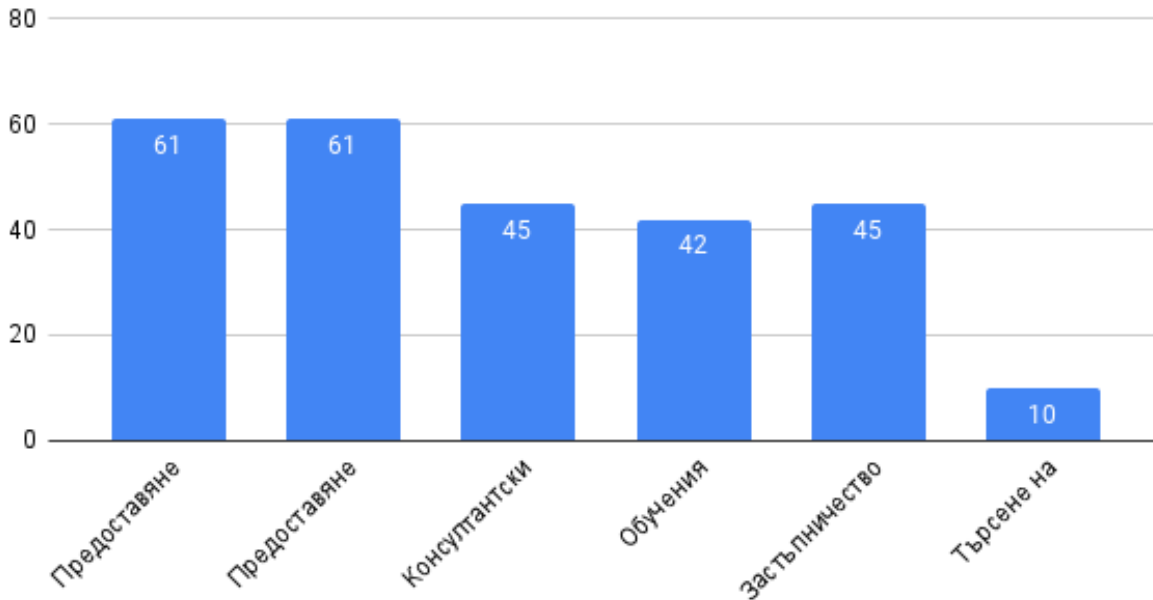


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A Business council should put its efforts in identifying the urgent needs and present them to the authorities at local and national level in view of their help.

9. Какво съдействие и помощ очаквате от представителите ли на институциите за напред?



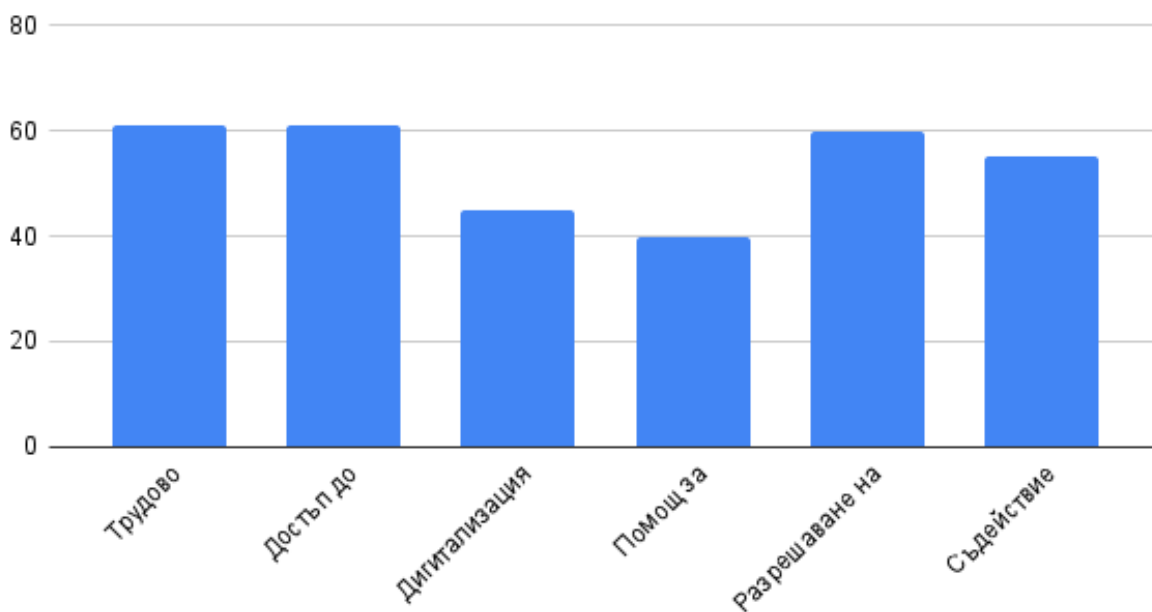
The interviewed representatives of the sector of Tourism in the border regions of Smolyan, Haskovo, Kardzhali and Blagoevgrad expect representatives of the institutions to provide them mainly with information about the possibilities for financing and/or assistance through various financial donors and about the business environment and new legislation (61), another large group of respondents (45) would like to receive consulting services from the institutions and assistance in mediation with national and European bodies and institutions.

A portion of the respondents expect assistance with training (42), and only 10 would like assistance when looking for partners at the local and international markets

Taking these data into account, the business council can set itself the goal of negotiating with municipal and/or regional administrations in the priority areas for assistance and conducting training for beneficiaries under the various programs, regardless of the type of funding, as well as assisting its members in the preparation of project proposals with the help of experts from the municipal administrations or through building long-term relationships with the local initiative groups in the various regions.

The business council could build clear and transparent mechanisms by organising permanent working groups, holding meetings and informing and training target groups on how to interact and how to set realistic goals and expectations for the partnership process. This will guarantee not only the interested parties being proactive, but also the sustainability of the cooperation processes.

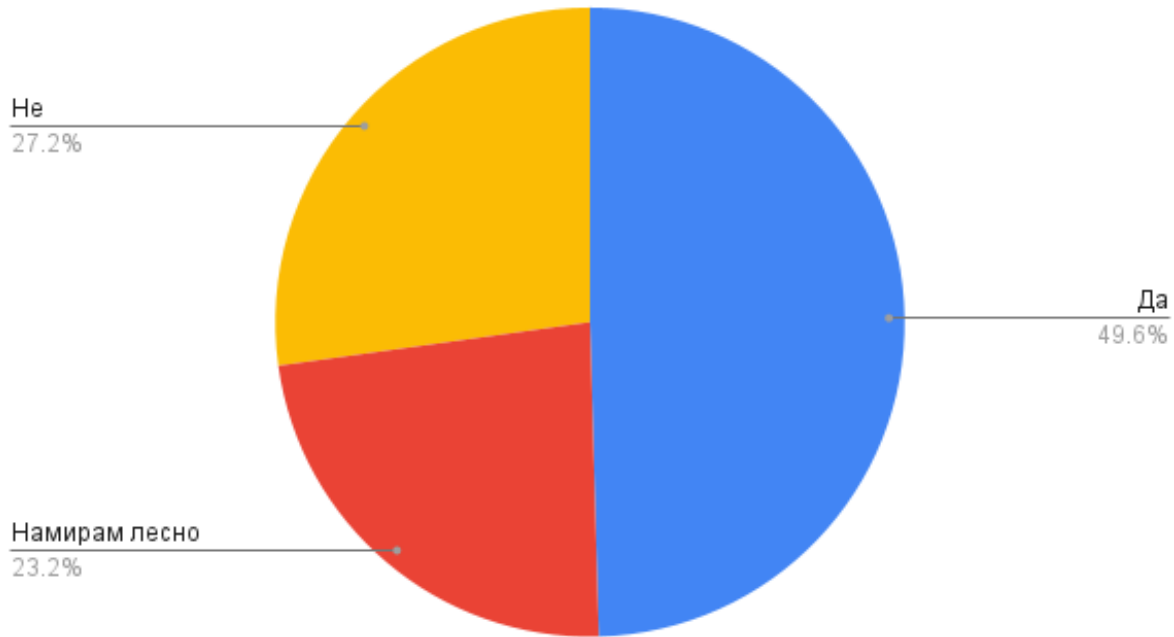
10. В кои области би бил полезен Бизнес съветът при предоставяне на услуги и защита на Вашите интереси?



The representatives of the sector of Tourism believe that a business council could be useful in providing services and protection of the interests of the target groups in labour mediation and labour legislation (61), accessing funding (61) and solving administrative obstacles and problems (61), assistance against administrative arbitrariness (57), help in digitalisation (43), assistance in establishing partnership relationships with local and foreign representatives (40).

In the context of the answers received, a business council can set such goals as: facilitating the training processes and exchanging experiences in order to become familiar with the regulatory framework, creating relationships with the administration to minimise its arbitrariness and foster their cooperation in solving problems within their expertise.

11. Изпитвате ли затруднение при намиране на работна ръка?



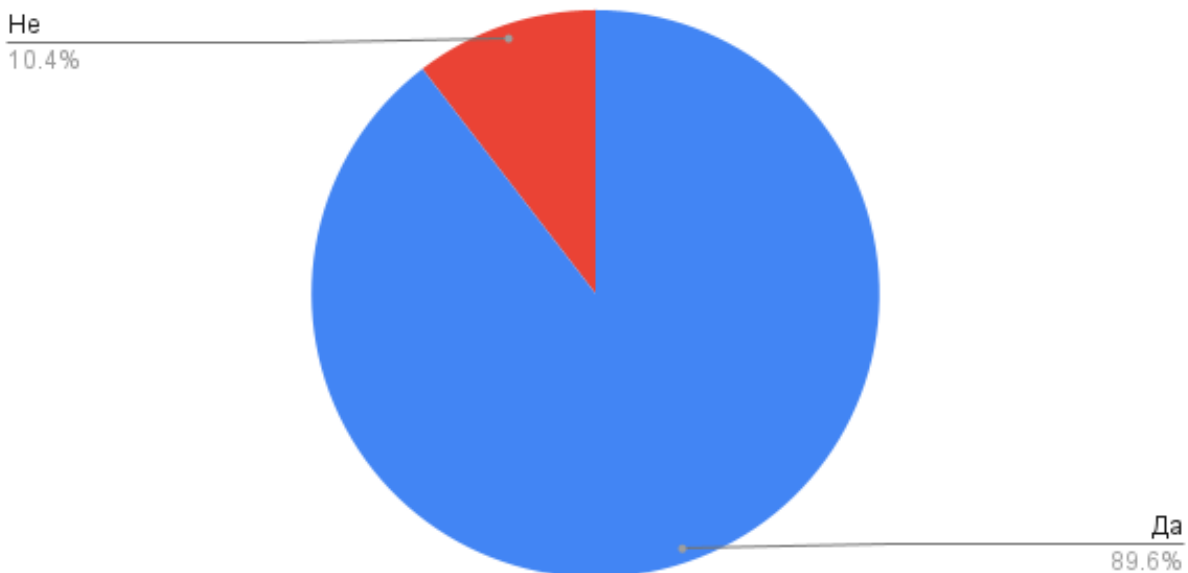
According to the answers to question No. 11, half of the representatives of the sector of Tourism in the border regions of Smolyan, Blagoevgrad, Kardzhali and Haskovo or 49.6% are experiencing difficulty in finding workers.

Second come those representatives of the target groups who can find workers easily or 27.2%, others 23.2% can find workers easily, but experience great difficulties in keeping them.

On the one hand the results described above indicate that the lack of manpower for businesses is among the main problems in these priority sectors. A large proportion of these sectors have shortages of qualified workers. This shortage is getting worse more and more noticeable due to the pandemic, and the trend of lack of qualified work force is becoming one of the main challenges for businesses. Therefore, a business council can set itself the goal of initiating a dialogue with the representatives of the sector, which should say what kind of specialists it needs and, accordingly, bring this to the attention of the relevant institutions and/or universities.

Those employed in this sector do not stay there long and leave as the work is not permanent which is directly linked to the restrictions during the crisis. A Business council should conduct an investigation among the people employed in this sectors, collate their problems and bring this to the attention of the relevant institutions.

12. Смятате ли, че чрез реализиране на партньорство с чуждестранни представители ще подобрите Вашия бизнес? Бихте ли предприели действия в тази посока?



From the answers to question No. 12, it is clear that a very large part of the business representatives believe that by implementing a partnership with foreign representatives they could improve their sector and they may take actions in this direction (89.6%).

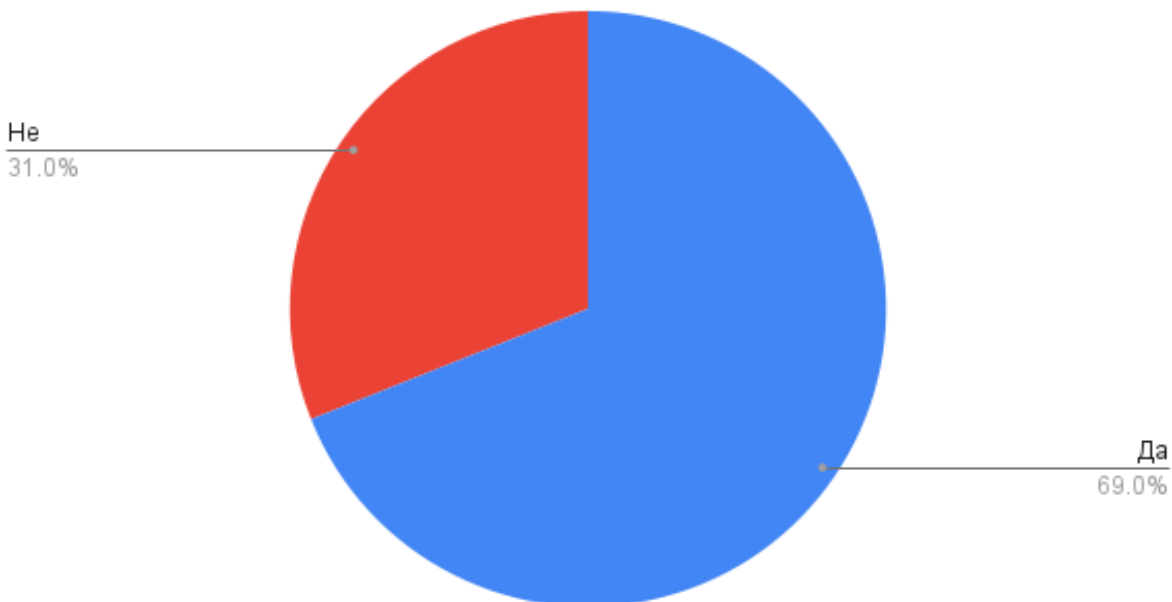
A relatively small part of the respondents – 10.4% - answered negatively and would not like to take actions in the direction of partnership with foreign representatives.

In the context of the above and the request for partnerships from the majority of the surveyed target groups, it is important to mention that the creation of a partnership is a long and difficult process that requires the partners to share resources and assets (time, knowledge and efforts).

In relation to the above issue, a business council will engage in specific actions aimed at liaising individuals from the private sector with foreign ones on the principle of

equality; joint work on defining and tracking the achievement of common goals; building on and complementing each other's positive sides and assets for a stronger partnership; work with the business council in Greece, etc

13. Бихте ли членували в Бизнес съвет, за да подпомогнете развитието на бизнеса в пограничните райони?



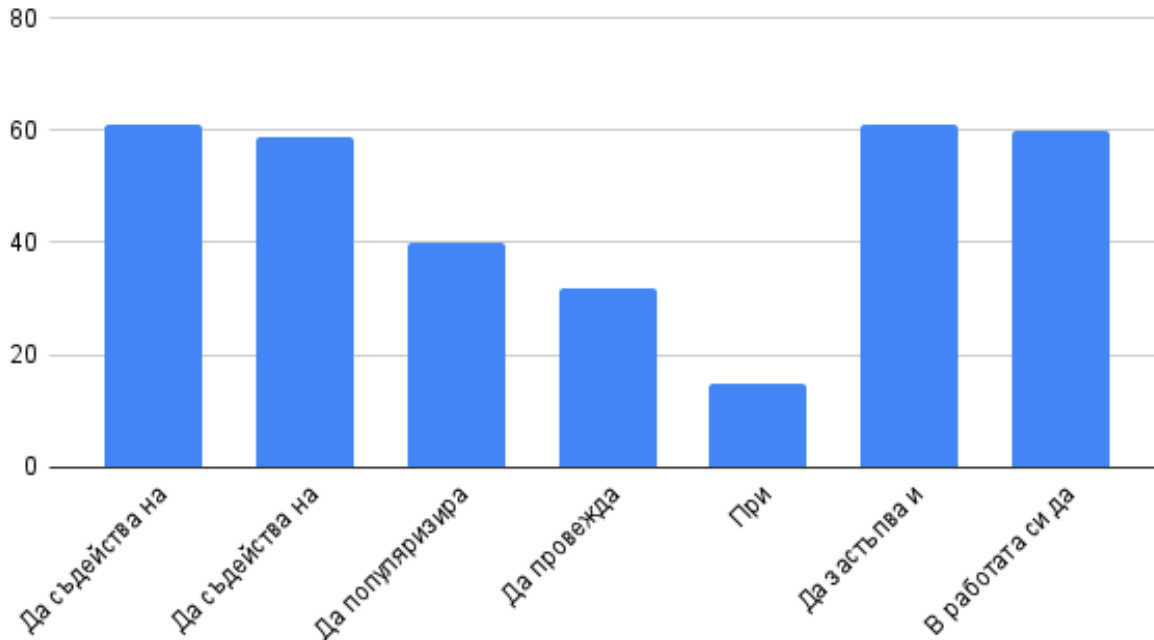
According to the answers received to question No. 13, 69% of the surveyed representatives of the target group would become members of a Business Council in order to support the development of their businesses in the border areas, 31% would not participate in such a council.

The reason for the negative answers can be found in the lack of conviction that there can be collaboration between the institutions and the business council and uncertainty that there could be an environment in which the various participants would work together.

A Business Council should focus its efforts at showing that such collaboration is possible by using the opportunity to invite representatives of local authorities to attend its meetings, immediately listen to the problems and ensure personal commitment to their solution.

As a whole the attitudes towards participating in a business council are positive but once it is set up it should aim at changing the negative opinions as it is the participation in such a council that can improve the situation in the sector.

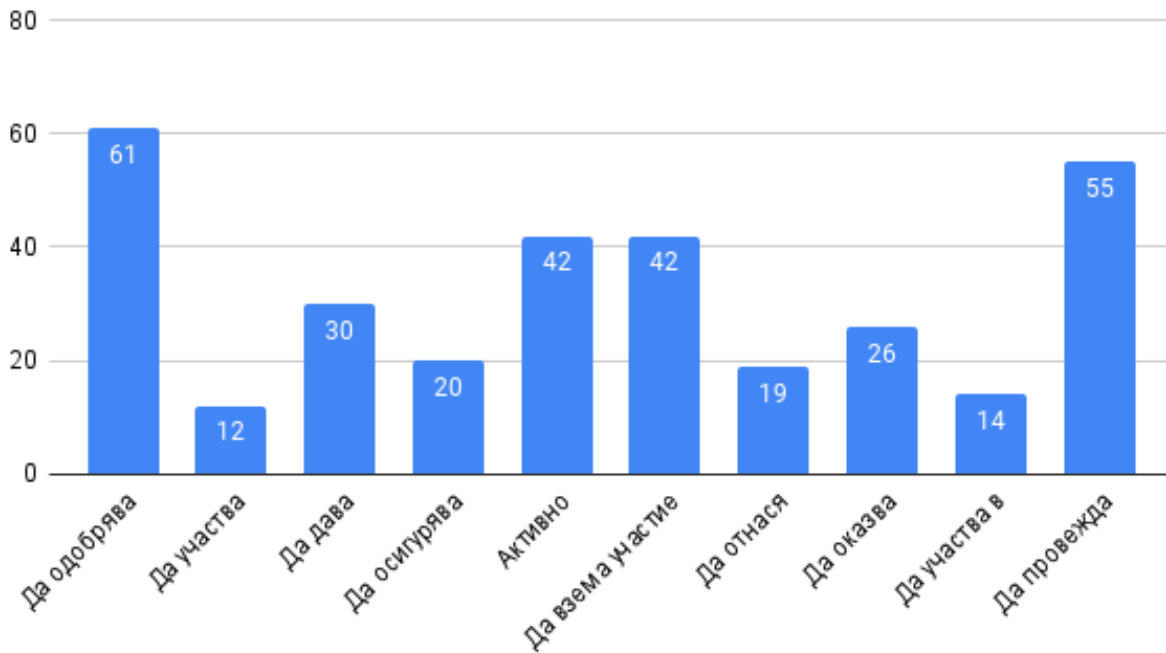
14. Каква очаквате да бъде ролята на бизнес съвета?



This question also could have multiple answers. As to the responses of the target groups to what they expect the powers of a business council should be, there are 4 answers with the same frequency - the business council should assist businesses in solving current issues (61), support and defend causes which would lead to the development of the sector at the cross-border level (61), cooperate with the business councils in Greece (60) and assist businesses by referring certain issues to the relevant institutions (59). What follow are making the problems of their businesses heard, if necessary using the mass media (40), holding regular meetings at which the problems would be heard (31) and lastly, if needed, to initiate changes in regulatory framework (17).

Based on the results described above, there is a clear trend that the target groups expect the business council to have a broad key role. In this line of thinking, the business representatives need a community that stands behind them in all difficulties, supporting them adequately for any crisis situation they might face.

15. Какви, според Вас, трябва да бъдат правомощията на бизнес съветите?

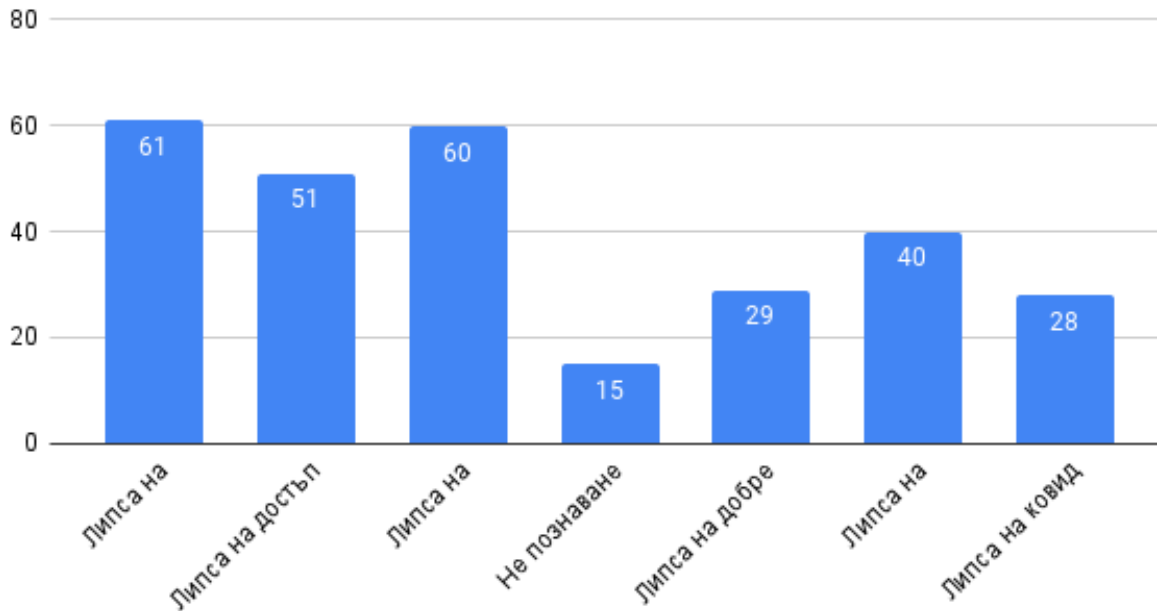


The results of question #15, which allows multiple answers, are as follows – 61 respondents would like a business council to have the power to approve strategies for the development of businesses at the local level; 55 respondents would like a business council to organise training, seminars, information events about innovations and know-how; 42 of the representatives demand that a business council have power to actively interact with public mediators and take part in the discussions of the municipal budgets in the region; 30 of the respondents would like a business council to be able to express opinions on issues concerning the development of businesses at the local level to the competent institutions; 26 of the respondents would like a business council to provide administrative assistance to the businesses in its communication with institutions about certain issues and problems; 19 people would prefer a business council to refer their business problems to the municipal councils in the region of the business council and lastly – to participate in the exchange of experiences and good practices in the cross-border region (14) and to participate actively in the development of regional and municipal strategic and planning documents (12).

All the powers of a business council marked in the survey are possible to implement, and through their implementation, the representatives of the sector will be

represented to the institutions, and it can work purposefully to support them on various topics.

16. Какви са основните предизвикателства и трудности, които срещат предприемачите и представителите на бизнеса във вашия регион?



The responses to question #16 outline a main difficulty facing the representatives (61), i.e. the lack of qualified workers. The lack of industrial zones comes second (60), followed by access to financing (55); the lack of transport connectivity (40), the lack of transport connectivity (48), the lack of good infrastructure (29). The lack of knowledge of the instruments of the European funds and programs comes last (15).

The results of the responses show that the sector is experiencing difficulties in many different directions, i.e. the business council should cover a wide range of problematic situations without limiting itself to specific ones and provide diverse support of the sector of Tourism.

In connection with the above a business council will aim to assist the sector in all difficulties it is facing, including organizing training and encouraging life-long learning to address labour shortages. It will mediate between the representatives of the sector and the institutions, proposing specific projects and it could initiate meetings with various executives to improve transport connectivity and/or other infrastructure necessary for the development of the specific sector.

In addition to the above, the business council will offer informational materials and/or organise training in order to acquaint the target groups with the tools of the European funds and programs, including inviting speakers/experts from the municipalities or local initiative groups.

5. Conclusions based on the survey of the sector of Tourism in the districts of Smolyan, Kardzhali, Haskovo and Blagoevgrad regarding the setting up of a Business Council

The impact processes between business representatives and institutions are complex and multi-layered. Within the framework of the conducted survey of the attitudes towards the setting up and participation of the target group in a business council, several main points have been highlighted:

Issue	Conclusion
Insufficient awareness and lack of communication channels of both groups	This issue is relevant to both sides - the representatives of the businesses and to the representatives of the administration in the various institutions. Creating a functioning business council will help facilitate communication between the two groups, thus keeping each group informed on issues affecting its sphere of governance.
Poor knowledge of the legal framework concerning the business representatives	Unfortunately, the representatives of the sector of Tourism do not have any or have poor knowledge regarding the legal framework that affects their work. Therefore, the functioning of a business council would help identify the specific needs and organise training on specific topics and/or exchange of experience with partner organizations.
Business councils and/or other similar organisations are not common.	The common practice both in the studied regions and on the territory of the entire country shows that there is a lack of desire to participate in such organizations on the part of businesses . Therefore, their inclusion in such



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	<p>initiatives involves a lot of flexibility on the part of experts and/or organizations. On the other hand, membership in such associations would lead to an improvement of the business climate in the various sectors.</p>
<p>The expectations of businesses in terms of assistance from the institutions are not within their powers</p>	<p>Business representatives lack a clear idea of the functions of the various institutions and to whom they should refer their problems.</p>

6. Conclusion

Setting up a business council aims to improve the business climate by interacting with all stakeholders involved in the development of the sector. The business council will be guided entirely by the desire to build conditions for proper market relations, confirm lasting partnership relations in the cross-border region, interact with institutions and comply with the requirements of good European development practices.

The business council will provide consulting, information and other types of services to the companies/enterprises that are members of it. The members of the management board will be ready to investigate any business issues that may arise and take appropriate legal action to protect the interests of the business representatives united in the business council.

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