

Business communities - a factor of industry and bioeconomy development

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Abstract. The population of Europe and the world is constantly growing, and so is its need for more food. This leads to rapid depletion of natural resources, and environmental impacts and related climate change challenges are increasing. It is therefore essential to move to a new way of economic growth that is compatible with the protection of the environment and the sustainable use of scarce natural resources, while guaranteeing a much higher standard of living reducing poverty. The bioeconomy strategy and its action plan become the basis for a more innovative, efficient and competitive society that combines food security, sustainable use of renewable industrial resources and environmental protection. In recent years, the role of business associations has increased significantly, in connection with the rapidly changing business environment of ever-increasing corporate competition. The authors aim to reveal the goals of these business communities and the means to achieve them. The report outlines the specific results of the team's own study of the competitive advantages of industrial enterprises created by business associations.

1. Introduction

The sustainable development of the industry and the bioeconomy depends on the business environment in which businesses operate. According to the annual ranking Doing Business for 2020, prepared by the World Bank, Bulgaria gave two seats to the 61 position among 190 economies around the world [1]. The country stays back to other countries around the world when comparing the procedures needed to start a business, to obtain building permits, to credit and access electricity, to recognise insolvency and to pay Taxes. The main reason indicated by the specialists is that the country has not changed anything in regulations and requirements compared to last year. A number of authors analyse the factors of the internal and external business environment, allowing for industrial growth, with the emphasis in recent years mainly on the digital transformation of enterprises [2].

In this report, the team of authors aim to consider the role of business communities as a factor in the development of industrial enterprises. This issue is relatively little explored, creating a challenge for us.

2. Exposition

Long-term forecasts show that, without radical political changes, the current trends in world economic growth and development will have a major impact on the natural resources and the ecosystem. The population of Europe and the world is constantly growing, and so does its need for food, more and more natural resources are exhausted, the environmental impact and the related climate change challenges are increasing. It is therefore essential to move to a new way of economic growth that is compatible with environmental protection and sustainable use of limited natural resources, while ensuring a much higher standard of living reducing poverty. The development and application of innovative biotechnology methods and processes in the agriculture, health, chemistry and energy sectors has recently been seen as one of the solutions to accelerate sustainable growth and development. By focusing more on scientific research and innovation, new products from biomass and new services needed for the development of the bioeconomy would be created, helping to reduce climate change, waste and create new jobs .

The bioeconomy encompasses the production of renewable biological resources and the conversion of these resources and waste streams into value added products, such as food, feed, bio-based products and bioenergy. The bioeconomy includes the sectors of agriculture, forestry, fisheries, food and pulp and paper production, as well as parts of chemical, biotechnological and energy industries. Bio-based products are products that are wholly or partly derived from materials of biological origin, excluding materials embedded in geological formations and/or fossilized [15]. The bioeconomy relies on life sciences, agronomy, ecology, food science and social sciences, biotechnology, nanotechnology, information and communication technologies (ICT), and engineering¹.

Comparative analysis of the definition of bioeconomy in the EU, OECD and the EU member state documents allowed determining that bioeconomy is a part of economics associated with the following: *sustainable production of bio-resources and their processing into value added products; land and water* (plants, animals and micro-organisms) and bio-based products; *types of economic activities* (in other words – economic sectors) *related to the manufacture, processing or recycling and use of such as plants, animals, micro-organisms and their products; the use of advanced technologies, such as biotechnology, nanotechnology, information and communication technologies, in addition to traditional technologies* [15].

Thus the definition of bioeconomy according to the Communication from the European Commission “Innovation for Sustainable Growth: A Bioeconomy for Europe” reflects the essence and the content of bioeconomy, covering all the specified material elements of bioeconomy. According to this Communication, “.....*the bioeconomy encompasses the production of renewable biological resources and the conversion of these resources and waste streams into value added products, such as food, feed, bio-based products and bioenergy*”[15]. This description of bioeconomy is clear, easily understandable and suitable for defining the bioeconomy in Bulgarian legislation. It should be added that this definition of bioeconomy has recently been often quoted in various EU bioeconomy studies.

In the specialized literature there are different names such as business communities, business associations, business federations, business structures and others, among which there are some similarities and differences. What unites them mostly is that, by their essential characteristics, in themselves, they are among the most important forms of social capital [3]. As the most famous authors, published theories about social capital, we can point out sociologists Pierre Bourdieu, Robert Putnam and James Coleman. According to Bourdieu, the social capital represents the sum of resources (real or virtual) that individuals or groups accumulate because of the existence of a permanent network of more or less institutionalised acquaintance and acceptance relationships [4]. Complementary emphasis in the understanding of social capital puts Robert Putnam "Social Capital is a system of interactions with Nejerarhičen, networked nature. It is deployed as a result of obšovzprieti norms and mutual trust. Putnam focuses on the traits of social organization such as trust, norms and networks. They can improve the efficiency of society by facilitating coordination of actions [5]. According to Coleman's views, social capital is defined by its functions. And it consists of a multitude of different units with two common characteristics: they have traits of social structure and support certain actions of the individuals who belong to this structure [6].

The survey of sources by Bulgarian authors, examining the essence of the social capital makes it possible to highlight the definition of Ivan Bondokov "the social capital is all the resources that a person acquires through personal and professional contacts and relations. These are for example: information, ideas, business opportunities, influence, trust, emotional support, friendship and cooperation. The social capital resource is built and located in networks of relationships and relations with others "[7]. Other Bulgarian researchers analyse in depth various definitions of social capital, which reveal different aspects of its nature [8, 9, 10]. For our development for a working definition we can accept the understanding of Robert Putnam, which reveals the social capital as a system of interactions with Nejerarhičen, networking nature. It is deployable as a result of obšovzprieti norms and mutual trust [11,16]. The analysis of the different definitions allows us to summarize that some of the main features of social capital are:

- a system of interactions with non-heretic, networked nature;
- the result of continuous work on creating, developing and strengthening social relations based on trust;
- associated with group membership.
- having already pointed out that business communities are a form of social capital, we will look at the objectives of three of them operating on the territory of the South Central planning region.
- in summary, they are limited to:
- to protect the rights and legitimate interests of its members;
- to promote dialogue between business representatives, individual investors, experts and NGOs on the one hand, and municipal and regional administration on the other;
- to undertake and implement initiatives to attract national and international investments;
- to unite and promote the efforts of its members to regulate professional ethics in the field of entrepreneurship and investment and to prevent unfair competition;
- to bring together entrepreneurs to protect their economic, social and legal interests by interacting with state and local authorities to create conditions conducive to the development of private enterprise;
- to support the Bulgarian business and economy [12, 13, 14].
- the means to achieve these objectives are:
- organizing and conducting events related to the fulfilment of the objectives;
- participation in the development of investment projects of local, regional and national importance;
- organizing and conducting initiatives (workshops and discussions) in support of the territorial-spatial, architectural and economic development;
- attracting professionals and experts to solve business issues [16];
- promoting cities and areas as favourable economic zones for investment.

The review of the objectives and the means for their realization of business communities that they possess the identified distinctive characteristics of social capital. In a synthesized form, these are the results of the literature review on the essence of business communities.

3. Methodology and results of the study

Methodology of the study

The survey was conducted in seventy three industrial enterprises in Bulgaria, which are members of business communities in the period September 2019 – February 2020 year. Of these, seventeen are large enterprises, thirty seven are medium-sized and nineteen are small enterprises. Industrial enterprises are from different industries: "Automobiles and Autoparts", "Information technology", "Lighting", "Transport services", "Machinery and Machine building", "Polygraphy and packaging", "Metals and metalworking", "Bio-fuel", "Bio-chemical" and „Bio-pharmaceutics“. Two of them and one of the companies are foreign management (Germany, France, Austria, Sweden, Denmark, Italy,

Belgium, etc.) and fifty two are Bulgarian enterprises. The companies surveyed employ 19325 people. The participants in the survey are 231 managers at higher and middle level.

The study covers five phases: conducting structured interviews to determine the benefits for the development of industrial enterprises; developing surveys; Conducting inquiry; benefits; Processing of the results.

The first stage relates to the conduct of structured interviews which contain a question relating to the identification of the most significant benefits for the development of industrial enterprises from their participation in business communities. They were scheduled for an interview with twenty business managers who are members of three businesses communities, or a total of sixty managers to answer the only question. Of the sixty managers planned for the structured interview, 9 declined to participate, which follows that the respondents were fifty-one. The above-mentioned benefits are over twenty, but the comparatively most support gets the first eight, and they define them as "an essential factor for the operation and development of industrial enterprises".

Based on the results of the interview, questionnaires were developed – the second stage of the study.

The questionnaire sets out questions related to the assessment of the benefits for the development of the companies from belonging to the business communities, making a scale for the assessment of the degree of 1 to 4 as follows: 1 – High level; 2 – Medium degree; 3 – Low level; 4 – Zero degree. The participants assess how much each benefit contributes to the development of the companies

Results of the study

As a result of the survey, we received results illustrated in the table. (Table 1). Interviewed managers indicated as the most significant benefits:

- -Business information;
- Business opportunities;
- Prestige
- Influence
- Cooperation
- Business ideas
- Consultations with experts;
- Emotional support.

Table 1. Results of the study

№	Benefits for the development of the enterprises	1 high degree %	2 middle degree %	3 low degree %	4 zero degree %
1.	Information for businesses	85	8	5	2
2.	Consultations with experts	62	23	12	3
3.	Business ideas	58	24	13	5
4.	Cooperation	37	33	21	9
5.	Business opportunities	76	14	7	3
6.	Prestige	71	15	12	2

7.	Influence	68	24	6	2
8.	Emotional support	28	19	38	15

The results of the questionnaires relate to the assessment of the benefits of the business communities on a four-tier scale and are the following:

-85% of respondents are of the opinion that the information about the business is useful in "high grade", 8%-"Medium grade", 5%-"low grade" and 2%-"zero degree";

-76% assess the significance for the development of the companies of "high grade" business opportunities, 14%-with "medium grade", 7%-with "low grade" and 3%-with "zero degree";

-71% of respondents assessed the ' high-grade ' prestige, 15% with ' Medium grade ', 12% with ' low grade ' and 2% ' nil '.

These are the benefits mentioned in the first three places for the development of industrial enterprises by the survey participants. The rest are shown in table 1. On the basis of these results, their ranks were performed (table 2).

Table 2. Ranking position of the benefits

№	Benefits for the development of the enterprises	Ranking
1.	Information for businesses	1
2.	Consultations with experts	5
3.	Business ideas	6
4.	Cooperation	7
5.	Business opportunities	2
6.	Prestige	3
7.	Influence	4
8.	Emotional support	8

Conclusions from the study

1. Business communities are significant for the development of high-level industrial enterprises with information about business, business opportunities and prestige and, to a lesser extent, consulting experts, providing influence and business ideas.

2. Business communities are not very successful in helping to achieve cooperation and emotional support for their members.

In a summarized and synthesized form, the analysis of the results show that business communities have their place and are a factor for the successful operation and development of industrial enterprises and the bioeconomy at all.

Recommendations

The conclusions of the survey give us the opportunity to summarize that in Bulgaria the business communities as a form of social capital are useful for the development of the industry, but they need to improve their activities with a view to creating better conditions for Cooperation and emotional support of its members. In this strand, there is good European practice, which could be addressed by business community manuals, raising awareness among members and building techniques to enhance the usefulness of business ideas, cooperation and emotional Support.

4. Conclusion

In the report, we tried to uncover some of the essential characteristics of business communities and argue that they are one of the forms of social capital. Through the research we have established the benefits of these communities for the effective development of industrial enterprises.

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