

Bulgarian Nonprofit Sector in the Light of the Structural-Operational Definition¹

Chief Assist. Prof. Denitsa Gorchilova, Ph.D.

*Department of Public Administration
and Regional Development, UNWE*
e-mail: gorchilova@yahoo.com

JEL: L31.

Summary: In the last 20 years serious efforts are made worldwide to clarify the scope, structure, finances, and activities of the nonprofit sector. A satellite account on the nonprofit institutions in the System of National Accounts is developed and tested in over 30 countries for that purpose. The account is based on the so called "structural-operational definition", which serves as a point of reference when deciding whether to include or exclude different types of organizations in the nonprofit sector.

The Bulgarian nonprofit sector was resurrected quickly in the years of democratization but still is rather unknown. Its image is built on media coverage (which is frequently more on the negative side), on fragmentary surveys, and the statistics does not account for the full size of its role in the economic and social development. The aim of that text is to test the applicability of the structural-operational definition in Bulgaria and to check if there are the precedent conditions for the country to join the international efforts to specify the statistical image of the nonprofit sector.

Key words: structural-operational definition, Bulgarian nonprofit sector, associations, foundations, chitalishte (community centers).

Introduction

Despite the growing global presence of the civil society structures and the mounting interest from social researchers, politicians, and statisticians, the size and scope of nonprofit activities still remain almost invisible. Even in countries with long tradition in the statistical portrayal of the nonprofit presence and contribution, one rarely can find comprehensive and internationally comparative data for that type of organizations.

The **object** analyzed in that text are Bulgarian nonprofit organizations and the **subject** – the possibility to depict the whole variety they constitute in a statistically verified methodology. The **aim** of the analysis is to check whether is it possible to include the Bulgarian nonprofit organizations in the last years' global efforts to represent them adequately in the System of National Accounts by creating a specialized satellite account. The research has several **tasks**: 1) to outline the faults in the present nonprofit contribution reporting by the national statistics; 2) to present in detail the structural-operational definition; 3) to retrospect historically the Bulgarian nonprofit sector development; and 4) to analyze the applicability of the structural-operational definition to the Bulgarian practice.

¹ The structural-operational definition is a specific instrument that tests whether any given organization can be accepted as a part of the nonprofit sector. The definition is developed by a team of the Johns Hopkins University Center for Civil Society Studies.

The central **hypothesis** is that the precedent conditions to include Bulgaria in the international efforts to precise the statistical image of the nonprofit sector exist.

1. The Nonprofit Sector in the System of National Accounts

The System of National Accounts defines nonprofit organizations as "legal or social entities, created to produce goods and services, whose status doesn't permit them to be a source of income, profit or other financial gain for the units that establish, control, or finance them" [8, 2003, p. 10]. The allocation of nonprofit organizations to some of the 5 institutional sectors of the economy is made gradually by recognizing some of their characteristics. First comes the presumed *purpose* of the organization, then – its market *behavior*, then who *controls* it, and the last criterion is the structure of its *revenues*. So nonprofits are rubricated firstly depending on the product the organization creates. Those who create products for individual consumption are additionally separated to market and nonmarket producers. Nonmarket producers are differentiated to a group, mainly financed and controlled by the government, and to a residual group. The latter is known as the institutional sector "Nonprofit institutions, serving households".

When following that algorithm, nonprofit organizations can be rubricated in every one of the other four institutional sectors:

- Organizations that produce individual services of a nonfinancial character (healthcare, education, nursing, etc.) and receive 50 % or more of its revenue by selling these services at economically significant prices are referred to the sector "Non-financial corporations". That sector also includes nonprofit organizations that serve corporations (e.g. trade associations).

- Organizations that serve financial sector enterprises or produce individual financial services (insurance, banking services, etc.) and that receive 50 % or more of its revenue by selling these services at economically significant prices are referred to the sector "Financial corporations".
- Nonprofits that produce collective goods (parks, clean air, etc.) or produce individual services that are distributed for free or at economically insignificant prices and that are controlled and mainly financed by government agencies or funds are rubricated in the institutional sector "General government". Organizations with one and the same mission or area of activity can be rubricated to the sector "General government" (if they are controlled and financed by government sources) or to the sector "Nonprofit institutions serving households" (if there is no direct state control on the functioning or there is a financial independence from state sources).
- The informal nonprofit organizations – those that have no legal independence, but operate regularly and rely on individual contacts among a circle of people – are rubricated to the "Households" sector.
- In the sector "Nonprofit institutions serving households" remain only those organizations, that create individual services and distribute them for free or at economically insignificant prices and that are financed mainly by sources different from the government – households, business, foreigners, etc.

That approach reflects a very outdated understanding for the nonprofit sector as a residual, an understanding that does not fit the XXI century reality.

2. The International Comparative Nonprofit Sector project

The systematical efforts to research the nonprofit sector internationally started in

1990. The beginning was made in the Johns Hopkins University Center for Civil Society Studies². A team of scientists prepared a project to create the first global comparable database for that type of organizations. In the first stage of the project the team included 13 countries, in the second – 22, and in the current phase teams from 47 countries have joined the collaboration³. A certificate for the success of the project is the fact that in 2000 a joint team from the Economic Statistics Branch of the United Nations Statistics Division, the Center for Civil Society Studies and from the Civil Society Center of the London School of Economics and Political Science was created. The team prepared the creation of a Nonprofit Institutions Satellite Account in the System of National Accounts. In 2002 a "Handbook on Nonprofit Institutions in the System of National Accounts" was approved and by now 31 countries have committed to apply the Handbook or some version of it. That will allow comparable data on nonprofit organizations to be gathered globally. The data will cover themes like: areas of operation, number of employees and volunteers, size and type of the volunteer contribution, sources of income (e.g. philanthropy, taxes for services, state funding, international sources, foundation grants, etc.), operational expenses, and nonprofit value added.

The understanding which types of organizations are a part of the nonprofit sector varies in every country, participating in the international comparative project. As a nonprofit organization are perceived service providers (from large multifunctional hospitals, academic and scientific structures to social institutions and shelters), nongovernmental organizations, cultural and arts organizations (like galleries,

dance companies, festivals, etc.), sport clubs, advocacy groups, conservation movements, political parties, social clubs, trade unions, business associations, religious institutions, and so on. That diversity naturally leads to the question for the common denominator of all these structures. The initiators of the international comparative project have examined a multitude of criteria for the identification of the nonprofit organizations and have created the so called "*structural-operational definition*". It contains five basic structural and functional characteristics of the organizations. To be accepted in the group of the nonprofit institutions, an organization has to be:

1. *Institutionalized*. That criterion allows eliminating the temporary or ad hoc gatherings of people. Organizational identity in most countries is achieved by granting a legal entity statute. But there are countries that do not oblige nonprofit structures to create a legal entity or have different traditions in that area. Then the institutionality is expressed by the existence of some kind of internal structure, by relatively permanent goals and activities, or by the existence of "outside boundaries" – the possibility to distinguish members from nonmembers of the organization.

2. *Nonprofit distributing*. Nonprofit organizations are not created to generate profit and are not led by commercial considerations. If in any given year the organization accumulates positive financial result, it has to invest it in achieving its mission and is not allowed to distribute it among its managers, owners, or members. That differentiates nonprofit organizations from the business structures like firms and co-operations.

² More information on <http://www.css.jhu.edu/>

³ In the Western Europe these are Austria, Belgium, Denmark, Finland, France, Great Britain, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, and Switzerland. The countries from Central and Eastern Europe are the Czech Republic, Hungary, Poland, Romania, Russia, and Slovakia. In North and South Americas – Argentina, Brazil, Canada, Chile, Columbia, Mexico, Peru, USA, and Venezuela. Participants in the project are also Australia, New Zealand, Japan, India and Pakistan, the Philippines, Israel, Ghana, Egypt, Kenya, Korea, Lebanon, Morocco, Tanzania, Uganda, and South Africa.

3. *Private (institutionally separated from the government).* That criterion underlines the non-governmental character of the analyzed structures. By no means are they to be a part of the governmental apparatus or to exert power related to the state or local government. Nonprofit organizations can receive even a large amount of state subsidy or have state representatives in its governing bodies. It is important that the organization should keep its freedom of taking decisions for the products/services it creates or for the usage of its funds.

4. *Self-governing.* Here the emphasis is not on the question who are the founders of the organization but on the possibility that the nonprofit structure takes decisions by its own governing bodies. The decision-making rules should be prescribed in the articles of association and described in the inner-organizational normative acts. By that criterion organizations that are tightly controlled by private firms or state agencies (and practically are a part of their structures) are excluded from the nonprofit sector. The nonprofit organization has to be able to change its mission or inner structure by its own will, and has to have the ability to take the decision to suspend its existence. If there are state or business representatives in the governing bodies, they don't have to have the right to a veto or to have a decisive vote in taking any decisions.

5. *Voluntary.* That criterion defines the meaning of the freedom of choice on many levels. First, the creation of the organization has to be a result of free expression of the will to achieve some goal. Second, there has to be a significant voluntary contribution in the management and operations of the organization. Not of less importance is the absolute absence of compulsion to donate to the nonprofits. The voluntary criterion means also that the membership and the support of these organizations do not have to be enforced to the citizens by law or be made a condition for granting citizenship.

A number of questions can be raised in the light of the dynamic development of the Bulgarian nonprofit sector in the last 20 years. Is the structural-operational definition applicable to the Bulgarian practice? Can it shed light on the contribution of the Bulgarian nonprofit sector without replacing or distorting its characteristics? Is it possible for our country to join the international efforts to describe the scope and role of the nonprofit sector?

In search for answers a review of the main types of nonprofits in Bulgaria, of their historical genesis and contemporary state will be made.

3. Main Types of Organizations in the Bulgarian Nonprofit Sector

The Bulgarian nonprofit sector is associated mainly with the period of democratization after 1989, but its roots are far deeper. A short flashback to the last 150 years nonprofit presence and contribution to the Bulgarian society will be of help to outline its contemporary context.

The *first civil organizations*, for which official information can be found, appeared outside the boundaries of present-day Bulgaria. Those were the Bulgarian Book Publishing Effort, created in Bucharest in 1824-25 and the Bulgarian Literary Society of Vasil Nenovic and Peter Beron which operated in Brasov between 1824 and 1826. The first institutionalized charity was the Bulgarian Virtuous Company (created in 1862) that financed education for the young, supported widows and orphans, but simultaneously was a drive in the national liberation movement [5, 1999, p. 11].

The most pronounced act of the Revival spirit were *chitalishta*, that embodied everyone's strive for access to the benefits of science, education and self-improvement. The first chitalishta appeared in 1856 in Schumen, Lom,

and Svishtov. The number of chitalishta exceeded 130 in the period of Bulgarian National Revival. Among the examples of chitalishta activities were: maintaining public libraries, subscribing to foreign newspapers and magazines, carrying out public popular talks and lectures, maintaining boarding houses, village schools, equalizing curricula, additional education, education for adults, charity, theatrical performances, gathering local folklore and history. The chitalishta were established by General Assemblies; their internal structure included Board of Trustees and Financial Control Commission; the articles of association of chitalishta were often published in the local press. Among the sources of revenue one could find membership fees from the founders, visits to congratulate eminent public figures, aid from the guilds, gifts from benefactors, making lotteries, managing cafes, selling tickets for performances, etc.

Parallel with chitalishta, at the end of the National Revival in the Bulgarian territory appeared different kinds of *associations* – pupils' and women associations, choirs, theatrical and trade associations, etc. Usually they have been founded in the cities of the Ottoman Empire and among the immigration.

In the first years after 1878 nonprofits of different types flourished in Bulgaria. They were specialized by territory, profession, class, etc. Professional organizations like guilds, trade unions, artistic unions, emerged and gained strength.

In the *social area* one should mention the organizations of and for people with disabilities, of war veterans, the mutual benefit societies. The women societies were actively involved in charity.

The Bulgarian Red Cross Society – the first national nonprofit structure – is a good example in the *healthcare area*. The idea to offer medical attendance and prevention emerged locally in

Sliven in 1878. At about 1882 the Bulgarian people embraces the notion to form a Red Cross Society and in 1885 it was registered with the International Red Cross Society and started working immediately. The national liberation movement and the wars in the beginning of the XX century led to the emergence of different Samaritan organizations.

For the area of *culture, education and science* typical was the proliferation of chitalishta that reached the number of 2189 in 1929. A large number of organizations worked to gather cultural and historical heritage – those were pupils', country, all-city, refugee, professional, political associations. Very popular became the literary associations, the musical and choral societies. Associations for education and academic organizations emerged all over the country. The first sport clubs and different sport associations appeared. The Bulgarian Olympic Committee was founded in 1923. In 1889 were laid the foundations of the Bulgarian tourist movement, associations for organized recreation and hobby-organizations emerged later.

The first in the *area of development and human rights* were the organizations for special interest protection, especially the professional ones. Among the oldest was the Bulgarian Teachers Union, established in 1895. Very quickly the professional organizations started to join in mutual benefit unions increasing their ability to protect their members' rights. The first minority organizations and associations for the Bulgarians living outside the country's territory appeared. That was the time when the first organizations for protection of the Bulgarian forests, for merciful treatment of animals, and for rural development were created.

In 1912 the Bulgarian chitalista united in the Supreme Chitalishta Union that worked for improvement of the legislation, applied for government grants, offered methodological

help for its members, provided with books and magazines.

In the first years after 1944 the new state authority was looking for public support and was quite liberal with the nonprofits. A serious turn happened in the early 50s of the last century. In 1951 the Council of Ministers issued a decree which forbade the charity organizations. Gradually the Communist regime liquidated or nationalized the nonprofit sector and assimilated its resources in the state budget. The only organizations left to work were those that took into consideration the ideological restrictions and at the same time served as a vent for the civil initiative. Those were cultural organizations (cultural centers, youth clubs, and amateur groups), educational and sports nonprofits. The scientific and sports associations became totally state controlled. Some researchers claim that the artistic unions from that period have functioned as a refined manipulation system. The 60s and 70s were characterized by the presence of committees and civil movements.

At the end of the 80s the civil movements played a vital role and give an impetus to the changes. Some examples were the Independent Association for Human Rights, the Independent Club for Protection of Ruse, the Glasnost Support Club, the Independent association "Ecglasnost", etc.

The stormy return of nonprofits in the Bulgarian social practice began in 1989. After 1999 the nonprofit organizations' increase rate is relatively stable – 2400 to 2700 organizations per year. Most rapidly grows the number of the newly registered associations. As of January 1st, 2008 there are 22078 associations, 4560 foundations, and 3779 chitalishta in Bulgaria.

That short retrospection shows that the main forms of civil initiatives' expression are constant throughout the entire history of the Bulgarian nonprofit sector. The two main types of organizations – *associations and foundations* are stated in the first Bulgarian law on nonprofits 76 years ago⁴. That classification was kept in the period 1944-2001 in the next law, regulating the nonprofit organizations – the Persons and Families Law. It was transferred in the contemporary Nonprofit Legal Entities Law as well. That law is applicable to the political parties, religious organizations and trade unions (usually defined as "borderline" cases for the nonprofit sector). The other traditional components of the nonprofit sector in Bulgaria are the *chitalishta* that have more than 150 years of history.

4. Bulgarian Nonprofit Organizations and the Structural-Operational Definition

After describing the organizational forms, characteristic for the Bulgarian nonprofit sector, it is time to check their correspondence to the structural-operational definition.

The first requirement to the nonprofits – their *institutionalization* – is explicitly stated in the legislation. Bulgarian associations and foundations gain the statute of legal entity after filing a number of documents to the district court. If the organization has decided to work for the public benefit, it has two months time limit after registration to be filed in the Central Register of nonprofit public benefit entities at the Ministry of Justice. The chitalishta are also "nonprofit legal entities"⁵. There is a public register of the chitalishta and their associations.

⁴ Law for the Legal Entities, State Gazette No. 13/20.04.1933.

⁵ Article 2, par. 2 from the Law on the Public Chitalishte, State Gazette No. 89/22.10.1996, last changes State Gazette No. 42/05.06.2009.

Before concluding that there is a full match of the Bulgarian nonprofit organizations to the first criterion of the structural-operational definition, one has to mention the forms of civil activity that have become more usual in the last couple of years. These forms are no legal entities, but they influence the public opinion and have the potential to affect the state and local authorities. These are the protests and demonstrations, organized through the internet-based social nets⁶. Although there are still no concrete changes caused by these civil gatherings, they become more frequent due to the easiness and quickness of their calling. It is possible in a future period these ad hoc gatherings to gain public significance and to become so important that a method will be needed to account for their influence as well. By now they are still more or less sporadic and the Bulgarian nonprofit organizations as a whole fully satisfy the insitutionality criterion.

The *nonprofit distributing* criterion is not less vividly fulfilled. It is explicitly included in the chapter for the aims of the activities of the associations and foundations (by analogy applied to the chitalishta) and says directly: „The nonprofit legal entities do not distribute profit”. Of course, that does not exclude the opportunity for nonprofits to carry out profitable economic activities or to get into a situation when the accumulated and raised funds can exceed the expenses in the current year. Then the clause that the positive financial result should be used for attaining the organization’s mission comes into effect.

Because co-operations have the possibility to distribute their profit (according to the decisions

of its General Assembly) between the members as a dividend, that type of organizations can not be included in the composition of the nonprofit sector in Bulgaria.

The criteria *institutionally separated from the government* and *self-governing* are largely intertwined. They stress on the need for the nonprofit organization to keep its autonomy in decision making and its relative independence from the government and private sectors. Of course, a full independence is impossible, because nonprofit institutions rely on financial support from the other institutional sectors, because they make joint efforts in the social area, and due to the nonprofit legislation, created by the state.

A closer look to the “*private*” criterion reveals two sub-questions. First, one can ask to what extent nonprofits rely on financial support from the government. The data from different research projects is somewhat contradictory. In 2005 a survey on 2827 active nonprofit organizations revealed that 17 % of them use government sources of income, and that revenue from the state forms 8 % of the total organization’s income [6, 2005, p. 23]. Four years later 41 % of the nonprofit participants in another survey declared that they have government sources of income [4, 2009, slide 26]. The change can be explained by the far smaller sample of the second survey (that included only 155 nonprofit organizations), and with the newly established practice of giving annual grants from the state budget to public benefit nonprofits. Even if we accept that 41 % is the actual figure, that does not make the Bulgarian nonprofit sector heavily state-funded. There are countries with

⁶ Some of the examples are the protest against the internet traffic monitoring (February 2008); the protest in the first working day of the 41st Parliament, where among the participants were associations of milk producers, grain producers, the “Green”, In Vitro associations, teachers’ trade unions, and football fans (January 2009); and the national policemen protest (March 2009).

⁷ Article 3, par. 6 from the Nonprofit Legal Entities Law, State Gazette No. 81/06.10.2000, last changes State Gazette No. 105/22.12.2006.

far higher state participation (in the forms of outsourcing, subsidizing, grant-giving, and so on) – 77 % of the nonprofit income comes from the government in Ireland and Belgium, in Germany and Israel the percentage is 64 %, in the Netherlands – 59 %; 58 % in France, and 50 % in Austria. But according to the authors of the structural-operational definition the most important question is whether the nonprofits preserve their autonomy in the decision-making. That is why the significant state funding is not a reason to exclude those organizations from the structure of the Bulgarian nonprofit sector.

The second element of the criterion "*separate from the government*" is adequately illustrated by the case National Endowment Fund "13 Centuries of Bulgaria". The fund was established by the government in 1980 to receive and manage donated and testamentary assets and properties. It is governed by an Executive Council of 9 members. Members by right are the ministers of the culture, healthcare, education and science, and the minister of social policy and labor. The Prime Minister and the Council of Ministers elect one of them to be a Chairman of the Executive Council of the Fund. That regulation in the rules of the Fund absolutely rule out a structure of that type from the nonprofit sector – the role of the government in the direct management of the Fund is quite obvious.

On the contrary, the Bulgarian Red Cross (BRC) has a special statute, and is recognized by the government as a voluntary organization that supports the state structures and therefore uses tax concessions. But in its statute the BRC explicitly states its autonomy from the state and is governed by a General Assembly elected on a quota principle by its regional branch members. That is why the Bulgarian Red Cross is an indisputable part of the Bulgarian nonprofit sector.

The possibility for the nonprofits to be *self-governing* is written down in the legislation. The

Nonprofit Legal Entities Law requires a General Assembly and a Board of Managers for the associations and individual or collective governing bodies for the foundations. Those governing bodies have the prerogative to decide on every aspect of the organization's functioning. They prepare internal regulative documents – articles of association. In these documents the founders are free to decide a wide range of issues not explicitly stated in the law, and to detail the norms of conduct. Even more complicated is the governance structure of the chitalishta which are obliged to have a General Assembly, Board of Trustees and Controlling Commission.

The enumerated norms are quite enough to fulfill the self-governing criterion. Their application is confirmed by a study on the nonprofit management practices in Bulgaria [6, 2005, p. 25-39]. Over half of the organizations studied (54 %) have more than one governing body. The average number of members in the governing body is 9 people. The associations predominately have collective supreme governing bodies (for 79 % of the respondents it is the General Assembly, and for 18 % – the Board of Managers). The Board of Managers has the leading role for 47 % of the foundations.

The most multilateral criterion for the Bulgarian nonprofit sector is the *voluntary* one. Its first level of manifestation is the lack of compulsion when forming a nonprofit organization. That is a fundamental right expressed in article 12, paragraph 1 of the Bulgarian Constitution: "The associations of the citizens serve to satisfy and protect their interests".

At the second level voluntarism can be found in the lack of compulsion to become a member of a nonprofit. That element is missing for some of the professional organizations in our country. For example, the membership in the Bulgarian Medical Association and the Bulgarian Dental Association is an express term to practice as a

physician or a dental physician. According to the "Handbook on Nonprofit Institutions in the System of National Accounts" when the organization is exercising regulative functions delegated to it by the state and the membership is not a condition for getting citizenship, that nonprofit institution can be accepted as a part of the sector [8, 2003, p. 20].

The main manifestation of the last criterion is not connected to quantitative measurements, but it is called "significant" voluntary participation in the management and operations of the nonprofit. The specialized analyses of the Bulgarian nonprofit practices conclude a high share of institutions that rely on volunteers. Over one third of the organizations (37 %) have no paid staff. Obviously they rely completely on volunteers [6, 2005, p. 15]. A very large share of the respondents use volunteers – 84 % of the associations and foundations studied. It is interesting that 27 % report that they work with more than 20 volunteers per year, 17 % – with 11-20 volunteers, 21 % – with 6-10 volunteers, and 19 % – with 1-5 volunteers [6, 2005, p. 17]. Volunteers can be found mostly in organizations working in the social area, for rural development and nature preservation. Additionally, in 94 % of the nonprofits the members of the governing bodies work for free [6, 2005, p. 31].

That data is confirmed by a 2009 study among 1200 respondents, which found that 41.1 % of the people have worked voluntarily to improve the environment, and 21.14 % – for a particular group. As for the donations, the most common form is texting short charity mobile messages practiced by 57.82 % of the respondents. It is followed by making material donations (45.03 % of the citizens) and individual monetary donations (for 29.11 % of the people) [4, 2009, slide 16].

The review of the main participants in the Bulgarian nonprofit sector leads to the conclusion that the *associations, foundations and chitalishta* are beyond all doubt a part of it.

In the group of the so called "borderline cases" the *co-operations* have to be excluded from the nonprofit sector because they distribute profit. Due to the understanding that "the right to religion is fundamental, absolute, subjective, private, and inviolable"⁸, the *religions* and their organizations have a special public statute and cannot be accepted as a part of the nonprofit sector. Nevertheless, if any religious institution creates an association or foundation that will support and popularize it⁹, these structures will be an element of the nonprofit sector in our country.

The *political parties* can be viewed as a specific type of nonprofits. They are voluntary association of people, have a legal entity statute, don't engage in economic activities (and do not distribute profit) and are self-governing. For issues not settled in the Political Parties Law there is a referral to the Nonprofit Legal Entities Law. But including the political parties in the boundaries of the nonprofit sector bears problems due to their role as an expression of the "political will of the citizens by elections"¹⁰. That makes the idea of the nongovernmental character of their functioning hard to apply. The parties are a part of the broad definition of the nonprofit sector in Romania, they are a typical borderline case in the Czech Republic, and are excluded in Brazil, Hungary and Sweden. At the same time the "Handbook on Nonprofit Institutions in the System of National Accounts" recommends including the political parties in the nonprofit sector.

⁸ Article 2, par. 1 from the Faith Law, State Gazette No. 120/29.12.2002, last changes State Gazette No. 59/20.07.2007.

⁹ That right is enlisted in article 27, par.1 and 2 from the Faith Law.

¹⁰ Article 2, par.2 from the Political Parties Law, State Gazette No.28/01.04.2005, last changes State Gazette No. 78/28.09.2007.

In Bulgaria that is still a debatable question, but again if a political party creates an association or foundation that will raise funds, popularize its platform or support its candidates in elections, these structures will be an irrevocable element of the nonprofit sector.

Paragraph 2, item 1 of the transitional and closing regulations of the Nonprofit Legal Entities Law prescribes that the *trade unions* should be regularized by a separate law. Such a law is still not adopted, so the trade unions, business and professional associations operate as nonprofits. At the same time their main characteristics do not contradict any of the structural-operational definition requirements, so these organizations are a part of the Bulgarian nonprofit sector as well.

Conclusion

The thorough review of Bulgarian nonprofit sector's characteristics in the light of the structural-operational definition showed that it helps to reveal the real boundaries, size, and role of the Bulgarian nonprofit organizations. The selection of criteria is specific enough to differentiate the nonprofit sector from the other institutional sectors and at the same time wide enough to be applied to countries with different geographic location, level of economic development, civil activity, cultural and historical traditions.

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