

## **Abstract**

Today a stable and growing economy of a country is one that implements innovation and support entrepreneurial activity. Therefore, for Bulgaria as a developing economy it is essential to adopt innovative practices and policies which support the entrepreneurial activity within the country. This paper develops an extensive conclusion regarding the influence of entrepreneurial innovation on the development of the Bulgarian economy by using an innovation theory in the context of economic development. Stakeholder factors have crucial impact on the economic development. Their role in supporting entrepreneurial activity and implementation of innovation is of great significance. Even though Bulgaria is still a developing country, in the recent years it experienced changes in the private investment sector, as well, as the foreign direct investment sector which led to a more rapid development and adoption of innovative technologies and strategies for sustainable development and economic growth. An example for that is the expanding start-up environment in the country which finds support both from governmental and non-governmental organisations. Therefore, the statistics show that the country has a potential to improve significantly. Nevertheless, a great governmental support and non-governmental organisation's involvement will be needed in the rise of the expected economic crisis because of COVID-19 pandemic and the war in Ukraine. Once those factors are stable, the implementation of entrepreneurial innovation in Bulgaria could lead to profitability for established ventures and more opportunities for smaller ones which in turn would attract foreign investment and stable private investment which could result in a flourishing Bulgarian economy.