

UDC 338

THEORETICAL FOUNDATIONS OF SOCIAL ENTREPRENEURSHIP IN THE CONDITIONS OF AN INCLUSIVE ECONOMY

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This article describes the development of social entrepreneurship in the Republic of Belarus, discusses its problems and barriers. A list of directions for solving these problems based on the experience of foreign countries is presented.

Introduction. In recent years, a renewed interest in social entrepreneurship has appeared in Belarus. Experts attribute this to the following reasons: "global trends related to the development of social entrepreneurship, which intensified with the beginning of the new millennium; the demographic crisis, which together with the economic crisis increased the load on the social service system; increasing social activity of citizens, the development of new social technologies" [8]; "Modern social problems and issues addressed in society have led to the need to create new economic units - subjects of social entrepreneurship, which adhere to certain principles in their activities, meet modern business requirements and contribute to solving social problems" [2, p. 165]; in 2014, the TALAKA platform was created, within the framework of which the training project "Social Entrepreneur" was implemented.

Today, there are many definitions of social entrepreneurship, which indicates the relevance and high interest in this area. To understand the essence of this issue, you need to analyze various approaches to the definition of this concept. (table 1).

Table 1. – Approaches to the definition of social entrepreneurship

Author	Content
M.A. Makarchenko	"Social entrepreneurship is an area of activity in which the implementation of economic activity is aimed at solving important social problems through the effective functioning of economic entities" [1, c. 36]
E.V. Vankevich	"Social entrepreneurship is a type of entrepreneurial activity aimed at innovative solutions to social problems or achieving social goals." [2, c. 165]
J. Robinson	"Social entrepreneurship is a process that allows us to solve a specific social problem posed." [2, c. 165]
A.A. Moskovskaya	"Social entrepreneurship is a new way of socio-economic activity, which combines the social purpose of the organization with entrepreneurial innovation and achieving sustainability." [3, c. 15]
E.V. Popov	"Social entrepreneurship is a set of interrelated activities aimed at solving social problems by developing the commercial activities of economic agents." [4, c. 382]
P. Charland	"Social entrepreneurship is the ability to take the lead, organize some social and economic mechanisms, and accept the risks of failure." [5, c. 11]
G.Diz	"Social entrepreneurship is determined by taking on the mission of creating and maintaining social value, identifying and using new opportunities to realize the chosen mission. Implementation of a continuous process of innovation" [5, c. 11]
M.B. Poltavskaya	"Social entrepreneurship is a qualitatively new phenomenon that has arisen at the junction of the country's social and economic systems, designed to solve the dilemma: how to combine activities for the sake of public welfare with activities for profit?" [6, c. 136]

Source: compiled by the author.

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Based on our critical analysis, we formulated the following definition of social entrepreneurship: social entrepreneurship is a type of activity aimed at proposing innovative solutions to social problems of society, on a self-sustaining basis, in the absence of external funding and the help of charitable organizations.

Organizations focused on solving social problems, or the so-called "social enterprises", appear around the world. However, there is very little information available to judge which countries actually stimulate social entrepreneurship, and which countries still have room to grow. To fill this gap, the Thomson Reuters Foundation, in cooperation with Deutsche Bank, UnLtd and the Global Social Entrepreneurship Network, conducted the first global assessment of expert opinions on the comfort degree of social enterprise in countries.

According to [7], the criteria for evaluating countries with the best development of social entrepreneurship may be:

- social impact;
- innovativeness;
- self-sufficiency and financial stability;
- scalability and replicability;
- entrepreneurial approach.

In accordance with these evaluation criteria, the rating of countries with the best development of social entrepreneurship is as follows [7]:

- 1) USA;
- 2) Canada;
- 3) United Kingdom;
- 4) Singapore;
- 5) Israel;
- 6) Chile;
- 7) North Korea;
- 8) Hong Kong;
- 9) Malaysia;
- 10) France.

Belarus is not in the top 45 of this rating.

Due to the fact that social entrepreneurship is a boundary concept between entrepreneurship and charity, in our opinion, it is necessary to adhere to the approach presented in Figure 1.

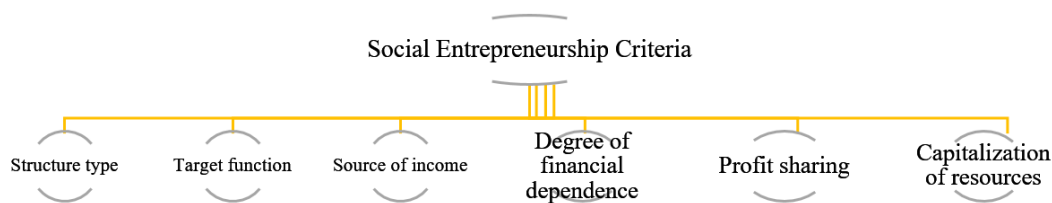


Figure 1. – Social Entrepreneurship Criteria

Source: compiled by the author based on [10]

At an early stage in the study of the phenomenon of social entrepreneurship, researchers identified two types of social enterprises: those based on pure charity and those based on pure commerce. A little later, with the resumption of interest in this area, many approaches to the classification of social entrepreneurship forms appeared, which have their own characteristics and depend on the share of the commercial component in their activities.

Three main models of social entrepreneurship are distinguished [10]:

- 1) built-in - entrepreneurial activity is fully aimed at implementing a social mission;
- 2) integrated - entrepreneurial activity combines the implementation of a mission and the expansion of a business or covering operating expenses;
- 3) external - entrepreneurial activity is aimed at making a profit, which acts as a source of financing social programs.

Types of social enterprises based on the share of the commercial component in business [8]:

1. Commercial enterprises established by non-profit organizations to assist in the achievement of the statutory goals of these organizations.

2. Commercial enterprises created in partnership with foreign companies for the achievement of social goals.

3. Entrepreneurship in the form of workshops, etc., carried out by religious organizations to achieve the goals for which they were created, as well as consistent with these goals

4. Individual entrepreneurs, positioning themselves and acting as social enterprises.

5. Commercial enterprises created without the participation of public organizations, pursuing social goals.

In 2015, the largest number of commercial enterprises in Belarus was established by non-profit organizations to assist in the achievement of the statutory goals of these organizations [8].

The third approach to the classification of forms of social entrepreneurship [9]:

- non-profit organizations with commercial components (commercial activity can be oriented towards covering costs in the implementation of non-commercial social activity (commercial activity is integrated into social activity) or is aimed at generating income);

- social enterprises (organizations of a commercial type created in order to reduce or mitigate the scale of social problems, which are characterized by innovative activity, financial discipline, determination of a market company; in their activities, social enterprises use market and entrepreneurial approaches to stimulate social evolution and create a public good, strategic planning, innovation, determination and discipline);

- socially responsible business (fulfills two goals: creating a public good and making a profit (the degree of influence on the decision-making of market incentives, the amount spent on the social functions of funds can vary widely)); sometimes socially responsible entrepreneurship can be considered as a social enterprise (for example if it is a subsidiary of a non-profit organization created to implement the goals of the parent company));

- corporate social responsibility (activity of commercial enterprises seeking to profit and, at the same time, participating in charity (such activities can be profitable by increasing the capitalization of the company)), which helps to increase profit, achieve market goals, and also solves social development tasks (sponsorship, volunteering, launch of grant programs); this activity has a positive impact on the image of the enterprise, motivates staff, contributes to the achievement of the business goal).

As we see, the approaches to the classification of social entrepreneurship of different authors are mostly the same, only additional types of enterprises are added, depending on the characteristics of the economies of different countries.

At the moment, in the Republic of Belarus there are many problems and barriers to the existence of such an activity as social entrepreneurship. Among the main reasons for such low popularity of social entrepreneurship in Belarus is the "absence in the Republic of Belarus of legislative and normative acts defining special conditions (requirements) for the activities of social enterprises, which is why social enterprises do not have the ability to compete with traditional business. Also, the lack of cheap and long money necessary for the development of the enterprise plays a negative role in the development of the business of social enterprises, there is no microfinance and subsidies. And consumers themselves choose the product without taking into account the status of the producer organization [8].

In foreign countries, to solve the problems of social entrepreneurship there is a fairly large number of funds involved in supporting social enterprises. The most famous is the Ashoka Foundation. Ashoka is an international non-profit foundation operating under the laws of the District of Columbia (USA), a global association whose activities are aimed at finding, supporting and financing individuals and organizations operating in the field of social entrepreneurship.

Ashoka is the first organization to systematically support entrepreneurial social initiatives, popularizing the phenomenon and the phrase "social entrepreneurship" itself.

According to data for 2015, the fund had its own assets in the amount of 72.8 million US dollars. And the number of members from 70 countries (according to the organization itself), for 2014 amounted to 3,000 people.

Ashoka Foundation has supported many social initiatives, their creators and leaders.

Ashoka supports social entrepreneurs at three levels [11]:

1. Provides financial and professional assistance.

2. It unites communities of social entrepreneurs to interact, help each other and bring their ideas to a higher level. Captures and promotes best practices.

3. Promotes the creation of the infrastructure and financial systems necessary to support and grow the civilian sector and to spread social innovation globally.

In modern conditions, the main directions necessary to support the sphere of social entrepreneurship are [13, 14]:

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1. Development and improvement of the legislative and regulatory framework for creating conditions for the development of social entrepreneurship;
2. The establishment of optimal tax rates for both social entrepreneurs and the country's budget to stimulate the growth of their activities.
3. The possibility of financing unemployed citizens who want to start their own business.
4. Expanding the opportunities for social entrepreneurs to participate in the implementation of state orders and orders of state corporations.
5. Holding regional forums on the development of social entrepreneurship with the allocation of financial support for particularly promising projects.

Thus, in Belarus it is necessary to create a system of state support for social entrepreneurship, which will contribute to the further formation and development of this sphere in the interests of the national economy.

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