

## УПРАВЛІННЯ ПІДПРИЄМСТВОМ

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## MODELS OF SOCIAL ENTREPRENEURSHIP

## МОДЕЛІ СОЦІАЛЬНОГО ПІДПРИЄМНИЦТВА

**Urgency of the research** is determined by the necessity to introduce new instruments of social policy and social security implementation.

**Target setting.** Social entrepreneurship could become a tool for developing effective social policy and social security of Ukraine. The introduction of social enterprises will provide new jobs, enhance adaptation of vulnerable population groups reduce budget expenditures for social protection. However there is still a problem in determining the basic preconditions for its formation.

**Actual scientific researches and issues analysis.** The approaches to the formation of economic, institutional mechanisms to ensure security.

**Uninvestigated parts of general matters defining.** Insufficient attention is paid to the development of domestic models for the formation and functioning of social entrepreneurship.

**The research objective.** Refinement of social entrepreneurship models taking into account domestic conditions for ensuring social security of the population.

**The statement of basic materials.** The article deals with the social entrepreneurship models substantiation approaches. Specified models are substantiated in accordance with the functional features of social enterprises formulated by the authors in the context of providing social security of the population.

**Conclusions.** To determine the procedures and rules for starting social enterprises, it is important to develop models for their formation. The is to put the following criteria should be basic for identifying social enterprise models: organizational; by sources of financing; by the composition of the contact groups; by mission or purpose.

Identification of social entrepreneurship models makes it possible: 1) to orientate on possible directions of activity; 2) reflect these trends in terms of state or regional social policy; 3) clearly define the criteria for social entrepreneurship at the legislative level.

**Keywords:** social enterprises; models of social entrepreneurship; social security.

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**Актуальність теми дослідження** визначається необхідністю впровадження нових інструментів реалізації соціальної політики та забезпечення соціальної безпеки населення.

**Постановка проблеми.** Для України таким інструментом може стати соціальне підприємництво, розвиток якого забезпечить створення нових робочих місць, адаптацію соціально вразливих груп населення, зниження бюджетних витрат на соціальний захист, тому постає проблема у визначенні базових передумов його формування.

**Аналіз останніх досліджень і публікацій.** Виділено три базові моделі формування соціальних підприємств.

**Виділення недосліджених частин загальної проблеми.** Недостатня увага приділяється розробці вітчизняних моделей формування та функціонування соціального підприємництва.

**Постановка завдання:** уточненні моделей соціального підприємництва з урахуванням вітчизняних умов забезпечення соціальної безпеки населення.

**Виклад основного матеріалу.** У статті: розглянуто підходи до обґрунтування моделей соціального підприємництва; обґрунтовано низку моделей відповідно до сформульованих авторами функціональних ознак соціальних підприємств в контексті забезпечення соціальної безпеки населення.

**Висновки.** Для визначення процедур та правил запуску соціальних підприємств важливо виробити моделі їх формування. В основу ідентифікації цих моделей доцільно покласти такі підходи: організаційний; за джерелами фінансування; за складом контактних груп; за місією чи призначенням. Визначення моделей соціального підприємництва дає можливість: 1) зорієнтуватись за можливими напрямками діяльності; 2) відобразити ці напрями в державній чи регіональній соціальній політиці; 3) чітко визначити критерії соціального підприємництва на законодавчому рівні.

**Ключові слова:** соціальні підприємства; моделі соціального підприємництва; соціальна безпека

**Relevance of research.** Today's difficult economic and political conditions are characterized with reduced levels of social protection, the growth of social tension, which lead to an increase in the numbers of social services consumers. Therefore, it is necessary to introduce new instruments for the implementation of social policy and ensuring social security. Social entrepreneurship can be such a tool in terms of Ukraine. Its development will ensure the creation of new jobs, adaptation of socially vulnerable population groups, reduction of the budget expenditures for social protection. Thus, the development of theoretical, methodological and applied aspects of social entrepreneurship is a relevant and timely direction of scientific research.

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**Formulation of the problem.** The relevant experience of many countries reveals quite diverse approaches to the development of social entrepreneurship. In Ukrainian realities, in the absence of institutional support, there is a problem in determining the social enterprise development preconditions, which should be indicated on the legislative and organizational levels.

**Analysis of recent research and publications.** As an independent research direction, social entrepreneurship was established by B. Drayton, and the term “social business” was introduced by Nobel laureate Mohammad Yunus. Systemic studies of the social entrepreneurship phenomenon were carried out by C. Alvard, G. Dis, R. Darth, B. Drayton, S. Venkatraman, J. Viravarden, M. McLean, I. Marty, J. Meyr, J. C. Mort, A. M. Peredo, C. Shane. In Ukraine these issues were studied by A. Andryushchenko, I. Berezyak, Z. Halushka, N. Dobrova, O. Kiryeyeva, M. Kuts, M. Naumova, V. Nykyforak, I. Saliy, O. Sotula, V. Udodova, V. Shapoval, M. Shkolyar.

The generalization of practical experience has allowed to distinguish three models of the social entrepreneurship development: American, European and innovative (international private and public funds). The model of a social enterprise in the United States focuses on self-sustainability and commercial viability. The profit from the social enterprises of this model is used to resolve specific social problems, providing services and improving the life quality for the target group for which it was founded. This model envisages the possibility of social enterprises with different legal forms [1]. The model of social entrepreneurship in Europe is based on the formula “business with a social mission”. The social impact of entrepreneurial activity is imperative and paramount. One of the main objectives is to integrate people from vulnerable groups through work [1]. The third is the model of “social entrepreneurship as leadership, innovation and driving force of social change in the community”. This model is formed in terms specific activity of international private and public funds, which emphasize the innovative component of activities aimed at improving the situation within communities and restoring social justice [1].

**Identification of unexplored parts of the general problem.** Insufficient attention within contemporary studies is paid to the elaboration of domestic models of social entrepreneurship development and functioning. From a practical point of view, it is important to clearly understand the possible models for the creation of social enterprises, which requires the study of practical experience and the synthesis of existing scientific developments.

**The purpose of the article** lies in the elaboration of scientific approaches to the development of social entrepreneurship models in the context of providing social security.

**Presenting main material.** The variety of approaches to the interpretation of the social entrepreneurship is largely determined by the direction and field of activity that forms the pretext for the model selection.

Based on the models of social entrepreneurship V. Nikiforak distinguishes three main aspects of understanding the essence of social entrepreneurship (social orientation, entrepreneurial approach, financial stability) and three groups of social entrepreneurship definitions: with the emphasis on the ability of social entrepreneurship to make social transformations; with the emphasis on innovative, entrepreneurial way of creating a social effect; with the emphasis on the achievement of the “double effect” – social and economic [2].

Taking into account the objectives of social entrepreneurship, K. Alter distinguishes:

- “an entrepreneurs’ support” is a model when social enterprises provide financial services to open businesses, which then sell their products or services to the open market. These are economic development funds, small and medium business development programs, consulting firms, research organizations, technology and product suppliers;

- within “employment model” social enterprises provide opportunities for employment and vocational training for people who are uncompetitive in the traditional labor market – people with disabilities, homeless, socially vulnerable young people, former convicts;

- model of “payment for services” implies the sale of social services or goods to certain categories of population (hospitals, universities, schools, arts institutions);

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- model of financing (subsidization) of social services, which envisages refinancing of the proceeds from commercial activity, the sale of any assets to social programs for the implementation of a social mission [3].

The source [4] justifies the model of the market mediator, when social enterprise facilitates other entities' access to markets. Such assistance is to improve the product, help in the production, sales, lending (this is marketing, sales, consumer organizations). The "connected market" model, when a social enterprise acts as a broker (liaison unit), facilitating trade relations between clients and the external market (the model is used by organizations for market research, export-import operations and brokerage services).

The source [5] describes a series of models, the main of which are:

- norris model or "direct participation", which involves "satisfaction of the main unmet needs of society in the profitability of business". William Norris considered his expenses as "investments" for the establishment and development of social enterprises;

- carnegie model or "Long Hand of Philanthropy". Andrew Carnegie's "scientific" philanthropy is aimed at helping those who want to help themselves (hardworking workers who hold their heads over the water);

- rosenwald model or "Long-term market development". Julius Rosenwald considered his expenses as "non-repayable expenses";

- the innovative Model of Bill Drayton (Ashok), aims to support more than 1,800 researchers in more than 60 countries around the world, with ideas for significant changes at the national and global levels. Funds activities of individuals, funds and business entrepreneurs.

Improved models of social entrepreneurship include:

- a franchise that provides for the transfer of any social enterprise – duplication in order to increase social influence – to other markets or territories. This is the model of charity shops e.g. "Oxfam", "Goodwill", when the buyer of the franchise uses a well-known brand carrying out a mission to help the disadvantaged (K. Alter) [3];

- association of a charitable organization and a business entity in a joint venture for a social purpose [6].

However, one should agree with John Kerlin's statement that social entrepreneurship is developing through mechanisms that operate in a particular country, thus each specific region must produce the optimal definition of social entrepreneurship [7], and hence – its models.

In our opinion, these models can be expanded on the basis of functional features offered by the authors (the mechanism of solving social problems, a form and a sphere of employment, a way to ensure social protection, mean of public involvement, the way of social inclusion and adaptation; one of the ways to reform the state social services, a form of volunteering, the ability to provide socially necessary but low-profit social services; a method of reducing the burden on local budgets), given that they have considerable practical importance for Ukraine, namely:

- a model of social enterprise, focused on community development, providing innovative and significant positive change in the local economy, aimed at achieving the well-being of local communities (social, environmental and ethical goals), increased citizens' activity, strengthening community cohesion;

- a model of social entrepreneurship aimed at rehabilitation and re-socialization of representatives of marginal groups of the population, involves not only their employment, but also renewal of social reflexes, acquisition of social interaction skills, improvement/restoration of psychological health and safety. This model provides assistance, in particular, to marginalized segments on an anonymous basis. It will contribute to reducing the level of social tension in society, involving representatives of such groups in the life of communities, their adaptation in it;

- a model of social entrepreneurship, aimed at overcoming the social isolation and therefore social inclusion of people with limited physical and mental capabilities, representatives of risk groups, people with dependencies; people who have left the places of imprisonment; HIV-positive people. This type of social enterprise helps to create a more humane society in which everyone can participate;

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- a model of social enterprise aimed at civic engagement of vulnerable groups (refugees (internally displaced persons, forced migrants), minorities, the elderly, the youth, mothers with many children);
- a model of social entrepreneurship aimed at improving social protection through the creation of alternative non-state social insurance funds, other social funds, such as blood donors, palliative care, and relief to the severely ill;
- a model of social capital growth, when social enterprises form qualitatively new social interactions in society ensuring social cohesion, promoting the self-organization of communities and business structures;
- a model of social entrepreneurship aimed at reforming the state social services system, increasing the availability and diversification of high-quality social services for community members. Example is the quasi-model of social security developed in the United Kingdom, in the 1980s, when the state retained the functions of financing and regulating social services. Their provision could be carried out on a competitive basis by both state organizations, non-profit and business organizations;
- a model of social entrepreneurship, aimed at using local resources that are left out of the attention of ordinary business, in order to create new jobs, develop new types of goods and services, for domestic use or sale;
- a model of social entrepreneurship aimed at creating a favorable competitive environment in two directions: 1) basing on the production of socially significant products and services with implication of innovations, the formation of mechanisms ensuring fair competition in the manufacturing sector; 2) the formation of new approaches to the provision of social services as an alternative to the services of state institutions, which will lead to “demonopolization” of public administration at the local level;
- a social enterprise model, which aims to guarantee social security by providing low-profit social services and psychological support to citizens by means of awareness and advocacy campaigns, cherishing loyalty among the members of society, and to the society in general;
- a model of social entrepreneurship aimed at the development and promotion of volunteering by involving various categories of the population in the implementation of temporary or permanent social work on a voluntary, free basis;
- a model of social entrepreneurship for the development of the Institute of Marriage and Family, which will provide counseling and training on the possibilities of arranging their personal life, establishing family relationships, and relations with children;
- a downshifters social entrepreneurship model, aimed at people who have undergone professional burnout, involving them in socially beneficial activities without significant physical and intellectual load, on the basis of flexible employment. The purpose of such a model is to keep downshifters within the society and use their potential in favor of society;
- a model of an innovative social entrepreneurship, which will provide opportunities for innovators who produce socially significant ideas, this model will help in finding investors, promoting these ideas in order to perceive and further implement them. The need to allocate such a model is due to the fact that some innovative ideas of social direction are not always perceived positively, do not find investors due to significant risks, long payback period and unpredictable level of profitability. Although these ideas may have a global significance in terms of social or environmental impact;
- a model of social entrepreneurship aimed at cultural enrichment, which involves the creation of private exhibitions, the organization of amateur theaters/creative groups and broad involvement of socially vulnerable groups both as active consumers and participators of the abovementioned services;
- a model of social entrepreneurship in the educational sphere, which will provide educational services, including tutoring, language courses, professional courses, etc. Examples are salsa clubs operating abroad, clubs for professional interests. Such a model of social entrepreneurship is designed to raise the professional level of the population, to form communicative ties, thereby increasing social potential.

The proposed models for the development of social entrepreneurship show that this is a multidimensional social phenomenon/type of activity aimed at ensuring positive social transformations on the basis of self-reliance, reinvestment of profit, innovation. Various models of social entrepreneurship can

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be considered as a powerful alternative to the activities of state institutions, which are tasked with ensuring social security of the population.

**Conclusions.** Revising main models of social enterprises development is an important prerequisite to determining the procedures and rules for starting social enterprises. The following approaches should be considered as the basis for identifying models for social enterprises development: organizational; by sources of financing; in terms of contact groups composition; by mission or purpose. Identification of social entrepreneurship models of makes it possible: 1) to orientate on possible directions of activity; 2) reflect these trends within the state or regional social policy; 3) clearly define the criteria for social entrepreneurship at the legislative level.

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