Approaches to Social Entrepreneurship in Russia and Foreign Countries

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Abstract

Social entrepreneurship is aimed at the practical implementation of innovative solutions to the most painful problems of society: poverty, hunger, unemployment, illiteracy, diseases. In the conditions of lack of resources, social entrepreneurs are forced to creatively approach their attraction and how to use them, thus generating social and environmental innovations.

The purpose of the article is to study the concept and perspectives of the development of social entrepreneurship within the framework of modern economic realities of the development of society, and also to reveal the legal status of activities in the field of social entrepreneurship in accordance with modern legislation. The methodological basis of this study includes the dialectical method of knowledge, based on a system of general scientific and private-scientific methods: a logical method (in the formulation of the material, the formulation of conclusions); historical method (in the process of studying the evolution of ideas about entrepreneurship); and statistical method (in the process of analysis and synthesis of the material); content analysis (analysis of individual provisions of legislative acts, scientific works), the method of system analysis and others.

The practical significance lies in the fact that in many countries of the world there is a great interest in social entrepreneurship on the part of legislators and governments. This is due to the reduction of budget financing of the social sphere in developed countries and the desire of the authorities to attract private capital to the sphere of social transformations. The study of the problems of the development of social entrepreneurship is now being actively discussed in the state and scientific community.

Keywords: Social Entrepreneurship, Social Innovations, Entrepreneurship Education, Preparation for Social Entrepreneurship, Social Entrepreneurship in Education.
INTRODUCTION

Forms of social entrepreneurship appeared long ago, but so far the scientific and expert communities have not developed a unified approach to the definition of social entrepreneurship. In America, experts under the social business understand the activities of non-profit organizations that send income to the realization of the organization’s statutory goals (Pavlov, 2018). These are non-profit organizations whose purpose is to solve social problems. In Europe and the UK, social entrepreneurship is defined as a business with a clear social mission. Social enterprises of Great Britain define social entrepreneurship as a business, whose profits are mainly directed to social needs or solving important social problems (Grenier, 2009).

The social effect and significance of the activities of these enterprises is more important than their financial efficiency. Such enterprises often act in the public interest, they are characterized by a collective form of ownership. Sources of financing in this case are broader: equity, social bonds, donor funds, etc. International funds created to support social entrepreneurship see social entrepreneurship as an innovative entrepreneurial activity aimed at achieving social transformations in society (Bjärsholm, 2018; Hossain et al., 2017). A significant role in the implementation of these transformations is played by a leader-a social entrepreneur (Petrovskaya & Mirakyan, 2018). In the designated approaches, business entities differ: in the first case, the business entity is a non-profit non-governmental organization, in the second case-a business enterprise, in the third case-a person and his activity. The Russian view on social entrepreneurship is similar to the first approach (Moskovskaya & Soboleva, 2016). We also understand under the social entrepreneurship the activities of non-profit organizations, the income from entrepreneurial activity of which goes to the statutory goals. To understand the characteristic features of social entrepreneurship, consider the UK experience (Grenier, 2009). There are social enterprises in the country that direct income only to the expansion of activities, i.e. they exist in the form of charitable organizations or socially useful companies. But in recent years, social enterprises have emerged in the form of commercial companies that distribute profits (Ferri & Urbano, 2017). These are social enterprises in the broad sense; they include commercial companies with a “clear social purpose”.

LITERATURE REVIEW

The most well-known definition of social entrepreneurship belongs to J. Gregory Dees, director of the Center for the Development of Social Entrepreneurship at Duke University (USA), according to which social entrepreneurship combines a passion for social mission with business-specific discipline, innovation and determination (Dees, 2007). In the most general form, social entrepreneurship is characterized by the following main features:

1. Social impact: Targeted focus on the solution (mitigation) of existing social problems, sustainable positive changes (measurable social outcomes).
2. Innovation: The use of new, unique approaches to increase social impact.
3. Self-sufficiency: The ability of a social enterprise to solve social problems and certain groups as long as it is necessary, and at the expense of income derived from its own activities.
4. Scalability and replicability: An increase in the scale of activity of a social enterprise (at the national and international levels) and the dissemination of experience (model) in order to increase social impact.
5. An entrepreneurial approach: The ability of a social entrepreneur to see market failures, to find opportunities to accumulate resources, to develop new solutions that have a long-term positive impact on society as a whole (Zeyen et al., 2013).

Considering the problems of entrepreneurial education in Russia, it is noted in the literature that entrepreneurial education is informal and most often includes a variety of business courses (Vučijak et al., 2018). The topic of entrepreneurship education did not receive a holistic view due to the lack of a concept and standards for teaching entrepreneurship as a profession at various levels of education. Analysis and synthesis of theoretical approaches and methodological features of teaching students to entrepreneurship, including social, allowed to develop the concept and scientific and methodological support of the discipline "Social entrepreneurship in education" included in the curriculum in almost all humanitarian areas of study. We see the mission of this educational program in the formation of a new educational elite, whose representatives are able to become leaders of advanced innovative changes in the system of continuous education in accordance with modern requirements (Dukhon et al., 2018).

The strategic goal of the educational program is defined by us as the formation of an open, flexible, capable of sustainable development of the system of vocational and pedagogical education, focused on training a new generation of education managers who own modern technologies of innovative development of educational organizations ready for the development, expertise and methodological support of complex social educational and research projects at various levels (Yakovleva et al., 2018). Achieving these goals involves solving the following psychological and pedagogical tasks:

Ensuring the fundamental nature of managerial and psychological-pedagogical training of undergraduates for work in a variable dynamic educational environment with a focus on the values of the process of personal and professional development of all subjects of the educational process.

Introduction of new educational technologies corresponding to the best examples of international educational practices based on individualized and flexible educational trajectories, modular organization of the educational process, creation of a system of academic mobility for undergraduates and teachers.

1. Scientific substantiation of the complex tasks of advanced development of educational systems in the region based on the transfer of the results of fundamental and applied research in topical areas of the development of pedagogical science and practice.
2. Development of partnerships and cooperation with Russian and foreign universities, research centers, employers, federal and regional government bodies, representatives of educational organizations, leading experts through the implementation of joint educational and research projects and their operational reflection in the content and technologies of training education managers.
3. Creation of a system of basic educational organizations as innovative and resource-methodological centers for experimental approbation of new management technologies and resources.
4. Organization of an open platform for discussing current and future tasks of pedagogical science and practice, joint development and implementation of promising research and innovation projects.

The main educational and development objectives of the discipline "Social Entrepreneurship" are:

1. Formation of students' interest in the problems of social entrepreneurship in education.
2. The expansion of ideas about social entrepreneurship in education as an interdisciplinary field of knowledge.
3. Formation of a system of knowledge about the nature, mission and technologies of social entrepreneurship in education.

4. Development of entrepreneurial qualities and personality traits of students-development of entrepreneurial competencies of students in solving educational and social problems.

In terms of content, the discipline consists of the following main thematic areas:

1. Entrepreneurship as a subject of interdisciplinary research. Social entrepreneurship as a new way of social and economic initiatives. Features of social entrepreneurship in education.


3. Organizational and legal aspects of social entrepreneurship in education in Russia. Management of social entrepreneurship in education. Education manager as an agent of social change. Educational problems of the local community as a subject of social entrepreneurship. The role of small business and intersectoral interaction in solving social and educational problems.


5. Psychological foundations of social entrepreneurship in education. Psychological aspects of the provision of educational services on a commercial (paid) basis. Psychological barriers to communication and ways to prevent them. Psychology of group decision making.

**METHODOLOGY**

In the field of freelancing, including analytical reviews, monographs and articles, the methodological and theoretical basis of the research consists of foreign articles and leading domestic (Rispal & Boncler, 2010; Moskovskaya & Soboleva, 2016; Zeyen et al., 2013).

The methodological basis of this research consist the dialectical method of cognition, based on the system of private-scientific methods and general scientific: the forms and types of social entrepreneurship, sources of financing, problems of entrepreneurial education in Russia are considered.

In particular, to determine the causes of the development of social entrepreneurship, the logical method (in formulating the material, formulating conclusions) made it possible. In the process to study the evolution of ideas about social entrepreneurship, historical method allowed it. To analyze the dynamics of social entrepreneurship in Russia and the USA, the statistical method (in the process of summarizing and analyzing the material) made it possible, and also to consider the dynamics of poverty over the years. Tabular data visualization techniques allowed us to consider contemporary problems of society, which have a significant impact on the development of social entrepreneurship.

The article also analyze the requirements of the current legislation for the development of social entrepreneurship.

**RESULTS**

What is the reason for the development of social entrepreneurship? The need to develop social entrepreneurship in Russia is dictated by the presence in the country of a large number of social problems that the state cannot cope with.

According to Rosstat, we now have about 20 million poor. Poverty in Russia decreased from 2000 to 2012, then began to grow gradually. In 2016, the poverty rate increased from 10.8
to 13.4 percent compared with 2013. This is due to the reduction in real incomes of the population. But the saddest thing is that this growth is especially pronounced among minors. Statistics show that in 2016 the proportion of poor children was 22 percent—that is, among the children of the poor, one and a half times more than among the general population.

Consider some of the current problems of the society, which have a significant impact on the development of social entrepreneurship. The main problems of modern society are alcoholism, low living standards, poverty, unemployment, and social tensions (Table 1).

<table>
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<th>Problems</th>
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<tr>
<td>1 Alcoholism</td>
<td>According to the report of the World Health Organization, published in 2013, Moldova ranked first in terms of alcohol consumption per capita, Luxembourg took the second place, and Estonia took the third place. Russia in this list ranked 20th in terms of drinking liters of alcohol per person. The study includes data on alcohol consumption from 2006 to 2010 by residents of Central and Eastern Europe at the age of 15 years. However, in terms of total (registered and unaccounted) volume of alcohol consumption per capita (aged 15 and over), Russia ranks fourth, behind Moldova, the Czech Republic and Hungary (World Health Organization. 2013).</td>
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<td>2 Low standard of living</td>
<td>Low standard of living. As a result of studies conducted by the Legatum Institute on the Legatum Prosperity Index Table Rankings (2017), which assesses the standard of living of 148 countries, Russia ranked 108th in 2011 and in 2012 in this ranking. In 2017 Russia ranked 101st in the standard of living of the countries of the world (The Legatum Prosperity Index, 2017).</td>
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<td>3 Social tensions</td>
<td>In a Global Barometer of Economic Pain report (2011), Gallup International placed Russia in the 19th (out of 56) place in terms of socio-economic tension (Gallup International, 2011). Judging by the answers, the social tensions index in Russia in 2012 reached 40%. Researchers note: in 2012, this is one of the highest rates for all 22 years of observations in our country—the last time a similar level of economic tension (above 40%) was observed in 1996.</td>
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<td>4 Unemployment</td>
<td>According to Rosstat, the total number of unemployed in January 2017 was 4.3 million unemployed. The unemployment rate (the ratio of the total number of unemployed to the economically active population) in Russia in February 2010 was 8.6%, in January 2017 this figure dropped to 5.6% (Federal state statistics service, 2017a).</td>
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<td>5 Poverty</td>
<td>The main factors of poverty are low wages of workers, primarily in the public sector, low pensions and a number of social benefits and other social benefits. According to Federal state statistics service of Russian Federation, in 2017 the number of people living below the poverty line increased to 2 million people and is 22 million people (15% of the population of the Russian Federation) (RIA News, 2017). At the same time, the population with incomes below the subsistence minimum remains large. According to Federal state statistics service of Russian Federation, in the first quarter of 2017 in Russia there were 22.0 million people (or 15% of the total population of the Russian Federation), whose incomes are below the subsistence minimum. The same indicator for the IV quarter of 2016-10.1% (19.8 million people), for the I quarter of 2016-16% (23.4 million people), for the II quarter of 2013–13.5% (19.8 million people) (Federal state statistics service, 2017b).</td>
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In the Russian Federation, where citizens have a high level of empathy and actively create new ideas, social entrepreneurship must necessarily be. It not only stimulates social and environmental innovations, being a factor in business development, but also creates, accumulates and uses social capital (a social resource conducive to investment and commerce and contributing to the solution of various social problems). Social business improves economic efficiency through the use of resources that were not previously used as such. First, these are human resources, for example, socially “difficult” groups of the population (disabled people,
mothers of many children, graduates of orphanages, former prisoners); secondly, material resources (production wastes).

**DISCUSSION**

In America and Europe, the activity of entrepreneurs, which is aimed at solving social problems through the introduction of innovative technologies, is quite popular (Pavlov, 2018). At this point in time, social entrepreneurship in Russia is not sufficiently developed. Unfortunately, in Russia there is a tendency to identify social entrepreneurship with “entrepreneurial activities carried out with the aim of providing social services,” which does not quite correspond to world practice. The problem of the development of social entrepreneurship also lies in the fact that Russia lacks a full-fledged legal framework governing inter-sectoral interaction in solving social problems and a balanced legal policy for the development of legislation to support small and medium-sized businesses, non-profit organizations, and public private partnership (Moskovskaya et al., 2017; Hodge & Greve, 2017). Without a balanced national legal policy, building a legal model to meet the social and property needs of citizens is impossible (Figure 1).

![The Top 10](image)

**FIGURE 1**

**THE ANALYSIS OF STATE POLICY ON THE DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP**


The rapid development of social entrepreneurship in the UK has served the program, which was developed in 2002 by the Ministry of Commerce and Industry. In the course of this program, the goal of social entrepreneurship is to solve social problems, and the revenues are reinvested or used for the needs of the organization. The number of social enterprises in the UK is increasing from year to year: in 2004, the number of social enterprises was 15,000, in 2006-55,000, and in 2013-70,000. The last law on social entrepreneurship in the UK was adopted on January 31, 2013. Based on this law, local authorities and other state organizations make
business decisions, paying attention not only to cost factors, but also to the benefits that their activities bring (Pavlov, 2018).

Consider the examples of foreign social entrepreneurship. For example, in France there is an organization "Emergence" ("Emergence"), fighting against youth crime. This association was organized by former social worker and boxer Allawi Genni. The organization provides conditions for sports for former prisoners and those who have problems with the law, and implements measures for social integration and professional adaptation of people through sports practice. In this association, sport is seen as a way to solve the problems of the poor, as well as a means of employing citizens, resolving social conflicts and establishing friendly relations between members of different segments of the population (Rispal & Boncler, 2010).

Another example is the Conserve project (India). This organization is engaged in recycling plastic waste to produce a wide range of different products. The social purpose of this project is to solve the problems of waste management and increase the incomes of the poor who are engaged in the collection, sorting and disposal of waste (Surie, 2017). According to statistics, in India, 4,000 tons of household garbage is thrown every day, 15% of which is plastic. Due to the fact that in India the production of polyethylene and plastics is rapidly becoming cheaper, the processing of household waste from plastic becomes unprofitable. Government agencies of the country seek help from private companies, which, in turn, hire garbage collectors. Garbage is subsequently recycled. Garbage collectors earn about $25 a day, and for many this is the main source of income (Agrawal & Kumar, 2018).

Thus, the company "Conserve" performs two functions: social and economic-provides people with the opportunity to earn money and successfully solves the problem of waste disposal and their subsequent processing. Recycled plastic is subsequently used to make bags, raincoats, umbrellas, organizers, etc., which are in great demand among the middle strata of the population. Another example of social entrepreneurship is the project “School of Farmers” operating in the territory of the Russian Federation. This organization provides an opportunity for graduates of orphanages and boarding schools to realize themselves in their professional activities, thanks to which they receive decent wages and feel more socially protected. Also, thanks to the activities of this organization, the problem of settling the countryside is solved (Baporikar, 2017). All the considered examples prove the necessity and relevance of social entrepreneurship in any state. Social and economic policies of the state are closely interrelated.

In connection with significant reforms in the political and economic spheres that have necessitated the development of a system of state support for the population; by expanding and deepening the problem field of social work, a new component of general and vocational education emerged-social education, the content of which presupposes professional socialization, that is, the preparation of social work subjects. This kind of activity is impossible without contact between its performers, which is why the International Federation of Social Workers (IFSW) sets the following tasks for them:

1. To promote the development of social work as a profession through cooperation, taking into account professional values, standards, ethics, human rights, training and working conditions.
2. To intensify the participation of social workers in the formation and implementation of the social policy of states.
3. To expand and deepen educational programs in the specialty “Social Work”; everywhere to introduce its values and professional standards.
4. To promote the cooperation of social workers of all countries.
5. To establish and maintain relations with international organizations concerned with social development and welfare.

6. Improve the system of social education.

These tasks significantly increase the responsibility for training personnel for the social sphere, and the current problems of the population (poverty, unemployment, hunger, racial and national discrimination, etc.), actualize international partnership, make it necessary to accelerate the integration process of the system of continuous social education in various countries (including including Russia) to the world educational space.

The formation of the social component of a single world educational space involves, in addition to the harmonization of educational standards and scientific approaches to educational and research activities, the development of general requirements for the specialties of social workers; the content and volume of industrial practice; development of a distance education system; introduction of advanced technologies into the educational process. This includes internship programs for teachers, student practice; plans for international scientific conferences, training seminars and the publication of joint scientific papers.

**CONCLUSION**

The social policy of the state is an organized system of assistance to the least protected segments of the population. In the USSR, this area of state activity was widely developed, especially in such areas as work, medical care, pensions, social protection of families and children. Currently, unfortunately, the socio-economic conditions for financing social entrepreneurship are practically absent. There is a significant lack of public investment in social entrepreneurship, although the development of social entrepreneurship is necessary for an efficient and supportive social sphere of society.

In the future, social entrepreneurship and innovative approaches to doing business will contribute to:

1. The employment of socially unprotected segments of the population and people for whom full-time employment is not possible.

2. Development of the services sector (youth and social tourism, leisure activities, improvement of the quality and accessibility of medical services, social services).


Thus, in conclusion, it can be noted that social entrepreneurship in Russia is currently developing mainly due to the initiative of active citizens of the country, support of non-state funds and the practice of foreign certification. State economic support and regulation of social entrepreneurship are necessary, since it can become the most important tool for solving various problems in the field of socio-economic policy.

**Implications**

The reasons for the low popularity of social entrepreneurship in Russia are:

1. The general lack of formation of the class of traditional entrepreneurs.

2. Lack of awareness.

3. Weak study of the theoretical base.
4. Lack of real support at the federal level.
5. Undeveloped legal framework.

Given the experience of conducting social business in the UK, it is necessary to separately legislate this type of activity in the Russian Federation. Within the framework of the Russian legislation it is necessary to provide the following factors:

1. A clear formulation of the definition of a social enterprise and entrepreneur.
2. Criteria for social entrepreneurship.
3. Certification mechanism.
4. Requirements for the unified reporting of social enterprises.
5. Creation of coordination and oversight centers.
6. Benefits for investors and measures to support social business.

In conclusion, it can be concluded that in the future such steps by Russian legislation will contribute to the development of social entrepreneurship in Russia. The development of social entrepreneurship in Russia will contribute to reducing social tensions and increasing the level of well-being of socially vulnerable categories of citizens.

REFERENCES


