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# **SOCIAL ENTREPRENEURSHIP OF PERSONS WITH DISABILITIES**

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## **ABSTRACT**

*The creation of social enterprises currently involved in the development and implementation of socially significant projects is due to a large variety of unresolved social problems that neither the state nor the business currently can handle. Meeting the needs of citizens, raising the standard of living and national welfare is the main purpose of the socio-economic policy of any state. Social entrepreneurship, which under certain conditions can contribute to solving the problems of employment of people with disabilities, is becoming a noticeable direction of social policy in modern Russia. The article analyzes legislative changes aimed at implementing the new state policy towards people with disabilities, reviewed the scientific foreign and domestic literature on the use of social entrepreneurship practices by people with disabilities. The conclusion is made about the role of institutional factors in the development of social entrepreneurship, which is one of the mechanisms for implementing social support for people with disabilities.*

**Keywords:** Social Entrepreneurship, Disabled, Business, Employment, State, Public Policy.

## **INTRODUCTION**

One of the tools that is used in both developed and developing countries to solve these problems is social entrepreneurship. In a market economy, fierce competition in the labor market, the issue of employment of people with disabilities is most acute. This category requires special attention from both the state and employers.

One of the ways to employ people with disabilities is social entrepreneurship. In Russia, interest in this type of activity has increased relatively recently. Since 2013, a new date has appeared in the domestic business calendar: International Day of Social Business (June 28); the fund of regional social programs “*Our Future*” has been holding the All-Russian Competition “*Social Entrepreneur*” since 2011; open free business schools for those who are going to start

their own business. The study of the phenomenon of social entrepreneurship, its differences from non-profit organizations (hereinafter-NPOs) and socially responsible business is interest from a practical and theoretical point of view.

The contradiction of social entrepreneurship as a new way of social and economic activity is the need to combine the social purpose of the enterprise/organization with the desire to get the economic effect of this activity. When developing ideas and projects for social entrepreneurship, charities, foundations, and social enterprises should tackle a complex task: on the one hand, help overcome social problems, and on the other, demonstrate an entrepreneurial approach, profitability, self-sufficiency, and financial sustainability (Akhmetshin, et al., 2018). One of the conditions for the recognition of the activities of small and medium-sized businesses by social entrepreneurship is to ensure the employment of vulnerable groups of citizens, including disabled people, parents of large families, and parents of disabled children. The main forms of discrimination of these categories of citizens in employment and work are: refusal of employment on the basis of disability; filing for admission to work redundant requirements not related to work and aimed at excluding a person with a disability from the number of potential applicants for the position or workplace; lack of access to information about vacancies, competitions, including those allocated by quotas; the inaccessibility of the official sites of the employer for the visually and hearing impaired; failure to comply with the recommendations of the IPRA (individual program of rehabilitation and habilitation) on the accompanying promotion of employment of persons with disabilities or refusal to transfer to another job; refusal to adapt the territory and office space, as well as to equip workplaces for workers with disabilities; non-compliance with the requirements of labor legislation to create the necessary working conditions; failure to assist in the organization of work at home and in remote form; dismissal on the basis of disability (Kovalenko et al., 2019).

The legal prerequisites for the implementation of the new approach in working with people in need of social protection were:

1. Ratification of the Russian Federation in 2012 of the Convention on the Rights of Persons with Disabilities.
2. Approval in 2016 by the Government of the Russian Federation of an Action Plan for the implementation in the constituent entities of the Russian Federation of programs to accompany young people with disabilities when they receive vocational education and assistance in subsequent employment for 2016-2020.
3. Approval in 2017 by the Government of the Russian Federation of an Action Plan to increase the employment rate of people with disabilities for 2017–2020.
4. Adoption in December 2017 of amendments to the Law of the Russian Federation “*On Employment of the Population in the Russian Federation*” in terms of supplementing from 01/01/2019 the list of public services in the field of employment of the population with a new public service for people with disabilities during employment and the start of employment.
5. Order of the Ministry of Labor and Social Protection of the Russian Federation of 03.08.2018 No. 518n “*On approval of the federal state standard for state services for the organization of escorts with the assistance of employment of persons with disabilities*”.
6. Quoting of jobs for the employment of persons with disabilities. Draft amendments to a number of legislative acts relating to the quota system of workplaces for the employment of persons with disabilities have been prepared by the Ministry of Labor of the Russian Federation.

## LITERATURE REVIEW

A large array of foreign scientific works, which prove that targeted initiatives in the field of entrepreneurship, for example, training and support programs, can be effective tools for helping people with disabilities. Statistics on the areas of employment of people with disabilities, issues of support in the workplace, inclusive employment, the problems of segregation of people with disabilities are given in the works of Zeyen et al. (2013). An analysis of the problems faced by young people with disabilities when they finish schooling and finding a job is presented in the article by Yakovleva et al. (2018). Among the key problems which analyzed by researchers are: disclosure of information about disability to an employer (Surie, 2017), a discussion about why employers do not hire or detain workers with disabilities (Rispa & Boncler, 2010; Petrovskaya & Mirakyan, 2018), existing barriers to employment (Pavlov, 2018). A study of entrepreneurial initiatives of people with disabilities was carried out in the works of Moskovskaya et al. (2017).

Documents on the employment policy of the OECD and the European Commission, the issues of entrepreneurship for people with disabilities and those in need of social protection are examined in studies by Hossain et al. (2017). Such researchers as Hodge & Greve (2017), study the economic, political and socio-cultural factors of social entrepreneurship, which allow employing people with disabilities. This article uses the ideas of a theoretical model proposed by Ferri & Urbano (2017), and the proposition that the business model of people with disabilities is based on the challenges of the external environment (Dukhon et al., 2018).

The sociological component of the problem we are studying is considered, which helps to characterize the particular employment of people with disabilities in modern conditions, to reveal their assessment of the ongoing social reforms and legislative initiatives. The main methods of the study were statistical data analysis and the method of non-formalized interviews (n=32) with leaders of organizations involved in social protection of citizens, on employment strategies for people with disabilities, parents of large families and parents of disabled children (Grenier, 2009). For the analysis of statistical data characterizing the situation of people with disabilities in the Russian Federation, data from the Federal State Statistics Service of the Russian Federation and the federal state information system “*Federal Register of Disabled Persons*” were used (Federal State Statistics Service, 2019; 2019a).

## METHODOLOGY

The theoretical and methodological basis of the study consists of domestic and foreign articles in sphere of social entrepreneurship, including monographs, articles and analytical reviews.

The study is based on general methods, such as methods of control theory, expert analysis, statistical analysis and comparative analysis, expert assessments. As a result of the study, the nature of social entrepreneurship has both a social and an economic component, as well as its goal-it can be both commercial and non-commercial. Consequently, as a socio-economic category, social entrepreneurship significantly contributes to the growth of economic efficiency indicators, reveals and finds application to those resources that have not been previously used. In this case, it is not so much about material, as about human resources.

The main difference between the activities of social entrepreneurs (for example, from traditional ones) is that they form a business model with unique characteristics. Its profit consists in increasing the social good and has the following characteristics:

- **Social impact:** the structure's activity is aimed at mitigating the pressing social problems.
- **Innovation:** in the process of their own activities, new unique methods of work are used.
- **Financial sustainability:** the company is obliged to solve social problems at the expense of the income that it receives from its own economic activity.
- **Scalable:** the ability of a social enterprise to transfer previously acquired skills to other organizations, markets and even other countries.

## RESULTS & DISCUSSION

As of January 1, 2018, 12,111 thousand people with disabilities were recorded in Russia, which is 8.2% of the total population of the Russian Federation. As of January 1, 2018, the population of the Russian Federation is 146,880,432 people. The distribution of persons with disabilities by sex and age is presented in Table 1. The number of people with disabilities of working age is 3,741 thousand people, of which 2,223 thousand are men and 1,329 thousand are women. However, government programs are aimed at job placement assistance, primarily for people with disabilities belonging to the “youth” category (in various programs, the upper limit of youth is from 30 to 35 years old). Consequently, state programs and programs of non-state funds cover about 302 thousand people. Men are 225 thousand people. Women aged 18-30 years (Table 1).

		On January 1, 2016			On January 1, 2017			On January 1, 2018		
		Total	Including		Total	Including		Total	Including	
			man	Woman		man	Woman		man	Woman
1	Total disabled by major age groups:	12538	5329	7209	12314	5264	7050	12111	5210	6901
2	children under the age of 18	613	347	265	628	357	271	651	370	281
3	working age	3741	2349	1392	3651	2293	1358	3561	2232	1329
4	including: aged 18-30	572	333	239	552	319	233	527	302	225

One of the successful definitions of social entrepreneurship, in our opinion, is given by Moskovskaya et al. (2017): “*this is a new way of social and economic activity, in which the social purpose of the organization is combined with entrepreneurial innovation and the achievement of sustainable self-sufficiency*”.

Scientists from the Institute of Sociology of the Russian Academy of Sciences, as well as the National Research University Higher School of Economics, conducted a study on this subject, as a result of which they identified the characteristics of a social enterprise (Moskovskaya & Soboleva, 2016).

1. The enterprise (organization) must have a legal entity or be officially registered as an individual entrepreneur.
2. The company must give a profit, which partly goes to the development of the enterprise; partially distributed within the network of participants (shareholders, co-owners); partially goes to social projects and (or) to charity.

3. A social enterprise participates in solving social problems, is of a more or less long-term nature, focused on the welfare of the society in which this enterprise exists.
4. The social entrepreneur is a social innovator.

The most common differences between NPOs, business in its traditional sense and social enterprise can be presented in the Table 2.

		<b>Traditional business</b>	<b>NPO</b>	<b>Social enterprise</b>
1	Motives	Personal gain, profit, advertising, image, achievement of a social result is not an end in itself	Philanthropy, solving social problems	Solving social problems + income
2	Mechanisms	Determined by the market	Determined by the purpose of creating an organization, social mission	Determined by the purpose of the creation of the enterprise, social mission + market
3	Income	Distributed among owners	It is aimed at achieving the goals of the organization (it does not distribute the profit gained among the participants; it does not have as its main goal the achievement of profit)	It is aimed at the development of the enterprise; distributed among the participants; partially goes to social projects (reinvested)
4	Sources of financing	Revenues from commercial activities, investments, borrowed capital, capital of owners.	Proceeds from commercial activities (if directed at achieving goals), funds from state budget, loan capital, donations, grants are possible.	Revenue from commercial activities, grants, owners' capital, loan capital; (sponsors may help, but this should not be the only source of income).

The main directions of development of social entrepreneurship in modern Russia include:

- Assistance in determining vocational guidance and employment, including the promotion of self-employment.
- Improving the quality of life of the population (social services, health care, physical education and sports, etc.).
- Assistance to victims of natural disasters, environmental, technological or other disasters, social, national, religious conflicts, refugees and forced migrants.
- Assistance to people with disabilities, the production of prosthetic orthopedic products, as well as technical equipment, including motor transport, materials that can be used exclusively for the prevention of disability or the rehabilitation of disabled people.
- Work with needy categories in the field of cultural and educational activities (theaters, studio schools, musical institutions, creative workshops).
- Provision of educational services to categories of citizens who have learning difficulties.
- Facilitating the involvement in socially active activities of socially vulnerable groups of citizens (disabled people, orphans, orphanage graduates, the elderly, people suffering from drug addiction and alcoholism).

- Prevention of socially dangerous forms of behavior of citizens.
- Issue of periodicals, as well as books related to education, science and culture.

In the context of the topic under consideration, a rational humanistic approach to solving social and economic problems is of particular relevance when it comes to such a category of the population as people with disabilities. The first socially-oriented organizations in Russia are public organizations of persons with disabilities that have existed since the 1990s.

They considered the protection of the rights of persons with disabilities, the improvement of their working and social life, the problems of vocational training and employment assistance (Bjärsholm, 2018; Dees, 2007). Currently, with the aim of social support and protection of this social group, relevant regulatory documents have been adopted. For example, the law establishes the rules for ensuring equal opportunities for persons with disabilities, quotas for jobs when they are employed, the conditions for receiving grants by social entrepreneurs, among whom there are quite a few persons with disabilities.

However, at present, many large domestic and foreign companies (Megafon OJSC, Johnson & Johnson LLC, Alfa Bank OJSC, Siberian Coal Energy Company, Romart Group of Companies, McDonald's, etc.) hold various charity events, social projects, which also address any problem. Therefore, the line between social enterprise and socially responsible business is very thin. Developing programs, companies consider it necessary to emphasize their social responsibility, which affects their reputation, contributes to the emergence of new social networks. But still, the main motivation for shareholders is profit, even if significant amounts are allocated for charity.

Social enterprises can be created on the initiative of the disabled themselves or their public associations. Such enterprises help to ensure that people can find jobs for whom work on the open labor market causes a number of difficulties or is impossible at all. It can also be people with severe disabilities for whom it is extremely difficult to create the necessary conditions in a regular organization. However, not every company that hired a disabled person will be considered social.

Starting your own business, finding and paving the way from the formation of an idea to the stage of specific organizational decisions and starting a business can help business schools. Currently, such structures are opening up throughout the country and abroad. One of these schools opened in Yekaterinburg in September 2015. The School of Social Entrepreneurship is a joint project of the Ekaterinburg Center for the Development of Entrepreneurship Foundation, which implements free municipal tools to support small and medium-sized businesses, Our Future Foundation and Otkrytie Bank. Training includes both mini-lectures and practical exercises, as a result of which participants will need to protect their project before the expert committee. Moreover, the best projects will participate in the All-Russian competition "*Social Entrepreneur*" (financing up to 5 million rubbles).

We give examples of social entrepreneurship projects aimed at helping people with disabilities. In the subjects of Russia, there is also a process of developing social entrepreneurship for the disabled. Thus, in 2014, the "*Social entrepreneurship is the path to the successful integration of young people with disabilities in the Altai region*" program was conducted in the Altai Territory by the autonomous non-profit organization Resource Center of the Altai Regional Union of Public Organizations of Disabled People. The program's goal is social adaptation of people with disabilities and their families, acquaintance through a set of

educational activities with the possibilities of social entrepreneurship as a tool for integration into the social and economic spheres of public life of young people with disabilities.

To achieve this goal, the project required the following steps:

1. To develop and implement a training course on social entrepreneurship technology for NPOs and government professionals working with people with disabilities.
2. To introduce the technology of social entrepreneurship into the environment of young people with disabilities through the formation and implementation of their own projects.
3. To form a practice-oriented methodological package for distribution in the municipalities of the Altai Territory.

Assistance to regional centers of innovation in the social sphere (CSIS) is carried out in the form of holding competitions to support social entrepreneurship (at the expense of presidential grants to support non-profit organizations). The Presidential Grants Fund supports projects in which services are provided free of charge. This is a tool for the development of the social sphere, but only non-profit organizations are involved there (Sycheva et al., 2018).

For example, in 2017, 3,590 people with disabilities applied to the employment services of the population of the Volgograd region, 2,224 disabled people were employed, including 419 people at the expense of the established quota for the employment of disabled people. During the same period, the employment service of the Volgograd region issued 18.4 thousand referrals for work to people with disabilities. According to the results of 2017, the share of employed disabled people in the total number of disabled people who applied to employment services for assistance in finding suitable work was 62.5%, while in 2016 this figure was 2 times less-32.5%. One of the positive results on solving the problem of employment was the creation of working groups to promote the employment of persons with disabilities, including the development of *“road maps for increasing the level of employment of persons with disabilities”*.

Measures aimed at increasing the adaptive abilities of people with disabilities at workplaces are being developed and studied: they are assigned a curator from among the employees of the employer. Partially, the state authorities compensate the employer's expenses for the provision of such services and the salaries of disabled people. The development of assistance to people with disabilities in 2017 will modernize the outdated model of interaction and the quality of assistance in their employment will gradually increase. Thanks to the grant policy and the resonant information effect, more and more initiative and interested volunteers, employers and specialists in employment centers are trying to participate in this social direction.

## CONCLUSION

Thus, it can be concluded that the measures planned by the state are carried out without coordination and coordination with organizations that provide assistance to socially unprotected citizens. Programs developed at the state level are aimed at helping young people, while people with disabilities and vulnerable citizens of older age also need support. The main employment strategies of people with disabilities: employment in Russian organizations supporting people with disabilities; development of social entrepreneurship; increasing the effectiveness of government measures to support entrepreneurs employing people with disabilities. Among Russian organizations supporting people with disabilities, we can mention the fund of regional social programs *“Our Future”*.

Despite attempts by the state to provide support to persons with disabilities, there are many barriers to their employment and self-realization. In the Russian reality, unlike in Western countries, there is no so-called fashion for social entrepreneurship, moreover, the population is not informed about social entrepreneurship issues, does not always imagine its importance and does not believe in its viability. Nevertheless, analyzing the existing experience in assisting people with disabilities, some of its manifestations should be noted: a disabled social entrepreneur can count on state support, winning a grant or receiving assistance from the regions; an institutional infrastructure is being formed, already provided with budget financing, for social integration and rehabilitation of disabled people through their involvement in business activities and support for small and medium-sized businesses that employ disabled people.

Effective management can be formed through the implementation of programs like the All-Russian Competition Program “*Start another way*” for social entrepreneurs and non-profit organizations that improve the living conditions of people with disabilities. The goal of such programs is to help organizations that improve the lives of people with disabilities create financially sustainable business models. In addition, the negative factor is that at the institutional level and in the Russian legislation the concepts of “*social entrepreneurship*” and “*social entrepreneur*” are not fixed, which creates contradictions when attributing various subjects and activities to this sphere.

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