

**Volume 22, Special Issue 2****Print ISSN: 1098-8394;  
Online ISSN: 1528-2651**

# **STATE SUPPORT FOR PERSONS WITH DISABILITIES IN THE FIELD OF ENTREPRENEURSHIP**

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## **ABSTRACT**

*Today in the world, state support for social entrepreneurship and the participation of various state institutions in creating an infrastructure to support social entrepreneurship is becoming common practice. The main form of state support for persons with disabilities in the field of entrepreneurship are grants. Every year, the Presidential Grants Foundation in Russia holds various competitions to support socially unprotected categories of the population, including for non-profit organizations. As shown by a comparative analysis of those measures that are being implemented, Russia is not inferior to many Western countries with the exception of only one. There are still very few of the subjects involved in the implementation of state programs, more precisely, whose competence is to determine measures to support entrepreneurship in the framework of the state program to support small business, it is clear what social entrepreneurship is and why they are engaged in it. The article also discusses the main types of non-state forms of business support for people with disabilities.*

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

## **INTRODUCTION**

The UN Convention on Discrimination in Labor and Occupation, the UN Convention on Equal Remuneration of Men and Women for Work of Equal Value, and the UN Convention on the Promotion of Employment and Protection against Unemployment oblige states to develop entrepreneurship. The UN Convention on the Rights of Persons with Disabilities obliges the state to support entrepreneurs with disabilities. The main form of state support for persons with disabilities in the field of entrepreneurship are grants. Every year, the Presidential Grants Foundation in Russia holds various competitions to support socially unprotected categories of the population, including for non-profit organizations. The size of the grant may be different. The sphere of social entrepreneurship is becoming increasingly popular and discussed.

Entrepreneurship is free economic management in various areas of activity (except for those prohibited by legislative acts), carried out by market relations entities in order to meet the needs of specific consumers and society in goods (works and services) and generate profits (income) necessary for self-development of their own business and ensuring financial obligations to budgets and other business entities.

Social entrepreneurship is an entrepreneurial activity aimed at mitigating or solving social problems, characterized by the following main features:

Social impact: Targeted to address/mitigate existing social problems, sustainable positive measurable social outcomes;

- Innovativeness: The use of new, unique approaches to increase social impact;
- Self-sufficiency and financial sustainability: The ability of a social enterprise to solve social problems as long as it is necessary and at the expense of income derived from its own activities;
- Scalability and replicability: An increase in the scale of activity of a social enterprise (at the national and international level) and the dissemination of experience (models) in order to increase social impact;
- Entrepreneurial approach: The ability of a social entrepreneur to see market failures, find opportunities, accumulate resources, develop new solutions that have a long-term positive impact on society as a whole.

## LITERATURE REVIEW

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 (Akhmetshin et al., 2018).

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 (Dees, 2007). These are non-profit organizations whose purpose is to solve social problems (Dukhon et al., 2018).

In Europe and the UK, social entrepreneurship is defined as a business with a clear social mission (Ferri & Urbano, 2017). Social enterprises of Great Britain define social entrepreneurship as a business, whose profits are mainly directed to social needs or the solution of important social problems (Grenier, 2009). The social effect and significance of the activities of these enterprises is more important than their financial performance. Such enterprises often act in the public interest, they are characterized by a collective form of ownership. Sources of financing in this case are wider: equity, social bonds, donor funds, etc.

International foundations created to support social entrepreneurship see social entrepreneurship as an innovative entrepreneurial activity aimed at achieving social transformations in society (Hodge & Greve, 2017). A significant role in the implementation of these transformations is played by a leader-a social entrepreneur (Moskovskaya & Soboleva, 2016).

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. In Russia, under social entrepreneurship, they also understand the activities of NGOs, whose incomes from entrepreneurial activity go towards statutory goals.

## 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 is known, in 2017, the popularity of social entrepreneurship in Russia is low. About 1% of entrepreneurs are engaged in social business, and their contribution to the country's GDP in 2015 amounted to 0.36% (Surie, 2017).

Social projects in Russia exist in the areas of farming, the processing of certain types of household waste, support for the disabled, the elderly and graduates of orphanages, the revival of crafts and handicrafts, local tourism.

However, they cannot boast of success, scale of activity, and even more so the spread of their experience. Important problems, such as drug addiction, alcoholism, unemployment, a generally low standard of living, corruption and bureaucracy, remain without the attention of social entrepreneurs.

The reasons for the low popularity of social entrepreneurship in Russia are:  
General lack of formation of the class of traditional entrepreneurs,

- Lack of awareness.
- Weak study of the theoretical base.
- Lack of real support at the federal level.
- Undeveloped legal framework.

## RESULTS & DISCUSSION

We would also like to draw your attention to the fact that a social entrepreneur is disabled in Russia, being a small business entity, can receive all types of subsidies that are provided for in the region. If someone decided to create an enterprise as an NPO, he decided to create a commercial organization for conducting income-generating activities, in particular for the provision of social services. It does not matter what kind of activity you carry out. It's important that you be a small business. Thus, if there is still an additional subsidy in the region to support social entrepreneurs, then such a commercial organization will receive 2 subsidies: a common grant for a start-up entrepreneur, and a subsidy as a social entrepreneur. Thus, the current federal program highlights social entrepreneurs in terms of additional opportunities for obtaining support. Therefore, it is important to keep in mind that a social entrepreneur always has to fulfil the requirements of the regional program for the implementation of the project, and secondly, the confirmation of the expenses that he undertakes to conduct activities (Rispa & Boncler, 2010).

In addition to financial support, mass training and continuing education programs are another support measure. This means that a novice entrepreneur in law, regardless of what type of activity he conducts, including being a social entrepreneur, he can take part in any educational program that is implemented in the framework of regional entrepreneurship support programs.

In one case, a program for a start-up entrepreneur, if he only wants to open his business, in another case, if he opened his enterprise and has already begun to conduct his commercial activity, then he may be offered some other set of issues for the development of narrow

competencies, such as, marketing, accounting, legal support activities, etc. It does not matter here that he defined himself as a social entrepreneur. Being a small business entity, he is entitled to participate in any educational program, even if there are no special programs for preparing social entrepreneurs in a particular region.

Another form of support is infrastructure-the Center for Social Innovation. Since these centers were established only in 15 subjects of the Russian Federation: Astrakhan, Belgorod, Vologda, Penza, Omsk regions, Khabarovsk, Stavropol Territory, Khanty-Mansi Autonomous Area, Republic of Bashkortostan, Mordovia, Dagestan, Kabardino-Balkaria, Altai Krai.

In those regions where social innovation centers are created, they act as specialized institutions and are focused exclusively on providing all types of support for social entrepreneurs, including free consulting support on accounting, legal support of activities, business planning, marketing strategy doing business and so on.

There are 3 main types of support for people with disabilities in the field of entrepreneurship: financial, educational and consulting, and infrastructure.

The past year has shown that it is necessary to develop the competencies of social entrepreneurs. In other words, it is not to make programs for beginners, but to develop the competencies of existing entrepreneurs, taking into account the changing legislation. Today it is obvious that, starting from January 1, 2020, organizations that are engaged in the provision of social services to people with disabilities and retirees are most likely to engage in inpatient social services, such as private boarding houses for the elderly, private nursing homes, may most likely need legal advice. There are many questions that need to be clarified, you will need to change your activities, you will need to strive to get into the register of social service providers, etc. (Moskovskaya & Soboleva, 2016). Here, respectively, there will be new educational programs, seminars.

There is an assumption that the Social Innovation Center being created in the region as an institute for the infrastructure for supporting small business can pre-establish certain business relations with the bank and ask the bank for a method by which bank employees evaluate the borrower's creditworthiness. Then the purpose of the Innovation Center in cooperation with a social entrepreneur is to prepare a business plan in accordance with the bank's methodology, so that this business plan, being considered by bank employees, can really be prepared to the extent and content necessary and sufficient for a social entrepreneur to receive a loan.

The non-state part of supporting the business of persons with disabilities consists essentially of all the same, because you can also find loans from non-governmental organizations. The largest forms of support for persons with disabilities are presented in the Table 1.

<b>Table 1</b>			
<b>THE LARGEST FORMS OF SUPPORT FOR PERSONS WITH DISABILITIES</b>			
	<b>Fund name</b>	<b>Grant size</b>	<b>Short description</b>
1	<i>“Orthodox Initiative”</i> -an international open grant competition of the Fund <i>“Work”</i>	148 million rubles	The size of the individual grant depends on the scale of the project. For a local project of one NPO, the grant amount will not exceed 600 thousand rubles. For a network project of several organizations in two or more regions of the Russian Federation - up to 1 million rubles. For an infrastructure project, when an organization provides information and methodological support to a large number of other NPOs, it also identifies and spreads best social practices-up to 1 million rubles. The contribution of the own funds of the project initiators must be at least

			25% of the grant amount. Subjects: projects in the sphere of education, upbringing, social service, culture, information activity are financed.
2	"The World of New Opportunities"-a competition of social projects within the framework of the Norilsk Nickel program,	125 million rubles	The theme is reflected in the nominations: " <i>The Pole of Goodness</i> " (development of the volunteer movement and social support for the elderly, disabled, orphans)-up to 700 thousand rubles. " <i>The Pole of the Future</i> " (introduction of new methods and technologies for working with children, adolescents and young people)-up to 1 million rubles. " <i>Polyus of the city</i> " (change in the urban environment and the development of public activity)-up to 5 million rubles. " <i>The Pole of Revival</i> " (preservation and revival of cultural heritage, the creation of new forms of leisure)-up to 1 million rubles. " <i>The Pole of Energy</i> " (promotion of a healthy lifestyle, the development of mass sports)-up to 1 million rubles. " <i>North Pole</i> ": projects aimed at the formation of ecological culture, as well as improvement actions - up to 500 thousand rubles; projects aimed at the development of environmental education and educational Arctic tourism-up to 5 million rubles. " <i>Pole of growth</i> " (organizational development of NGOs)-up to 700 thousand rubles. New pole (development of the initiative and active citizenship of children and adolescents)-up to 100 thousand rubles. The applicant must invest in the project at least 25% of the requested grant amount.
3	Centers for Social Innovations in the Field of Culture of the B.F. Potanin	100 million rubles	Subjects: innovations, organization of new spaces and creation of online resources for the exchange of knowledge in the field of culture, invitation of experts, staff training, promotion of branded social and cultural projects.
4	"Native cities"- competition of Gazprom Neft PJSC	26 million rubles	Subjects: improvement of living conditions in human settlements (ecology, accessible environment, tolerance), support for education, children's and mass sports, protection of cultural heritage, including indigenous peoples of the North.
5	Competitive selection of social projects of the Fund to support children in difficult life situations	21 million rubles	Subjects of competitions varies. But they all correspond to the main activities of the foundation: prevention of family distress and social orphanhood, social support for families with disabled children, social rehabilitation of children in conflict with the law.
6	Competition for social projects-Absolute Help Foundation	20 million rubles	Subjects: prevention of social orphanhood, early help, inclusive education, parent organizations, foster families, socialization of children with disabilities, vocational training and self-determination of children with disabilities, accompanied accommodation etc. In 2018, emphasis was placed on creating a systemic integrated care model for children with disabilities, in 2016, on innovative projects for vulnerable groups—orphans, children with disabilities. In 2019, it is planned to organize two competitions, more detailed information about them will appear in March on the foundation's website.
7	Competition of projects under the program " <i>Creating opportunities</i> "-KAF-Russia	13 million rubles	Subjects: assistance to adults with visual or hearing disabilities, assistance to older people, creation of an accessible environment for people with limited mobility, environmental initiatives (in 2018).
8	OMK-Partnership is a competition of the United Metallurgical Company	10.5 million rubles	Topic: help people with disabilities and the formation of an accessible urban environment for them; initiatives for spiritual, moral and patriotic education; organization of environmental, cultural and sports events; projects for the development of volunteering among the elderly, etc.

9	Competition of social projects “ <i>Silver Age</i> ”- JSC Raiffeisenbank in partnership with Charitable Foundation “ <i>Good Stories</i> ”	4 million rubles	Subjects: projects in the field of education for the elderly, for example, improving computer, financial and legal literacy.
10	“ <i>My project is for my country!</i> ”-competition of the Public Chamber of the Russian Federation	2.8 million rubles	Thousand rubles. The theme is reflected in the nominations: social services and social support of citizens; health protection and promotion of a healthy lifestyle; support for family, motherhood, childhood and protection of traditional family values; support for youth initiatives; the development of science, education and enlightenment; projects in the field of culture and art, the preservation of spiritual heritage; protection of human and civil rights and freedoms; ecology and environmental protection; strengthening of interethnic and interreligious harmony; development of public diplomacy and support of compatriots; patriotic education and preservation of historical memory; initiatives in the field of philanthropy and volunteer activities, promoting the development of the non-profit sector and socially-oriented NGOs, public control over the activities of public authorities and local self-government.
11	Competition of social-entrepreneurial projects-Foundation for Support of Initiatives in the Social Sphere “ <i>Towards Changes</i> ”	1.2 million rubles	Subject: innovative ways to solve the problems of children and adolescents.

One of them, Our Future Foundation. Not only this fund provides support, there are other structures that are able to provide funding for social entrepreneurship projects. Same with loans. Virtually all commercial banks that work with legal entities provide loans for special small business lending programs. The task of the disabled is to find a bank that will provide support.

Other forms of support-training and counseling-are also both government and non-government measures. In the case of government programs, they are often implemented free of charge for entrepreneurs, or for a smaller part of the funding, as a rule, there is no more than 15-20% of the price of educational services. In cases with non-governmental support, there are also some educational organizations that also make discounts for disabled entrepreneurs, but most likely it will be a paid program.

The Social Innovation Center as an institute for small business support infrastructure that implements an educational program promotes the emergence of many social entrepreneurship projects. The entire set of projects most often, probably, must meet the real needs of the relevant activities of social entrepreneurs in the territory. For example, if there are 50 pensioners in the territory who are fully recipients of support from the local social services, it is certainly very difficult to convince these pensioners that they or their children should pay for your services. Therefore, here we would rather recommend the Social Innovation Center of those regions where they are created, first of all, to identify relevant niches for social entrepreneurs with disabilities (Moskovskaya et al., 2017).

Today, one should keep in mind that while the Ministry of Economic Development of the Russian Federation, despite all budget cuts, is an absolute supporter of maintaining state support for the development of social entrepreneurship of people with disabilities and contributes as much as possible to providing sufficient funds for the implementation of these programs for

people with disabilities. According to the Ministry of Economic Development of the Russian Federation, since 2012 (3 years of implementation of measures to support social entrepreneurs), the Ministry has allocated budget subsidies to finance regional programs in the amount of about 1 billion 200 million rubles. This most likely indicates a lack of interest from the regions to a greater extent towards the implementation of appropriate support measures (Pavlov, 2018).

As part of the program to support and develop small and medium-sized businesses in the Vologda region for 2013-2020, the Government of the Vologda region holds annual competitions for grants, including for the development of entrepreneurship among people with disabilities.

The maximum amount of grant support provided to the applicant is 500 thousand rubles. Grant support is provided:

1. For reimbursement of the applicant's expenses related to starting a business.
2. For financial security of the following costs.
3. Related to the acquisition of property in ownership of fixed assets necessary for the implementation of a business project: the cost of acquiring real estate and other fixed assets (with the exception of cars), including when concluding a contract of a commercial concession.
4. Payments for the transfer of franchise rights (lump-sum fee).
5. Related to the issuance of a license, other permits necessary for carrying out business activities.
6. Associated with the acquisition of raw materials, materials, intangible assets necessary for the implementation of a business project.

Grant support under a commercial concession is granted if, on the date of the tender application, the applicant submitted a contract of commercial concession concluded with the right holder and information on obtaining a certificate of state registration of the right to use the business in the complex of exclusive rights belonging to the right holder under the agreement of the concession (Yakovleva et al., 2018). Features of support for small and medium-sized businesses among people with disabilities in the countries of near and far abroad (Zeyen et al., 2013). In preparation for the study, the main analysis criteria (key features of support for small and medium-sized businesses) were highlighted: legislation supporting entrepreneurship, online consulting, grants and financing, mentoring and social groups. In the course of the work done for each of the countries analyzed, a list of features of state support for small and medium-sized businesses was formed.

## CONCLUSION

The main difference between a social enterprise and ordinary charitable foundations is that a social entrepreneur with a disability does not just allocate funds to any fund and does not have a clear idea of what purpose this money is used for, and in fact cannot assess the social consequences of his contribution, but creates an organization, non-profit or for profit (non-profit or commercial), the purpose of which is to create social value on its own and even function on its own at later stages of development DSTV, that is, in fact, without any third-party subsidies, to be self-sustaining.

As in ordinary business, whose goal is to make a profit, social entrepreneurship is important idea, the ability to assess and take risks (risk-taking), pursuing opportunities (pursuing opportunity) and innovation. It is believed that social entrepreneurship does not just treat the

symptoms of problems lying on the surface, but attack the internal causes of problems. Therefore, it is necessary to highlight the main functions:

1. Acceptance of the mission of maintaining socially vulnerable categories of citizens.
2. Identification and use of new opportunities for the implementation of the selected mission.
3. Implementation of a continuous process of innovation, adaptation and learning.
4. Decisiveness of action, not limited to available resources.
5. The high responsibility of the entrepreneur for the results of their activities-both to direct customers and to society.

Social entrepreneurship in the territory of the Russian Federation today on an on-going basis is supported by a fairly limited number of non-profit organizations and foundations.

The situation with projects aimed at people with disabilities, pensioners and other categories of low-income citizens is especially indicative. In the latter case, there is a tenfold increase, clearly showing an explosion of interest in solving complex social problems in this area. The shift of emphasis towards meeting the needs of socially disadvantaged groups is directly related to the increase in the number of individual entrepreneurs engaged in social business. Obviously, this direction has the greatest potential for growth, and increased attention should be paid to supporting individual entrepreneurs' initiatives (Ginjolia, 2012).

Social entrepreneurship is at the junction of traditional entrepreneurship and charity, dating back several centuries. The importance of social entrepreneurship functions tells us that the development of this direction is necessary: the use of prerequisites, the creation of innovative products; reduction of market entry barriers for social entrepreneurship entities (Mukhin, 2011); interaction of social entrepreneurship with small and large businesses; disclosure of entrepreneurial potential of the population of the regions.

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