

THE PROCESS OF FORMATION AND DIRECTIONS OF SOCIAL ENTREPRENEURSHIP DEVELOPMENT IN THE COUNTRIES OF THE EURASIAN ECONOMIC UNION

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ABSTRACT

The article discusses the process of formation and development of social entrepreneurship in the Eurasian Economic Union countries. Social entrepreneurship characterizes as a relatively new phenomenon and regards as one of the socio-economic institutions that can effectively deal with many social problems, work and interact with public, private and non-profit sectors. Given the lack of financial resources and the limited capacity of the state to carry out social transformations and deal with social problems, the issue of studying and identifying the specifics of the evolution of social entrepreneurship in the territory of the Eurasian Economic Union countries is becoming relevant. It involves the analysis and systematization of the available data to identify the problems and directions of the social entrepreneurship sector development in the territory of the Eurasian Economic Union.

Keywords: Entrepreneurship, Social Entrepreneurship, Economic Development, Non-Profit Organizations, Crowdfunding, Eurasian Economic Union.

INTRODUCTION

Currently, social entrepreneurship is developing dynamically in many countries of the world, including the territory of the Eurasian Economic Union. First, this is due to the increasing role of social entrepreneurship dealing with various social problems, its promotion of sustainable economic growth and development in modern living conditions.

Social entrepreneurship is an inclusive institution in society, which, given limited resources, stimulates the search for new effective social problem-solving mechanisms. In this regard, the aim of the article is to study the process of social entrepreneurship formation and development in the framework of the Eurasian Economic Union member countries.

LITERATURE REVIEW

Currently, many researchers pay attention to the development of social entrepreneurship. Various theoretical and empirical studies are carried out, among them the works of G. Dees, J. Boschee, J. Austin, G. Stevenson, J. Wei-Skillerna, C. Alter, J. Mair, J. Robinson, K. Hockerts, S. Alvord, K. Letts, D. Brown, as well as the work of M.J. Mayr & I. Marty (Dees, 2001; Austin et al., 2010; Alter, 2005; Mair et al., 2006; Alvord et al., 2004; Mair & Martí, 2006). However, among these works there is no single approach to understanding the essence of social entrepreneurship.

Some researchers lay the main emphasis on determining social entrepreneurship based on the possibility of using an entrepreneurial approach to social problem-solving (Dees, 2001; Boschee, 1995; Austin et al., 2010). In their work, they emphasize the need to maintain a balance between the social and economic components of this activity. Such researchers as C. Alter & J. Robinson focus their attention in their definitions of this phenomenon on the social entrepreneurship specifics which is to the synthesis of social and economic values (Alter, 2005; Mair et al., 2006). Social entrepreneurship as an innovative activity aimed at solving social problems through a special combination of available resources is considered in the works of S. Alvord, C. Letts, D. Brown, M. J. Mayr & I. Marty (Alvord et al., 2004; Mair & Martí, 2006).

Despite the existence of various approaches to understanding the essence of social entrepreneurship, their analysis allows us to represent its main features. These include the social goal of its creation, an entrepreneurial approach and innovativeness.

In the countries of the Eurasian Economic Union such researchers as Y.N. Arai, Y.E. Blagova, A.V. Barkov, E.A. Vetrova, M.S. Volkova, S.V. Degtyareva, T.O. Degtyareva, Vankevich E.V., K.I. Kraenkova, V.V. Zhokhovoy, R.V. Klindukh, I.V. Manakhova, R. Khamatullina carry out research in the field of social entrepreneurship (Blagova & Arai, 2010; Barkov, 2012; Vetrova, 2015; Volkova, 2015; Degtyareva & Degtyareva, 2019; Kraenkova & Vankevich, 2018; Zhokhova, 2015; Klindukh, 2019; Manakhova, 2011; Khamatullina, 2015). The existing definitions of this phenomenon usually based on a review of various foreign approaches in the field of social entrepreneurship.

Works of E.V. Vankevich, K.I. Kraenkova, M.V. Vishnyakova, Y.S. Grishina, A.A. Moscovskaya, V.S. Neklyudova, Y.S. Klyueva, A. Makarevich, T. Sazonova A., T.P. Pritvorova, E.S. Petrenko, M.P. Ayaganova, E.A. Yurina touched on the development of social entrepreneurship in the Russian Federation, the Republic of Belarus, the Republic of Kazakhstan (Kraenkova & Vankevich, 2018; Vishnyakova, 2018; Grishina, 2017; Moscovskaya & Soboleva, 2016; Neklyudov & Klyueva, 2015; Makarevich & Sazonova, 2012; Pritvorova et al., 2018).

Despite current studies, the topic of social entrepreneurship remains insufficiently developed in a substantial way and needs further elaboration, in particular, in the context of the development in the territory of Eurasian Economic Union.

ANALYSIS OF RESULTS AND DISCUSSION

Nonprofit organizations of the Russian Empire that successfully carried out charity work served as a historical prototype of modern social entrepreneurship in the Eurasian Economic Union countries. One of the first examples of the social entrepreneurship emergence is the House of Hard Work. It was founded in 1882 by the rector of St. Andrew's Cathedral in Kronshtadt, John of Kronshtadt. This institution has contributed to the fight against poverty and vagrancy. The work of such an institution was actively supported both by the public and by the state. Owing to it, similar institutions and organizations were opened throughout the Russian Empire in a short time.

The emergence and establishment of social entrepreneurship in the territory of the Union member countries are traced in the 20th century. The activities of public organizations related to people with disabilities can be separated as an example of social entrepreneurship of this period. Some specialized economic organizations were created dealing with the problems of this kind of citizen category as their employment and socialization. This model of work still exists nowadays in the territory of the Eurasian Economic Union, in particular, in the Republic of Belarus. These are Non-Governmental Organizations "Belarusian Society of the Disabled", NGO "Belarusian

Society of the Deaf”, and NGO “Belarusian Partnership of the Visually Impaired”, which facilitate the employment and integration of people with disabilities into society.

Active development of social entrepreneurship in the territory of the Eurasian Economic Union is associated with the creation and functioning of various institutions that provide both information and financial support to this sector.

One of the activators of the social entrepreneurship development in the Russian Federation was the activity of the Foundation of Regional Social Programs “Our Future”. It was created in 2007 to implement long-term socially significant programs and projects in which the principles of social entrepreneurship can be implemented. The Foundation “Our Future” is engaged in identifying existing social enterprises and social entrepreneurs and new entrepreneurial initiatives in the field of social entrepreneurship. One of the objectives of the Foundation is to identify areas and forms of support for the social entrepreneurship development and to increase the efficiency of social enterprises and entrepreneurs.

The Foundation provides necessary support to both existing social enterprises and those that are under formation. Such assistance is provided in the form of financial provision, informational support, promotion and the provision of educational and consulting services on the functioning of social enterprises. In addition, the Foundation has created the informational and analytical portal “New Business: Social Entrepreneurship”; productive educational programs in the field of social entrepreneurship are being developed. Owing to this, the activities of the foundation contribute to the foreign and domestic partner integration from different sectors of the economy, which contribute to the development and promotion of social entrepreneurship in the Russian Federation.

The Foundation “Our Future” has been hosting the All-Russian contest of projects “Social Entrepreneur” annually since 2008. During this period, the Foundation has provided support to 229 social enterprises from 56 regions of the Russian Federation.

The incentive for the development of social entrepreneurship in the Republic of Belarus was the creation of a portal on the social economy in 2009. The portal serves as an information platform covering main issues of the social entrepreneurship functioning, its types and directions. The activities of the non-profit organization ODB Brussels also contribute to the processes of social entrepreneurship. This organization provides informational and educational support to social entrepreneurs. The establishment in 2011 and the annual holding of the Social Weekend contest of social projects also served as an incentive in promoting the concept of social entrepreneurship in the Republic of Belarus.

The Association of Social Entrepreneurs of Kyrgyzstan, established in 2011, served as a definite impulse in the development of social entrepreneurship in the Republic of Kyrgyzstan. This public organization consolidates successful social entrepreneurs to unite their voice and efforts for the benefit of social well-being through the entrepreneurial activity development and public-private partnerships. The Association has provided support to more than 30 social enterprises and trained more than 150 social entrepreneurs from Kyrgyzstan, as well as from Kazakhstan, that were trained under the special training program of the Association of Social Entrepreneurs of Kyrgyzstan and the Global Program “Youth Action Net”.

Development of crowdfunding in the territory of the Eurasian Economic Union influenced growth of activity in the field of social entrepreneurship. In the Republic of Belarus, in order to raise funds for the implementation of social projects, the first crowdfunding platform “Mae Sense” (It has sense) was organized in 2011. In 2014 and 2015, two more crowd funding sites, Talaka and Ulei, were created, which also support the social projects implementation. The

most popular crowdfunding platforms supporting social entrepreneurship in the Russian Federation are the Planeta.ru and Boomstarter platforms.

The absence of a legislative framework and a fixed legal form of social entrepreneurship in most countries of the Eurasian Economic Union (except for the Russian Federation) is a problem for monitoring its development. One of the sources of information on the directions of social entrepreneurship activity in the territory of the Eurasian Economic Union is the data of competitions in the field of social entrepreneurship.

For example, statistics of applications for the Social Entrepreneurship contest held by the Foundation “Our Future” for 2018 allowed us to identify the main directions of social entrepreneurship development. First, it is associated with the organization of leisure, preschool education, the provision of socially significant services and the employment of people in difficult life situations.

If one compares the competition data for 2018 and 2015, one can conclude that the problems of employment and the provision of socially significant services have become less relevant and their share has decreased to 14% by 2018 compared to 21% in 2015. At the same time, social entrepreneurship is more actively developing in the field of preschool education, as evidenced by the growth of applications from 8% in 2015 to 19% in 2018. The growth of applications also observed in the organization of affordable leisure for children from 3% in 2015 to 21% in 2018. Thus, the nature of the available information allows us to conclude that the priorities and directions of activity of social entrepreneurship organizations in the Russian Federation are changing.

A certain idea of the social entrepreneurship development directions in the Republic of Belarus is given by the data of the organization research project that can include the sphere of social entrepreneurship. This project was implemented in 2015-2016 in conjunction with experts from the research laboratory “Public Opinion” based on the Management and Social Technologies State Institute of the Belarusian State University, the consulting agency “Social Business Technologies”, as well as representatives of the Belarus Support Program of the German Federal Government and non-profit ODB organizations in Brussels.

The database of the study included 182 organizations that include social entrepreneurship. In the course of the study, it was found that 46% of the organizations in the compiled database are engaged in the production of goods, 44% are involved in the services sector and 10% in the field of trade.

The main activities of socially oriented organizations in the field of production were identified. They are sewing and knitwear manufacturing, electrical and household goods production, metal products and structures production, production of plastic film and products. Analysis of the social entrepreneurship development directions in the Republic of Kazakhstan and in the Kyrgyz Republic is based on the data of the contest among youth “Change the world around you”, which is conducted in these Republics.

According to the data for 2017 in the Republic of Kazakhstan, 442 projects announced in the competition for participation. The received applications allowed identifying the main problem areas. These include problems of persons with disabilities employment, training and employment of social groups, problems of children and youth education and leisure. Next up were social services and health issues.

The Kyrgyz Republic also hosts a competition "Change the world around you" among young people. The 2017 competition data based on 806 applications showed the main problems and areas of social entrepreneurship. As in Kazakhstan, its main areas of activity are persons

with disabilities employment, infrastructure projects, education, ecology and recycling, children and youth leisure, social services, sports, healthcare, safety and healthy lifestyle issues, ethics and charity.

The driving force of social entrepreneurship formation and development process in Armenia is active public sector work. Projects in the field of culture and education and ecology are actively promoted and developed because of public organizations activities in Armenia. Basis of public sector in Armenia is socially oriented non-profit organizations. These include both charitable organizations and various foundations, initiatives and movements of social services provision.

Development of social entrepreneurship in Armenia has great potential. This has been confirmed by the fact that the international center for intercultural research, education and dialogue in Armenia with the support of the European Union, implemented the program “Community Development through Social Entrepreneurship”. It contributed to the expansion of capabilities for non-governmental organizations of civil society in social protection of vulnerable categories of citizens.

In addition, the program “Community Development through Social Entrepreneurship” was implemented in the territory of Armenia, with the support of the European Union and the Austrian Development Agency. Implementation of program activities helped 10 social enterprises to organize activities in six regions of the country.

For the first time in Armenia, a competition of international social startups SAP UP was held in 2018. More than 60 social entrepreneurs from various cities of Armenia attended the competition. All this testifies to the intensification of the social entrepreneurship formation and development process in Armenia, as well as in other countries of the Eurasian Economic Union.

CONCLUSION

Thus, it can be concluded that the social entrepreneurship formation and development process is taking place in the territory of the Eurasian Economic Union as evidenced by the annual competitions held. However, due to the presence of numerous approaches to the social entrepreneurship definition and the absence of a fixed legal form its activity is difficult to analyze statistically. Nevertheless, we can make an unambiguous conclusion that attempts to assess the development of this phenomenon are made in the Eurasian Economic Union countries. The analysis of the available data allowed stating that social entrepreneurship occupies a certain niche and it is the subject of social services provision. Its sectoral distribution in the territory of the Eurasian Economic Union is concentrated in socially significant spheres. Most often, social entrepreneurship represented in such areas as social protection and rehabilitation, healthcare, sports and tourism, charity, education, upbringing and enlightenment. The target group of such organizations, as a rule, are people with disabilities and psychiatric problems, the economically disadvantaged and large families.

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