

# Social entrepreneurship as a catalyst for sustainable socio-economic development

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**Abstract.** The article considers trends in the development of social entrepreneurship, which is an important element of sustainable socio-economic development. In terms of global challenges the issues of solving emerging socio-economic problems are actualized, which requires appropriate transformations and the search for new mechanisms of interaction that promote intersectoral cooperation and the involvement of different stakeholder groups. One of the tools to achieve socio-economic sustainability is the development of social entrepreneurship, which solves important socially significant problems of society and simultaneously has a positive economic, social and environmental impact. In social entrepreneurship, social responsibility plays a vital role, encouraging to think not only about the economic component, but also to seek the social and environmental aspects of their actions. In this regard, the purpose of the work is to identify the role of social entrepreneurship in achieving sustainability of socio-economic development. To achieve the goal and analyze the available data we used such general scientific methods of knowledge as abstraction, deduction, deconstruction, synthesis, analogy, axiomatics. The use of this methodological apparatus made it possible for the authors hereof to conclude that social entrepreneurship has the necessary potential and a positive impact on sustainable socio-economic development through related activities that contribute to the optimization of resources used, overcoming socially significant problems of society.

**Keywords:** Social entrepreneurship · Sustainable development · Socio-economic development · Social responsibility.

## 1. Introduction

Modern society is constantly confronted with various economic, social, political, and environmental problems. The global challenges of recent years have revealed the fragility of the global economic system and exacerbated existing socio-economic problems. The efforts made to overcome the consequences caused by the spread of Covid-19 actualized the importance of issues related to the achievement of sustainable development and showed that the tasks set cannot be solved by different institutions of society alone (Social economy and the COVID-19 crisis, 2020).

This raises the need to create new tools and regulatory mechanisms in accordance with the changing conditions and which will contribute to socio-economic development, making the world more just, more inclusive and sustainable.

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Under these conditions, one such mechanism is social entrepreneurship, which can become a catalyst for sustainable socio-economic development.

Social entrepreneurship is a relatively new and developing field of study (Prasetyo and Kistanti, 2020; Volkmann et al., 2021). Social entrepreneurship has been given many complementary definitions. First of all, it is considered as a symbiosis of commercial and non-commercial activities aimed at achieving a socially significant goal. Many studies in the field of social entrepreneurship emphasize social change, creativity and innovation in solving social problems (Aponte et al., 2019; Austin et al., 2006; Kibler and Munoz, 2020; Seelos and Mair, 2005). They also note that the social goals of activity prevail over the commercial component (Callavo, 2018; Doh, 2020; Kadol, 2020; Santos, 2012). Moreover, social entrepreneurship is defined as one of the mechanisms to combat poverty, equality and gender equality, a catalyst for social change, which correlates with the objectives of sustainable development (Blagoycheva, 2019; Hosseini and Ziaaldini, 2019). Thus, a number of authors note that social entrepreneurship is considered as a process of identifying, evaluating and using the available opportunities and resources aimed at creating social value through entrepreneurial activities (Seelos and Mair, 2005; Zahra et al., 2008). In addition, social entrepreneurship is considered as a socio-economic business model, the main purpose of which is to achieve socio-economic justice and equitable social welfare (Lee et al., 2020; Pongracz, 2020). Thus, social entrepreneurship is a source of economic and social justice, actively involved in solving social, economic and environmental problems of society, and its main goal is aimed at achieving long-term social benefits as evidenced by various factors and processes (Abhi, 2017; Aparicio et al., 2020). The analysis of the available research in the field of social entrepreneurship showed that, first of all, they reflect the theoretical component of this field of activity related to its specifics, emphasizing its hybrid nature (creation of social and economic value), motivational component, creation of business models. In spite of this the existing researches practically do not touch the questions of interrelation and influence of social entrepreneurship on sustainability of socio-economic development. Therefore, the purpose of the work is to study the role of social entrepreneurship in achieving sustainability of socio-economic development.

## **2. Materials and Methods**

In order to realize the goal, the authors hereof studied the available research on the basis of general scientific methods of knowledge such as analysis, abstraction, axiomatics, analogy, deduction, deconstruction, synthesis. Literature analysis was based on articles published in major international scientific journals in the field of business, economics and management, which are included, including those in the SCOPUS database, in international journals specializing in the topic of social entrepreneurship, as well as domestic scientific literature: monographs, articles, dissertations, published in scientific publications, including those included in the list of recommended by SCADT. The search strategy included access to certain databases (E-library, Emerald Insight, Google Scholar, Scopus, Web of Science). Literature search and selection was carried out using a "research chain" based on the following search keywords: "social entrepreneurship", "social entrepreneur", "social enterprise". As a result, using diachronic and axiomatic methods of analysis of scientific sources, the authors selected those works that seemed to them the most relevant and significant both in methodological and practical-methodological aspects. The principles of deconstruction method made it possible to select the most essential and appropriate materials and fragments from them for subsequent use in our work with full preservation of the context (meaning) of the original source and subsequent proper use in achieving the goal of the research. To analyze the practical component of social entrepreneurship and identify their role in the socio-economic development of regions the materials presented on Internet platforms by initiatives created and uniting social entrepreneurs were used, which in turn made it possible to draw a conclusion about the role and importance of social entrepreneurship in achieving sustainability of socio-economic development.

## **3. Results and Discussion**

In the modern world social entrepreneurship as an activity aimed at solving and leveling social problems, as well as eliminating the negative effects and externalities arising in the process of activity is an integral element of socio-economic development and is of paramount importance for inclusive and sustainable development.

First of all, the activities of social entrepreneurship entities are aimed at solving social problems such as poverty, unemployment, access to education, health care services, gender equality. However, due to the lack of consensus in the definition of social entrepreneurship and issues of legal legitimization of this type of activity in different countries, it is difficult to assess its contribution to socio-economic development. Nevertheless, social entrepreneurship is actively involved in the process of creating new jobs, providing innovative services and products, which in turn contributes to sustainable development. For example, according to the European Commission, social entrepreneurship employs about 40 million people [8]. More than 200 million volunteers are involved in this sphere globally (European Commission, 2020). According to a report on the activities of social enterprises in Great Britain, their contribution to the economy of the country amounted to 3% of GDP. Moreover, 5% of all jobs are in the sphere of social entrepreneurship (Social enterprise UK, 2020).

A certain idea about the impact of social entrepreneurship on socio-economic development is given by the report for 2020 “Two Decades of Impact: How Social Entrepreneurs Have Improved 622 Million Lives”, presented by the Schwab Foundation. According to the report, the activities of social entrepreneurship entities affected more than 622 million people from 190 countries (Two Decades of Impact ..., 2020). The main directions of social entrepreneurship activities were related to the sphere of education, health care, environmental protection and the use of renewable energy sources, employment and adaptation of socially vulnerable categories of citizens.

Some idea of the compliance of social entrepreneurship activities in the Russian Federation to the objectives of sustainable development is given by the analysis of statistics of applications for the annual All-Russian competition in the field of social entrepreneurship. This analysis showed that the priority areas of social entrepreneurship are: support and rehabilitation of people with disabilities, social services, educational services, health services, social tourism, and ecology (The Best social project, 2021).

Based on the data on the activities of social entrepreneurship, we can conclude that it indirectly contributes to the achievement of the Sustainable Development Goals and thereby positively affects the sustainability of socio-economic development.

#### 4. Conclusion

Social entrepreneurship is actively developing and participating in solving various socially significant problems of society. It can contribute to poverty reduction, employment, integration of socially vulnerable categories of citizens, combating environmental pollution, gender equality, etc. Social entrepreneurship reveals alternative models of work that take into account the creation of both social, which is paramount and economic value. However, given the numerous approaches to defining the essence of this phenomenon and the variety of used organizational and legal forms of social entrepreneurship subjects, there are questions of identifying its contribution to economic development. Nevertheless, the analysis of available data has demonstrated that social entrepreneurship is an innovative model of activity that can solve global problems and promote sustainable socio-economic development.

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