

SOCIAL ENTREPRENEURSHIP: THE CONCEPT AND CHARACTERISTICS OF DEVELOPMENT

Nykyforak V.A.

Candidate of Economic Sciences, Senior Lecturer
at Department of Enterprise Economics
and Personnel Management,
Yuriy Fedkovich Chernivtsi National University

On the basis of the analysis of the most cited definitions of social entrepreneurship it is possible to allocate three the most common approaches to the definition of social entrepreneurship: the first focuses on the ability of social entrepreneurship to implement a social transformation, social change; the second approach defines social entrepreneurship as an innovative, entrepreneurial way to create a social effect; the third approach is based on the important condition for the existence and sustainability in social entrepreneurship – achievement of “double effect” – the social and economic.

Based on the above analysis of the main definitions of social entrepreneurship, there are three main aspects that play an important role in shaping the definitions and understanding of the essence of social entrepreneurship: 1) social orientation; 2) entrepreneurial approach; 3) financial sustainability.

The basic features of social entrepreneurship are distinguished, which in the aggregate characterize this phenomenon and help

to separate it from other types of socio-economic activities.

On the basis of the analysis offered the following definition of social entrepreneurship: social entrepreneurship and economic activity of the entity, regardless of legal form, using the entrepreneurial approach, the mission of which is tied to the solution of a specific social problem that is not addressed due to market failures and the state.

It shall be emphasized that the mission of such organizations is connected with the solution of concrete social problems of a particular community, which determines the attitude of social-entrepreneurial firms to profit, which becomes not the primary goal, but a necessary and desired condition of the mission implementation. The focus of social entrepreneurship on the creation of social value through the solution of specific social problems but not obtaining the commercial effect virtually eliminates the activity of commercial organizations, which operate in the social sector and are aimed primarily at making a profit (private clinics, schools, etc. oriented to profit).