



МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ

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СПІЛКА ПІДПРИЄМЦІВ МАЛИХ, СЕРЕДНІХ І ПРИВАТИЗОВАНИХ ПІДПРИЄМСТВ УКРАЇНИ

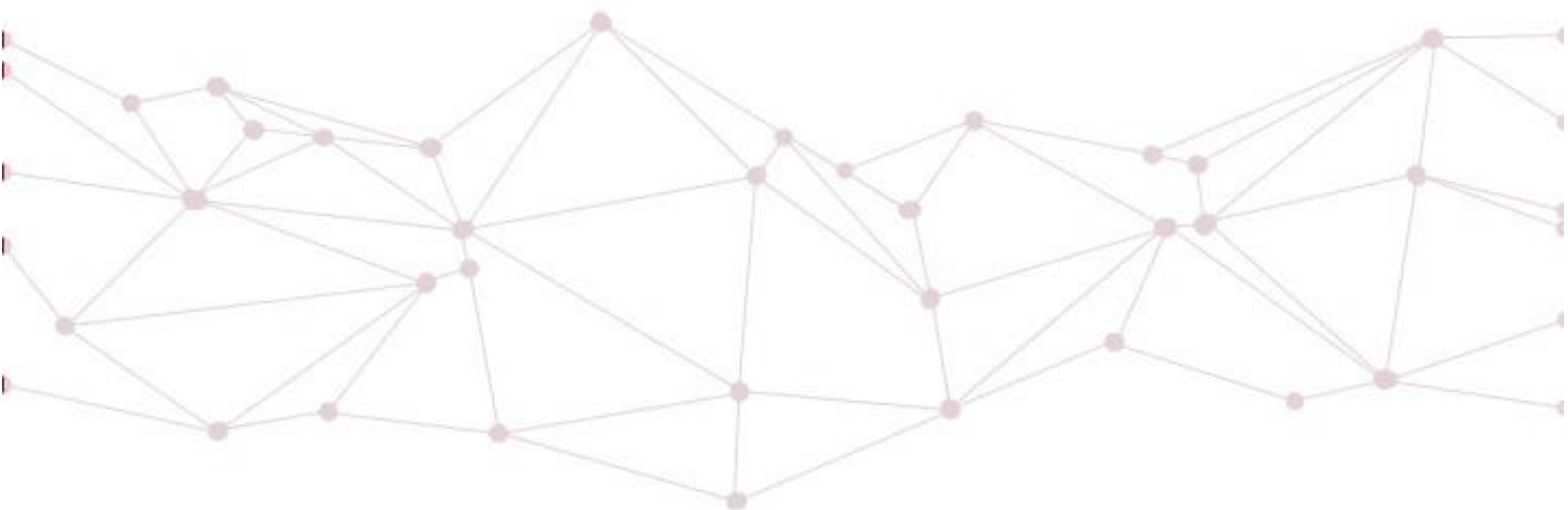
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МАТЕРІАЛИ

II Міжнародної науково-практичної конференції
«Мале та середнє підприємництво: проблеми і
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Мале та середнє підприємництво: проблеми і перспективи розвитку в Україні: зб. матер. наук.-практ. конференції, 15-16 листопада 2018 р. / Київський національний університет імені Тараса Шевченка. – Київ, 2018. – 234 с.

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Збірник містить матеріали II Міжнародної науково-практичної конференції «Мале та середнє підприємництво: проблеми і перспективи розвитку в Україні», що відбулася 15-16 листопада 2018 року на базі кафедри підприємництва Київського національного університету імені Тараса Шевченка.

Основними напрямками роботи науково-практичної конференції були: світові тенденції розвитку малого та середнього підприємництва, економічна безпека малого та середнього підприємництва, стратегічні пріоритети конкурентного розвитку підприємництва, сучасні виклики соціального підприємництва в Україні та світі.

Видання розраховано на представників наукової спільноти, викладачів, фахівців у галузі підприємництва, торгівлі та біржової діяльності, працівників органів державного управління, студентів закладів вищої освіти.

Тези розміщуються в авторській редакції.

За точність викладеного матеріалу відповідальність покладена на авторів.

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SOCIAL ENTREPRENEURSHIP, INNOVATION AND PROFIT

Entrepreneurship in general is understood to be synonym of business endeavor. An entrepreneur is a businessman and he should assume entrepreneurship. But precise segregation of the two terms indicates a deep difference between the terms. Similarly, the difference between business entrepreneurship and social entrepreneurship is also found to be ambiguous in many circumstances. More distinctly, question like how a social entrepreneur can work for profit since his/her work as the very character of the name of term 'social' suggests not for profit. On the other hand, how can 'entrepreneurship' be deprived or barred from making profit simply because it has been characterized as 'social'?

Why and how social entrepreneur emerge, what they bring with their emergence in the society and what is consideration against their contribution in the society and its transformation process? This is the central theme of this article.

Concept of entrepreneurship has been developing along the economic history. The empirical studies show mixed evidence on role of entrepreneurship in economic growth. There heterogeneities in kind of economic contexts and entrepreneurship which limit our insights into the role of entrepreneurship in economic growth [5].

With roots to different inspirations and theoretical concerns historical research on entrepreneurship started much earlier. This study on the entrepreneurship has been aligned with the understanding process of economics. This has been commonly utilized as the Schumpeterian meaning of the entrepreneurship [11].

The movements pertaining to social entrepreneurship are the alternative for public sector or the responsibility of the democratically elected government of a country. It is helping hands that join the society in political transitions [4].

The main features of entrepreneurship consists of creation of new venture, hard work, assumption of risks and reaping of rewards [1]. Entrepreneurs introduce innovations, they are catalytic agent and engine for economic development [1]. The function of the entrepreneurs also includes revolutionizing the development by new invention by old product or service delivery in a new way [10].

The process of entrepreneurship involves processes whereby individual decides freely and independently to combine the factor of production which has not been in the market previously. This endeavor has the motive of introducing social service to bring improvement in people's live [7], [8]. Social entrepreneurship with its dynamism in the production process, while bringing profit to the entrepreneur gives society new possibilities in the market and the society.

Result of successful social entrepreneurship is economic development, equal rights, a better world, peace, freedom, a more secure society for everyone and technological, economic and social progress. Social innovation is the process whereby the factors of production is combined in such a new way that improves people's lives [7]. In the process of entrepreneurship the social innovation entrepreneur acts with high risk for increased results in social value and in case proved to be unsuccessful the entrepreneur loses the confidence of society [8]. Innovation has five areas, they are: the introduction of a new good, new method of production, opening of new market, conquest of new source of raw material and a new organization to carry out the industry [11], [8].

Over the time of the economic history, different theories of profit have been evolved. The main theories of profit have been The Contemporary Theory of Profit, Profit due to Monopoly of Friction, Profit due to Technology and Innovation and Managerial Efficiency theory. These theories are complementary to each other and not mutually exclusive [2]. So far, there could not be found consensus among the economist about the nature of profit and its origin. Because of this state of consensus various theories pertaining to profit have been emerged. Few of such theories are Walker's Theory of Profit, Clark's Dynamic Theory of Profit, Hawley's Risk Theory

of Profit, Knight's Theory of Profit and Schumpeter's Theory of Profit. Monopoly Power as source of profit is found to have dealt separately [3].

Electrification is not to build electric infrastructure, but is a corner stone of all the succeeding economic activities. In Nepal, there is tremendous requirement of small and micro hydro projects to cope the need for rural electrification. Private entrepreneurs in Nepal also have built many small hydropower plants and are operating successfully. In addition, few small hydropower plant constructed by the government are in operation under lease taken by the local private entrepreneur. Further, through the community electrification program not only the local community based organizations with Rural Electric Cooperative modality but private entrepreneurs have involved in increase access of electricity in rural Nepal, there are quite a good number of private companies actively participating in the program. Similarly, as the step towards assuming corporate social responsibility, Independent Power Producers (IPPs), operating medium or big hydropower plants are contributing to local rural electrification by constructing additional small hydropower plant in the respective project locality [6]. This has significant improvement for uplifting the socio-economic status of local people. To analyze the social entrepreneurship with this initiation for the rural electrification in Nepal, following are the noteworthy elements:

The concept of private entrepreneurs' participation in small, micro hydro as well as medium and large hydropower generation or the rural electrification through community organizations including rural electric operatives and private companies was new at the inception at least in local context even though there might have been such initiation in outside world or in the global context.

Electricity can bring opportunities more than lighting energy. Entrepreneurs are involved in electricity generation and distribution under community participation model and other model. Electrification of under developed rural area has resulted in significant socio-economic impact.

These entrepreneurs are also motivated for profit from the business with the new ideas, which have never been seen before in the particular locality wherein they

are involved in new business i.e. energy sector. However, according to Schumpeter, there are basically three motivating factors such as, to found a private kingdom though not necessarily a dynasty, the will to conquer and joy of creating and making efforts to have things done [9].

The general objective of this study is to get insight into the circumstances leading to the emergence of the social entrepreneur and their basic contribution to the economy and the society by analyzing the motivator for their voluntary involvement in the energy infrastructure sector. To analyze the concept of the social entrepreneurs with rural electrification and initiation of small hydropower generation is the specific objective of the study.

The method of the study includes review of theories related to entrepreneurship and profits. Similarly, few selected cases of entrepreneurship from the energy/electricity infrastructure sector have been collected, reviewed and analyzed with the concepts of social entrepreneurship as well as the motives of entrepreneurs with theories of profit.

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Наукове видання

**МАЛЕ ТА СЕРЕДНЄ ПІДПРИЄМНИЦТВО:
ПРОБЛЕМИ І ПЕРСПЕКТИВИ РОЗВИТКУ В УКРАЇНІ**

Матеріали

II Міжнародної науково-практичної конференції

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