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64 САМІТ СОЦІАЛЬНОГО ПІДПРИЄМНИЦТВА

64 Summit "Conversations on Emerging Issues in Social Entrepreneurship"



МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ

**ЖИТОМИРСЬКИЙ НАЦІОНАЛЬНИЙ
АГРОЕКОЛОГІЧНИЙ УНІВЕРСИТЕТ**

FIL. DR. JAN-U. SANDAL INSTITUTE

**ДИСКУСІЇ З АКТУАЛЬНИХ ПИТАНЬ
СОЦІАЛЬНОГО ПІДПРИЄМНИЦТВА**

**CONVERSATIONS
ON EMERGING ISSUES IN SOCIAL
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EVOLUTION OF SOCIAL ENTREPRENEURSHIP DEVELOPMENT IN EUROPE

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The essence of social entrepreneurship has ongoing discussion by scientists all over the world. In this paper, the overview of the history of social entrepreneurship is done; in addition, author has compared the evolution of these phenomena between European countries and Europe as a whole.

Keywords: social entrepreneurship; Europe; social sector

Development of social entrepreneurship as an effective way to solve social problems has its own characteristics in different territories. The pioneers in the development of this type of activity were Europe and the USA. At the same time, the formation of the theoretical foundations of social

entrepreneurship until 2005 in these territories took place in parallel and had almost no points of contact. The first bridge was built by A. Nicholas and J. Mair, K. Stewart, D. Horse and J. Curlin [2]. Scientists conducted a comparative analysis of the ideas of social entrepreneurship in Europe and the USA. However, in the scientific literature, attention was not paid enough to the regions in which social entrepreneurship is in the initial stages of formation. Within the framework of this study, examining the historical context of the emergence of socially oriented activities in various countries, we attempt to bring together existing studies in order to form a unified view of the evolution of social enterprise processes.

Third sector organizations (non-profit organizations, cooperatives and mutual aid associations) in most Western European countries began to play a significant role in the provision of social services even before World War II, which was mainly due to the Christian philanthropic tradition [3].

The dependence of social entrepreneurship on the historical, socio-cultural and geographical conditions of development led to the consideration of the prerequisites for the formation of social entrepreneurship in Western, Southern, Northern and Eastern Europe separately.

Western Europe. According to the typology of Espring-Andersen [2], in countries with a “Bismarck” tradition, which can also be attributed to countries of the “corporatist” group (Belgium, France, Germany and Ireland), non-profit organizations that are regulated and funded by public authorities, played an important role in providing society with social services [1]. During the 1980s The state, faced with a high level of unemployment and a financial crisis, has ceased to distribute financial resources in favor of the unemployed and has developed programs aimed at increasing the activity of the unemployed, through the organization of training programs, as well as subsidies.

In Great Britain, which is traditionally considered as the symbol of liberal model of governance, the low level of social expenditures of the state was compensated by private voluntary donations. Despite the experience of two world wars, which led to the development of state social programs, well-organized organizations existed thanks to the financial support of private individuals [4]. Thus, the emergence of social enterprise in Western Europe was due to the active support of the state. The important drivers of development were the culture of civil society and the legal environment created by the state to support socially oriented enterprises.

Southern Europe. In the countries of Southern Europe, in particular in Italy and Portugal, there was a low level of government expenditure on social security of the population. Families have become key actors in ensuring the welfare of society. Historically, church charities have played a central role in solving social problems of society, but in the 20th century, especially during the fascist occupation, this function was limited and brought under control of the state.

Eastern Europe. The collapse of the communist system, which coincided with the economic recession in the 1970s and rising unemployment, contributed to the emergence of the social entrepreneurship sector in Eastern Europe. In addition an important role was played by foreign agents. The international community, based on the experience of Western European countries, has taken a number of measures to solve social problems in the region. In general, the development of social entrepreneurship in Eastern Europe was driven by the collapse of the communist regime, the removal of the state from solving social problems, and the support of Western European countries.

Northern Europe. The Nordic countries belong to the socio-democratic group and have the highest level of social security spending. There was observed a division of tasks

between the state, the business sector and the civil society [6]. The state contributed to the improvement of the welfare of society, the business sector was the function of production, accumulation and creation of jobs, and civil society was focused on uniting interests and shaping public programs.

In general, it should be noted that the development of social entrepreneurship in Europe was accompanied by the formation of favorable political and legal conditions (Italy, Great Britain, Belgium, etc.). In Eastern European countries, social entrepreneurship was brought from Western Europe through close social, economic, and cultural ties.

Changes in the regulatory and legal acts of individual European countries had a special impact on the development of social entrepreneurship. After the adoption of the law on "social cooperatives" (1991), in the second half of the 90s in some countries, organizational-legal forms were introduced, supporting the entrepreneurial approach and adapted to an increasing number of non-profit organizations [5]. In France, Portugal, Spain, and Greece, new legal forms were of a cooperative type. At the same time, Belgium, Great Britain and Italy chose more open models of socially oriented organizations that are related not only to the cooperative tradition, but also to the commercial one.

In addition to creating new legal forms, at the end of the 20th century public programs aimed at the integration of workplaces were developed. The law on social enterprises, adopted in Finland in 2003, is another confirmation of this trend. According to the draft law, socially-oriented enterprises, regardless of their legal status, are market-oriented organizations created for hiring employees with limited opportunities or unemployed. In 2006, Poland adopted an act on social cooperatives, which was also intended to integrate the unemployed.

Thus, the following characteristics of social

entrepreneurship in Europe could be highlighted. First, social sector in Europe has the entrepreneurial nature of activity. Often, socially oriented organizations are forced to seek additional financial sources through entrepreneurial activity. In addition, socially oriented organizations base their activities on several sources of funding (grants, subsidies, donations) and are focused on obtaining economic results from their activities. Secondly, socially oriented organizations in Europe are aimed at creating new jobs, especially for the categories of the population that have problems in finding employment. Thirdly, the implemented social projects are, as a rule, local in nature, associated with a certain community or group of individuals. Fourthly, social entrepreneurs strive for a corporate type of organization and a democratic management style.

To sum up, in this paper, in order to study the evolution of social entrepreneurship in the world, it was substantiated that the formation and development of social entrepreneurship in different countries of the world is heterogeneous. Its features depend not only on the current institutional environment, but also on the historical conditions in which this type of activity is formed. The theoretical significance of this study is to systematize research in the development of social entrepreneurship in the global space. The practical significance lies in the analysis of the experience of introducing social entrepreneurship in various countries.

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