

**Ministry of Education and Science of Ukraine
Chernihiv National University of Technology (Ukraine)
Ptoukha Institute for Demography and Social Studies
of the National Academy of Sciences of Ukraine
Scientific-Research Centre of Industrial Development Problems
of the National Academy of Science of Ukraine
Ivano-Frankivsk National Technical University of Oil and Gas (Ukraine)
NGO «Chernihiv European» (Ukraine)
Vienna University of Economics and Business (Austria)
Academic Society of Michal Baludansky (Slovakia)
Technical University of Kosice (Slovakia)
University of Central Europe (Slovakia)
University of Mishkolts (Hungary)
Warsaw Management University (Poland)
Tsenov Academy of Economics (Bulgaria)
Sokhumi State University (Georgia)
Batumi Shota Rustaveli State University (Georgia)
Batumi Navigation Teaching University (Georgia)
Fil. Dr. Jan-U. Sandal Institute (Norway)**

UKRAINE – EU. MODERN TECHNOLOGY, BUSINESS AND LAW

APRIL 3–8, 2017

SLOVAKIA-AUSTRIA-HUNGARY

**COLLECTION OF INTERNATIONAL SCIENTIFIC
PAPERS**

**PART 1
MODERN PRIORITIES OF ECONOMICS
SOCIETAL CHALLENGES**

Chernihiv 2017

UDK 330(477)+330:061.1EC(08)

U31

Published by Academic Council Decision of Chernihiv National University of Technology (Protocol № 3, February 27, 2017). The Collection has been included into the international scientometric database eLIBRARY.RU.

Ukraine – EU. Modern Technology, Business and Law : collection of international scientific papers : in 2 parts. Part 1. Modern Priorities of Economics. Societal Challenges. – Chernihiv : CNUT, 2017. – 190 p.

ISBN 978-966-2188-73-8

The collection includes abstracts of the Third international scientific and practice conference «Ukraine – EU. Modern Technology, Business and Law». (Part 1. Modern Priorities of Economics. Societal Challenges).

The actual issues and aspects of collaboration between Ukraine and European Union in economic and social spheres are highlighted. The priority directions, innovative approaches and modern views on the prospects of the development of economics, social work, philosophy, psychology and sociology are considered.

The publication is oriented on scientists, academicians, postgraduates, students and people who are interested in the prospective collaboration between Ukraine and European Union.

Збірник містить тези доповідей Третьої міжнародної науко-практичної конференції «Ukraine – EU. Modern Technology, Business and Law» (Частина перша. Сучасні пріоритети економіки. Соціальні виклики).

Висвітлено актуальні питання та аспекти співпраці між Україною та Європейським Союзом у економічній та соціальній сферах. Розглянуто пріоритетні напрями, інноваційні підходи та сучасні погляди щодо перспектив розвитку економіки, соціальної роботи, філософії, психології та соціології.

Видання орієнтоване на науковців, освітян, аспірантів, студентів та людей зацікавлених перспективами співпраці між Україною та Європейським Союзом.

UDK 330(477)+330:061.1EC(08)

Chief Editor:

Andrii Shevtsov, Doctor of Pedagogical Sciences, Professor

Deputy Chief Editor:

Serhiy Shkarlet, Doctor of Economics, Professor

Editorial Board Members:

Ella Libanova, Doctor of Economics, Professor

Liliana Horal, Doctor of Economics, Professor

Dmytro Dzvinchuk, Doctor of Philosophy, PhD in Public Administration, Professor

Mykola Kyzym, Doctor of Economics, Professor

Michal Varchola, Doctor of Sciences, Professor

Miroslav Badida, Doctor of Sciences, Professor

Jozef Mindiash, Doctor of Sciences, Associate Professor

Pawel Czarnecki, Doctor of Sciences, Professor

Ivan Marchewski, Doctor of Economics

Larisa Takalandze, Doctor of Economics, Professor

Ketevan Goletiani, Doctor of Technical Sciences, Professor

Natela Tsiklakhsvili, PhD in Economics, Professor

Badri Gechbaia, Doctor of Economics, Associate Professor

Jan-Urban Sandal, Doctor of Philosophy, Professor

ISBN 978-966-2188-73-8

© Chernihiv National University of Technology, 2017

Khrystyna Khtyrkhun, Research Fellow

Fil. Dr. Jan-U. Sandal Institute, Finstadjordet, Norway

THE DEVELOPMENT OF THE SOCIAL ENTREPRENEURSHIP AS A MEANS OF THE SOLUTION OF SOCIAL PROBLEMS IN UKRAINE

A social entrepreneurship is "a special form of management, which purpose is to run a production function in such a way as to ensure increased value for all the participating parties in that function" [1].

The social entrepreneurship aims at the achievement of the threefold result:

1. Profit, which allows the company to grow and compete with others, and most importantly to spend it for
2. Solution of social problems and
3. Improvement of surrounding environment.

These goals are very important for every country, and nowadays especially for Ukraine. That is why it is necessary to investigate and implement social entrepreneurship as a contemporary situation demands new solutions on emerging issues in the social and economic sectors of Ukraine [2, p. 133].

The social entrepreneurship influences on the society positively because it helps to:

- provide public services in a new way and meet the needs of the community,
- create new jobs,
- involve disadvantaged groups of society into a public life, providing their members with work,
- increase an attention to socially vulnerable groups of the population providing them with useful socially meaningful work,
- revive rural and urban areas and improve their social infrastructure, etc.

There are several opportunities for the development of the social entrepreneurship in Ukraine:

1. Absence of a law that regulates the social entrepreneurship allows the social enterprises to operate according to existed legislation in Ukraine.
2. Availability of subjects that are not involved in traditional business (people with disabilities, refugees (internally displaced persons), national minorities, elderly, people with addictions, former prisoners).
3. International foundations and organizations support social entrepreneurship and that gives an opportunity to get additional sources of financing. There is a lending program of social enter-

prises in cooperation with WNISEF in Ukraine. According to the program, the credit can be obtained for the purchase of equipment, real estate, replenishment of current assets in the amount of from 10000 to 100000 USD under 5-9% per annum with crediting term to 36 months.

There are some components of the successful development of the social entrepreneurship in Ukraine:

1. The government should take care of establishing tax incentives for social enterprises, which can reduce indirect taxes when market income is insufficient to support their social activities. For example, the USA government support of the development of social enterprises is reduced to:

- elimination of legal administrative barriers,
- support preferential loans,
- development of social partnership between the state organizations, business, and non-commercial sector,
- company is guaranteed the possibility of social orders from government agencies.

2. Clearly defined social objectives should be fixed in statutory documents of the enterprise.

3. Profits are reinvested in the expansion and / or directed at achieving social objectives. It is important to involve all interested parties in making such decision; it would illustrate the openness and transparency of the social enterprise.

4. Increase the image of the social enterprises.

There is a parallel between the social entrepreneurship and organic agriculture because they both are aimed at the achievement of three effects (economic, social and environmental).

One of the brightest examples of successful social entrepreneurship in the sphere of agriculture is Farmers School, established in Russia in 2009 [3]. The mission of this organization is a social adaptation and integration of graduates of orphanages.

The social enterprise is about to solve the following social problem:

- alienation graduates of orphanages from society,
- lack of skill social adaptation and career guidance,
- lack of housing for graduates,
- the extinction of villages and the reluctance of young people living in rural areas.

The essence of such social business consists of:

- training the participants of the project basics of farming,
- building the housing for young farmers and teachers by common efforts,
- establishing production process.

This project was supported by the fund "Our Future" as a part of the regional competition. The farm was organized and a youth village was built.

In Ukraine Chervonopromin rural Charitable Foundation "Hellas" is an example of the successful functioning of the social enterprise in the sphere of the agricultural industry. It was founded in 2008 and is engaged in cultivation and sale of fruits, berries, vegetables and provision of agricultural services. The social part of the company is providing children in rural areas with organic food, improvement of nutrition in school, kindergarten, reducing the cost of food. The results of the enterprise is free providing students and pupils of Chervonopromin educational complex with tomatoes, red beets, onions, cabbage, potatoes, parsley; provision workers of the welfare sphere of the village with services (plowing, cultivation, transport services) at the prices which are lower than at the market; offering free services in the handling of the school parcel of land.

In our opinion, it is possible to create the social enterprise in the sphere of organic agriculture in Ukraine.

The commercial component of the enterprise – production and sale of organic products.

The social purposes of the enterprise:

- Job security of socially unprotected segments of the population (disabled people, pensioners, students, refugees, last prisoners, etc.).

– Educational work in society through holding free cultural and educational events (pieces of training, seminars for pupils, students, scientific and pedagogical stuff).

– Formation of a healthy lifestyle and sustainable consumer demand on organic products.

– Providing population with organic food.

– Cooperation with the international public organizations and funds.

The document in which the social purposes are stated – statute, business plan.

Profit distribution – cost value of organic production is high therefore it is reasonable to share profit as follows:

90% - reinvestment;

10% - the social purposes.

The way of creation of the enterprise:

– Structural division of an educational institution.

– Separate enterprise.

Social entrepreneurship is business activities aim at mitigation or resolving social problems. Thus, the social entrepreneur is able to see the shortcomings of the market and find opportunities to accumulate resources, develop new solutions, and create environmental awareness that will have long-term positive impact on society as a whole.

References

1. Sandal J. Sosial-Entreprenoren: Agent med rett till a endre / J. Sandal. – Oslo, Norway: Kolofon, 2007. – 171 s.

2. Чорноус Г. Соціальна орієнтованість органічного виробництва: світовий досвід та національні реалії / Г. Чорноус, В. Гура. // Актуальні проблеми міжнародних відносин. – 2014. – Вип. 122 (частина I) – С. 126–137.

3. Соціальне підприємництво в Україні [Електронний ресурс] – Режим доступу: <http://www.socialbusiness.in.ua/index.php/baza-znan/mizhnarodnyi-dosvid>.