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THEORY AND PRACTICE OF SOCIAL ENTREPRENEURSHIP IN
EURASIAN ECONOMIC UNION COUNTRIES

Specialty 08.00.05 – Economics and National Economy Management

ABSTRACT

of the thesis for the Doctor of Economics degree

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Basic results of the thesis by N. Kadol
“Theory and practice of social entrepreneurship in Eurasian Economic Union countries”

The thesis for the Doctor of Science, Economics in specialty 08.00.05 - Economics and National Economy by N.F. Kadol is a comprehensive study having socio-economic value and providing development of the theoretical and methodological framework as well as scientific and practical methods for improving the organizational and economic mechanism of social entrepreneurship formation and development in the Eurasian Economic Union.

The relevance of the research topic stems from socio-economic changes taking place in the context of globalization and internationalization of economic life showing that achieving macroeconomic sustainability of economic development is impossible without achieving social stability. The development of the world economic system as a whole and the Eurasian Economic Union, in particular, should be based on the growth of spiritual and moral values, achieving a high level of human development, social responsibility of business, creating innovative production of goods and services and observance of environmental safety principles. Socio-economic development orientation of this kind will contribute to an improvement of the population quality of life and an increase in the competitive ability and efficiency of the economy.

Nonetheless, it should be noted that the crisis phenomena of the world economy, the slowdown in the economic growth of the leading powers, the price drop in the commodity market could not but affect both the economy of the Eurasian Economic Union and its member states. The influence of these trends has a negative impact on the dynamics of socio-economic indicators of economic development. In these conditions, there is a decrease in the well-being of citizens, a lack of financial resources and limited state opportunities to implement social transformations and solve problems in the social sphere.

Within the conditions of fiscal austerity and a lack of financial allocations, the problem of finding new effective mechanisms for solving socio-economic issues and leveling social tension in modern society becomes urgent. To bring this matter to a successful conclusion, it is advisable to involve various institutions of society and use the potential of interaction between various sectors of economy and increase social responsibility of both the population and business.

In this regard, in the evolution of socio-economic relations in modern society, a separate sector of material and spiritual values production has emerged that is called social entrepreneurship and it has showed dynamic development. It is one of the socio-economic mechanisms able to effectively deal with the solution of many social problems. It is able to work and interact with the public, private and non-profit sectors and use an entrepreneurial and innovative approach to resolve problems in the social sphere of the Eurasian Economic Union.

The use of social entrepreneurship will allow the Eurasian Economic Union member states to reduce the budgetary burden, to improve the quality of goods and services in the social sphere, and ensure the development of social infrastructure. As the world and domestic experience shows, the development of social entrepreneurship will help attract additional financial allocations in the social sector, as well as their optimization in use and distribution in the economy.

The relevance of the problem under consideration stems from the need to overcome the stereotype that entrepreneurial activity is aimed at making a profit, being individual or team-oriented in nature, and its profit is the exclusive property of the direct business process participants. However, in anthropological terms, this is always ineffective in the form of a feasible contribution to solve problematic issues of social development in individual regions and states as a whole. In a certain way, this fact is confirmed by the existing of accumulated social problems in society that are awaiting solution. Socially oriented enterprises, earning from the sale of manufactured products or provided services, invest them in the implementation of the social mission. According to their own commercial model, the main task of social entrepreneurs is to make their own contribution to solving problematic issues of

individual regions and the state as a whole. Recently, social entrepreneurship covers new countries and territories, getting a boost for its further scaling from the best practices, adapting the national experience of different countries to the conditions of a particular country or territory. However, not all of the accumulated potential of this relatively new segment of entrepreneurial activity, at least for the countries of the Eurasian Union, is used for a number of reasons, including methodological and methodical ones.

The relevance of the problem being studied, its under development and the need to identify features and directions of social entrepreneurship development in the territory of the Eurasian Economic Union determines the choice of the topic and the main directions of the thesis.

The object of study is social entrepreneurship as an economic phenomenon of humanization in modern business activities on the territory of the Eurasian Economic Union.

The subject of research: theory and practice of the social entrepreneurship formation and development in the context of Eurasian Economic Union countries integration.

The purpose and objectives of research

The purpose of the thesis research is to develop theoretical and methodological foundations, scientific and practical methods for improving the organizational and economic mechanism for the social entrepreneurship formation and development in the Eurasian Economic Union.

The scientific agenda and the purpose of the thesis research predetermined the content of the following **hypothesis:** social entrepreneurship is an innovative element of the economies in Eurasian Economic Union member states that effectively implement new knowledge, resources and technologies for solution of social problems in these countries. Currently, social entrepreneurship in the Eurasian Economic Union countries has a sufficient degree of theoretical, methodological, functional and impactful unity, which is evidence of a certain integration potential

that allows uniting efforts of the Union member states for its development on its territory.

To achieve the purpose of the thesis and test the hypothesis that social entrepreneurship is an innovative element in the economies of the Eurasian Economic Union member states that effectively implement new knowledge, resources and technologies for solution of social problems in these countries, it is necessary to solve the following **tasks**:

- to study the methodological and theoretical foundations as well as existential background social entrepreneurship formation and development from the point of view of freedom and responsibility of modern business, its social interest in implementation, cooperation and involvement in entrepreneurial activities of the most economically vulnerable sectors of population;
- to develop a conceptual model that allows to reveal and consistently specify essential, functional and operational aspects of social entrepreneurship;
- to analyze the foreign experience of the social entrepreneurship formation and development, its institutional foundations of development and scaling within the European Union and to assess the possibilities of their adaptation to the practice of the Eurasian Economic Union social entrepreneurship;
- to consider the process of establishing and functioning of social entrepreneurship in the Eurasian Economic Union countries, the organizational and legal conditions for its implementation in these countries, to identify the limiting factors and the most important tendencies of its development, including potential for interaction between the Union member states. To propose the author's model for social enterprises for practical application on the territory of the Eurasian Economic Union, this model can determine the balance between the social and entrepreneurial components in their activities and ensure maximum fulfillment of the social (statutory) goal of the enterprise due to the commercial component of its range.
- to develop conceptual approaches and institutional framework for integrating social entrepreneurship development processes in the Eurasian Economic

Union, that contribute to an increase in the efficiency of social entrepreneurship in the Eurasian Economic Union countries, taking into consideration their national context;

- to consider the possibility of forming a unified institutional environment in the field of social entrepreneurship on the territory of the Eurasian Economic Union.

The scientific novelty of the study is in the conceptual and methodological objectives of the economic substance and content of social entrepreneurship as a relatively new element of the modern economy, which focuses on solving social problems, develops its formation and evolvement in the Eurasian Economic Union countries in the context of traditional social orientation and modern spheres of entrepreneurial activity.

In the thesis research, the following scientific results were obtained, specifying its general **scientific novelty** and **practical results**.

1. Based on the analysis, the methodological and theoretical foundations of the social entrepreneurship functioning were determined, which made it possible to determine its sources, motives and existential background for its development; the role of social responsibility is expanded and deepened as its attribute and moral basis. Based on the listed above, the author's approach to the scientific definition of social entrepreneurship as a special type of entrepreneurial activity with a definite social motivation is presented, which is aimed at solving acute social problems by means of achieving economically significant results. The key component of the approach is its social orientation with a set of attributive features: social responsibility of an entrepreneur, innovativeness, sustainable development based on the principles of self-sufficiency, scalability and riskiness.

2. As a result of synthesis of theoretical approaches to the social entrepreneurship evolution, the following stages of its development are identified: utilitarian, social and institutional, underlined the analysis and assessment of the conceptual and institutional framework for the integration of social entrepreneurship

development processes within the Eurasian Economic Union (stages of social entrepreneurship development are defined in each EAEU member state).

3. As a cognition method of social entrepreneurship as a socio-economic phenomenon and methods of its practical implementation, the author's conceptual three-level model for the social entrepreneurship development is proposed. It includes a conceptual and content-related unit reflecting the aim, subjects and objects of this phenomenon, as well as its main conceptual features; functional unit, allowing to identify an assembly of elements of the institutional environment for social entrepreneurship to functionalize, its main forms and development models and an effective evaluation unit, involving the assessment and interpretation of social entrepreneurship results.

4. A comprehensive analysis of social entrepreneurship in the countries of the Eurasian Economic Union first carried out, which made it possible to highlight the problems of a methodological nature, the institutional environment of its development, vulnerabilities and problems restraining the social entrepreneurship development, as well as to structure the necessary conditions for its effective functioning. This analysis showed that the social entrepreneurship development in the Eurasian Economic Union countries is carried out, as a rule, due to the emergence of a community of people who show an active civic position, with a predominantly altruistic motivation to create such business entities; the use of successful practices and positive experience in the implementation of social entrepreneurship; the availability of sites for social projects implementation as the basis for the fulfillment of socially entrepreneurial activities.

5. The conceptual and institutional foundations of social entrepreneurship development processes integration in the EAEU first investigated. It was identified that at the functional and partially, the effective evaluation levels of the author's conceptual model for the social entrepreneurship development, there is a sufficient degree of unity in the Eurasian Economic Union countries, which is evidence of a certain integration potential in social entrepreneurship in these countries. It is shown that social entrepreneurship fulfills a number of criteria established in the Eurasian

Economic Union documents for economic sectors with integration potential, which allows to suggest the inclusion of social entrepreneurship in the list of new areas of the Union integration. An integration association in the field of social entrepreneurship within the EAEU will allow the Union member states to receive additional benefits and advantages in the form of achieving equitable levels of social entrepreneurship development in the states of the Union; ensuring mutual penetration of the best implementation practices of social entrepreneurship; accelerating and scaling up the national development of social entrepreneurship.

6. A concept for the formation of a unified institutional environment in the field of social entrepreneurship in the EAEU (three-stage) has been first proposed, with a description of the target and instrument-organizational support for each stage. A road map for its implementation has been composed (p. 343). In order to harmonize and synchronize the institutional environment for social entrepreneurship functioning in the EAEU, it was proposed to create a supranational center for social entrepreneurship with a list of its main areas of activity, contributing to the development of social entrepreneurship in the EAEU on a united conceptual basis and experience of best practices. The Regulation on the Supranational Center for Social Entrepreneurship has been developed (Appendix D)

7. The author's optimization model for social enterprises has been provided to implement on the territory of the EAEU. It is focused on rationalizing the ratio of social and entrepreneurial components in the activities of social entrepreneur businesses, which allows, on the one hand, to ensure maximum fulfillment of the social (statutory) aims of the enterprise, and, on the other hand, to ensure its sufficient funding and stable development due to the commercial component of its range (p. 350).

Theoretical and practical relevance. The theoretical significance of the scientific results and conclusions made in the work is in the possibility of applying the developed theoretical and methodological base to practical implementation and subsequent research of functioning features and problems of further social entrepreneurship development in the Eurasian Economic Union territory. Highlights

of the research can be applied in the educational process and for the development of educational programs in this area in particular. The results obtained are also of practical importance for analytical and practical activities of state authorities when developing program and methodological documents related to the functioning and regulation of social products and services production industry, support and creation of conditions for a socially oriented business sector development.

In the process of considering social responsibility issues, the author relied on the main methodological postulate of existential philosophy - “freedom and responsibility” of a person for the process and social results of his entrepreneurial activity. Using the axiological approach to the development of social entrepreneurship scientific foundations, we paid attention to the system of moral and ethical values that should be inherent in a modern social entrepreneur (responsibility, honor and dignity of the individual, objectivity, business reputation and civic position.).

The empirical and informational base of the study was composed of statistical and analytical data from the state statistics services of the Russian Federation, the Republic of Belarus, the Republic of Kazakhstan, Kyrgyzstan, Armenia, the Eurasian Economic Commission and regulatory legal acts concerning the regulation of entrepreneurial activity and non-profit organizations activities. Informative and analytical data of research institutions, information agencies and services, materials of international scientific and practical conferences, periodicals, as well as information from the global Internet were used in the thesis.

Evaluation of the thesis results. The main results of the thesis research were captured in the materials of reports and in speeches at international scientific and practical conferences: "Development of management in the context of new global challenges" (Moscow, 2021); "31st Drucker Readings" (Moscow, 2020); “The European Union and the Republic of Belarus: Prospects for Cooperation” (Minsk, 2014); "Topical Issues of Economic Development: Theory and Practice" (Gomel, 2014); "Actual problems of technological education: labor, talent, creativity" (Mozyr, 2013); "Economic Policy: Towards a New Paradigm" (Moscow, 2013).

The thesis research carried out within the framework of research work on the topic "Features of the formation and development prospects of social entrepreneurship in market and transitional economies" (state registration No. 20082068) in accordance with the agreement with the Belarusian Republican Foundation for Fundamental Research No. Г08М-206 dated April 1, 2008. In addition, the main aspects of the dissertation research were developed within the framework of research work at the Department of Economic Theory and World Economy of the educational institution "Gomel Francisk Scorina State University" Scientific Research Work 06-31 "Development of the foundations of the institutional and legal mechanism for the formation and functioning of the national innovation system of the Republic of Belarus" Governmental comprehensive program of scientific research (ГКПНИ) "Economy and Society" (No.ГР 20062684).

Publications on the topic of the thesis. The main results of the study were captured in 57 published works, including three monographs, 24 articles published in scientific journals which are included in the list of peer-reviewed publications recommended by the Higher Attestation Commission of the Ministry of Science and Higher Education of the Russian Federation, as well as 9 articles published in scientific journals included in the SCOPUS list, as well as those recommended by the RANEPA Academic Council for publication of articles on economic sciences.

The thesis research includes an introduction, four chapters, a conclusion, references (consisting of 419 titles) and an appendix.