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About the Features of Perception of Social Entrepreneurship in the World

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Abstract

The progressive business community understands that social responsibility will eventually become mandatory. The social responsibility concept changes essentially the image about the role of entrepreneurship in the modern society. It generates the modern request of all world society - the social entrepreneurship phenomenon. The purpose of this paper is to analyze the best practices of implementing social entrepreneurship in the current macroeconomic conditions in Russia and in the world. As a theoretical background of the research, systemic, structural and functional approaches were applied to the analysis of social entrepreneurship in Russia and in the world as elements of the economic system, related to other elements of the social system - civil society and government.

Keywords: Social entrepreneurship, Social responsibility, Business, Social programs, Social policy.

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Introduction

Today in Russia and in the world social entrepreneurship becomes a very popular in sphere of small and big business. The main term - the “business social responsibility” - is often replaced by such definitions as “corporate social responsibility”, “social initiative of enterprise”, “corporate social programs”, “social partnership”, “corporate philanthropy”, etc. Often by corporate social responsibility is meant charity, philanthropy, social-marketing programs, sponsorships, etc. But the listed terms cannot be regarded as identical to the term under study. Furthermore, in the global scientific and business literature include the concepts that you can relate to a certain extent to the business social responsibility: “Business Ethics”, “corporate social policy”, “stakeholder management”, “corporate sustainability”, “socially responsible investment” and etc.

Some experts perceive the socially responsible behavior in the ethical sense particularly, others view it as the concept of legal responsibility. In one case the emphasis is on how the company’s activities affect the environment and ecology and its products – the consumer, in other case it is understood as a voluntary contribution to the charity.

The progressive business community understands that social responsibility will eventually become mandatory. This is just an intermediate state, and with the growth of business activity in the social direction of corporate social responsibility become an essential condition for the functioning of the business. To create a significant competitive advantage through this concept in the long term, it is necessary to begin already today. The strategy of social activities should be concentrated in areas with the most urgent problems, and where activity will be most effective.

Literature Review

The problem of social responsibility of business has been the subject of serious debate for the past several decades. Researches such as L. Nash (1990) and J. Rawls (1988) substantiate the necessity and possibility of participation of business in solving social problems. Russian scientists have only recently shown interest in this subject, so there is little fundamental scientific works on actual problems of the socially responsible business, although various aspects of the relationship between society and the economy are considered in detail in the works by Yu.A. Afonin (2004), T.I. Zaslavskaya (2004), M.I. Korsakov, S.E. Litovchenko (2003), R.N. Pavlov (2014) and others.

Since the social responsibility of business is formed under the influence of the social environment and with the active participation of the state, a number of researches of problems

of interaction between business and the state, as well as the historical evolution of the institute of social responsibility of business in Russia, has emerged. Of these works by the following authors should be mentioned: V.G. Bochkarev (2006), G.L. Tulchinskiy (2006).

Questions of theory and practice of social development and social responsibility of Russian enterprises, problems of corporate ethic and corporate management were researched in works of native scientists to: L.I. Abalkin (2004), N.A. Volgin (1998; 2003), A.L. Zhukov, V. Inozemtsev (2002), E. Utkin (1999), D. F. Shavishvilli (2002) and others. Works of these scientists introduce the value with positions of theoretical and methodological backgrounds of the problem.

In the Russian science of social entrepreneurship, V.S. Bilchak and N.G. Duplenko (2012), notes "the complexity of the entrepreneurship nature is due to the fact of representation of the unity of two inextricably related parties: a special kind of human activity whose main attributes are responsibility and economic risk; and the type of economic behavior of the individual that lies in the searching for and using of new economic opportunities".

Results

The term "social entrepreneurship" is relatively new to Russian practice and this term allows a large interpretation. Social entrepreneurship occupies an intermediate position between the spheres of traditional entrepreneurship and charity. It differs from traditional entrepreneurship by objectives – orientation towards social changes, resolution of social problems; and from the charity – by the commercial nature of the activity (goals are achieved not through one-time financial injections, but through the organization of entrepreneurial activities). There is the following definition of a social entrepreneur: it is a subject who is aware of some social problems and uses the principles of entrepreneurship to organize and manage the enterprise with the aim of solving these problems or producing social change.

We should turn to the world experience to understand the subject matter of social entrepreneurship. So, in North and South America countries, social entrepreneurship refers to the entrepreneurial activity of non-profit organizations; and the income is channeled to implement the organization's statutory goals. The mission and statutory of NGOs are directed to solve social problems, to provide services to the target group – the main goal of organization. In the overwhelming majority the subjects of social entrepreneurship are non-profit organizations. In the United States there are strong traditions of self-organization of the population, therefore most of the social problems are successfully solved by NGOs, receiving for this funding from the target group, and the population, and the state and donors.

In European countries, social entrepreneurship is defined more as a business with a social mission. In contradistinction from the ordinary entrepreneurship, the social aspect, or the social effect of entrepreneurial activity, gained the lead; and the second one is financial efficiency. An important criterion of social enterprises in Britain, for example, is the collective form of ownership and activity in the interests of territorial communities. As we can see, the subject of social entrepreneurship is business enterprises with a pronounced social mission.

The third definition of social entrepreneurship is used in most international private and public foundations which were created for the development and support of this direction of socio-economic activity. Such well-known and efficient foundations as the Schwab Foundation for Social Entrepreneurship (Switzerland), the Skoll Foundation (USA) and the Ashoka Foundation (India) define social entrepreneurship rather as innovative entrepreneurial activities for social transformations in society and communities. The distinction of this approach is that the leader – the social entrepreneur – comes first. The activities of many organizations are the searching for social innovators around the world, creating favorable conditions for their work, their support and recognition. The subject of social entrepreneurship is a person and his activities. The form of organization of business is not important and can differ from the initiative group in the community to private business or to a research institute.

In general, experts identify four signs of social entrepreneurship. Firstly, this is a social impact – the activity of the enterprise should be aimed to mitigating existing social problems. Secondly, it must be innovative – the enterprise must apply new unique methods of work. Thirdly, it must have signs of financial sustainability – to solve social problems at the expense of revenues derived from its own activities. The fourth sign is scalability – the ability to transfer the skills to other companies, markets and even countries. Due to this entrepreneurial approach, social entrepreneurship is seriously different from traditional charity, because, in addition to social effect, it is primarily aimed at making money.

Social entrepreneurship in Russia has not received such serious development as abroad. “Social entrepreneurship is a newly emerging sector of the economy, there is much discussion here: social entrepreneurship is trying to be attributed either to the commercial or non-commercial sphere. We believe that it exists and develops according to its own laws”, – says strategic director of the Laboratory of Social Innovations Cloudwatcher (2017) Ruslan Abdikeyev. He thinks that a social entrepreneur is considered to be any entrepreneur with formalized obligations to regularly implement a certain set of social actions for solving socially significant tasks.

Social entrepreneurship arose in Russia at the turn of the XIX-XX centuries. An example of such entrepreneurship was House of diligence, founded by Father John of Kronstadt. Such houses subsequently became incredibly popular and performed the function of the labor market, and everyone in need could find a job there. However, social entrepreneurship became really popular only at the turn of the 20th and 21st centuries. In 2006 the Nobel Peace Prize was awarded for the first time for social entrepreneurship: Muhammad Yunus – the founder of the microfinance organization Grameen Bank, received it.

Few people know that the Tsar Ivan IV (the Terrible) was the first who legalized charity as part of the state policy. And he did not avoid handing out money to the poor, widows and orphans.

Offices of public assistance were created during the board of empress Ekaterina II, the foster homes were established for children- orphans. Everybody of the upper class worked for charitable causes (Sustainable Business, 2017).

But most of all, Russian merchants distinguished by their charity and patronship. Now these dynasties are famous, such as: Mamontovs, Tretyakovs, Staheevs, Ryabushkinkys, Bahrushins and many others. They built hospitals and schools, supported the art people and created museums (2016). There were always traditions in Russia. One of them is the next: when the ordinary merchant gave his arpent for charity and did it willingly and in this case he could decide only himself whom and when and how much to give. Merchants and manufacturers contributed money on building of temples and built churches themselves. The dream of the almost every Russian entrepreneur was the ambition to build a temple. So, the idea of making satisfaction for sins and wealth was affected in the consciousness of Russian people, which was always connected with sins. For example, we can consider one famous expression of one of the Siberian merchants of the beginning of the last century: The person, who provides a service to a society, wins and grows rich. The most profitable good is the trust and the trust is given only to impeccable honesty and trade unselfishness. An inventor only grow rich, a pioneer of new universally beneficial business (LavkaLavka, 2017).

Today, social entrepreneurship covers a wide variety of fields. In 2012 the winner of the All-Russian contest of projects "Social Entrepreneur - 2012", organized by the "Our Future" foundation, was the "Clinic of Rehabilitation of the Physico-Technical Institute" from Astrakhan. This clinic will provide specialized medical care to the population with diseases of the nervous system, musculoskeletal system, gynecological diseases and postoperative patients. For 2% of the total number of invalids, participants of the Second World War with the violation of the musculoskeletal system, the clinic will provide services free of charge. Another winner of the contest was the project "Rural pharmacy in Aleshnya", launched by an

entrepreneur from the Tula region Elena Kostyanovskaya. The main target audience of the pharmacy will be people from 11 villages located within a radius of 35 km. There was no pharmacy in the Tula region until now. Another winner is the Moscow hair salon with workers – persons with hearing disabilities. It is planned to organize close cooperation with boarding schools for children with hearing disabilities and free training and workshops for these children.

We can see similar projects in other regions of Russia. For example, the charitable foundation "Hope" ("Nadezhda") in St. Petersburg produces rehabilitation equipment for the elderly, disabled people, people who have suffered serious trauma. In the company was opened a paid rental point, providing rehabilitation equipment for the time of collection of inquiries. Moscow company "Armor" ("Dospekhi") is engaged in the manufacture of an orthopedic system that allows people with trauma or diseases of the back bone, leading to paralysis of the legs, to move independently. Socially-oriented projects are even in the field of telecommunications. "Smart Telecom" together with the Laboratory of Social Innovations Cloudwatcher launched a tourist SIM card "DobroSIM", which provides mobile subscribers with a package of services and discounts, and also allows taking part in charitable projects. Each time replenishing the account, the subscriber transfers 5% to support the work of the social exchange Mutual Assistance. An even more interesting idea of the Cloudwatcher Lab is the "Translation" project, which helps to disabled professional translators get orders from commercial companies.

In recent times national and international organizations appear which accumulate funds of social investors and invest them with the help of collaborating social and charitable organizations on the places in perspective social enterprises. The example of the social entrepreneurship in Russia is the feminine society of the social support "Woman, Person, Society" in Ribinsk, which works with poor mothers of many children. This society created the workshop "cheerful felt" having gone from pure charity. Here, women produce and sell felted toys, jewelry and other art products. Another example of social entrepreneurship is Tula household of domestic services "Berezen", which includes social barber shop, print shops and the company, making and repairing clothes, where citizens are served by disable people.

Perhaps one of the brightest and most beautiful social start-ups in Russia is a farm project "LavkaLavka" that aims to revive agriculture and the lost gastronomic traditions in Russia and other countries. This is an online project that helps farmers sell their products in large cities, bypassing markets and a complex system of resellers (LavkaLavka, 2017). Another project is the natural and creative cluster "Nikola-Lenivets", located in the Kaluga region, and

includes several villages. The mission is the creation of a natural self-regulating environment for life, recreation, work and creativity in harmony with nature (Nikola-Lenivets, 2017).

Despite the existence of serious examples, in the opinion of experts, it is necessary to develop a separate law on social entrepreneurship, as well as to finalize and broaden legislative acts, in particular the law on NGOs, and supplement it with a more detailed description of the activities of socially-oriented non-profit organizations. Moreover, the next step could be the creation of separate corporate forms or types of companies for the subjects of social entrepreneurship.

Conclusion

Social entrepreneurship is not just an innovation. This is a social innovation.

Social innovations include new strategies, concepts, ideas and organizations that meet all social needs – from working conditions and education to the development of communities and health, contributing to the expansion and consolidation of civil society. The main goal of social innovation is to create favorable conditions for the development of society.

A British researcher L. Zidentop in his book "Democracy in Europe" writes: "Economism and the triumph of the economic over the political language in the public debates has led to the substitution of the role of the citizen by consumer role ... Liberalism, the dominant ideology of our time, dangerously is distorted by the influence of economism. It is the latter dropped a citizen from the pedestal and replaced him with the customer ... Man ... is regarded as passive rather than as active substance ... As a result, we are increasingly pray at the altar of economic growth rather than civic values ..." (2001). If in the classical economic theory consumption is the satisfaction of basic needs, today we are talking about consumer behavior and general consumption (Nikola-Lenivets, 2017). Scientists note that style of consumption becomes a way of identifying today, the basis of role behavior (Samarbaeva, 2010). According to researches` results in 2016 of prof. Zinurova R.I. and Tuzikov A.R. views of focus groups respondents are very interesting: "Youth is inherent in the identity of the person who wants to take from this life all and at the same time without giving something in return," or "This is the identity of consumption and infantilism" or "The youth of today, unfortunately is very versatile, on the one hand it is good ... Sometimes I do not understand why young people now behave as they do. And how they now define themselves, I cannot say. But I know for sure that they grow up selfish and all that they do, they try to make a profit for themselves. It scares". Youth is a main social group of all countries that is why we should implant social values in society. It is evident, that social entrepreneurship is one of the social programs

which are necessary to solve in our society. Entrepreneurs of Russia support this direction because they are oriented themselves on the effective sustainable development as their own business, and the country in a whole. The great intellectual human resource is hidden in social entrepreneurship. This can significantly influence on more stable life, the solution of social problems, and future population of Russia. Besides it, it is a good field for consolidation of resources, business of different levels, society and power. It is very important that it will not only the decision of pressing social problems but effective collaboration about reformation and improvement of the society prosperity (Zinurova, 2016).

There is a tendency in the Russian Federation according to which government (including structural units, affiliated persons) show an interest in the development of social entrepreneurship in our country. However, due to imperfect legislation (the lack of legislative revision of the term “social entrepreneurship”, as well as the criteria of conformity and efficiency of enterprises in this sphere), as well as inconsistencies in the actions of various structural units, these attempts are not particularly effective. Some actions is commendable (such as the opening of independent centers for supporting social entrepreneurship, innovations in the social sphere), help to attract attention to the problem and educate the population in the framework of the research issue, but there are also steps that generate only a large number of new issues, such as introduction of the subjects "Social Entrepreneurship" in the curricula of higher education institutions.

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