SOCIAL ENTREPRENEURSHIP. HOW TO IDENTIFY AN OPPORTUNITY?

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Social entrepreneurship is developing dynamically in Europe, solving the problems of unemployment, social security, civic engagement. The main mission of social entrepreneurship is to bring benefits to society. Nowadays social entrepreneurship in many countries is a common thing. This is a dynamic social-economic activity with its ideology, mission and definitions. Entrepreneurship with a social aspect has great potential around the world and in Ukraine as well.

Social enterprises operate in a complex environment. Some may be competing against fully commercial businesses and some against state subsidized services. It is clear, however, that social enterprises tend to gather around niche markets to which their hybrid business models are best suited and where competition from the state and market is less forceful. It may therefore be helpful to try and identify niche areas where greatest opportunities for social enterprise may exist and, incidentally, where the efforts and resources of social enterprise promoters may be most justified and most useful.

It must be said that opportunities in social enterprise are normally based on the need to create some type of social value that is to benefit the local community by solving a social problem or providing assistance in an area/sector of need or disadvantage. Thus, creating social value (rather than personal or stakeholder wealth) becomes the main driver for social entrepreneurs, alongside achieving the relevant financial sustainability to maintain that value.

Several types of market niche filled by social enterprises can include:

- Markets serving the very poor, where business margins are low and risks tend to be high. In some sectors, such as microfinance, there is on-going debate as to whether a fully commercial operation can fulfill the needs of the poorest client groups more effectively than modified NGO models. Examples of social enterprises which are operating in this market niche are micro-clinics run in low income areas; selling affordable irrigation tools to poor, smallholder farmers.
- Other new and challenging markets where high costs may be incurred to stimulate demand and create new opportunities due to the need to overcome
stigma, acclimatize clients to more complex technology, challenge perceptions that services should be provided by the state. Examples of social enterprises which are operating in this market niche are providing counseling services to people living with HIV/AIDS and other socially marginalized groups; providing microinsurance products to farmers; providing relatively intensive support for farmers to adopt new and unfamiliar crop cultivation techniques.

- Markets for products producing environmental benefits but which may not be fully commercially competitive. Clearly, many environmentally beneficial business lines are fully commercially viable. Others, however, are marginal and remain particularly suitable for hybrid social enterprise models.

Thus, it can be stated, that social entrepreneurs - as individuals, groups, or organizations - are innovative, proactive risk takers, attempting to create sustainable community, social, or industry-wide change for addressing endemic social problems.

They identify, evaluate, and exploit opportunities with the aim of creating social value by using a wide range of market-driven and other resources to create social transformation.

On the basis of international experience, Ukraine should actively use social entrepreneurship as a tool for solving social and economic problems.

References:


