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«PLEKHANOV RUSSIAN UNIVERSITY OF ECONOMICS»

# **« PROBLEMS AND PROSPECTS OF SOCIAL ENTREPRENEURSHIP IN THE MODERN WORLD »**

**(RUSSIA – MALAYSIA – BELARUS – UZBEKISTAN)**

**PROCEEDINGS OF THE 4TH INTERNATIONAL ROUND TABLE CONFERENCE**



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**Problems and prospects of social entrepreneurship in the modern world (Russia – Malaysia – Belarus – Uzbekistan):** Proceedings of the 4th international round table conference (Perm, April 12, 2024). / Ed. by E. V. Gordeeva. – Perm, Perm Institute (branch) of PRUE, 2024. – 56 p.

Trends, problems and prospects for the development of social entrepreneurship both in different countries of the world and in various regions of the Russian Federation are considered. Papers enrich the discourse on how social enterprises can sustainably bridge the gap between economic and social objectives.

Papers have been published with the author's edition.

The published material is intended for scientists, teachers of higher and secondary educational institutions, graduate students and all those interested in issues of social entrepreneurship.

## **WELCOME ADDRESSES**

**Gordeeva Elena Valentinovna**

*Candidate of Economic Sciences, Associate Professor,  
Director of the Perm Institute (branch)  
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Perm, Russia*

Dear conference participants!

I feel extremely glad to welcome everyone to this much awaited 4<sup>th</sup> International online conference «Problems and prospects of social entrepreneurship in the modern world» (Russia – Malaysia – Belarus - Uzbekistan).

Plekhanov Russian University of Economics and University Sains Malaysia are not only the famous educational institutions but major scientific centers both in their countries and in the world.

Our round table meetings are becoming a good tradition leading to close relationship in the field of scientific research and modern ways of education.

This event provides an opportunity for its participants to analyze their achievements, get acquainted with innovative developments and interesting projects, and will serve to strengthen partnerships and develop interaction between different regions.

I wish the conference participants fruitful work and further cooperation between universities in the field of education and science!

**Shipilov Matvey Egorovich**  
*Director of the Center for Work with Branches*  
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Dear ladies and gentlemen, esteemed colleagues, guests and participants!

On behalf of the Plekhanov Russian University of Economics it's my privilege to extend a warm and cordial welcome each and everyone of you on this international round table discussion «Problems and prospects of social entrepreneurship in the modern world».

As we gather today to dwell into the realms of cutting edge research and innovations we are redeem of the boundless potential of our collaboration and share knowledge, shaping the future of science and academia.

In this digital discussion we are eager to discuss burning issues, exchange noble ideas and create meaningful connections across the disciplines.

It is within these interactions that we uncover the solutions to some of the most precise challenges facing our world today.

Perm Institute (branch) of the Plekhanov Russian University of Economics is actively engaged in international activities, it cooperates with the leading foreign universities.

This year Perm Institute (branch) of PRUE and University of Science of Malaysia have signed an Agreement on Cooperation and we look forward to close relationship in the field of scientific research between our educational institutions.

I express my deepest gratitude to the University of Science of Malaysia for the opportunity to organize this fourth traditional round table discussion.

May this round table discussion be full of inspiration and become the catalyst for the meaningful changes in the academia and beyond.

I wish all the participants fruitful work and inspiring experience!

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## **ACHIEVING FINANCIAL SUSTAINABILITY AND IMPACT IN SOCIAL ENTERPRISES: A DELICATE EQUILIBRIUM**

**Abstract:** current research conducts a content analysis of social entrepreneurship as a global social movement. Social entrepreneurship is the domain of process or strategy and actions taken by social entrepreneurs to establish an organisation or legal framework to achieve their organisation's social objective. This paper enriches the discourse on how social enterprises can sustainably bridge the gap between economic and social objectives.

**Keywords:** social media, social enterprises, partnerships, global social impact, financial sustainability.

### **Introduction**

The rise of social enterprises (SEs) signals a shift towards leveraging sustainable business models to address societal challenges. Occupying a niche between traditional businesses and non-profits, SEs aim to blend financial self-sufficiency with profound social contributions. This juxtaposition prompts essential inquiries into the sustainability and operational tactics of SEs, particularly within emerging economies. Through the lens of empirical research (Cheah et al., 2023a; Cheah et al., 2023b; Cheah et al., 2023c), this study investigates the balance between economic viability and social value creation in SEs, offering insights into the factors that either support or impede their success.

### **Literature Review**

Scholarly discussions on social entrepreneurship have highlighted the hybrid essence of SEs - entities striving to merge the often-conflicting aims of economic sustainability and social value. According to the literature, the efficacy of SEs largely depends on their ability to adeptly manage this dual focus (Cheah et al., 2023a). Additionally, research has pinpointed motivational drivers as key in forming social entrepreneurial intentions, with a particular emphasis on the prosocial personality traits of entrepreneurs (Cheah et al., 2023b). The significance of collaborations

between universities and industries in forging impactful social ventures has also been acknowledged as vital for the expansion of SEs (Cheah et al., 2023c). This research foundation sets the stage for exploring strategic approaches that enable SEs to fulfil their dual missions.

## **Findings**

### *Balancing Financial Sustainability and Social Impact*

Our investigation indicates that SEs encounter intrinsic challenges in pursuing economic sustainability alongside their social goals. As identified by Cheah et al. (2023a), the operational success of SEs is markedly influenced by the entrepreneurial mindset of their founders, indicating that innovation in business models and strategic foresight can facilitate this equilibrium. Moreover, the study by Cheah et al. (2023b) emphasizes the significance of intrinsic motivations and prosocial perspectives in propelling SEs towards success.

### *The Significance of Partnerships*

Cheah et al. (2023c) underscore the value of partnerships among universities, industries, and SEs in crafting efficient social business frameworks. Such collaborations are instrumental in fostering knowledge exchange, pooling resources, and spurring innovation, thereby enhancing the sustainability and social impact of SEs.

## **Discussion**

The insights gleaned from this analysis highlight the intricate dynamics of operating SEs, which must tread a delicate balance between economic pragmatism and their social missions. The evidence presented suggests that successful SEs deploy a mix of innovative tactics, robust prosocial drive, and cooperative frameworks to navigate these challenges (Cheah et al., 2023a; Cheah et al., 2023b; Cheah et al., 2023c). These approaches not only facilitate financial sustainability but also amplify their social efficacy, advancing broader societal and sustainable development goals.

## **Conclusion**

This paper enriches the discourse on how SEs can sustainably bridge the gap between economic and social objectives, informed by current empirical studies. The

cornerstone of this equilibrium is found in the entrepreneurial spirit of social innovators, their motivational underpinnings, and the power of collaborative networks. Future inquiries should further dissect these elements across various contexts and industries to bolster the scalability and societal impact of SEs worldwide.

### **Acknowledgements**

The author expresses gratitude to Plekhanov Russian University for the opportunity to contribute to the discourse on social entrepreneurship and to all participants and organizers of the webinar for their engagement and support.

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## **SOCIAL AND ECONOMIC OBSTACLES TO THE DEVELOPMENT OF GREEN ENERGY IN RUSSIA**

**Abstract:** this article deals with the issue of development of green energy in Russia. The main reasons for the emergence of this direction are listed. Also, the main directions of developing green energy in modern realities are reviewed and the main social and economic problems that provoke the stagnation of green energy development in the Russian Federation are taken into account.

**Keywords:** social entrepreneurship, social problems, green energy, franchise, impact investing.

Green energy, also known as renewable energy, is one of the key areas in today's global energy development. It is a direct response to the challenges of climate change and reduces dependence on fossil energy sources. In Russia, despite the huge potential of renewable energy sources, there are still significant social and economic obstacles to their development. The total capacity of renewable energy power plants in Russia by mid-2023 amounted to 6.04GW. The total capacity of all Russian power plants at the beginning of this year was 247.6 kW. That is, the share of renewable energy in the energy balance of our country is 2.4 %.

#### I. Economic obstacles.

##### 1. Unprofitability of investments in green energy:

- Low cost and high technological requirements for the construction and operation of green power plants prevent their widespread deployment.
- The cost of traditional fossil energy sources remains low, making them more acceptable for investment.

For example, the average cost of electricity from traditional energy sources consists of several types of thermal power plants and averages 5,85 rubles per 1 MWh. at the same time, the cost of energy from renewable sources on average costs 12,18 rubles per 1 MWh. These data are obtained based on data on the cost of equipment, construction and maintenance of power generating stations.

##### 2. Lack of incentives and government support:

- Insufficient financing of renewable energy projects and equipment, as well as insufficient development of the relevant infrastructure, reduce the motivation for investment.

Russia intends to allocate 360 billion rubles to support projects in the field of «green» energy by 2035. This is stated in the relevant decree of the Government of



the Russian Federation, while by the end of 2023, the total volume of investments in the Russian energy sector exceeded 1.3 trillion rubles.

- The lack or weakness legislative framework that promotes the development of green energy also hinders its development.

## II. Social obstacles.

### 1. Lack of awareness and understanding.

- Often, the population does not have enough information about the benefits of green energy and its impact on the environment, which leads to a lack of support for renewable energy sources.

### 2. The impact of traditional sectors.

- The powerful and influential oil and gas sector in Russia continues to be a key player in the economy. This creates obstacles to the introduction of green energy, as a decrease in the consumption of fossil energy sources can damage the country's economy.

### 3. Infrastructure constraints.

- Insufficient development of appropriate infrastructure, such as energy storage and transmission systems, can be an obstacle to the growth of green energy.

Russia has the potential to be a leading country in the field of green energy, but there are significant social and economic obstacles that slow down its development. Overcoming these obstacles requires strong government support, the development of relevant legislation, and information campaigns aimed at raising public awareness of the benefits of green energy. It is also important to develop infrastructure development plans to ensure an efficient and reliable transformation to green energy. Only by combining these actions will Russia be able to overcome the obstacles and make a significant progress in the field of renewable energy sources.

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## **SOCIAL ENTREPRENEURSHIP IN RUSSIA: PROBLEMS AND SOLUTIONS**

**Abstract:** in modern conditions, social entrepreneurship is a particularly important addition to the social support system of the population. With each new stage of its development, various kinds of problems arise that require the right solution. The article examines the material that reveals the essence of social entrepreneurship, analyzes its problems and presents possible ways to solve them.

**Keywords:** entrepreneurship, social entrepreneurship, entrepreneurial activity, social sphere.

One of the progressive forms of business vision with a social orientation in developed countries is social entrepreneurship. Recently, Russia has begun to pay great attention to this area of business. The proof of this fact was the dynamics of the opening of enterprises: so over the past three years, their number has increased 3.5 times. The largest share of such enterprises falls on the Moscow region, the Republic of Bashkortostan, Nizhny Novgorod and Leningrad regions. The signing of the law on conditions for obtaining the status of a social enterprise at the end of 2023 also speaks about the importance of development.

Social entrepreneurship is one of the types of entrepreneurial activity. This activity is focused on solving significant social problems, thereby improving the standard and quality of life of the population. The business model is formed in such a way that the main thing in it is not profit, but social return.

In recent years, social entrepreneurship in Russia has been developing intensively and rapidly. However, entrepreneurs in this sector face various kinds of difficulties that hinder the process of development and further advancement. Let's look at the main problems in social entrepreneurship.

1. Insufficient public awareness of social entrepreneurship and limited methods of its popularization. Not all citizens understand that the social sphere can and should be provided not only by the state. Many did not even think about the fact that entrepreneurship can bring not only profit, but also public benefit.

2. The problem of regulatory regulation. A separate legal field has not been formed for social entrepreneurs and their legal status has not been fixed. To date, there are no legislative acts regulating all issues related to social entrepreneurship.

3. The lack of necessary support mechanisms from the regions and the state. Social entrepreneurs have difficulty financing their projects due to the lack of government programs and financial support tools.

4. Economic instability. Stable economic growth is one of the factors that makes it attractive for the development of social entrepreneurship.

5. High level of corruption. In conditions of corruption, market participants face limited resources that are allocated inefficiently, as well as increased costs, lack of legal protection, limited competition, etc.

Based on the identified problems hindering the development of social entrepreneurship, some ways of solving them can be identified.

1. The formation of socially oriented thinking among citizens, which will allow changing the vector of entrepreneurship development towards social business [2].

2. Introduction of extended tax and non-tax benefits.

3. Creation of a favorable organizational, infrastructural and regulatory framework.

4. Development of a separate system of loans and grants for small and medium-sized businesses.

5. Development and implementation of codes of ethics and transparency in the activities of social entrepreneurs.

6. Development of interaction between business representatives and government agencies and bringing it to a new level.

Thus, the development of social entrepreneurship will allow Russia to reach a new level of economic and social development.

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## **TRENDS IN DIGITALIZATION OF SOCIAL ENTREPRENEURSHIP: EXPERIENCE OF RUSSIA**

**Abstract:** the use of digital technologies in social entrepreneurship is primarily focused on the economic benefits growth for responsible entrepreneurs ready to take on increased responsibility in the course of their business ideas implementation and contribute along with other participants (e.g. social entrepreneurs or NGOs) to the government welfare policy. Digital technologies introduction impact as well as financial and infrastructural state support policy contribute to: increased labor productivity, scalability of business ideas, positive social effect on the society, reduction of the burden on the state due to involvement of people with disabilities, orphans and other categories of vulnerable population into business activities and active employment. These categories and their require increased attention to ensuring accessibility, decent working conditions, employment safety according to Decent Work Indicators of the International Labour Organisation (ILO). The involvement of the Russian state, regional authorities, socially active innovative businesses and initiative groups in digital technologies introduction, management and

implementation form diverse experience and a base of best practices. Competitions, initiatives supported by government, high level of digitalization in social entrepreneurship and a constant employment growth of the Russian population involved in different capacity: from participants in a crowdfunding platform to blockchain-based charity.

**Keywords:** social entrepreneurship, register of social enterprises, marketplaces for social goods and services, digital platforms, socially oriented cooperation, social marketing, trust, safety.

We should note that in Russia, a mixed approach to determining the national policy of social entrepreneurs' identification is implemented. When socially oriented NGOs and their objects operate simultaneously, the social status of the actions taken can coincide. First of all, we note that in Russia the status of a social enterprise is given to small and medium-sized businesses defined by the two articles (Article 4 and Article 24.1) of the Federal Law of the Russian Federation dated July 24, 2007 No. 209-FZ «On the Development of Small and Medium-Sized Enterprises in the Russian Federation».

1) Article 4 «Categories of Small and Medium-Sized Businesses» generally defines the criteria for classifying an entrepreneur as a small and medium-sized business. The reference point include the permissible organizational and legal status of business activity, and takes into consideration the maximum indicators of the average number of employees and income received from entrepreneurial activities.

2) Article 24.1 defines social entrepreneurship as business activity aimed at achieving socially beneficial goals, contributing to the solution of social problems of citizens and society and carried out in accordance with the conditions provided for in Part 1 of Article 24.1. As a result, there are 4 types of activities that can be referred to as `social entrepreneurship.

- Type 1: Employment of socially vulnerable categories of population.
- Type 2: Sale of goods, works and services produced by socially vulnerable categories of population.
- Type 3: Production of goods, works, services intended for citizens classified as socially vulnerable.
- Type 4: Activity aimed at achieving socially useful goals [2, p. 56].

The Order of the Ministry of Economic Development of Russia dated November 29, 2019. N 773 (as amended on February 22, 2024) (Registered with the Ministry of Justice of Russia on December 27, 2019 N 57022) is another important regulatory legal act which determines the procedure for recognizing a small and medium-sized business as a Social Enterprise. The support process is organized on the basis of the «One Window Stop» principle which is a unified service desk in the Social Sphere Innovation Centers of the constituent entities of the Russian Federation. Thus, the entire regional infrastructure for supporting small and medium-sized businesses in Russia guarantees its accessibility, transparency and impartiality on the part of government executive authorities.

The National Project of Russia «Small and Medium Enterprises» plays a major role in implementation of state support for social enterprises from initial registration to solving problems with financing, taxation, etc. The National Project is available on the federal digital platform «National Projects of the Russian Federation». The Federal Tax Service provides basic information on the number and scope of activities of social enterprises registered and included in the Unified Register of Small and Medium-Sized Enterprises using the «social enterprises» filter. According to official information from the Federal Tax Service of Russia, the number of social entrepreneurs in Russia currently exceeds ten thousand enterprises, which is 30% more than in 2022, while the vast majority of them are individual entrepreneurs. In 2023, the number of social entrepreneurs increased by 37 %. More than 200 social enterprises are registered in eleven Russian regions. The Moscow region occupies the leading position with more than 1,000 social businesses recorded in the Register of Joint Ventures in 2023, there were 801 in 2022. The second position belongs to the Republic of Bashkortostan with 605 social enterprises; the third one goes to the Nizhny Novgorod region with 452 social enterprises. The fourth position is occupied by the Leningrad region with 407 social enterprises. The Primorsky Krai is on the fifth position showing a steady increase due to active position of regional authorities. The regions with a noticeable budget deficit, poorly developed support infrastructure, and areas that are sparsely populated have not had social entrepreneurship increase.

The rapid growth in Russian social enterprises is associated with access to government support measures, tax breaks, financial assistance through grants and subsidies, activity of local social innovation centers, interest of regional authorities, training programs and accelerators which help entrepreneurs obtain information about available preferences, participate in government procurement, find ideas and partners for social business. In 2024, grants up to 500,000 rubles are issued for social enterprises in Russia; for the regions of the Arctic zone, the grant support is up to one million rubles. The grant money can be spent on rent and renovation of premises, utility services payment, purchase of office equipment and machinery, raw materials, software, components for medical equipment, re-equipment of vehicles for transporting disabled individuals.

Digital platforms efficiency often depends on interaction channels among its subjects, including investors, entrepreneurs, consumers of social services, local and regional authorities, and funds for supporting social initiatives. Commercial digital platforms can also be successfully integrated into corporation with social entrepreneurs. For example, Cooperation with Head Hunter digital platform enables social entrepreneurs to post jobs on the platform for free.

When assessing digitalization trends in social entrepreneurship in Russia, it is necessary to divide the study of the issue into two directions.

1. State digital technologies introduced into the systems of government support for small and medium-sized businesses in general, and social enterprises in particular.

2. Initiatives of social entrepreneurs and their professional communities in order to improve access of all interested and involved parties to the implementation of a social business project and the model.

The following conclusions can be drawn about the directions and results of digital technologies introduction on the examples of Initiatives of social entrepreneurs accumulated in the Russian Social Entrepreneurship Database.

- Platforms for social entrepreneurial cooperation (social unions) provide feedback from the consumer of goods and services of social enterprises; opportunity for the entire social business community of a particular territory or industry to

participate in solving socially significant issues; registration and involvement of a startup or innovative project; full information and resource support taking into account the regional features, interests and consumers of social goods and services.

- Digital platforms of socially oriented marketing based on charitable cashback is also considered to be very popular and promising area of social entrepreneur development; the maximum involvement of the charity element in this blockchain scheme not only generally forms an active social community, but also provides a number of social startups with a source of funding.

The digital platforms are aimed at ensuring interdepartmental, interdisciplinary and cross-sectorial interaction between social entrepreneurs, government bodies, investors and financial agents. A digital ecosystem for social business is introduced in order to further link the client services to this platform. From the previous experience we can conclude that social services for vulnerable groups of population were exclusively in the scope of the government actions. Russian entrepreneurs were not inclined to taking part in solving social problems, and the social responsibility of business was often perceived as an additional unnecessary burden on business. It also should be noted that the level of institutional development of the national economy, targeting educational environment, social infrastructure, financing accessibility, as well as legal regulation of entrepreneurial activity influence effective development of the institution of social entrepreneurship.

There are factors hindering economic efficiency of social entrepreneurship which include the lack of legal regulation, insufficient understanding of the mechanism for implementing social business projects rarely brings cases of a full-fledged social startup implementation. There are quite a lot of similar examples of created digital technologies and future projects at the level of copyright initiatives in Russia, and given the high level of support from the state, they have a great chance of successful implementation and scaling in the global market. For Russia, targeting international partners occurs in the context of Western sanctions and the opportunity to expand business interaction and cooperation with reliable allies within the framework of international law and the stability of treaty obligations.



The ability to provide solutions to the social problems through the security, openness and continuous improvement of national digital social entrepreneurship is the most promising and possible due to the openness and accessibility of the digital social enterprise. Furthermore, digitalization of social business is a fulcrum that can stabilize society in the growing social and economic tension, determined by the imbalance of the global economy and aggravated under the influence of the global geopolitical pressure.

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## **TRANSMISSION OF INTERNATIONAL INEQUALITY AND DIVERGENCE TO REGIONAL ECONOMIC DEVELOPMENT**

**Abstract:** the study is dedicated to examining the hypothesis of the applicability of the Kuznets curve to explain the transmission of inequality and divergent processes from developed countries to developing ones under the influence of deglobalization processes («Slowbalization»), as well as the impact of these factors on regional disparities within countries. Furthermore, it seeks to analyze the repercussions of these dynamics on regional inequalities within individual countries. By scrutinizing the effects of deglobalization phenomena on these processes, the study aims to provide valuable insights into the mechanisms shaping regional disparities and economic growth both within and across countries.

**Keywords:** globalization, inequality, divergence, convergence, regional development.

Exploring the transmission and widening gap of income inequality from affluent countries to emerging economies, particularly under the conditions of a global economic deceleration, workforce bifurcation, and the deployment of ‘Modern

Monetary Theory' (MMT), is an emerging focus within our scholarly pursuits. Despite existing literature in this domain, several research voids persist that demand attention:

- insufficient empirical insights: the field necessitates further empirical inquiries to dissect the precise mechanisms through which income inequality is propagated and exacerbated from developed to developing nations amid a backdrop of slowing globalization, labor segmentation, and the implementation of MMT. Current studies often lean on broad economic indicators and statistical models for analysis. However, a richer comprehension of these inequality transmission dynamics calls for investigations that are both more granular and tailored to specific contexts, shedding light on the intricacies of these processes in varying global settings;

- causal relationships and mechanisms: the causal links and fundamental mechanisms connecting «slowbalization», labor polarization, MMT, income inequality, and divergence require further investigation. While theoretical arguments exist suggesting how these factors might influence the transmission of inequality, empirical evidence regarding causal relationships and the mechanisms involved remains limited;

- interactions and feedback loops: the interactions and feedback loops between «slowbalization», polarization, MMT, income inequality, and divergence are complex and may vary across different contexts. Understanding these interactions and feedback mechanisms is crucial for fully comprehending the dynamics of the transmission process and its implications for developing countries;

- policy implications: there is a scarcity of research on the policy implications of income inequality transmission and divergence from wealthy to developing countries in the context of globalization slowdown, polarization, and MMT. Additional studies are needed that explore the available policy options for addressing these issues and mitigating their negative impact on developing countries.

Preliminary findings indicate that globalization slowdown, labor polarization, and the utilization of MMT may have significant implications for income and convergence processes in economies undergoing development. 'Slowbalization'

characterized by reduced international trade and economic integration, can impact emerging market countries by limiting their access to global markets and technologies, potentially exacerbating income inequality and amplifying divergent processes in regional economic development within countries, as well as impeding their efforts to transition to a low-carbon economy or sustainable development. Labor polarization, manifested in growing social divisions and political polarization, may influence political decisions and resource allocation, potentially leading to unequal distribution of income and the benefits and burdens associated, for example, with carbon emissions. The utilization of MMT, which challenges traditional paradigms of tax-budgetary and monetary policies, may have implications for income inequality and divergence due to its influence on government expenditures, taxation, and resource allocation [2, 3].

We posit that Modern Monetary Theory (MMT) inadequately captures the quintessence of the economic development conundrum confronting low and middle income nations or regions within countries. The principal challenge to sustained long-term growth within these countries is fundamentally tied to structural transformations – that is, the transition towards an industrialized economy – as opposed to a mere deficiency in aggregate demand [1].

Speaking of income inequality, it is worth noting that in recent years, not only has there been a slowdown in globalization processes, but also a halt in income convergence: since 2020, the level of inter-country inequality has stopped decreasing. One of the main reasons for the emerging divergence is the decline of the «China effect», whose high growth rates served as the primary driver of income convergence [4, 7].

Moreover, it is imperative to acknowledge the broader context wherein the notion of the ‘Fourth Industrial Revolution’ [5] is situated, notwithstanding its contentious semantics. This epochal shift is observed to yield fewer employment opportunities in nascent sectors compared to its historical precursors. Research conducted by the Oxford Martin Programme on Technology and Employment elucidates that a mere 0,5 % of the workforce in the United States is presently

engaged in industries that were nonexistent at the juncture between the 20th and 21st centuries. This stark figure contrasts markedly with historical trends, exemplified by the creation of approximately 8 % of new jobs in emerging sectors during the 1980s, and 4,5 % during the 1990s [6]. Such empirical data underscores the evolving nature of industrial transitions and their implications for contemporary labor markets.

The issues mentioned above relate to the growth of inequality and the intensification of divergent processes within countries, both developed and developing. One of the palliative solutions to this problem has been the use by developed countries of ‘Modern Monetary Theory’ (MMT) principles and ‘Quantitative Easing’ (QE) during and after the coronavirus pandemic.

The global economic downturn triggered by the COVID-19 pandemic has disproportionately affected nations with developing economies. In response, governments have enacted expansive fiscal measures, including the utilization of ‘helicopter money’, aimed at bolstering demand and preserving social stability. However, this reactive approach to the pandemic has engendered a surge in inequality within developing countries, largely attributable to the phenomenon of ‘Slowbalization’. Slowbalization denotes the deceleration of global trade and investment flows, a trend that has stifled the economic advancement of emerging markets reliant on exports and foreign capital inflows. It is imperative to evaluate the ramifications of Slowbalization on developing nations and its role in exacerbating inequality by impeding economic growth and constraining employment opportunities.

It is our contention that ‘helicopter money’ serves merely as a transient palliative, insufficient for remedying the underlying issue of inequality. Instead, addressing this pervasive inequity demands structural reforms aimed at fostering sustainable economic growth and diversification within developing economies. Such reforms are essential for mitigating the widening gap between affluent and impoverished nations and regions, thereby fostering greater global economic inclusivity and resilience.

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## **THE ROLE OF TOURIST CLUBS IN YOUTH DEVELOPMENT IN CRIMEA**

**Abstract:** tourism has become integral to the lifestyles of youth globally, including those in the Crimean Peninsula. This study examines the increasing incorporation of tourism into the leisure activities of Crimean youth, encompassing cultural exploration, extreme sports, and social entrepreneurship initiatives. It also underscores the transformative role of tourism in shaping the experiences and perspectives of young individuals, highlighting its importance for personal development and community evolution.

**Keywords:** tourist clubs, youth tourism, social tourism, social entrepreneurship, Crimea.

In contemporary society, tourism has emerged as a fundamental component of the dynamic lifestyle embraced by youth globally. The Crimean peninsula exemplifies this trend, as young individuals from Crimea progressively incorporate tourism into their repertoire of primary pursuits that define their active way of life. This phenomenon is particularly pronounced among students, who are engaged in tertiary education, thereby highlighting the increasing significance of tourism within the leisure activities of this demographic.

Youth tourism stands out as one of the most rapidly expanding sectors within the global tourism landscape. Data from the World Tourism Organization (UNWTO) reveals that over 20 % of total tourist excursions worldwide are undertaken by individuals aged 15 to 29 [3]. This statistic underscores the significant contribution of youth tourism not only to the overall growth of the tourism industry but also to the advancement of individual countries' tourism sectors.

The educational framework in Crimea serves as a conduit not only for imparting diverse forms of tourism, encompassing cultural, environmental, and sports dimensions, to young individuals but also for nurturing the cultivation of social entrepreneurship within the tourism sector. Facilitating the acquisition of tourism-related skills is paramount, as it broadens the career horizons of youth within the burgeoning social tourism arena. Central to this objective are travel clubs within tertiary institutions, which assume a pivotal role. These clubs not only unite students sharing a mutual enthusiasm for travel and exploration but also function as platforms for advocating the ethos of travel among their peers. Furthermore, they facilitate the organization and execution of tourist excursions, expeditions, hikes, and various forms of active leisure pursuits, thereby instilling a spirit of social entrepreneurship among the youth [1, 2].

Presently, the city of Sevastopol hosts approximately 30 tourist clubs, while the remainder of Crimea boasts over a hundred such establishments. It is noteworthy that there exist numerous amateur, unofficial clubs, significantly outnumbering those

formally recognized, particularly at collegiate and university levels. Among the prominent university-affiliated travel clubs are those associated with the Crimean Federal University, Sevastopol State University, and the Sevastopol branch of Lomonosov Moscow State University. In addition to these structured student organizations, numerous tourist clubs across Crimea actively engage young individuals, offering diverse programs and activities that contribute to the thriving social tourism sector. For instance, clubs specializing in hiking and mountain tourism orchestrate excursions to scenic locales across the peninsula, including Blue Bay, Vorontsov Palace, Demerdzhi, and various captivating routes. Participation in such clubs affords youth the opportunity not only to revel in the natural splendor of these locations but also to acquire mountain survival skills and enhance physical aptitude, thereby nurturing social entrepreneurship within the tourism domain.

Among the youth, extreme sports clubs such as diving and surfing clubs enjoy considerable popularity. Guided by seasoned instructors, young enthusiasts delve into the captivating realm of underwater splendor in the Black Sea, exploring reefs and uncovering hidden aquatic treasures, thereby fueling the dynamic expansion of social tourism. Similarly, surfers revel in the waves of the Azov and Black Seas, refining their skills atop the water's surface, thus enriching the tapestry of social tourism activities. Regarding hiking trails, the ascent to the summit of Ai-Petri Mountain stands out as a favored route, offering not only an avenue for thrilling adventure but also fostering the emergence of social entrepreneurship initiatives. This trail winds through scenic forests, cascading waterfalls, and rugged cliffs, affording panoramic vistas of the Crimean mountains and rivers while also granting access to various tourist attractions dotting the path.

In addition, the enterprising students of Plekhanov University in Sevastopol have taken a proactive stance by conceiving a 2 km trail named the Fiolentovskaya Trail (Fiolent Trail). Meandering along the picturesque southwest coast of Sevastopol, this trail stands as a testament to the innovative endeavors of youth within the realm of social tourism [3].

In conclusion, it is evident that tourism has emerged as a cornerstone of the dynamic lifestyles embraced by youth globally. The Crimean peninsula serves as a vivid illustration of this phenomenon, witnessing a growing inclination among its youth to prioritize tourism as an integral facet of their active engagements. As this convergence of education and expedition unfolds, it becomes imperative to acknowledge the pivotal role that tourism plays in shaping the experiences and outlooks of youth, both within Crimea and across borders. By nurturing a culture of exploration and adventure, the lives of young individuals are enriched, contributing to the vibrant evolution of communities and societies at large.

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### **ISSUES IN THE DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP IN UZBEKISTAN**

**Abstract:** the article raises topical issues of the formation and development of social entrepreneurship in Uzbekistan. The author noted the need for an institute of social entrepreneurship for the further development of the country. It has also become



relevant to create effective economic and legal mechanisms for monitoring the correct and targeted use of benefits and preferences.

**Keywords:** social entrepreneurship, society, project, population, support.

The concept of social entrepreneurship emerged in Europe in the 19th century with the aim of supporting innovation and the implementation of enterprises. Several views and theories have been listed regarding this concept.

According to foreign theory, «social entrepreneurship» is a very positive solution to social problems in society, that is, offering services or products. This theory presents us with a direction of entrepreneurship in which the main goal is not aimed at making a profit, but, on the contrary, is intended to help representatives of the social situation in society who are in a difficult or disadvantaged group. The main “customers” of social entrepreneurs are individuals or groups of individuals who have low incomes or lack access to finance.

Social entrepreneurs direct their profits not to their own development, but to support the stratum in need of social assistance, to improve the situation of the weak social stratum.

The pandemic situation, and the difficult situation and difficulties it caused, served as the main catalyst for the promotion of the bill «On Social Entrepreneurship».

During the pandemic alone, almost every industry faced challenges and delays in its operations. In such cases, we need more entrepreneurs and their support more than ever. A commercial enterprise needed to easily adapt to a different type of activity in a short period of time. In a difficult situation, it has become important to provide the population with quality products at low prices. Some households had problems finding work because they did not have a regular source of income.

How can we help a disabled person by giving money, satisfying some of his existing needs, or creating a permanent place of work?

In our opinion, the third proposal is more effective and satisfactory, through which a number of issues will be resolved, for example, creating jobs for people with

disabilities, reducing the number of unemployed, ensuring the continuous work of entrepreneurs, etc.

Social entrepreneurship not only supports those in need of social assistance, but also focuses on finding high-level solutions to existing or emerging problems in the social sphere. For example, during the pandemic, some enterprises provided the population with medical masks, sanitary and hygiene products at low prices or free of charge.

The interests of the poor or those in need of social assistance can be served through social entrepreneurship. But we know that social assistance issues are still being resolved differently; the only labor legislation provides for the allocation of jobs for people with disabilities in every enterprise, institution and organization, or we can receive benefits provided within the framework of public-private partnerships.

Some problems arising in the social sphere are legislatively resolved in several ways. Therefore, the question arises as to how appropriate and important it is to introduce the concept of social entrepreneurship.

In Uzbekistan, the status of “social entrepreneur” began to be introduced in 2018. A social entrepreneur is a legal entity that has passed state registration in the prescribed manner and works directly to mitigate or solve certain social problems and their consequences. But to this day there is no specific law on social entrepreneurship.

On March 24, 2020, the Ministry of Justice discussed the bill on «Social Entrepreneurship». It was thanks to this initiative that the first step was actually taken to introduce social entrepreneurship in our society and create its legal framework.

Today in Uzbekistan the state is involved in solving almost all social issues, in particular health and education issues. However, recent years, including the ongoing pandemic, have shown how important it is to involve the non-state sector, especially business, in solving these issues [1, p. 128]. Due to the pandemic, in almost all countries of the world the load on public medical institutions has increased, and the constant growth in population is causing an increase in the need for preschool

educational institutions and schools. Social entrepreneurship is a relatively new concept for the socio-economic life of our country.

The term «social entrepreneurship» was first mentioned at the level of legislative documents in the Decree of the President of the Republic of Uzbekistan dated June 11, 2018 «On organizational measures to promote employment of socially vulnerable groups of the population» No. PQ-3782 [2].

Of course, in our country, which has chosen the path of a socially oriented market economy, one of the fundamental tasks of the state is to solve social problems of society [3, p. 187]. Due to many objective and subjective reasons, the state is not always able to fully cover the various social areas arising from its functions. It is for this reason that there is a need for an institution of social entrepreneurship, which serves to ease the burden on the shoulders of the state.

At the same time, an entrepreneur who performs social functions or invests in social entrepreneurship always feels the support of the state in his activities. Solving social issues will always be a fundamental task of the state, but it performs these related tasks together with social business entities and supports them in various ways and forms. The difficulty lies in the fact that social innovations, both purposefully created and spontaneously arising, can manifest themselves ambiguously in relation to society. Dynamic modeling, design and formation of the system and social-organizational process of innovative public management is necessary [4, p. 331].

In recent years, the formation of a “green” economy, greening of the economy, and the direction of social investments in this area have become urgent tasks in our country, which will undoubtedly create the basis for the broader development of social entrepreneurship in the future and resolve social issues.

Also, a broad path for the development of social entrepreneurship in our country can be opened by the implementation of the following actions:

- development and adoption of a program aimed at implementing the Law and covering comprehensive measures for the development of social entrepreneurship;
- strengthening propaganda and agitation work on social entrepreneurship, bringing its essence to the population, developing a program of appropriate measures;

- development of a training system for representatives of social entrepreneurship entities and persons wishing to engage in this type of activity. This will help people who want to become social entrepreneurs to properly organize their activities from an economic and legal point of view;

- consideration of legislative documents regulating the work of persons with disabilities, by analyzing the practice of applying legislation in accordance with current legislation;

- improving legislation to attract them and regulate their labor activities, developing new legal mechanisms;

- creation of effective economic and legal mechanisms for monitoring the correct and targeted use of benefits, preferences, financial assistance and loans for the implementation of social entrepreneurship.

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## **SOCIAL RESPONSIBILITY OF SMALL BUSINESSES IN THE TULA REGION: CHALLENGES AND PROSPECTS**

**Abstract:** the article discusses the challenges and prospects of social responsibility of small businesses in the Tula region. The authors explore the features of social entrepreneurship, analyze the main business models used by modern entrepreneurs, and present government measures to support social entrepreneurship in this region. The results obtained can be useful for entrepreneurs, government agencies and other stakeholders seeking to make social responsibility an integral part of small businesses in the region.

**Keywords:** social entrepreneurship, social enterprise, entrepreneurial activity, social policy, active social problem, social and economic development.

One of the factors of successful operation of social enterprises is the availability of infrastructure that contributes to the effective operation of such business entities. Despite the fact that social entrepreneurship has a relatively young history, it is already on a par with non-profit initiatives, venture philanthropy and corporate social policy.

Social entrepreneurship acts as a mechanism that has the potential to become a vector for the modernization of modern Russia. The replicability of the experience inherent in its concept contributes to the effective implementation of new ideas and approaches at the national level. In turn, this is an incentive for young entrepreneurs to acquire new competencies, progress in terms of professionalism and contribute to the development of the country's human capital. Social entrepreneurs, uniting like-minded people and solving the social problems of the region, create growth points

around which not only new enterprises are formed, but also special social relations are formed [7, p. 297].

Social entrepreneurship plays an important role in the Tula region, contributing to its social policy and economic development. There is an active development of social entrepreneurship infrastructure in the region. In this area, many companies face a variety of problems, including identifying a specific social problem and target audience, creating an effective business model, establishing a sales process, motivating employees, drawing public attention to the problem being solved, developing trusting relationships with potential audiences, attracting investors and partners, and expanding the scale of the business [2, p. 51].

One of the key features of social entrepreneurship in the Tula region is the emphasis on the preservation and promotion of traditional crafts and cultural values. Many social enterprises in the region are engaged in the production of unique handmade goods using local materials and traditional methods. This contributes to the preservation of cultural heritage and the creation of new jobs.

In addition, social enterprises aimed at solving specific social problems are developing in the Tula region. For example, there are organizations that help integrate people with disabilities into society, support people without permanent residence and low-income citizens, as well as teach entrepreneurship skills to young people.

Support from the authorities and public organizations is an important factor in the development of social entrepreneurship in the Tula region. Local authorities provide grants, benefits and consulting assistance to social enterprises. In addition, non-profit organizations and foundations support social enterprises in obtaining financing and developing their business.

The Center for Social Innovation, a division of the MY BUSINESS Center, operates in the Tula region. Starting in 2023, social entrepreneurs of the Tula region can count on grants in the amount of 100,000 to 500,000 rubles. An important condition is the mandatory self-financing of at least 25 % of the total amount of the project [4].

This form of support helps to reduce the financial burden on the business and expand its scale. Last year, about 30 social entrepreneurs from the region took advantage of this opportunity.

The Center for Social Innovation, in partnership with the My Business Center, provides a wide range of training programs for social entrepreneurs, including both entry-level and business expansion opportunities.

At the My Business Center, social entrepreneurs can receive advice and training from experienced experts at the federal and regional levels. Loans of up to 5 million rubles are also provided with a minimum interest rate of 3,75 % per annum. In addition, comprehensive business promotion services are offered, including contextual advertising, billboard placement, radio advertising and the creation of printed products.

Social entrepreneurship focuses both directly on helping people, protecting the environment, and creating jobs for citizens in need of special support: the disabled, pensioners, large families and refugees. An enterprise is considered social if at least one of the following conditions is met:

- 1) representatives of vulnerable groups of the population work in his staff;
- 2) the organization produces or offers goods and services aimed at improving the lives of these categories of citizens.

Currently, there are about 100 social entrepreneurs in Tula engaged in various types of activities. Among the most popular destinations for them are.

- Education, including sports clubs and additional educational centers.
- Healthcare, including rehabilitation facilities such as salt caves and fitness centers.
- Social services such as home care, medical care, cleaning and grocery delivery [6].

The funds received from the state can be used to pay rent, repair premises, purchase a franchise and pay for utilities. After receiving the grant, the entrepreneur should be engaged in his activities for three years, otherwise he will have to return the money received.

In addition, on November 23, 2023, the «Meeting of Social Entrepreneurs of the Central Federal District» was held, which was organized by the Union of Social Entrepreneurs. The event was held at the site of the Oktava cluster. The participants discussed the current tasks and problems they face when running their business in modern conditions. It was a great opportunity to share experiences and establish new business contacts for future cooperation between the regions.

The Governor of the Tula region, Alexey Dyumin, focused on supporting business in the region, emphasizing the importance of such events. Alexander Golovin, Commissioner for the Protection of the Rights of entrepreneurs in the Tula region and regional coordinator of the United Russia project, spoke at the opening and at the plenary session on the topic «Prospects for the development of social entrepreneurship». He shared information about the work of the Institute for the protection of the rights of entrepreneurs in the region and expressed the need to improve measures of state support and legal education of entrepreneurs. At the event, a partnership agreement was signed between the Union of Social Entrepreneurs and the National Center for the Development of Social Entrepreneurship and Non-Profit Organizations [1].

During the Meeting, speech sessions and workshops were held, where participants updated their knowledge and skills, as well as talked with colleagues from different regions and found inspiration to implement new ideas.

The event was attended by more than 100 representatives from various regions of Russia, including Orel, Lipetsk, St. Petersburg, Moscow, Ryazan, Bryansk, Voronezh, Tambov, as well as Penza, Petrozavodsk, Novosibirsk, Astrakhan, Yamalo-Nenets Autonomous Okrug, Kirov and Kazan.

Under the conditions of a special military operation in the Tula region, business began to focus mainly on a social orientation. Tula entrepreneurs actively interact with government and public organizations in order to jointly create and implement programs and projects aimed at improving the quality of life of people in difficult social conditions. The region is the leader in Russia in terms of the number of support measures for military personnel and their families. The Minister of



Industry and Trade of the Tula Region, Vyacheslav Romanov, stressed at a meeting of the regional branch of the Union of Machine Builders of Russia that the assistance system was created on the initiative of Governor Alexei Dyumin and includes material, legal, psychological and social support [5]. Light industry enterprises have already begun to produce more than twenty items of equipment, and more than 2 billion rubles have been allocated for the purchase of uniforms. 327 enterprises have joined the Zabota Regional map project. In addition, there is a comprehensive rehabilitation program for the participants of the SVO in the region, which includes social, medical and psychological assistance, as well as employment support [5].

Thus, social entrepreneurship in the Tula region is an effective tool for solving social problems and supporting needy groups of the population. Thanks to the support from the state and active cooperation with other regions, the Tula region is successfully developing the social entrepreneurship sector, achieving positive results in introducing new practices and solving social challenges. Already today, positive results of the introduction of social entrepreneurship can be observed. Thus, according to the Social Fund of Russia, in 2023 140 Tula employers received subsidies in the amount of over 29 million rubles for the employment of graduates, refugees from the DPR, LPR and Ukraine, participants in a special military operation, as well as persons recognized as disabled in accordance with the established procedure [3]. This contributes to strengthening the social sphere and improving well-being in society, providing additional opportunities and resources for those who are in a difficult life situation. Year after year, the region demonstrates its willingness and ability to overcome social challenges and achieve more successful results in its development.

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## **IMPACT OF SOCIAL FUNDS' ACTIVITIES ON THE WELL-BEING OF THE RUSSIAN POPULATION**

**Abstract:** the article is devoted to the study of the impact of the activities of social extra-budgetary funds on the well-being of Russian citizens through social protection, pension provision and social insurance.

**Keywords:** social policy of the state, social extra-budgetary funds, welfare of citizens.

The social policy of the state is a sphere of activity that defines the strategy and goals of the long—term development of society, including the directions of functioning of non-governmental institutions, ensures the effectiveness of the labor market, education and health care systems, and pension provision for citizens. The most important function of social policy is to serve society, ensure social security, and meet the needs of the population. Social policy in economic practice is expressed in the implementation of a system of measures to implement social programs,

maintain a decent standard of living, provide employment, and prevent social conflicts in society. The social policy of the Russian Federation is implemented at several levels: at the federal, regional and local levels, as well as at the level of individual organizations, enterprises and institutions. All these levels are in continuous interaction, interdependent and form a single whole.

The well-being of the population is reflected, first of all, in the level of well-being and quality of life of the country's citizens. The achievement of well-being is directly related to the social policy of the state, the activities of public institutions and organizations. Social funds are organizations that provide financial support to citizens, namely: accrual of age and disability pensions, payment of temporary disability sheets and child benefits.

The social funds of the Russian Federation include extra-budgetary funds. Extra-budgetary funds are funds of funds formed outside the federal budget, the budgets of the subjects of the Russian Federation and local budgets, which are intended to implement the constitutional rights of citizens to pension provision, social insurance, health protection, medical care, as well as to meet public needs that are not funded from the budget. Social funds are independent financial and credit institutions operating with a clearly defined purpose. The procedure for their creation and use is regulated by law. Extra-budgetary funds are designed to redistribute national income in the interests of certain groups of the country's population. The state mobilizes part of citizens' income into funds, and then finances the implementation of necessary social measures. Thanks to the successful activities of extra-budgetary funds, it becomes possible to increase social production and overcome the temporary stagnation of the country's economy [1].

The key tasks facing the extra-budgetary funds of Russia are.

1. Provision of priority economic areas with additional financial resources.
2. Expanding the scope of social services to the population of the country.

In 2023, two funds were merged into the unified Social Fund of Russia in our country: the Pension Fund and the Social Insurance Fund. The purpose of the joint fund is to assign pensions and benefits to citizens of the country, as well as control

the actions of employers regarding the timely payment of insurance premiums. The budget of the Social Fund of Russia is formed mainly at the expense of insurance premiums. The Fund is an insurer for compulsory pension insurance, compulsory social insurance in case of temporary disability of citizens and in connection with maternity, compulsory social insurance against industrial accidents and occupational diseases. In addition, the fund provides social support measures to certain categories of citizens [2].

The activities of the Social Fund of Russia are carried out in such areas as: demography; poverty reduction in the country; support for people with disabilities; social protection of citizens; labor relations; employment; pension and social insurance.

The functions of the Social Fund include.

1. Provision of social, medical and professional rehabilitation of citizens.
2. Investing financial resources of pension savings.
3. Accounting of employers and citizens of the country in pension and social insurance systems.

The activities of the Social Fund of Russia are controlled by the Board, which is a collegial governing body. The Management Board participates in the design of the department's budget, determining priority areas for its development, changing insurance tariffs and other areas of activity. In addition to the fund's management, the board includes representatives of the Ministry of Labor, the Ministry of Finance, the Bank of Russia, the State Duma and the Federation Council, professional and public associations. The structure of the Social Fund also includes territorial offices and subordinate institutions, for example, rehabilitation centers, which are located in the subjects of the Russian Federation [3].

Currently, the appointment of many measures to support the population is automated. To receive them, a citizen only needs to make an application. Most often, it can be submitted remotely through your e-cabinet. For example, in 2023, the Social Fund of Russia provided over 89 million social services (83 %) using the electronic format of interaction.

The positive consequences of combining the two funds into a single Social Fund are: for citizens – quick and convenient registration of social support measures, and for employers – reduction of the administrative burden [4].

The Social Fund of Russia uses only stable investments, which are aimed not at capital growth, but at preserving and protecting it. Non-governmental off-budget funds choose riskier investment projects so that their profitability is higher. All non-governmental funds participate in the system of guaranteeing the rights of insured persons

Taraeva A. V. and Kallagova A. H. note that the creation of the unified Social Fund of Russia is a successful management decision that allows optimizing the activities of the previously operating Pension Fund and Social Insurance Fund. As a result of the merger, the burden on employees should be reduced, and citizens of the country are provided with more convenience when receiving public services. The prospects for further development of the Social Fund, taking into account the active development of the legislative framework and the digital transformation of all processes carried out by this fund, are seen by the named authors as favorable [5].

In addition to the Social Fund, extra-budgetary funds also include funds in which financial resources of various public, commercial organizations and citizens' funds are accumulated, for example, a non-governmental pension fund. A non-governmental pension fund is a private organization, one of the main subjects of which is the non-governmental pension provision of fund participants. The conclusion of an agreement with a non-governmental pension fund and the deduction of contributions is most often carried out within the framework of corporate pension programs, as well as by citizens voluntarily and independently. The activities of non-governmental funds are controlled by the Central Bank of Russia.

According to Minaeva T. A., currently the role of non-profit organizations in the implementation of the social policy of the state and in improving the quality of life of the population is increasing. This is facilitated, among other things, by an increase in the need for alternative providers of social services and professional growth within non-profit organizations themselves [6].

According to T. B. Yakimova, the adoption of a program to support socially oriented non-profit organizations is an important step towards creating conditions for cooperation between non-profit organizations and public authorities. By supporting non-profit organizations, the state provides assistance in the practical implementation of charitable and other socially significant projects, thereby contributing to the growth of the well-being of citizens. In some cases, non-profit organizations are more successful than government agencies. Thus, non-profit organizations can respond more quickly to the needs of society, develop and provide a wider variety of programs and services in a timely manner in priority areas of their activities.

The high activity of non-profit organizations in the social sphere is determined by their distinctive features. These include: the ability to penetrate into those areas of society that are poorly affected by the state, as well as the ability to maximize the nature of the activities and behavior of their members in the direction of independently solving emerging social problems [7].

Thus, the activities of social extra-budgetary funds of Russia within the framework of a more effective social policy of the state have a significant impact on the well-being of the country's population, which is reflected in the implementation of effective measures in the field of social protection of citizens; pension and social insurance; support for the population with disabilities.

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## **STRATEGIC MANAGEMENT IN CONTEMPORARY MANAGEMENT SYSTEMS**

**Abstract:** this paper delves into military management processes, highlighting the achievement of strategic goals. It stresses the dynamic nature of strategic management, shaped by constant changes externally and internally. Adaptability is crucial for effective decision-making and implementation. Understanding the evolving landscape is essential for navigating complexities.

**Keywords:** strategic aspect, external factors, organizational development, strategic decisions, tactical, operational, long-term perspectives.

In global management, several trends have emerged concerning the necessity of deepening enterprises' adaptation to the changing external environment. The first of these trends is associated with the widespread adoption of strategic management as a modern form that combines the development of long-term development plans for firms in a changing competitive environment with internal organizational mechanisms that align all types of activities with the implementation of adopted strategies.

The roots of strategic management can be traced to military planning, evolving rapidly due to socio-economic dynamics, competition, technological progress, and new forecasting methods [1, p. 385]. Today, it offers diverse advantages to

organizations, promoting efficient resource utilization, fostering confidence among personnel and leaders, ensuring consistent implementation of decisions, and guiding sustainable development in the market.

Organized businesses first encountered the challenge of strategic planning amidst economic crises. It is precisely in these conditions that the weaknesses of some enterprises and the strengths of others become distinctly visible [2, p. 112]. It is during such periods that it becomes evident where vast resources have been squandered, yielding no anticipated returns. Competitive rivalry intensifies to the utmost during these periods, and the victor emerges as the one who can achieve significant competitive advantages - not just over competitors, but in relation to the consumer.

However, it does not necessarily follow that the essence of strategic planning and organizational management should solely be seen in the development of competitive advantages. It's just that the survival goals of enterprises in a competitive environment become dominant over other objectives, determining the prospective course of their behavior.

«Strategy», derived from military terminology, refers to long-term plans by senior management to achieve organizational goals. Strategic management involves determining long-term prospects, personnel management, setting production objectives, devising strategies, and implementation within existing conditions [3, p. 557].

I. Ansoff and H. Mintzberg consider the methodology of strategic management as consisting of two complementary subsystems.

1. Strategic opportunity management, which includes analysis and selection of a strategic position, or «deliberate strategy».
2. Operational management of real-time issues, allowing firms to react to unexpected changes, or «emergent strategy» [4, p. 125].

The classical structural diagram of strategic behavior formation is presented in Figure 1.



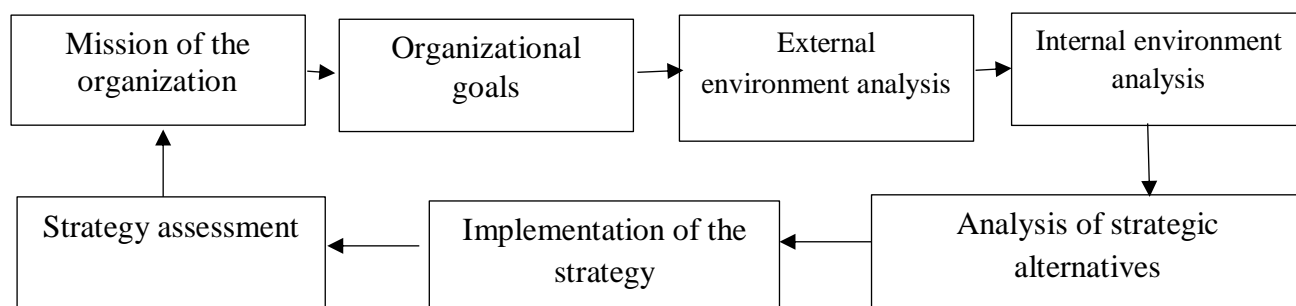


Figure 1 - Scheme for the formation of strategic behavior

The fundamentals of strategic management include.

- Analysis of the organization's internal environment.
- Internal diagnosis (assessment of the organization's strengths and weaknesses).
- Definition of the organization's mission and objectives.
- Development, evaluation, and selection of alternative strategies for specific organizational subsystems.
- Development and detailed definition of corporate strategy as a program of specific actions.
- Strategy implementation.
- Evaluation of results and feedback.

The system of strategies within an economic organization comprises three levels of strategic decision-making: overall or corporate; business or competitive; and functional (Figure 2).

Corporate strategy indicates the direction of development for the enterprise as a whole. At this level, decisions are made regarding the business portfolio (the aggregate of forms and types of economic activities) of the economic entity [5, p. 72]. It addresses questions concerning mergers, acquisitions, or divestitures from certain businesses.

Business strategies, as embodied in plans, describe the means of achieving competitive advantages in the selected (at the corporate level) product market. This strategy aims to enhance the competitiveness of individual products and services produced by a specific business unit. Considered perspectives for developing new

products and abandoning unpromising ones will help unfold the production, pricing, advertising, marketing, and other policies in a particular market or market segment.

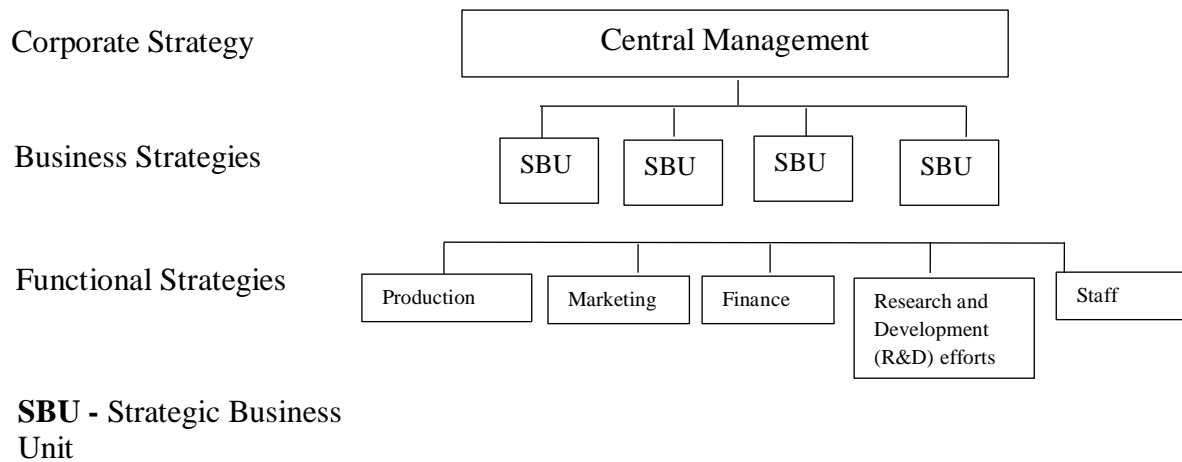


Figure 2 - System of Strategic Decisions

Functional strategies specify the actions of service departments at the level of production units within the enterprise. Each functional structure (production, marketing, finance, research and development, personnel) plans its own path to achieve corporate and business strategies (and therefore the organization's mission and objectives). For example, a functional strategy in production may focus on producing defect-free products, reducing raw material waste, or decreasing equipment replacement frequency for various production lines.

SBU (Strategic Business Unit) serves as the foundation of the organizational and economic structure, representing one of the most developed divisional management structures [6, p. 55]. The global practice of establishing SBUs within large enterprises spans over thirty years.

The establishment of Strategic Business Units (SBUs) aims to grant production units comprehensive economic responsibility, resembling independent enterprises with the autonomy to make strategic decisions and assume full accountability for outcomes. This approach, known as «decentralization of management within the company», has gained widespread adoption. Under the concept of «comprehensive business responsibility», SBUs are tasked with not only generating profits but also conducting strategic analysis, enhancing competitiveness, managing sales volume,

controlling costs, and optimizing supply chain efficiency. As direct subordinates to the company's management, SBUs typically operate under a single leader, offering the advantages of small business operations within a larger corporate framework.

The strategic interests of business units typically involve increasing market share, meeting customer needs, managing costs relative to competitors, setting pricing strategies, and navigating competition. Integration is crucial for SBUs, as it fosters vital connections with other units and the company as a whole. This integration derives from the synergy among different business units, despite their independence, achieved through shared resources, joint programs, and knowledge exchange. However, decentralized management based on SBUs may lead to conflicting goals between individual units and the company's overall objectives, resulting in misaligned strategies and disjointed approaches across socio-economic, production, financial, and other aspects.

Taking into account the provided information on the strategic aspect, the following should be noted: firstly, the strategic aspect is associated with external factors of organizational development; secondly, strategic decisions, unlike tactical or operational ones, concern relatively long-term perspectives of organizational development.

The relativity implies that the strategic period has a significantly longer duration than the tactical period of organizational development, and that the ratio between them is strictly individual for each specific organization.

Therefore, for each organization, the ratio of strategic and tactical aspects is relative both in terms of comparison with other organizations and in terms of relating to different specific situations, as well as in a number of other aspects.

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**STATE STRATEGIES FOR GROWING BUSINESSES IN BELARUS**

**Abstract:** social entrepreneurship is a mechanism that can and should become a social dimension of the modernization of Belarus. The last decade has become for our country the time of the formation of a new, previously unknown direction of entrepreneurship - social entrepreneurship. This article deals with the issue of state strategies for support of social entrepreneurship in Belarus. The main state strategies for growing businesses are considered. Examples of the most successful projects based on government support are given.

**Keywords:** entrepreneurship, tendencies, social entrepreneurs, social entrepreneurship, business process, state strategies, modernization, Belarus.

For the effective development of the economy and the stimulation of entrepreneurial activity, an important factor is the support of private entrepreneurs from the state. In this paper, we will consider various ways in which the state can help businesses, contributing to their growth and prosperity.

The State can support private entrepreneurs through financial support through the allocation of subsidies and grants. A subsidy is financial assistance from the state, which is provided for certain purposes, such as the development of small businesses, scientific research, environmental projects, etc. A grant is financial assistance that is provided without the need for its return and is usually intended for the development of new and innovative projects. To receive a subsidy or grant, private entrepreneurs must submit an application to the appropriate authority, indicating the purpose and expected result of the project. After reviewing and approving the application, entrepreneurs receive financial support and undertake to fulfill all the conditions stipulated in the contract.

Support can also be provided through the provision of tax incentives for small and medium-sized enterprises. Tax benefits are special tax conditions that reduce the tax burden on entrepreneurs and make their business more competitive.

Small and medium-sized enterprises can receive tax benefits for paying taxes, such as income tax, property tax, value added tax and others. Such benefits can be granted for a certain period of time or depending on the fulfillment of certain conditions, for example, the creation of new jobs or investment in the development of production. Tax incentives can stimulate the development of small and medium-sized businesses, increase investment, create new jobs and promote economic growth. The

State uses such support measures to create favorable conditions for the development of entrepreneurship and increase its contribution to the country's economy.

The state can support private entrepreneurs through training and consultations for business development. This may include conducting free seminars, trainings, master classes, courses for entrepreneurs, as well as consulting assistance from experts and business mentors. Training and consultations can be organized on various topics such as enterprise management, marketing, finance, legal issues, effective use of technology and other aspects of business development. The purpose of such events is to help entrepreneurs improve their skills, improve their qualifications, expand knowledge and develop their competencies. Business development training and consultations help entrepreneurs improve the efficiency and competitiveness of their business, explore new approaches and business strategies, and minimize risks and mistakes.

Thus, the state supports private entrepreneurs by providing access to educational and consulting resources, contributing to their successful development and prosperity.

By simplifying business registration and licensing procedures, the state can provide support to private entrepreneurs. This may include reducing the time and cost of paperwork, introducing electronic services for online registration and obtaining licenses, as well as simplifying the requirements for providing the necessary documents and information.

Creating special infrastructure projects for entrepreneurs is another way to support them. This may include the development and construction of business parks, industrial zones, technology parks, business centers, as well as providing access to modern infrastructure, financial and consulting services, rental premises and technical equipment.

Such measures help to simplify entrepreneurs' access to necessary resources and services, reduce barriers to business development, increase its efficiency and competitiveness, and also contribute to an increase in the number of successful entrepreneurs and the growth of the economy as a whole. The State uses these

measures to support and stimulate the development of entrepreneurship in the country.

Support for private entrepreneurs can be provided through the development of innovative technologies and the encouragement of startups. This may include the development and implementation of innovation support programs, holding competitions for the best projects, as well as providing grants and subsidies for the development of innovative and promising ideas.

The State can also provide assistance in accessing financial resources and loans. This may include co-financing projects, providing loan guarantees, creating special funds to finance entrepreneurial activities, as well as conducting programs to train entrepreneurs in financial planning and management skills. Such measures help to develop the country's innovation potential, stimulate the creation of new jobs and increase business competitiveness. The state uses these tools to support and encourage entrepreneurship, especially in the field of innovation and start-ups, which contributes to the growth of the economy and the attractiveness of the business environment in the country.

Private entrepreneurs can be supported by regulating market competition to protect their interests. This may include controlling the activities of monopolistic structures and preventing abuse of ownership of a dominant position in the market.

The state can also take measures to support small and medium-sized enterprises by establishing preferential conditions for their development, providing access to public procurement, as well as creating special support programs for this category of entrepreneurs. Such measures allow entrepreneurs to work on equal terms in the market, protect them from direct competition with major players, stimulate innovation and business development at the local and regional levels. The regulation of market competition helps to ensure the fairness and efficiency of the market economy, as well as contributes to the sustainable growth of industries and enterprises in the country.

Partnership with public organizations and the business community can contribute to the support of private entrepreneurs from the state. This includes

cooperation with professional associations, chambers of commerce, business incubators, accelerators and other organizations that provide support and assistance to entrepreneurs. Through such a partnership, the State can exchange information on trends and problems faced by entrepreneurs, participate in the development and implementation of business support and training programs, as well as conduct joint events and projects. This partnership allows creating favorable conditions for the development of private entrepreneurship, ensuring the exchange of experience and knowledge between the state, the business community and public organizations, and also contributes to the formation of an effective business support system in the country. In addition, such cooperation helps to strengthen trust and partnerships between various structures and organizations, which contributes to the growth of the economy and the improvement of the business environment as a whole.

Thus, the support of private entrepreneurs from the state plays an important role in the development of the economy. A variety of support measures, such as the creation of educational programs, the provision of tax incentives and other ways, contribute to stimulating entrepreneurial activity, innovation and job creation. Effective interaction between the private sector and the State can contribute to sustainable economic growth and social development.

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## **THE ROLE OF SOCIAL RESPONSIBILITY STANDARDS IN THE ORGANIZATION OF NETWORK INTERACTION OF SOCIAL SYSTEMS**

**Abstract:** this article deals with the issue of social responsibility standards for social entrepreneurship and network interaction of social systems. The main directions of work in the field of application of social responsibility standards in social entrepreneurship are considered. Examples of the most successful projects of a harmonious combination of digital technologies and traditional management are given.

**Keywords:** social entrepreneurship, social problems, social responsibility standards, social systems, online technologies.

Today it is necessary to support the active development of technical, technological and social ways of constructive development of human civilization. It is the development of public relations that makes it possible to accelerate the qualitative interaction of various social groups in achieving the required goals of society's development. Social responsibility is one of the most important characteristics of modern relations both in terms of human–human interaction and in the interaction of communities with individuals and among themselves. It is assumed that the rules, norms and standards of social responsibility should be set in the field of education, upbringing and social work, for example, in educational institutions.

The social responsibility of the university takes into account the expectations of stakeholders (teachers, students, parents), promotes sustainable development, including the health and well-being of society. The need to apply modern approaches to managing the social responsibility of universities is based on the prerequisites for the growth of the autonomy of educational organizations and the need for their mutual partnership at the international level. A socially responsible university contributes to accelerating the development of the region, strengthening international economic ties between the region and the country with partner countries, increasing the reputation of the educational organization, increasing the value of the university's brand and its investment attractiveness. Social responsibility is the foundation of the

university's competitiveness, contributes to its entry into the international level, and therefore should be an integral part of its strategy and long-term policy.

In November 2010, the international Organization for Standardization ISO developed a standard in the field of social responsibility: - ISO 26000:2010 «Guidelines on social responsibility». The ISO 26000 standard provides guidance on concepts, definitions, principles, trends, characteristics, practices, key aspects and issues, as well as on the integration, implementation, promotion and maintenance of an organization's social responsibility. The main purpose of the ISO 26000 standard is to promote sustainable development. The advantages of implementing the standard of social responsibility at the university include:

- improving the reputation of the university in the eyes of stakeholders and society as a whole;
- improved interaction with stakeholders;
- improving the competitiveness of the university;
- meeting the expectations, interests, and requirements of stakeholders;
- investments and sponsorship from stakeholders;
- identification of priority areas of spending on social needs, charity, sponsorship, environmental activities;
- receiving additional feedback from stakeholders (the certification process includes interaction with key stakeholders);
- demonstrating to all stakeholders their commitment to the principles of social responsibility and the ability to develop sustainably in the future.
- placement of information about the university's certification in the Unified International IQNet Registry.

And there are a sufficient number of examples of the implementation of such standards in the daily practice of educational institutions. And – since education, as a social institution, interacts with society as a whole – the system of «knowledge development» interacts with other social subsystems.

«It is better for businessmen to conduct their business honestly than to give part of the excess profits to charity», said Theodore Roosevelt. Michael Friedman

stated bluntly that «the business of business is business». Andrew Carnegie pointed out the unfairness of this position: «The rich should subsidize the poor through charity and consider themselves not as owners, but as managers of capital that works for the benefit of society». And the astute Akio Morita, addressing businessmen, noted that "no one can make you rich except the people who work for you, «thus urging, to abandon the values of "wild capitalism" in favor of "capitalism with a human face».

In the sphere of interaction between commercial organizations and socio-financial interaction between people and communities, the concentration and "drift" of interests is increasingly moving into the field of benefit and competition, which forms the main goals, interests and expected results of participants in such relationships. It is at these levels that it is necessary to establish and debug community interactions, associations and personalities in the standards of network interaction, according to the same rules.

The model of interaction of participants in social relations in the region: How can participants in the social relations of the region interact? Let's consider a model of interaction consisting of two levels: employer-employee interaction and employer—society/regional government interaction.

Employer-employee interaction. The principles of the relationship between an employer and an employee are well developed in the classical CSR model (the model, we recall, of bilateral relations).

Such standards exist, are in force and need to be increasingly widely implemented – to comply with and expand the application of best practices, for example.

- Accountability for the impact on society and the environment.
- Transparency.
- Ethics - style and behavior based on integrity, honesty, equality, reasonable leadership, integrity.
- Consideration of the interests and respect of all stakeholders.
- Respect for legal norms.

- Respect for international norms - in cases where these norms are more preferable for the sustainable development and well-being of society.
- Recognition of the importance and universality of human rights.

In these and many other areas of communication and cooperation, the greatest openness (transparency) is important, capable of:

- communicate information about the company to interested parties;
- help attract investors, increase capitalization;
- encourage top management to take actions aimed at the company's progress;
- raise employee awareness;
- attract staff;
- demonstrate the company's social values;
- disclose information about risk management.

It is here that effective feedback will demonstrate the real, rather than declared, values of organizations and communities based on the results of their activities, combined efforts to achieve goals.

This is how, starting from the regional level, a network of communities, organizations and individuals can be formed, forming the Basic Rules of the game. For the convenience of the reader, we will once again list those key «rules of the game» that should regulate the interaction between employees, employers and regional authorities. All participants in the process, disposing of available resources, assuming a share of responsibility, act together to achieve joint goals.

In an effort to rise to an even higher level of interaction according to social responsibility standards, each element of such interaction networks expands and deepens the essence (Figure 1).



Figure 1 - Pyramid of corporate social responsibility

Since the 1960s, corporate social responsibility has attracted the attention of a wide range of companies and stakeholders and is defined by a number of other terms, including «corporate sustainability», «sustainable business», «corporate consciousness», «corporate citizenship», «purpose», «social impact», «conscious capitalism» (or even «Compassionate capitalism», as it was written in Rich de Vos's book) and «responsible business». This is how approaches to corporate social responsibility are being formed at all levels of society, economy, and government (Figure 2).

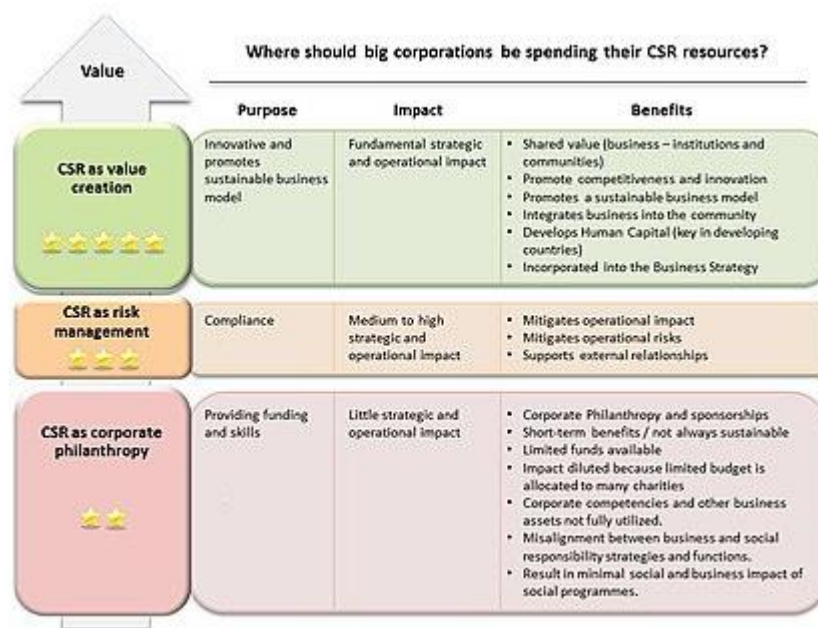


Figure 2 - Approaches to corporate social responsibility

As a conclusion, I propose to look around, systematically assess the level of social responsibility in the near and far circle, engage in consolidating existing standards of interaction and promote the importance of forming unified constructive standards of communication, mutual assistance and support, personal development, organization, community, civilization.

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## SUMMARY OF THE DISCUSSION

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Today we've all experienced a unique exchange of valuable insight from scholars across various regions of Russia, Malaysia, Belarus and Uzbekistan devoted to social entrepreneurship. It was a great satisfaction to see a real growth of social entrepreneurship landscape in this area.

We've discussed different aspects of social entrepreneurship including growing attention to this subject from the government, various factors that encourage especially young people to get involved in social entrepreneurship.

On the whole social entrepreneurship has an enormous business potential to help our society to meet the most complicated challenges. It gives us the purpose, it gives us the meaning for life.

I am looking ahead to have more discussions, projects and other forms of collaboration between our universities.

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*Scientific publication*

# ***«Problems and prospects of social entrepreneurship in the modern world»***

***(Russia – Malaysia – Belarus - Uzbekistan)***

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Computer layout - Gorbunova L. A.

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