

Social entrepreneurship - a way to involve youth in developing process

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Abstract

The article refers to the concept of social entrepreneurship and social enterprises, their role of stability of economy, in creating new jobs, including disadvantaged people. Also are mention four elements that underpin the development of social entrepreneurship and namely: entrepreneurs, ideas, opportunities and organizations. The situation about how in R. of Moldova was developed this concept and where we are at this momen, may be a good opportunity to explore and try to fiind local reasurses. The young people are one of the best resurse and need to be involved. During the research the main goal was to identify youth perception of entrepreneurship and how they can be intereste to be part in the development process.

Keywords: *social entrepreneurship, opportunities, organizations, social business, youth*

In the 21st Century, there is a growing awareness concerning the impact of the business on the environment in which it operates, here it can be mentioned both the affected environment and the effects on the local community where the business operates. But it needs to be taken into account that modern technologies have their impact on the expected effects. On the one hand, new technologies reduce the negative effects on the environment, on the other hand they also contribute to changing the philosophy of doing business and influencing people's thinking.

Thus, in the 70's of the 20th century, discussions have been initiated on social entrepreneurship. It is very popular and well developed in the USA and in Western Europe countries. The novelty of the concept consists in the blurring of the border between the business and the social sector. In addition to non-profit organizations, the social entrepreneurship includes activities aimed at obtaining profits, such as banks for community development and organizations combining business and non-profit sector specific elements (e.g., social shelters which carries out for a fee, activities for professional re-qualification and offers jobs). Social entrepreneurs create social value through a continuous process of innovation and capitalization of new opportunities putting the benefit of society first to the detriment of own benefit. There is no unique definition that would characterize entrepreneurship and would be unanimously accepted.

We can mention that social entrepreneurship depends on the economic characteristics and conditions of each individual country, but also on the legal, political,

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socio-cultural, technological and ecological infrastructure. Regarding the degree of social impact, there are substantial differences across the globe, especially between developed and developing countries.

In order to clarify the definition of social entrepreneurship, we will refer to some authors dedicated to the researches in the given field and we will bring the definition of some tangential terms, in order to eliminate the confusion in the given terminology. Thus, social entrepreneurship is a process that seeks or looks for innovative solutions to social issues. (The New Horos, What is Social Entrepreneurship, Oregon Public Broadcasting, 2005). More specifically, social entrepreneurs approve a mission to create and support social values. They rely on dual thought in both business and non-profit field and operate in a variety of organizations: large and small, new and trained, religious and secular, profit-free, profitable and hybrid. (J. Gregory Dees, 2001, The meaning of social entrepreneurship). There are many disagreements about the definition and perception of the terms and definitions mentioned above, but we can conclude that social entrepreneurship seeks to identify opportunities for innovation and change, but social enterprises are pursuing profits to reinvest and grow them.

Richard Steckel and Jack Boy define social entrepreneurship as the area where the private sector and volunteering meet. The founders of these enterprises combine social consciousness with commercial abilities. For them, social responsibility is not an "extra", it is the essence.

Haugh H. believes that social entrepreneurship simultaneously pursues economic, social and environmental goals, primarily representing a practical response to unsatisfied individual and social needs.

When talking about social entrepreneurship in general, we can mention four elements that underpin the development of this phenomenon and namely: entrepreneurs, ideas, opportunities and organizations. These elements not only help quickly to develop a business, but also set up strategies that can help entrepreneurs to develop and launch better ideas.

Entrepreneurs - must be creative both in setting goals and in solving problems. The power that directs the entrepreneurs is that such a person has a deep commitment to make changes throughout the society or environment. A very important quality for a social entrepreneur is personal ethics.

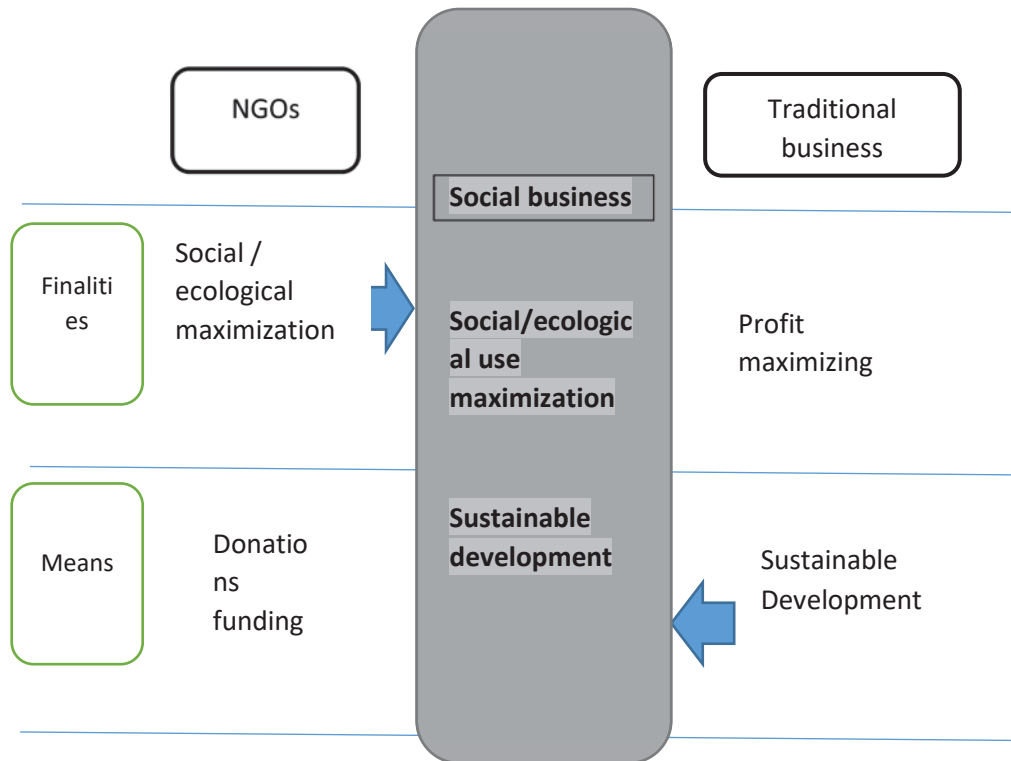
Ideas - in the context of social entrepreneurship, the ideas seek not to obtain a profit, but rather to solve a social problem, but that is demanded by the market, that is, by the final consumers. Values for social entrepreneurs target vulnerable groups with a limited access to financial and political resources to achieve the transformable benefits in their own.

Opportunities - must be identified and explored. Entrepreneurs have the capacity to identify opportunities, where some see a problem, the social entrepreneur sees an opportunity.

Organizations - the biggest challenge for the organization is - how much can organizations do having very limited resources. There are still debates about the goals set by the organization and what its purpose is, but socially oriented ones of course have

a more complicated task because they have to operate with a diversity of resources, but which have to be managed with a high degree of efficiency.

Figure 1. Differences between NGO activities, traditional business and social affairs



Source: The Grameen Creative Lab, a think tank of the Grameen social business group, puts it this way: “Unlike traditional business, social business operates for the benefit of addressing social needs that enable societies to function more efficiently.” See “The Social Business Concept” at <http://www.grameencreativelab.com/a-concept-to-eradicate-poverty/the-concept.html>. accessed date: 01/11/2011

In order to synthesize the mission of social entrepreneurship and why it becomes vital for the development of society and economic progress, there are specific a series of benefits that it generates to the community in which it operates:

- **Increasing the number of people employed.** Social entrepreneurship activities create jobs and opportunities. At the same time, employment or training opportunities are created for disadvantaged categories or become the link between the labor market and the unemployed.

- **Innovation and creation of new goods and services for social needs not addressed by the society.** As with entrepreneurship, social enterprises apply and develop innovations to develop new goods and services. Social problems most often addressed by social enterprises at this time are: people with mental or physical disabilities, illiteracy, drug abuse, etc.

- **Creates social capital to meet sustainable - social and economic development.**

- Promotes social equity by addressing the needs of disadvantaged people.

Social enterprises address social issues and strive to achieve continuous and sustainable impact through their social mission rather than maximizing profits.

- Demonstrates a strong sense of responsibility for the people they serve and for the consequences of the actions taken.

European Commission data indicate that one in four enterprises in the European Union (EU) is a social enterprise. The figure rises to one in three in Belgium, Finland and France, 10% of all European enterprises, or 2 million enterprises are social enterprises.⁴ The 2009 Social Entrepreneurship Survey, conducted by Global Entrepreneurship Monitor's (GEM), has assessed the share of people involved in social entrepreneurship in the total number of the active population, thus in Belgium - 3.02%, 5.13% in Finland, 2, 63% in France, 2.48% in Italy, 4.41% in Croatia and 4.23% in the United Kingdom.⁵ Social enterprises are present in almost every sector of the economy, such as: banking, insurance, agriculture, various commercial services, and health and social services etc. These enterprises are often more productive and competitive, due to the strong personal commitment of founders and better working conditions for employees.

In the Republic of Moldova the development of social enterprises has become a national priority with the adoption by the Parliament of the Republic of Moldova of the Strategy for Civil Society Development for 2012-2015 and of the Action Plan. Although it is widely spread and valued in the Western Europe countries, social entrepreneurship remains a relatively new idea in the Republic of Moldova. The current legislation does not create different conditions for the launch and development of social enterprises. However, several initiatives aimed at the development of social entrepreneurship have been initiated and, in some cases, successfully developed in the Republic of Moldova.

Although there are some successful experiences, they have been largely initiated and developed exclusively through the contribution of external donors. In most cases the companies concerned were created by public associations. In the Republic of Moldova, these entities are taxed according to general rules, regardless of the purpose they pursue. Therefore, a major difficulty is formed by the legal and regulatory conditions.

Another obstacle lies in the modest level of understanding of the concept of social entrepreneurship, manifested by the representatives of central and local public administrations, representatives of vulnerable categories, as well as representatives of non-governmental organizations. Also, among the barriers that hinder the development of social enterprises in a more pronounced way, have been identified: limited access to funding, the level of competencies held by NGO representatives, relations with the local public authorities, relations with control bodies and, not least, the various motivations of the parties involved.

⁴ European Parliament resolution of November 20, 2012 on the Social Entrepreneurship Initiative - Building an ecosystem to promote social enterprises in the context of the economy and social innovation (2012/2004 (INI)) <http://www.europarl.europa.eu>

⁵ GEM 2009 Report on Social Entrepreneurship, p. 14 <http://www.gemconsortium.org/docs/download/2519>

Over the past few years, with the support of external donors, a number of projects have been initiated and implemented, targeted, among others, towards the development of social entrepreneurship, and here we refer to UNDP, East European Foundation, Contact Center through DEL program, USAID FHI 360 Project, the Swedish Government and ADA Austria.

Of course, it is very important that social entrepreneurship be promoted among young people, who are actually those who will substantially contribute to the socio-economic development of the country.

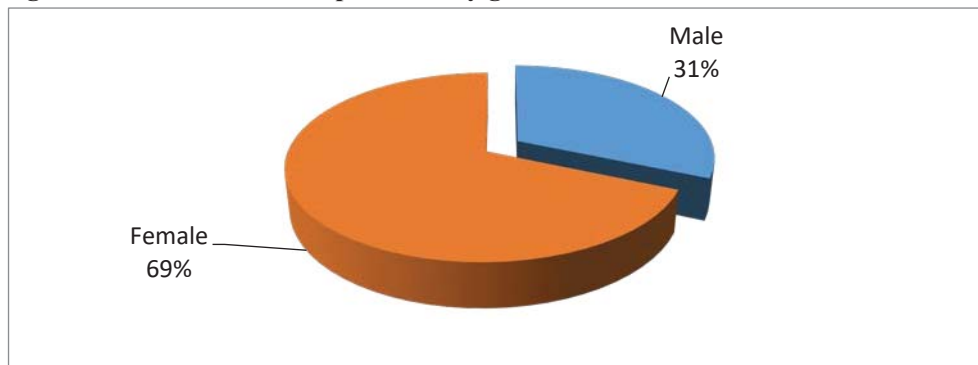
According to the Youth Index 2015 study, and the statistical data identified in the entrepreneurial research process show that young people in Moldova are more likely to start a business (44.40%), compared with adults (24.99%).⁶ However, in the realization of this activity young people face a larger spectrum of difficulties, compared to an experienced entrepreneur, which is a powerful demotivating factor for young people to launch in business. The main issues for young entrepreneurs remain: the access to cheap and easily accessible financial resources; insufficient mentoring assistance necessary for young people, especially at the start of the business; poor cooperation with LPA, etc.

Taking into consideration the mentioned about the role and place of social entrepreneurship and young people with initiative, we intend to analyze the young people's perception of this term and how willing they are to be involved in the development of social affairs in the Republic of Moldova.

Thus, between March 15 and 30, 2018, has been conducted a survey among young people, where participated 490 respondents from different areas of Moldova. As a result of the data analysis, we can mention the following:

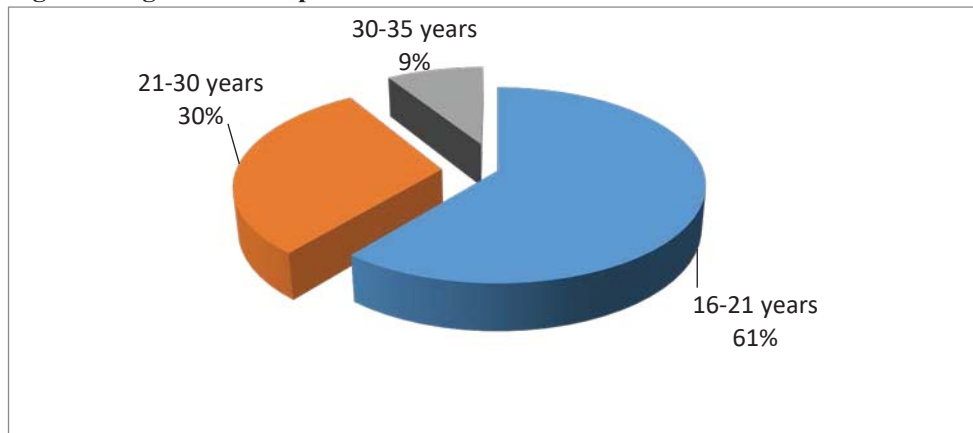
More women were surveyed - 69% than men 31%.

Figure 2. Distribution of respondents by gender, %

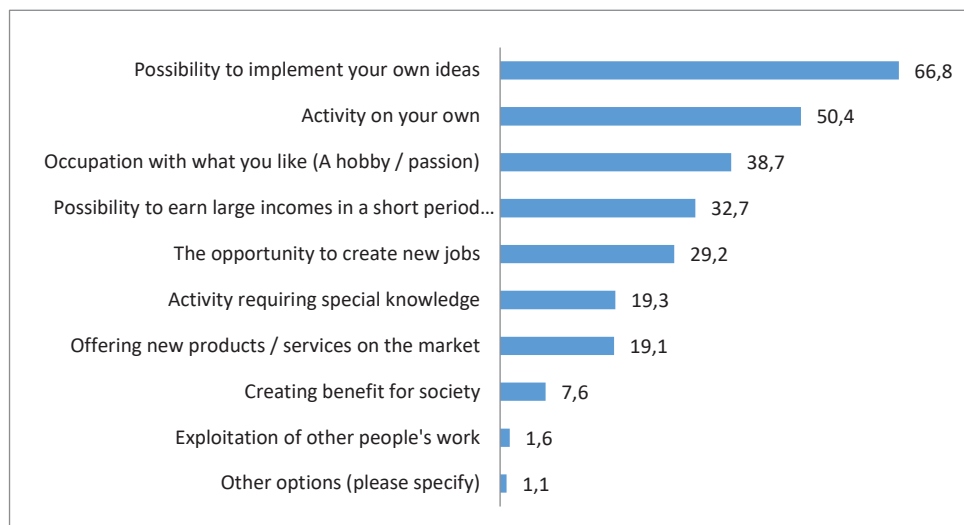


Most of them are young people aged between 16 and 21 years old. So they are the ones who set their priorities for future career and occupation.

⁶ Youth Index 2015. <http://moldova.unfpa.org/ro/publications/indexul-de-tineret-2015>

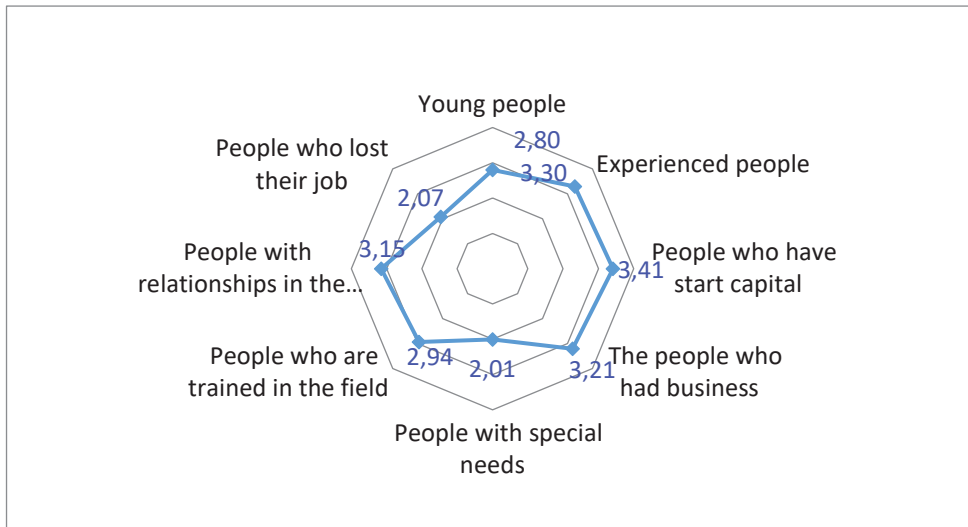
Figure 3. Age of the sample

When asked about what is associated with entrepreneurial activity, 66.8% of the young participants surveyed said that with the possibility of implementing their own ideas, 50.4% - with activity on their own and 38.7 - the occupation which they like. Mostly, for young survey participants, the entrepreneurial activity is associated with the benefits people can obtain from the start of a business rather than with the benefits to society. Thus, only 29.2% of the respondents associate entrepreneurship with the creation of new jobs, and the number of those who linked the entrepreneurial activity with the creation of the benefit for the society is 7.6% of the total number of respondents.

Figure 4. In your vision entrepreneurial activity is associated with

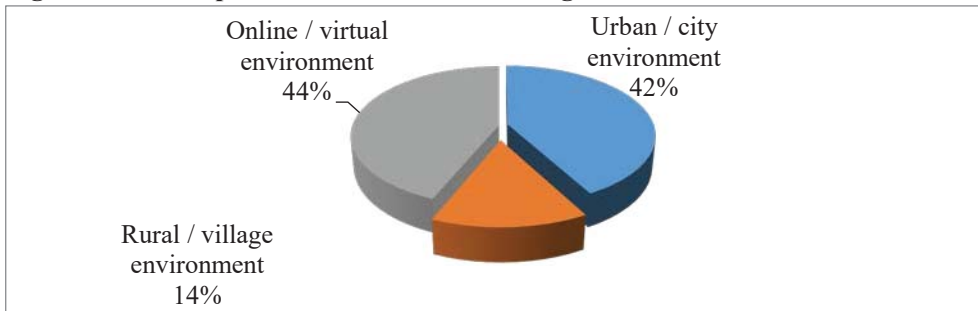
Although young people have initiatives and are most often focused on solving social needs, they still believe that the capital and experience constitute a major factor in initiating an activity on their own.

Figure 5. Who most often initiates a business



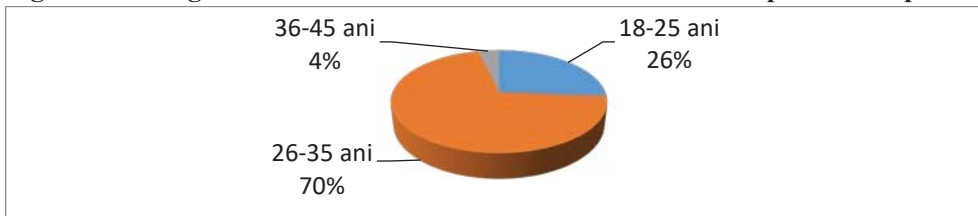
One very important and beneficial thing is that many young people have realized that online businesses are much easier to initiate. Using computers and the Internet (using social networks, movies, games, etc.) helps them develop their digital skills, so being asked where it is easier to start the business, 44% mentioned that in the virtual environment. And there are many examples.

Figure 6. The simplest environment for starting a business



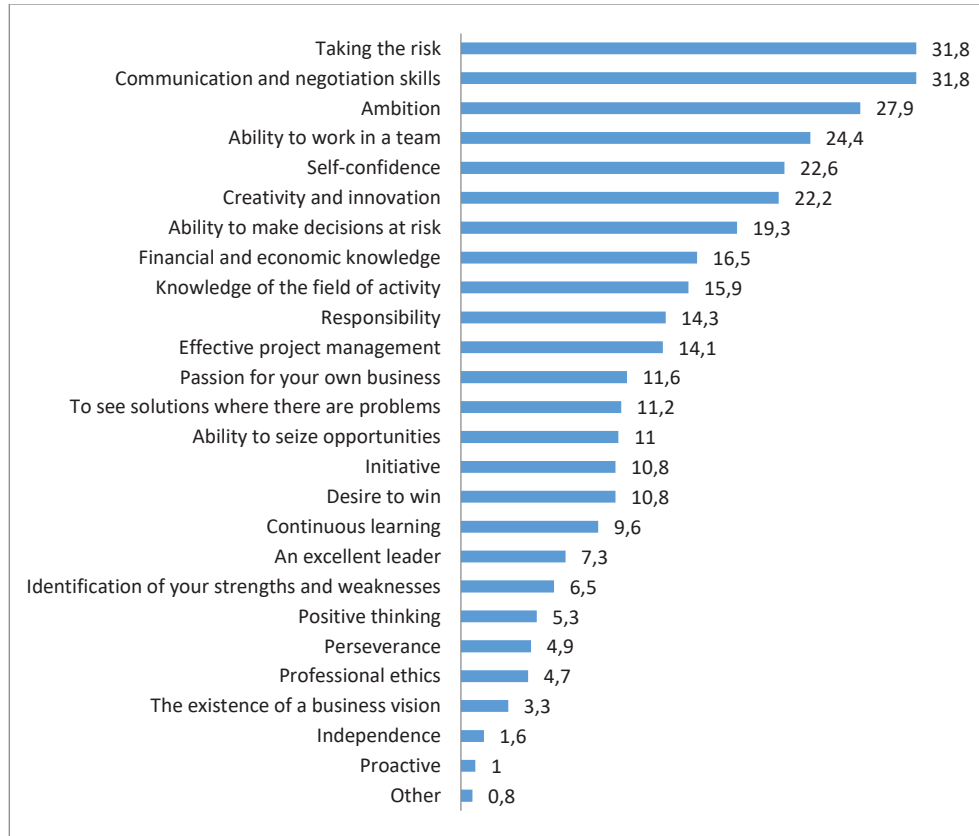
At what age it is better to start your own business, 70% said that between 26-35 years it is optimal to start the business. While 26% think the age when you can start the business is 18-25 years.

Figure 7. The age at which it is best to start a business in the respondents' opinion



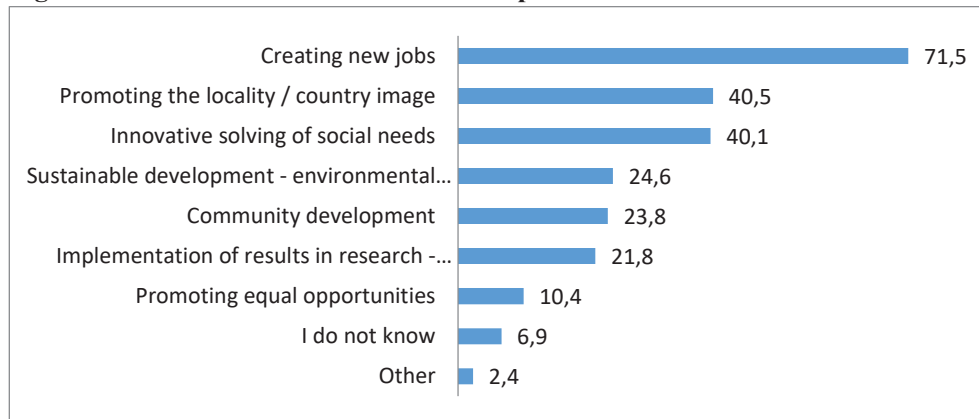
If we consider what qualities are needed to develop a job, then the priority was given by respondents to the following: risk assignment, communication, ambition, teamwork.

Figure 8. The most important qualities required for business success



Young people being asked if they are going to start a business, what they are thinking contributing to a business they will develop, and a large part of them have specified job creation, promoting the image of the locality, solving social needs, etc.

Figure 9. Priorities in order to solve social problems



Here we mention that young people are willing to get involved in social projects, only that certain messages, successful stories that would promote activities in this field are needed.

Examples that are relevant in EU countries would be an impetus and proof that social entrepreneurship can contribute to the development of a society with the interest of the generation that has potential and development ideas. At the same time, we think young entrepreneurs are more creative and innovative, more open to implementing innovations or introducing business methods and models that can contribute to their rapid growth and internationalization.

Conclusions

In conclusion, we can mention that, although changes have been made to the legislation of the Republic of Moldova,⁷ the terms of social entrepreneurship and social enterprise are poorly known, being more associated with the activity of a non-commercial charitable organization, than with the entrepreneurial activity.

In large part, young people are willing to get involved in social projects (creating new jobs, solving a social need, sustainable development, etc.), but some financial and tax incentives are needed to support their social approach.

Also, messages, successful histories that would promote activities in this field are needed. Thus, it is important to promote the concept of social entrepreneurship and viable social business models, especially those developed in the Republic of Moldova, both among young people and representatives of public administration and business environment.

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⁷ Law on Entrepreneurship and Enterprises, Chapter VI1 SOCIAL ENTREPRENEURSHIP AND SOCIAL ENTERPRISE, no. 845-XII of 03.01.92, introduced by CL223 of 02.11.17, MO411-420 / 24.11.17 art.689; in force 24.06.18

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