Personal Factor of a Social Entrepreneur in the Context of the Inclusive Economy Development

Olesya Viktorovna Skudalova, Yuliya Nikolayevna Malanina, Tatyana Yuryevna Tsibizova, Alevtina Vladimirovna Viklova, Vladimir Mikhailovich Litvishkov, Boris Anatolievich Shvyrev, Iana Viktorovna Poliakova

Abstract: Introduction. In modern society, the issue of solving social problems and reducing social tensions becomes urgent. These social aspects can be solved not only within the framework of the state policy but also through the organization of social activities. In this regard, it is necessary to consider the question of the effective functioning of social business structures. Research Methodology. Within the framework of this study, social entrepreneurship is viewed as an innovative activity united by the duality of goals - profit making and satisfaction of social needs, organized in the context of inclusive economy. Special attention is paid to the personal factor of a social entrepreneur, and the influence of this parameter on the organization of social business. The existing system of basic moral, psychological, personal and business qualities affects the activities of a traditional entrepreneur. On its basis, the system of additional qualities necessary for creating a social business was developed. Research Results. The interrelation of the main components of the concept of “social entrepreneurship” is shown. The expected results of the development of social entrepreneurship using the personal factor of a businessman in inclusive economy with specific proposals relevant to modern society are presented. Discussion. The study synthesizes scientific approaches of Russian and foreign authors in the field of social entrepreneurship, the prerequisites for the development of this activity and the impact of inclusive economy on modern society. Conclusion. Competent and rational use of the personal factor of a social entrepreneur in the context of inclusive economy will make social business activities more productive and efficient.

I. INTRODUCTION

In the contradictory socio-economic conditions of modern society there is a need to find a balance between the state, society and business. In this context, a social approach, based on inclusive economy, and the emergence of social enterprises capable of making commercial profit and at the same time solving (or alleviating) social problems, can act as the key driving forces.

II. RESEARCH METHODOLOGY

The term “inclusive” comes from the Latin word “inclusivus” and means “inclusive, embracing, including” [1]. Dictionary of foreign words of the Russian language by N.G. Komlev defines it as follows: “Inclusive” (including, embracing) [2]. In the Explanatory Dictionary of the Russian Language by T.F. Efremova we find the following explanation: “Inclusive - extending to a wider range of subjects” [3]. In a generalized form, the definition of “inclusive” means the union, merger of several elements. Thus, this concept allows us to outline the problem and proceed the analysis of the term “inclusive economy”, presented in Table 1.

Table 1. Overview of definitions of inclusive economy in the theoretical and practical environment

<table>
<thead>
<tr>
<th>Authors</th>
<th>Definition of inclusive economy</th>
<th>Key characteristics</th>
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<tbody>
<tr>
<td>1. Journal of Inclusive Economy [<a href="https://soc-otvet.ru/ankluziivnaya-economika/">https://soc-otvet.ru/ankluziivnaya-economika/</a>]</td>
<td>Inclusive Economy means equal access for people to economic independence and unhindered interaction between social groups.</td>
<td>Ensuring equal access of citizens to available resources.</td>
</tr>
<tr>
<td>3. Mamedov O. Yu. [5]</td>
<td>Inclusive economy is a personified economy, in other words, an economy built with due account for abilities of each employee.</td>
<td>Emphasis on the individual abilities of each person.</td>
</tr>
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</table>

Index Terms: Social entrepreneurship, inclusive economy, personal factor, social problems solution.

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Source: compiled by the authors.

Analysis of the information in Table 1 allows us to identify the main scientific and practical approaches to determining the nature and essence of inclusive economy:
1) socially oriented approach;
2) entrepreneurial approach;
3) innovative approach;
4) psychological approach (taking into account the characteristics of individual).

III. RESEARCH RESULTS

Synthesizing the above definitions and approaches, we can conclude that inclusive economy is a personified economy that takes into account the needs of every member of society, subjective evaluations of a person’s individual status and the possibility of using and distributing resources equally. In a society with developed inclusive economy, every person must have equal access to key needs in order to maintain their livelihoods. The analysis of inclusive economy in the scientific and practical environment allowed scientists and experts in this field to form the Inclusive Development Index (IDI), which is based on 12 indicators combined into three groups (pillars):
1. Growth and development. This group of indicators takes into account the growth of Gross Domestic Product, employment, labour productivity and healthy life expectancy;
2. Inclusion. Focuses on poverty rate and differences in the distribution of wealth;
3. Intergenerational equity and sustainability.

These indicators examine the level of welfare, the percentage of Gross National Income, dependency ratio, public debt and environmental pollution. These groups of indicators will help to evaluate the level of economic development of a country or a specific region. The Inclusive Development Index (IDI) reflects a more holistic picture of development of a country or a specific region. The Inclusive Development Index (IDI) reflects a more holistic picture of development of a country or a specific region.

The prerequisite for entrepreneurship was the exchange of food and other resources in the farms. One of the first interpretations of an entrepreneur at the meeting of the World Economic Forum in Davos in 2018 in the expert reports 29 advanced countries and 78 emerging countries were ranked according to the new index. The subdivision of countries into two groups was required due to differences in the definition of poverty level.

The results of the ranking:
1. The first places were taken by the Scandinavian countries. Norway is recognized as the best performing advanced inclusive economy.
2. Since 2016, despite the growth of global economy, the level of social inclusion declined in 20 of the 29 advanced economies, and the level of intergenerational equity fell in 56 of 74 emerging economies. Less than half of the advanced economies have succeeded in reducing poverty, and only eight have achieved a reduction in income inequality.
3. Russia ranked 19th place among emerging countries in the Inclusive Development Index. According to the expert assessment, this is a fairly low level caused by an insufficient assessment of the distribution of existing welfare and resources.

Analysis of scientific and practical literature allows to emphasize the key challenges of inclusive economy development.

One of the most important challenges is economic growth at the expense of the poor. This is due to the fact that this category of the population has to spend all its income on consumption. In Russia, as of 2018, there are 98 dollar billionaires. A fairly high level of social stratification, the decile ratio in incomes (R/P 10%: the ratio of the average income of the richest 10% to the poorest 10%) reaches 16 and higher, which means that the income of the richest 10% exceeds the income of the poorest 10% 16 times. At the same time, in the country there are about 20 million poor people whose income is below the subsistence minimum.

Of course, in a society with developed inclusive economy, every individual must have equal access to the basic services. Entrepreneurship around the world makes a significant contribution to the implementation of this task. In this regard, in the modern world there is an active development of social entrepreneurship, namely, innovative business activities aimed at making profit and achieving social effect.

The main purpose of social entrepreneurship is to solve actual social problems, reduce social tension while maintaining commercial profits [6, 7].

At the heart of formation of the concept “social entrepreneurship”, there are two key components: entrepreneurship and society. Appealing to the etymology of “entrepreneurship”, we can conclude that for the first time this concept appeared in foreign literature in XVIII century.

The prerequisite for entrepreneurship was the exchange process, which was closely connected with the organization of production in the farms. The exchange of food and equipment contributed to the economic growth of individual farms. One of the first interpretations of an entrepreneur at that time was comparison with the owner. So, for example, A. Smith characterized an entrepreneur as an owner who takes risks in order to implement a certain idea and achieve the goal [8]. There is no consensus in the interpretation of this concept in modern scientific circulation. R. Hisrich, an American professor, defined entrepreneurship as “creating something new with value by devoting necessary time and effort, assuming the accompanying financial, psychic and social risks and receiving the resulting rewards of monetary and personal satisfaction of independence” [8]. The definition under study is closely related to human psychology, so it is appropriate to quote the opinion of the English psychologist A. Hosking, who describes individual entrepreneur as “... a person who does business at his own expense, personally manages the business and bears personal responsibility for providing the necessary funds, independently makes decisions” [8].

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French economist J.-B. Say described an entrepreneur as a person who “shifts economic resources out of an area of lower and into an area of higher productivity and greater yield” [9]. Thus, on the basis of the conducted research, it can be concluded that an entrepreneur is a person who possesses a number of personal and business qualities, such as determination, courage, ability to take risks, enthusiasm, responsibility and achievement motivation [10]. This concept has both negative and positive connotations:

- on the one hand, it is the introduction of innovative approaches to the organization of activities into the life of modern society;
- on the other hand, it is a pragmatic approach, the search for personal gain, aimed at making profit.

The study of the definition of the term “entrepreneurship” in the scientific and practical literature is presented in Table 2.

Table 2. Overview of the definition of the term “entrepreneurship”

<table>
<thead>
<tr>
<th>Authors</th>
<th>Definitions of entrepreneurship</th>
<th>Key specifications</th>
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<tbody>
<tr>
<td>H.A. Dzaurov</td>
<td>Entrepreneurship is one of the forms of business activity of the population.</td>
<td>Highlights the social nature of business relationships.</td>
</tr>
<tr>
<td>B.A. Raizberg, L.Sh. Lozovsky, E.B. Starodubtseva</td>
<td>Entrepreneurship is the initiative, independent, carried out on one’s own behalf, at one’s own risk, under one’s property responsibility activity of citizens, individuals and legal entities, aimed at regular income.</td>
<td>Indicates the mechanism of functioning and implementation of entrepreneurial activity.</td>
</tr>
<tr>
<td>A.Ya. Sukharev, V.E. Krutskih, A.Ya. Sukhareva</td>
<td>Entrepreneurship according to the civil legislation of the Russian Federation is an independent business activity carried out at one’s own risk, aimed at systematically obtaining profits from the use of property, selling goods, performing work or rendering services by persons registered in this capacity in accordance with the law.</td>
<td>Focuses on entrepreneurial activities aimed at making profit.</td>
</tr>
<tr>
<td>D. Khaidar</td>
<td>Entrepreneurship is an economic activity aimed at systematically obtaining profits from the production and sale of goods, the provision of services.</td>
<td>Distinguishes continuity and systematic character of business process.</td>
</tr>
</tbody>
</table>

Source: compiled by the authors.

The research showed that a unified, common and generally accepted definition of entrepreneurship does not exist, and its significant differentiation from the economic, political, psychological and other points of view was revealed.

The civil legislation in Russia shall regulate relations between the persons, engaged in business activities or in those performed with their participation, proceeding from the fact that the business activity shall be an independent activity, performed at one's own risk, aimed at systematically deriving a profit from the use of the property, the sale of commodities, the performance of work or the rendering of services by the persons, registered in this capacity in conformity with the law-established procedure [11]. Thus, the term “entrepreneurship” in the meaning “business activities” is used as:

- economic category;
- production factor;
- system of moral and ethical values;
- a model of economic thinking and behavior;
- a tool of social and economic transformations, etc. [12].

Thus, entrepreneurship is one of the actual spheres of modern social life, which has a long history, contributes to the development and functioning of the socio-economic system.

The second component of the concept of social entrepreneurship is “society”, which is derived from the Latin “socium”, which means “common”.

The Big Dictionary of Sociology (in Russian) defines it as follows: “a society is a large stable social community, characterized by the unity of the living conditions in some essential relations and, consequently, by common culture” [13].

In the Explanatory Dictionary of the Russian Language by T.F. Efremova society is defined as a group of people characterized by a common social, economic and cultural life [14]. In a generalized form, this concept is used to designate forms of social collectivity, real or typified communities of people. Thus, entrepreneurship and society in the context of this research are closely interconnected with each other and form such a concept as “social entrepreneurship” (Fig. 1).
2. The awarding of M. Yunus, a social entrepreneur and founder of the Grameen Bank microcredit organization, by the Nobel Peace Prize in 2006, became the bifurcation point and made the public, politicians, academic community look at social entrepreneurship in a new way. This type of activity was considered not only an effective and purposeful way of solving social problems but also a phenomenon capable of causing institutional, social and economic transformations [16].

3. By the end of the 2000s, evolutionary changes in the field of charity and traditional entrepreneurship led to the emergence of a new phenomenon in business activity — social entrepreneurship.

Despite the growing popularity of social entrepreneurship, both in the scientific field and among existing entrepreneurs, terminological uncertainty and methodological, scientific and economic underdevelopment of this problem were identified, which led to the differentiation of definitions of social entrepreneurship, which are presented in Table 3. Table 3. Overview of the definitions of social entrepreneurship in the scientific and practical environment [17].

<table>
<thead>
<tr>
<th>Authors</th>
<th>Definition of Social Entrepreneurship</th>
<th>Key Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>R. Abdikeyev</td>
<td>“Social entrepreneurship is a newly emerged sector of the economy, much is debatable here: social entrepreneurship is attempted to be attributed either to the commercial or non-commercial sphere. We believe that it exists and develops according to its own laws.”</td>
<td>Difficulties of classifying social entrepreneur as the private or public sector of the economy.</td>
</tr>
<tr>
<td>N.P. Vozzhov, A.A. Komissarov, L.V. Shubin</td>
<td>Social entrepreneurship occupies an intermediate position between the spheres of traditional entrepreneurship and philanthropy; it differs from the first one in its goals and focus on social changes, resolution of social problems; and from the second in the commercial nature of the activity (the goals are not achieved through one-time financial injections, but through the organization of business activities).</td>
<td>Intermediate position of social entrepreneurship between charity and traditional business.</td>
</tr>
<tr>
<td>D.B. Starovoytov</td>
<td>“Social entrepreneurship is a term that includes a special kind of initiatives aimed at solving problems arising in social sphere and not solved in the framework of public and state sectors of the economy.”</td>
<td>Social orientation of business.</td>
</tr>
</tbody>
</table>

The Schwab Foundation for Social Entrepreneurship: “Social entrepreneurship is based on values and processes common to social entrepreneurs, in whatever field they operate and regardless of whether they create a for-profit or non-profit organization.” Focus on the moral and ethical component of social entrepreneurship.

Analysis of the information from Table 3 allows us to identify three main scientific and practical approaches to determining the nature and essence of social entrepreneurship:

1. Social approach;
2. Entrepreneurial approach;
3. Innovative approach.

This research made it possible to group the definitions of the concept of “social entrepreneurship” as follows:

- Group 1) entrepreneurship, united to achieve a social goal or solve a social problem;
- Group 2) entrepreneurship, which uses an innovative approach to achieve the desired social effect;
- Group 3) entrepreneurship, which acts as a factor in catalyzing social transformations.

Thus, social entrepreneurship is a special type of entrepreneurial socially-oriented activity based on the principles of economy, self-sufficiency, and innovativeness. In addition, the essence of social entrepreneurship is a combination of resources and creation of an effective economic environment, which allows solving social problems in a market-based way [18]. From the point of view of economic consequences, social entrepreneurship introduces into circulation economic resources that were not previously used, thereby increasing economic efficiency and is a causal outcome of the need to improve the efficiency of solving social problems, which is caused by the growth of social needs of the population.

Exploring the evolutionary path of economic instruments, it can be noted that the emergence of economic knowledge in the field of social business is characterized by a significant time lag [19].

There are three key scientific approaches to the study of the phenomenon of social entrepreneurship [14]:

1. Innovative approach. Innovation in social entrepreneurship plays a key role. In this approach, the achievement of social effect will occur with the mobilization of resources and the use of innovative tools.
2. Social approach. This is an important aspect, but it has a significant disadvantage. Within the framework of this approach, any activity aimed at achieving a social effect relates to social entrepreneurship. Assignment of charity to this type of entrepreneurial activity, help of wealthy people to the poor is a matter of discussion.
3. Catalysis approach. Under this approach, social entrepreneurship acts as a catalyst for social transformations that lead to long-term changes in the social and economic life of society. In this case, social entrepreneurs influence the social context as a whole.

In each of the above approaches, social entrepreneurship is defined through the attitude of people towards business, towards charity and the balance between income and achievement of social effects from business. It should also be noted that specific feature of social entrepreneurship in Russia is that it is not institutionalized. A. Akramovskaya notes that “the reference to it is found in some normative and legal acts, where it is used in relation to two groups of social enterprises. Firstly, to organizations that provide goods, works and services to socially unprotected citizens at reduced prices, and, secondly, to socially-oriented commercial enterprises, which can be classified as socially responsible business, or enterprises of great social importance for region” [20].

IV. DISCUSSION

Today, according to the expert community, several approaches to the practice of social entrepreneurship are found in Russia:

1. Social entrepreneurship as a mechanism promoting economic development of regions and the country as a whole.
2. Social entrepreneurship as a way of social support for certain groups of the population.
3. Social entrepreneurship as an alternative to the state mechanism for solving social problems.
4. Social entrepreneurship as a social business.

The activity of a social entrepreneur in the modern world is influenced by various factors:

1. Regulatory (lack of the necessary legal framework for this activity).
2. Geographical (peculiar features of the region where the enterprise is established and operates).
3. Information (depends on the popularity of the business organization and particular social activities).
4. Financial (related to financing, interaction with authorities, tax payment, etc.).
5. Socio-economic (related to the identification of social needs in a particular country or region).
6. Personal or moral and psychological factors that allow promoting an idea and carrying out a project from the start to implementation into an independent enterprise and many others [21; 22].

In this research it is important to elaborate more on the personal factor that has a direct impact on the activities of a social entrepreneur in the modern conditions of formation and development of inclusive economy.

The term “factor” in different fields and sciences means the cause or moving force of a process. The definition of factor in the field of social entrepreneurship is considered in a similar sense [23].

Within the framework of social psychology and the psychology of human labour, there is a large number of methods for studying various aspects of personality and analyzing existing moral and psychological factors. Many of them are devoted to studying the role of entrepreneur, accumulating resources for creating business structures. Many researchers studied various models of personality of an entrepreneur (R.B. Gitelmacher, A.L. Zhuravlev, D.P. Kaidalov, A.I. Kitov, A.G. Kovalev, B.B. Kossov, B.D. Parygin, V.F. Rubakhin, E.I. Suimenko, L.I. Umansky, A.V. Filippov and others), influence of personal factors of an entrepreneur on effectiveness of management (I.V. Antonenko, A.V. Bartshev, V.V. Boyko, A.G. Kovalev, O.M. Zalenina, L.D. Kudryashova, V.S. Lazarev and others), and socio-psychological orientation (T.Yu. Bazarov) [24; 25; 26]. Taking into account the established scientific approaches, it is possible to define the concept of “personal factor” and identify the system of moral and psychological qualities of an individual that influence the activities of a traditional entrepreneur and a social one.

“Personal factor” is understood as a set of moral and psychological qualities, characteristics, properties, character traits, level of socialization and perception of processes in society. Main qualities for an entrepreneur engaged in a traditional type of business are the following (Fig. 2):

1. Initiative, that is, the ability to promote ideas and willingness to uphold them.
2. Perseverance and persistence are the qualities that help to achieve the desired results.
3. Purposefulness is the ability to achieve goals.
4. Ability to take risks means overcoming fear in the desire to achieve a future result.
5. Systematic planning and observation are the qualities of an entrepreneur developed in the process of socialization, contributing to a clearer and more systematic alignment of all processes in an enterprise.

![Fig. 2. The system of basic moral, psychological, personal, business qualities that influence the activities of a traditional entrepreneur.](image-url)
However, for the organization of a social business, some additional qualities and personal characteristics are necessary, because in addition to generating profit, this type of activity is aimed at solving social problems [27-31]. Figure 3 presents additional qualities that allow an entrepreneur to organize a socially responsible business.

1. Empathy, compassion for other people.
2. Optimism, positive attitude.
3. Altruism, the desire to help other people, without demanding anything in return, without any expectation of reward.
4. Ability and desire to learn new things.

The outlined characteristics are indicated by the fact that social entrepreneurs, as practice shows, are bright individuals with a wide range of moral and business qualities, who are able to understand the challenges of modern society, see the difficulties, find suitable innovative solutions, optimize resources using their potential, kindness and constant desire to help people.

V. CONCLUSION

Practical examples of positive social practices, both in Russia and abroad, make it possible to designate the fact that social entrepreneurs are individuals who aim to make society more harmonious and sustainable by solving actual social problems and satisfying existing social needs. Proper use of the personal factor of a social entrepreneur will make social activities more productive and efficient.

Expected results from the development of social entrepreneurship using the personal factor of a businessman in inclusive economy are the following:

• ensuring the solution or mitigation of social problems, satisfaction of social needs, reduction of social tension;
• achieving the goals of entrepreneurial activity of social business owners;
• linking the benefits of representatives of all stakeholders involved in the development and implementation of social business projects;
• formation of a unified methodological base of assessment and monitoring processes, the results of which are aimed at improving the quality of management and development of social entrepreneurship at the level of the subjects of the Russian Federation;
• development of proper conditions for ensuring the sustainable development of social entrepreneurship subjects;
• creating conditions for economic growth of regional socio-economic systems;
• fostering and maintaining the moral and ethical values of society.

The modern economic sphere actualized the need for development of theoretical and practical discussion about the importance of social business tools and mechanisms, development of inclusive (“involved economy”) aimed at solving or mitigating the social problems and improving the quality of life of the population. Social entrepreneurship in the context of inclusive economy will contribute to harmonization, balancing the socio-economic, political situation of the regions and countries and maintaining a decent moral and spiritual welfare of society.

REFERENCES