

**SUSTAINABILITY AND EFFICIENCY: THE IMPACT OF SOCIAL ENTREPRENEURSHIP ON THE SOCIO-ECONOMIC DEVELOPMENT OF UKRAINE IN THE CONDITIONS OF A FULL-SCALE WAR****Dedilova T.,***Candidate of Science (Economics),**Associate Professor of Kharkiv National Automobile and Highway University***Yurchenko O.,***PhD in Economics,**Associate Professor of Sumy National Agrarian University***Kononenko Y.,***PhD in Economics,**Associate Professor of V. N. Karazin Kharkiv National University***Osypova S.***PhD in Economics,**Associate Professor of National Technical University «Kharkiv Polytechnic Institute»*<https://doi.org/10.5281/zenodo.10723876>**Abstract**

The article is devoted to the research of social entrepreneurship in the context of sustainability and efficiency of Ukrainian business in the conditions of a full-scale war with Russia. The place of social entrepreneurship in the unity of elements of sustainable development is separately determined and directions for the creation and implementation of entrepreneurial projects and sustainable development initiatives in Ukraine for the period up to 2030 are proposed. It characterizes the impact of social entrepreneurship on the socio-economic development of Ukraine as a key tool for reducing social problems and transforming the country on the basis of sustainability.

**Keywords:** social entrepreneurship, sustainability, development, business model, concept.

Social entrepreneurship is proving to be a key factor in the strategy of socio-economic development, forming the basis for a sustainable society and improving the quality of citizen's life. Social enterprises are focused on solving specific social problems, such as unemployment, poverty, education, and healthcare. This helps to improve the well-being of society. By boosting job creation and entrepreneurship, such projects contribute to economic activity at the local and regional levels. Social enterprises can attract support by engaging their target audience. Instead of being profit-driven, social enterprises are designed to create long-term social value for communities and society. The development of effective partnerships with government agencies, NGOs, and other businesses is a key to achieving a profound social impact [1].

In their work "Social Entrepreneurship the contribution of individual entrepreneurs to sustainable development" [2], the authors explore in detail the world of social entrepreneurs, considering them as active participants in the process of creating social value through

innovative business models. Particular attention focuses on the fact that many of these entrepreneurs operate in countries that are in a state of development or lack traditional structures and resources to support classical entrepreneurship. The authors point out that social entrepreneurs are being forced to create new business models and organizational structures, as well as develop unique strategies to achieve social value.

The main idea is that social entrepreneurship can bring not only its own challenges, but can also bring new ideas that broaden the understanding of traditional entrepreneurs and expand the arsenal of tools. The paper also emphasizes the triune dynamics in which the main actors – government agencies, NGOs and international organizations (IOs), business structures with their CSR and personalities – interact to achieve sustainable development (Fig. 1). And it is in the area of social entrepreneurship that the creation of a public good capable of ensuring sustainable development, based on its basic foundations and principles, takes place.

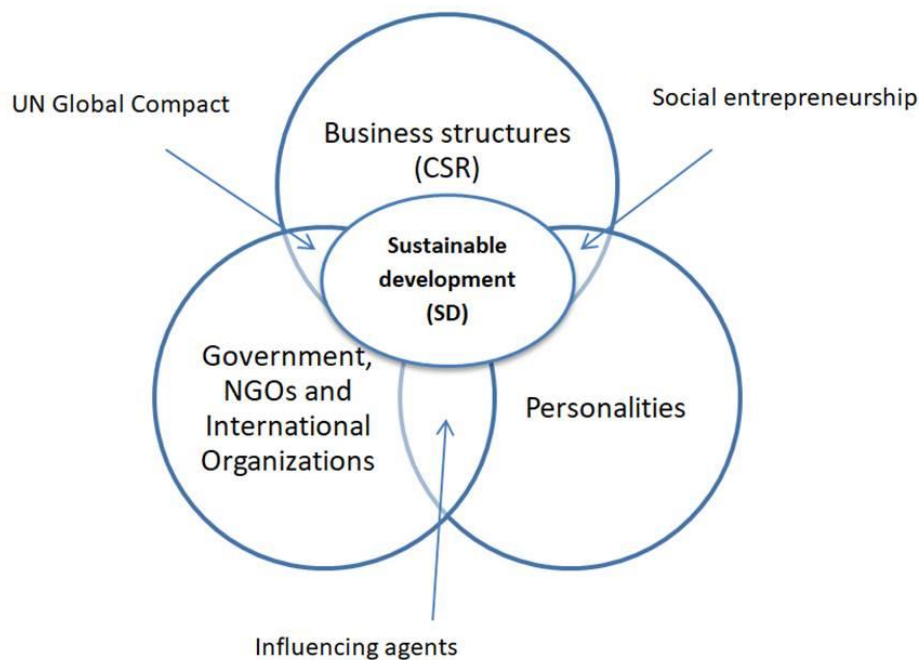


Figure 1. The place of social entrepreneurship in the unity of sustainable development elements  
Source: developed by the authors based on [3]

Consequently, social enterprises are mostly implementing innovative solutions and business models to achieve their social goals. Consumers and partners are increasingly focusing on socially responsible brands. In this context, social entrepreneurship can be inclusive, involving people from vulnerable groups in the economic process and supporting their autonomy.

Social enterprises provide a balance between achieving profit and solving social problems, which is important for sustainable development. The example of many leading EU countries is in favor of implementing an entrepreneurial business model based on social significance.

For example, they implement an active social component in their business:

- “Tony's Chocolonely” (Netherlands) – the chocolate company focuses on the fight for fair and ethical cocoa production, working to ensure fair conditions for employees in the countries where it is grown;
- “Fairphone” (Netherlands) – creates smartphones based on the use of environmentally friendly materials in its production. The company strives to create devices that are not only functional but also environmentally friendly;
- “Too Good To Go” (Denmark) – offers a mobile application that allows restaurants and cafes to sell leftovers at a significantly reduced price before closing, instead of throwing them away;
- “Social Bite” (Scotland) – a social enterprise in the catering and coffee industry that helps homeless and vulnerable groups by providing jobs and charitable donations;
- “The Big Issue” (UK) – an organization that supports homeless people by providing them with the opportunity to sell magazines to earn a living;
- “Fairtrade International” (Switzerland) – promotes fair trade conditions for agricultural producers.

Fairtrade certification helps ensure adequate payment to farmers and supports the sustainability of the industry;

- “Novamont” (Italy) – works in the field of biorefineries and develops bioplastics based on renewable resources. The company aims to create a sustainable future and minimize environmental impact;
- “The Eden Project” (UK) is an ecological park created as a social project to raise environmental awareness, which organically combines entertainment, education, and environmental research.

In recent years, Ukraine has been actively developing its social enterprise infrastructure. New incubators, accelerators, and support for social entrepreneurs are emerging. It is becoming an increasingly important tool for achieving strategic social and economic goals, making the world a better place for everyone. The Government of Ukraine recognizes the importance of social entrepreneurship as a tool for solving social problems by creating programs and initiatives targeted at supporting social entrepreneurs. Social enterprises in Ukraine are active in various sectors, such as social services, education, healthcare, environment, tourism, etc. They are an object of interest for investors, which, in turn, help generate new projects and support existing ones.

Ukraine is already actively developing and implementing sustainable development projects in various industries (Fig. 2), but the current challenges caused by the war are pushing entrepreneurs to find new ways to address pressing sustainability issues. In particular, many projects are aimed at installing solar power plants to generate clean energy and reduce dependence on coal and gas resources. Such energy consumption projects aimed at improving energy efficiency are an important aspect of sustainable development. They reduce costs and dependence on unstable energy sources.

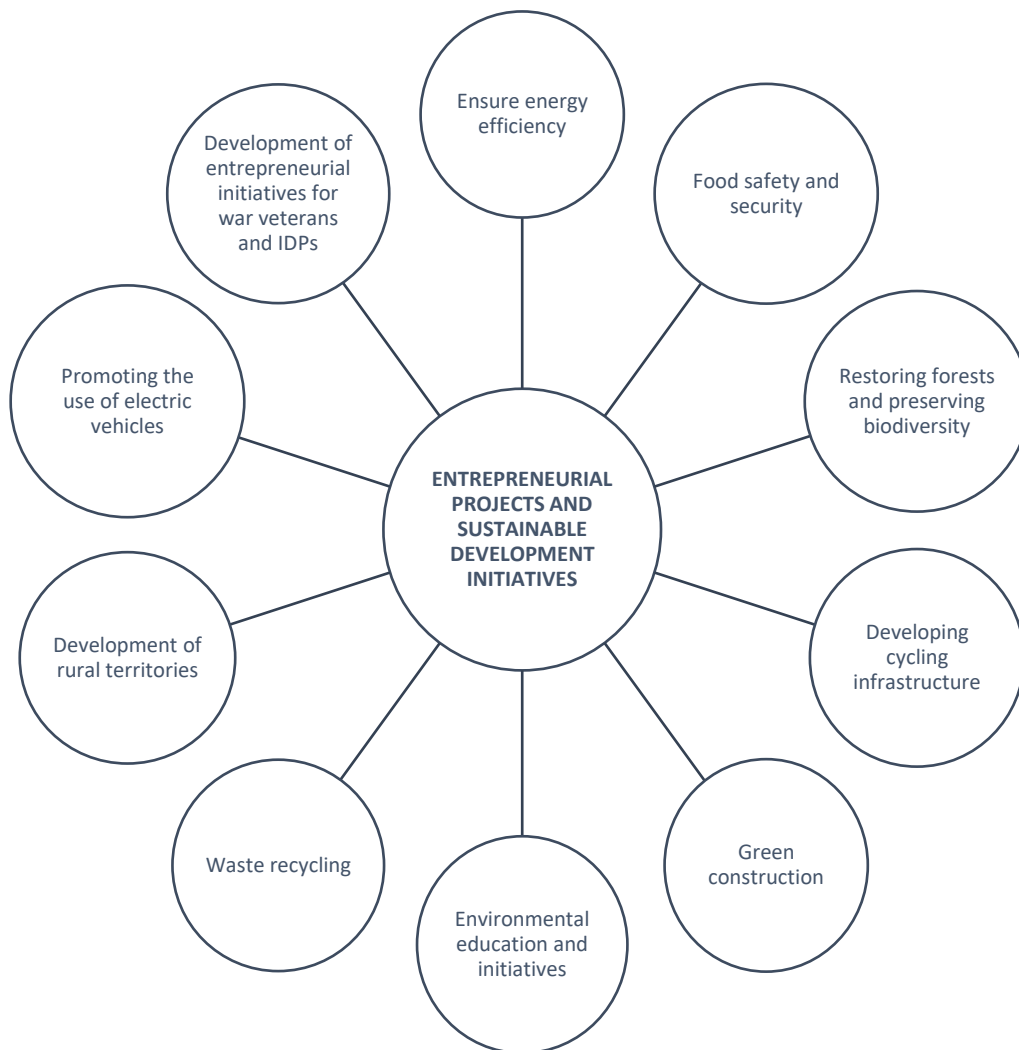


Figure 2. Directions for the creation and implementation of entrepreneurial projects and sustainable development initiatives in Ukraine for the period up to 2030

Source: developed by the authors based on [4-7]

Many projects are also dedicated to assessing the scale of damage and needs of Ukraine as a result of the war, in particular, they have been launched in the agro-industrial complex, telecommunications and medical infrastructure, energy, optimization of humanitarian aid to de-occupied settlements, digital community development, post-war urban reconstruction, and support for civil society organizations.

In Ukraine, such examples include:

- “Stories from Ukraine” is a social project that offers jobs to ATO zone participants and other people with disabilities. “Stories from Ukraine” produces and sells environmentally friendly products, providing the project participants with the means for a decent living;
- “The Macbeth” coffee shop chain adds social value to its operations by providing employment opportunities for homeless and unemployed youth;
- “Readdle” develops popular document management and other applications. Part of its profits are used to develop education in Ukraine by promoting education and technology initiatives;
- Social project “Yabloko” creates conditions for employment of homeless and socially vulnerable

categories through the production and sale of newspapers;

- “One Day Shop” sells goods made by people with disabilities. The project supports self-employment and social adaptation of people with disabilities, etc.

In general, all of these examples demonstrate how social enterprises in the EU are actively implementing the concepts of equity, ecology, and social development in their activities.

Summarizing the existing approaches in Ukraine, there are three key groups of criteria that can be used to determine whether a business is a social enterprise [8, 9]:

1) a profit allocation for social purposes: a share of profits determined by the relevant agreement is directed to support public organizations, charitable foundations or the implementation of social projects. This approach is determined by the company's high social responsibility;

2) an integration of vulnerable groups in the labor market: a certain percentage of employees at the enterprise belong to vulnerable groups, such as people with disabilities, internally displaced persons, veterans, sin-

gle mothers, etc. Providing them with employment opportunities is an important social aspect of the company's activities;

3) a creation of social value through products or services: the company's products or services have a distinct social value that can be measured. This may be an anti-corruption activity or production that has a positive impact on the environment. This approach demonstrates the company's commitment to promoting social progress and environmental sustainability.

Within the context of Ukrainian scholarship, the authors of [10] note that the varied interpretations of social entrepreneurship. Key facets, such as catalyzing positive social transformations, fostering societal values, and employing commercial strategies to address communal challenges, emerge as focal points in defining this dynamic phenomenon.

In summation, social entrepreneurship in our nation exhibits a burgeoning trend across diverse economic spheres. The ongoing quest for scholarly inquiry is imperative to comprehensively delineate its contours within the realm of management.

Consequently, in a situation of difficult economic condition and full-scale war in Ukraine, social entrepreneurship is proving to be a key tool for mitigating social problems and solving them quickly. The work of social enterprises is aimed at solving the problems of people in difficult life situations, including their employment and social adaptation. This makes social entrepreneurship an important factor in the recovery and economic growth of our country. Capable of solving problems that remain beyond the reach of the commercial, private, and public sectors of the economy, social entrepreneurship is becoming a key component of society's development.

Even in the context of difficult challenges and the functioning of institutions and organizations under martial law in Ukraine, specific measures are being taken to provide financial, organizational, and informational support to domestic social entrepreneurship. Support is being provided by both the state and domestic and international organizations, creating capacity for further development of social entrepreneurship in Ukraine.

By promoting the development of social entrepreneurship in Ukraine, Ukrainians are stepping into an uncertain future where the instability of the economic and political situation, as well as the military conflict with Russia, create challenges, but also open up opportunities for the transformation of the country. Intensification of socio-economic and political decisions, as well as the inclusion of support for social entrepreneurship in Ukraine's post-war development strategy, are key to overcoming challenges and restoring stability. The current situation is pushing the country's citizens to use social entrepreneurship as an important vector of socio-economic reforms. This trend is being discussed at various forums, seminars and symposia, attracting the attention of representatives of NGOs, initiative groups and active citizens. It is important to understand that social entrepreneurship is not only capable of creating social value, but also a catalyst for change in the

development of entrepreneurship and contributes to solving social problems.

Ukraine has the potential to become a leader in the development of social entrepreneurship, and this is possible if innovative approaches are actively implemented in legislation and an enabling environment for the development of social startups is created. By continuing to support and popularize social entrepreneurship, it is necessary to create a platform for sustainable development, improving the quality of life and shaping the country's positive image in the world.

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