

ALEKSANDRAS STULGINSKIS UNIVERSITY
BUSINESS AND RURAL DEVELOPMENT MANAGEMENT INSTITUTE

**PROGNOSTICATION AND PLANNING
OF ECONOMIC DEVELOPMENT:
MICROECONOMIC
AND MACROECONOMIC LEVELS**

Volume 2

**Multi-authored monograph
edited by J. Žukovskis, K. Shaposhnykov**

Kaunas, Lithuania
2019

UDC 340.34+338.2
P93

*Recommended for publication
by the Academic Council of Aleksandras Stulginskis University*

*Recommended for publication
by the Academic Council of SSI "Institute for the Education Content Modernization"
of the Ministry of Education and Science of Ukraine (Minutes No. 10 on 18.12.2019)*

Reviewers:

Paweł Dziekański – Doctor of Economic Sciences, Jan Kochanowski University in Kielce, Poland.

Natia Gogolauri – Professor, Dr. of Economics, Head of Quality Assurance, New Higher Education Institute (NEWUNI), Georgia.

Editorial Board of the multi-authored monograph:

Jan Žukovskis – Associate Professor, Dr. of Economics, Head of Business and Rural Development Management Institute, Aleksandras Stulginskis University, Kaunas, Lithuania.

Andrzej Pawlik – Dr. hab., Professor Head of the Institute for Entrepreneurship and Innovation, State University of Jan Kochanowski, Poland.

Olga Chwiej – Associate Professor, Dr. of Economics, freelancer scientist, Poland.

Kostiantyn Shaposhnykov – Professor, Dr. of Economics, Head of Black Sea Research Institute of Economy and Innovation, Ukraine.

Vilma Atkociuniene – Professor, Dr. of Economics, Business and Rural Development Management Institute, Aleksandras Stulginskis University, Kaunas, Lithuania.

Martina Diesener – Professor, Dr. of Economics, Faculty of Economics and Management Science, Leipzig University, Germany.

Hélder Ferreira Vasconcelos – Professor, Dr. of Economics, NOVA School of Business and Economics, Lisbon, Portugal.

Xavier Martinez-Giralt – Professor, Ph.D, Dr of Economy, Dean at Departament d'Economia i d'Història Econòmica at the Universitat Autònoma de Barcelona, Spaine.

Yuriy Safonov – Doctor of Economics, Professor, Deputy Director of the State Scientific Institution "Institute for the Modernization of the Content of Education".

The authors of articles usually express their own opinion, which is not always comply with the editorial Board's opinion. The content of the articles is the responsibility of their authors.

Prognostication and planning of economic development: microeconomic and macroeconomic levels. – Multi-authored monograph. – Vol. 2. – Lithuania: Publishing House "Baltija Publishing", 2019. – 408 p.

CONTENTS

3. BUSINESS MANAGEMENT: PLANNING AND FORECASTING

Нryvkivska O. V., Obydenko H. O. FORECASTING THE LEVEL OF FINANCIAL COMPONENTS OF ECONOMIC SECURITY OF AGRICULTURAL ENTERPRISES.....	415
Gryshchenko O. F., Melnyk Yu. M., Rybalka S. CRM-SYSTEMS AS AN INNOVATIVE INSTRUMENT OF DEVELOPMENT OF COMMERCIAL ORGANIZATIONS IN THE VARIABLE CONDITIONS OF THE BUSINESS ENVIRONMENT	431
Данілова Е. І. СИСТЕМА ЕКОНОМІЧНОЇ БЕЗПЕКИ ДІЯЛЬНОСТІ ПІДПРИЄМСТВА: МОРФОЛОГІЧНИЙ ТА ФУНКЦІОНАЛЬНИЙ ОПИС	444
Derenska Ya. M. PORTFOLIO AND PROJECT MANAGEMENT SYSTEM PLANNING	464
Долга Г. В. УПРАВЛІННЯ БІЗНЕС-ПРОЦЕСАМИ ЯК ЗАПОРУКА УСПІШНОГО РОЗВИТКУ ПІДПРИЄМСТВА.....	483
Diuk A. A. ORGANIZATIONAL AND FUNCTIONAL CHARACTERISTICS OF THE ROLE OF SOCIAL ENTREPRENEURSHIP IN ECONOMY	499
Zbarsky V. K., Hrybova D. V., Verkhovod I. S. LEVEL OF WAGE AND PROFITABILITY OF ECONOMIC ACTIVITY IN THE UKRAINIAN ECONOMY: RESEARCH BY SECTORS OF THE ECONOMY AND SIZE OF ENTERPRISES	514
Згурська О. М., Сьомкіна Т. В., Лобань О. О. КОНЦЕПТУАЛЬНІ АСПЕКТИ ФОРМУВАННЯ СИСТЕМИ ІННОВАЦІЙНИХ СТРАТЕГІЙ ДИВЕРСИФІКАЦІЇ АГРОПРОМИСЛОВИХ ПІДПРИЄМСТВ.....	531
Irtysheva I. O., Tubaltseva N. P., Hryshyna N. V. SMALL BUSINESS DEVELOPMENT: CURRENT STATUS, FEATURES OF PLANNING AND MANAGEMENT	546
Leontieva V. I. FORMATION OF INTERNAL CONTROL OF TAX RISKS IN THE MANAGEMENT SYSTEM	561
Лукин В. А. КОНЦЕПТУАЛЬНАЯ ОСНОВА ФИНАНСОВОЙ ОТЧЕТНОСТИ ДЛЯ УКРАИНЫ.....	573
Малишко Є. О., Чернишов В. В. ШЛЯХИ ПІДВИЩЕННЯ ІНВЕСТИЦІЙНОГО ПОТЕНЦІАЛУ СУБ'ЄКТІВ ГОСПОДАРЮВАННЯ	591
Матюха М. М. УПРОВАДЖЕННЯ ІНФОРМАЦІЙНИХ ТЕХНОЛОГІЙ КОНТРОЛІНГУ ДЛЯ ЗАБЕЗПЕЧЕННЯ ПРИЙНЯТТЯ УПРАВЛІНСЬКИХ РІШЕНЬ	605
Moskalenko V. O. NEW APPROACHES TO BUSINESS IN CONTEXT OF CONTEMPORARY GLOBAL ECONOMIC TRENDS	620

6. Елиферов В.Г., Репин В.В. Бизнес-процессы: регламентация и управление. М. : ИНФРА-М, 2006. 318 с.

7. Родионова Л.Н., Абдуллина Л.Р. Устойчивое развитие промышленных предприятий: термины и определения. *Нефтегазовое дело*. 2007. № 1. URL : http://ogbus.ru/authors/Rodionova/Rodionova_5.pdf.

8. Репин В.В., Елиферов В.Г. Процессный подход к управлению. Моделирование бизнес-процессов. Москва : Стандарты и качество, 2004. 408 с.

9. Харрингтон Дж., Эсселинг К.С. Оптимизация бизнес-процессов: документирование, анализ, управление, оптимизация. Санкт-Петербург : Азбука, БМикро, 2003. 317 с.

10. Левикін В., Хворостініна О. Стратегічне управління бізнес-процесами підприємства. *Всеукраїнська науково-практична конференція молодих учених і студентів «Молодь у світі сучасних технологій»*. С. 53–60.

Diuk A. A.

*Candidate of Economic Sciences,
Senior Lecturer at the Department of Economics
Vinnytsia National Agrarian University*

ORGANIZATIONAL AND FUNCTIONAL CHARACTERISTICS OF THE ROLE OF SOCIAL ENTREPRENEURSHIP IN ECONOMY

Summary

The theoretical and methodological principles of understanding of organizational and functional characteristics of social entrepreneurship in accordance with its role and importance in the modern economy are substantiated. The factors of evaluation of its importance as a fundamental factor in promoting social development of society, economy and economic structures in the framework of the implementation of the model of effective social security are determined. The theoretical content of the category of social entrepreneurship as derived from the classical model of entrepreneurial activity by goals and factors of development is determined. Organizational and economic differences in the development and functioning of social entrepreneurship by basic organizational and legal forms have been established. Characteristics have been systematized and common features of identification of organizational and functional characteristics of business structures in accordance with the criteria of social activity have been separated.

Introduction

The dynamism of the modern world is directly related to the search for competitive, effective ways of organizing human needs in the conditions of limited resources. Entrepreneurship as a socio-economic phenomenon is and

remains the most common contributing factor. Nowadays, the activity of the entrepreneur requires rational planning, functional organizations, as well as statuses that will contribute to the development of the economy, including the social model. That is, entrepreneurship in general is important not only for the sake of profit, but also as a way of creating entrepreneurial models to cover new areas, such as the social field. We consider the scientific study of the social aspect of entrepreneurship insufficient, especially in the aspect of revealing the organizational and functional characteristics of the role of social entrepreneurship in the economy.

We believe that the social entrepreneurship plays a phenomenal role in the life of a modern man in society, as well as in the economy. Functionally, this role is to entrepreneurially assist in solving social problems, but organizationally it requires a separate approach to the creation of specialized structures. Thus, in particular from a managerial point of view, it is necessary to talk about the type of entrepreneurship with specific organizational and functional characteristics of the role in the economy.

The classics of entrepreneurial theory say that entrepreneurship, as a special type of business, is aimed at making a profit. Entrepreneurs act in the conditions of competition and on the basis of risk, and their activity requires the presence of entrepreneurial talent [1; 2; 4]. The social role of entrepreneurship, which precedes the emergence of social entrepreneurship as a derivative, provides solutions to social problems in society. The importance of social entrepreneurship for the development of the modern economy is not in doubt, especially the tendency of socialization in the countries-leaders in the level of welfare, which build a social state on a market basis.

The social role of entrepreneurship in the classical definition, directly related, comes from: the economic result of business is the concept of J. Schumpeter [1]; effective organization, coordination of people's relations in the production system, is from management of T. Veblen's vision [3]; organizational support for low-cost economic development is L. Romanov's conclusion [5]; institutional factors, motivations for finding the most rational ways of meeting the needs of a person are the position of Yu. Lupenko, M. Malik [6; 7] and other researchers [8; 9; 10; 11; 23], on substantiation of the principles of market development and creation of entrepreneurial formations. From the managerial point of view, entrepreneurial activity combines economic and social characteristics of its importance, but this activity directly leads to social results. This practice is increasingly gaining insight into the construction of the social model and, as some domestic authors of sectoral research believe [12], is the result of the formation of quality social capital.

Part 1. Organizational and functional characteristics of the role of social entrepreneurship

Before proceeding directly to the definition of organizational and functional characteristics of the role of social entrepreneurship in the economy, let us

introduce our author's understanding of this phenomenon, namely: social entrepreneurship is a product of the evolution of the processes of interaction of productive forces and industrial relations, criteria for organizing the coexistence of the state, society, and behavior of a human within the framework of society.

We believe that the organizational and functional characteristics of the role of social entrepreneurship should be considered in accordance with the criteria of the social economy. Firstly, let us outline a vision of the functional characteristics of this line of business.

The social entrepreneurial function characterizes the role, orientation of the business entity to fulfill its social mission, implementation of entrepreneurial initiatives on a social basis. In its purest form, social entrepreneurship is a non-profit, altruistic activity, but the profitability for reinvestment in this business is not excluded. That is, the role and functional characteristics of social entrepreneurship are determined by its purpose, a mission that is implemented on a non-profit, volunteer basis, which is guided by the management of organizing social enterprises, planning activities [13]. The social sector of entrepreneurship is developing in the construction of the social economy, which by definition of the content of the concept (Table 1) implies the immediate presence of such enterprises.

The essence of the conceptual apparatus of the social economy can be judged on the content of the category of social entrepreneurship. That directly corresponds to the principles of formation of its functional characteristics, that is, the purpose (Table 1), as well as organizational is in the form of organization of social enterprises.

An important criterion for determining the functional characteristics of social entrepreneurship is the level of social importance of the organization for society, social orientation. Social enterprises fulfill the mission of ensuring the social efficiency of business, and this efficiency is much more important to society than economic and more difficult to achieve. Versatile representations of opinions on the sociality of economic activity, entrepreneurship are formulated in the works of A. Smith [16], J. Schumpeter [1], M. Tugan-Baranovsky [17], G. Ford [18]. This gives us reason to state the true importance of social entrepreneurship clearly. Methodical recognition of its functional, organizational qualification characteristics as an innovative factor in the development of modern society is still based on the definitions of the classical theory of entrepreneurship, social development and social economy. Social classic enterprise, entrepreneurship, expressed and methodically approved by the results of assessments that correspond to the created socially significant product, and social significance means social efficiency, social responsibility.

Theoretical and methodological basis for determining the functional characteristics of social entrepreneurship as an innovation model is set out in the study of J. Schumpeter [1]. He noted the innovativeness of

entrepreneurship as a special kind of a human activity in principle, arising from its special nature, because: "... to be an entrepreneur means to embody new combinations, the entrepreneur does not have to be constantly associated with an individual company"; many "financiers", "grunders", etc., do not have this connection, but they can be entrepreneurs in our understanding [1, p. 82–83]. Similar is the function of social entrepreneurship, which is characterized by "new combinations", innovation even more than traditional manufacturing.

Table 1

Theoretical content of understanding of the social economy in determining the functional characteristics of social entrepreneurship

Social economy as a system of forming knowledge about social entrepreneurship	
Contents of the definition of "social economy"	Characteristics of the concept of "social entrepreneurship"
"The social economy is a system of socio-economic relations based on diversity of ownership, freedom of enterprise, healthy competition in the context of strong social policy, which ensures a decent standard of living for the population and guarantees its social protection on the basis of a high level of economic development" [14].	Social protection of the population, favorable social policy of the state in terms of supporting socially efficient business, socially oriented actions of the entrepreneur
"The social economy is the totality of socio-economic relations between people that arise in the process of production, distribution, exchange and consumption of material goods and services with limited resources" [15].	Innovative nature of activity

Systematized and generalized on the basis of the processed literature

The well-known Ukrainian economist M. Tugan-Baranovsky [17] approached the definition of the functional characteristics of social entrepreneurship [17], because of the "division of the people's income in the capitalist economy" [17, p. 141-167]; considered the distribution of income in the capitalist economy for the purpose of assessing the fair level of wages: a relation to the criterion of social responsibility as a characteristic of social entrepreneurship.

Estimates of the social component of entrepreneurship, made by G. Ford [18], which in addition to caring for the expansion of production purposefully provided optimal satisfaction of social needs of workers to form an effective model of motivation to work. But he quite rightly noted that

charity, which by definition is one of the variants of social entrepreneurship, necessarily has a limit.

The socialization of business, which has been going on for many centuries, ensured the transformation of capitalist entrepreneurship into a socially oriented one, and parallel structures of a purely social nature emerged, thus, forming a social economy. Businesses are directly involved in the socialization of the economic system, providing the public with additional opportunities to move towards the implementation of the sustainable development model. That is, social entrepreneurship can functionally be considered a product of such socialization. It directly depends on the level of economic well-being of the state, the model of organization of society.

Forming the preliminary result, we distinguish the features of social entrepreneurship as a function, as well as an independent sphere of activity, among them there are the following: social orientation of action; performing creative (innovative) socially significant roles to address the problems of insolvent subjects and problems of common social importance; development of sectors and spheres of the economic activity that are of general social importance, by their presence contribute to sustainable development; non-profit status of social entrepreneurship; the use of social innovation.

These are the basic definitions of determining the functional characteristics of social entrepreneurship, but derived from the statuses of classical entrepreneurship (Fig. 1).

Entrepreneurship is a business activity in a specific, risk-based, innovation-driven, and profit-making industry	
<i>Definitions of signs of "sociality" of business and enterprise</i>	
social activity of the enterprise	social costs of production
social function of the enterprise	social efficiency of management
corporate social responsibility	social efficiency of the enterprise
enterprise of social specialization (provision of social services)	
Social entrepreneurship is a non-profit-making economic activity aimed at solving socially significant problems in a competitive market with innovation and creative management	
A social enterprise is a structure of a statutory organizational form that fulfills a mission to implement social entrepreneurship	

Fig. 1. Methodological relation of definitions of disclosure of functional characteristics of social entrepreneurship

Developed by the author based on the research

The basics of understanding the functional characteristics of social entrepreneurship are based on the following criteria:

1) social activity of the enterprise includes measures of a social nature for the purpose of improvement of social and household services of the

population, creation of comfortable working conditions of employees, organization of rest, financing of social projects;

2) social costs of production are the costs of a social nature that are included in the cost of production;

3) social responsibility of the enterprise is the status relation to the problems of the society, which need to be solved at the expense of additional costs;

4) social efficiency of economy is the quality of activities and costs that affect the satisfaction of social standards of life of employees of the enterprise;

5) social efficiency of the enterprise is the performance of the enterprise to fulfill its direct statutory functions, that is, the quality of the activity, which is shifting from the production to the social component;

6) social function of the enterprise is the activity in the production of goods and services, carried out as an objective need to create products to meet standards of living;

7) social specialization of the enterprise provides social services that can ensure income, etc., that is, such enterprise also performs a production function that we consider to be intermediate.

Also, social entrepreneurship means a form of organizing social activity on the basis and criteria of classical entrepreneurship, in particular with regard to risk, and most importantly, innovation. Innovation is one of the main criteria for social entrepreneurship, according to which social enterprises function as organizations formed in legal forms. Social entrepreneurship is essentially a function, an economic sector. Social entrepreneurship, or better social activity, accordingly, is carried out not only by a social enterprise, but by any other. That is, for the social is the sphere of its work, and for the classical is a separate, additional direction.

It is necessary to distinguish between the concept of social function of entrepreneurship and function of social entrepreneurship methodically. The social function of entrepreneurship, enterprise, is realized through the satisfaction of consumers' needs with manufactured goods, services rendered; the functions of social entrepreneurship correspond to the direction of activity, role statutory characteristics of types of social activity.

The motivations in these subjects are different. Social entrepreneurship is referred to as the non-productive sphere, because social entrepreneurship is the practice of creating and applying innovations to provide conditions for improving the lives of people in the world, meeting their needs, especially those who are unable to do so by their direct work. The decisive motive of a social entrepreneur is to achieve social utility, to ensure the effective development of the social economy to promote a decent standard of living for people, to involve incapable members of society in productive work, to participate in social processes. It is not necessary to confuse social entrepreneurship with social responsibility, social activity of the enterprise, however: social responsibility of business is one of the leading concepts in the interpretation of the main purpose of activity of enterprises, first of all large

firms and companies [19, p. 338]; the maximum appropriation of profit ceases to be the main purpose of the enterprise, and the determining is the satisfaction of social needs and interests of all segments of the population [19, p. 338]. The intermediate result of our study is the following: social entrepreneurship is the direct activity of social organizations (enterprises), as well as the fulfillment of the social function of manufacturing enterprises, but specifically within the criteria of understanding social business, that is, separate directions can be considered. For example, the activity of a manufacturing company to finance social projects, the implementation of social investments, which is motivated and based on the results obtained from manufacturing activities, etc.

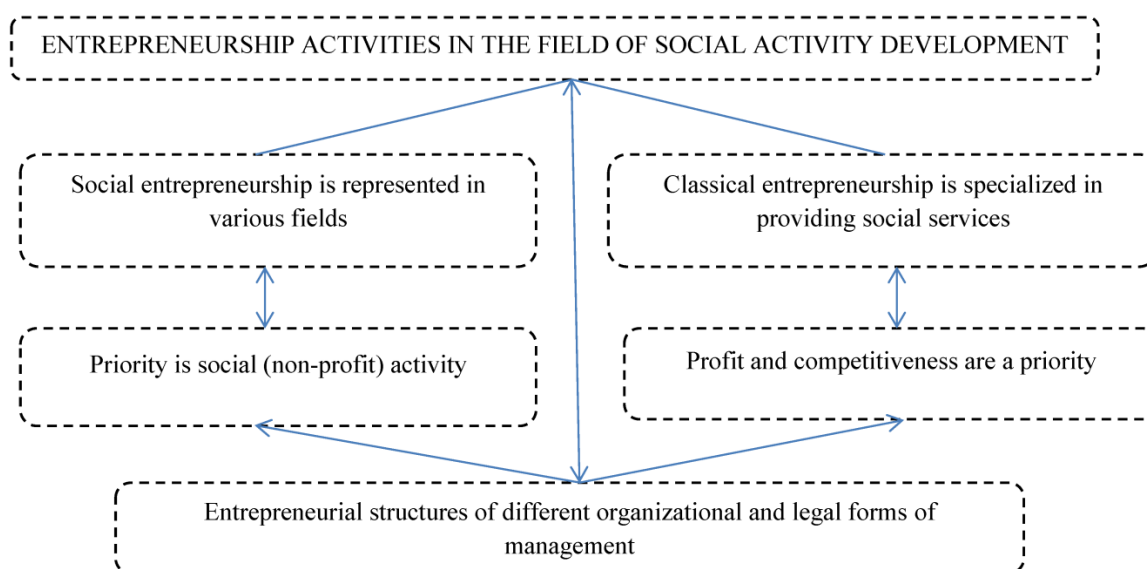


Fig. 2. Functional roles of social entrepreneurship in economy and society

Identified by the author on the basis of methodological generalizations

Thus, social entrepreneurship and social enterprise by its essential features should be treated respectively as an activity (function) and as an organization (the entity performing this function). The connection between them is obvious, both phenomena are interdependent, because social entrepreneurs, enterprises play roles from social entrepreneurship, addressing social needs of society on an entrepreneurial basis. That is, with inherent signs of risk, innovation, competition, finding a balance between social benefits and economic costs. The basis, as noted in the previous section, is profitability as a sign of the nature of activities to perform socially significant functions. Social entrepreneurship becomes a decisive factor in ensuring that social problems are solved by entrepreneurial methods when the state transfers part of its functions to social enterprises. The social state-building society places great emphasis on the ability of the social entrepreneur to carry on economic activities, the results of which provide benefits not in the form of profit, but

aimed at producing the social products: services. The activity of finding innovative approaches to solving social problems is a social enterprise carried out by social organizations (enterprises), which also bear social responsibility.

Methodological assessments of the functional characteristics of social entrepreneurship give us the reason to believe that it is one of the main factors in the formation and development of the social economy. It is safe to say that the vast majority of business entities play the roles of social enterprises. If we consider the mission of social entrepreneurship globally, it is to fulfill the tasks of shaping the social economy of the state, as well as the introduction of the mission of sustainable development.

Part 2. Organizational characteristics of social entrepreneurship

We note the importance of organizational characteristics of social entrepreneurship, which do not affect the functional, i.e. the purpose of social enterprises, but they must be taken into account. That is what will be discussed next.

Social entrepreneurship is mostly represented in the state-sensitive and societal spheres. For example, agribusiness can be characterized by enterprises that produce social food, sell it at special trading venues at social prices, with the support of the state, philanthropists. Structurally, the classification of social enterprises or the socially-oriented ones by basic standards of formation, such as an agricultural cooperative, can be carried out by specialization, organizational forms, sectoral purpose, etc.

The legal form is, after all, a model of the enterprise defined by the legal framework of relations between the founders, owners and other participants in the formation. Organizational forms of structures in social entrepreneurship are determined by law. For the most part, legislative acts refer to the statuses of social entrepreneurship, which subjects may engage in statutory, non-profit-making activities only for social reasons. Thus, in the general understanding of the issue, it will not be mistaken for non-profit organizations, regardless of their legal form, to qualify as social enterprises, because they fulfill a social mission.

For example, in the developed countries, the social entrepreneurship is presented as a type of activity, the organizational and legal forms of social enterprises have been formed, the legislators have adopted the norms, so we must pay attention to the experience and traditions of creating social enterprises. The social entrepreneurship is a social institute that receives opportunities for becoming influenced by factors of political, economic and social nature, which include, in particular, organizational legal forms of enterprises. Social enterprises in any form are social organizations that carry out a social mission. According to the definition of sociological science, social organization in the form of structure can be defined as “a social community formed to achieve certain goals on the basis of formalization of internal structure” [20, p. 261].

The basic determinant of the methodological characteristics of understanding the form of social entrepreneurship is the category of the

“organizational form of enterprise”, which is classically interpreted as “a form of association of people for joint activities within a certain structure” [19, p. 26], but in practice it is realized in the status of: sole proprietorship (the property belongs to one person, which carries out sole control, bears personal responsibility for the obligations of the enterprise, withholding all profit); partnerships (two or more persons combine their property to become co-owners of an established enterprise, jointly manage their business activities, jointly distribute the profits received and bear joint and several liability for the liabilities); corporations (a joint-stock company, the founders of which form equity through a mechanism for issuing and selling shares, and co-owners are of limited liability) [19, p. 26]. Directly in the economic practice, the organizational forms of enterprises are transformed into organizational and legal forms as “interlocking of relevant forms of association of people for joint activity within a certain structure with the legislative consolidation of these forms” [19, p. 28]. For example, a specific set of legal forms in Ukraine, enshrined in law, includes: all types of enterprises, as well as: cooperatives, leasing enterprises, consumer associations, business associations, associations, corporations, consortia, concerns, subsidiaries, tenant organizations, buyer organizations, political parties, non-governmental organizations, religious organizations, branches, representative offices, as well as organizations, institutions, institutions that do not engage in entrepreneurship Other activities [19, p. 28]. Organizational forms of entrepreneurship and enterprises determine the ways, mechanisms and structural models within which enterprises acquire the status of an entity with certain rights, obligations and responsibilities. This applies to both traditional and social entrepreneurship.

By proposing to use organizational and legal forms in the development of models of social entrepreneurship in practice, the state implements the chosen structural policy to improve social security by delegating this function to entrepreneurs. Thus, the use of factors of social partnership, entrepreneurial and civic solidarity, mutual assistance for socialization of the economic system, which is a decisive priority of social policy in the modern world. Social mission can also be performed by informal organizations, which activities are not regulated by law and which operate outside the legal field. The use of organizational and organizational-legal form to formalize the implementation of entrepreneurial activity allows to act in the legal field, to distribute the economic and social responsibility of participants of such an entity effectively, to claim legal protection of rights, freedoms, in this case, a social enterprise.

The state and its authorized bodies may also set up social enterprises in the form of the state-owned enterprises, which carry out the mission of implementing state social policy measures on a non-profit basis.

Social enterprises of certain legislative and organizational forms build the infrastructure of the market of social activity, on which the exchange takes place and the relations of social character are structured. For social enterprises,

the partnership is most appropriate because it fulfills the social mission of acquiring the necessary resources, rights and responsibilities, and building relationships with government bodies more easily than partnering organizations.

In Ukraine, there is still no law of direct action that would regulate the development of social entrepreneurship, so the implementation of the entrepreneurial model and the choice of the legal form of social enterprise are carried out in accordance with the current legislation. Accordingly, social enterprises can be created and operate in any form permitted by the legislation on entrepreneurship. The group of researchers who authored one of the first Ukrainian textbooks on social entrepreneurship [9] considered the most appropriate organizational forms for the creation of such enterprises: individual (sole) enterprise; full and limited partnership, association, foundation, corporation, limited liability company, cooperative [9, p. 142 – 147]; we are more inclined to believe that partnership is a priority organizational form, since it has greater opportunities to socialize social activities, such as a cooperative, a system of partnerships of participants with their direct involvement in the provision of social services. It should be noted that the cooperative can be considered perhaps the first organizational form of social entrepreneurship known to mankind, this type of structure meets the criterion of sociality in accordance with the principles of cooperation, a mechanism of socialization of functions. In general, the cooperative form of organization for solving social problems has been used by mankind since the 17th century and as an organizational and legal model of the enterprise showed its efficiency, ability and versatility. The principles of cooperation became the basis for norm creation, development of approaches, ideology of social entrepreneurship. In Europe, the cooperative is the most common form of organization of social entrepreneurship precisely because of the principle of non-profit. These are partner structures with the unit and labor participation of the founders, who are directly targeted in the development of the strategy and the implementation of the practice of functioning of this type of organizations (Table 2).

Table 2

Organizational forms in the practice of social entrepreneurship

Modern forms of social enterprises	Country
A company of public interest, social purpose Companies of social interest	the United Kingdom, Belgium, the USA
Social cooperatives Social solidarity cooperatives Cooperative societies of collective interest Social solidarity cooperatives Social Initiatives Cooperatives	Italy, Poland, Czech Republic, France, Portugal, Finland, Spain

Systematized and identified using scientific literature and online information resources

In countries with highly developed, socially oriented economies, cooperatives are the widespread form of social enterprise organization. One of the main reasons for this, in our opinion, is the factor of democratic governance and direct participation of members of the cooperative-type enterprise in decision making regarding the organization and implementation of activities. The subjects of participation in the cooperative can be both creators and acquirers of social products, services, which enhances social responsibility, the motivational factors of the social enterprise (social cooperative) social mission.

The classification and structuring of organizational forms of enterprises in relation to social entrepreneurship should be associated with its special status: the concept of non-profit. That is, business models of social enterprises are created not for profit, but for solving social problems. Accordingly, the most appropriate form of social enterprise is the partnership, such as a cooperative, but in the classification of social enterprises by status, it is necessary to clearly distinguish between social responsibility of business and social entrepreneurship as purposeful activity. This activity provides organizational opportunities to solve social problems by entrepreneurial methods on a competitive basis. Cooperative as an organizational form of enterprise is in the highest degree consistent with the principles and mission of social entrepreneurship. Such characteristics of cooperation as a way of mutual assistance were noted in the time of R. Owen [21]; he proposed to create cooperative communities as social organizations. The social priority of the cooperative form and cooperative as the social organizations in the writings of S. Borodaevsky [22], M. Tugan-Baranovsky [17], as well as many domestic contemporaries, is updated; the practicality of such a conclusion is confirmed by the domestic and foreign practice of organizing social entrepreneurship.

We consider the cooperative a social model of the enterprise, because the obligation of labor participation in the structures of this form means the priority of the social function: ensuring employment. That is, the creation of a cooperative, in the production sphere, almost automatically means achieving the priority of job creation. The definition of “cooperation”, as explained by S. Borodaevsky [22, p. 5], means association, cooperation for the common achievement of a common goal, it is an effective mechanism for organizing the improvement of living conditions and elimination of negative phenomena of the modern economic order [22, p. 5]. This conclusion falls well under the criteria and analysis of the nature of social entrepreneurship, and cooperation can be considered as a promising form of organization.

The sociality of cooperation, respectively, the theoretical determination of it as an effective form of organization of social entrepreneurship can also be represented through its compliance with the characteristics of social capital, principles of self-organization. That is, cooperation is “one of the main components of self-regulation of the market, ways of protecting the interests of small business entities in the market, and social capital in this case is a

moderator of the institutional effect, the level of transaction costs” [7, p. 107], which corresponds to one of the main objectives of the cooperation. In this form it stands out its organizational role in the development of social entrepreneurship, as a way of forming quality social capital.

The priority of the cooperative form for the development of social entrepreneurship stems from the principles of cooperation (Table 3), which determine the social nature of the cooperative, social performance, especially for example the servicer.

Table 3

**Compliance of the principles of cooperation
with the principles of social entrepreneurship**

Principles of cooperation	Characteristic correspondence of the ideology of social entrepreneurship
Voluntary and open membership	Social enterprises are also voluntary-based and open to all interested parties
Democratic control by members of the cooperative	It is related as an objective necessity and expediency in the activity of social enterprise
Participation of members in economic activity	It is secondary because economic activity in social entrepreneurship is not the primary objective
Autonomy and independence	In accordance with the principles of social entrepreneurship, there is a fact of competition
Education, training and information	It is obligatory, because in a social enterprise the educational factor is determining in the part of innovativeness of development
Cooperation of cooperatives	Effective as a fact of cooperation of participants of social entrepreneurship
Caring about society	The main principle of determining the effectiveness of social enterprise and the main goal of social development

Determined on the basis of analysis of literature sources

Speaking about some practices of social entrepreneurship, it should be noted that, for example, the All-Ukrainian Resource Center “Social Initiatives” notes the possibility of creating social enterprises in Ukraine by organizational forms: a limited liability company; a private enterprise; a public organization; a charity fund; a cooperative.

Established by these forms of enterprises provide social services, public services, environmental protection activities, implement measures for the

protection of civil rights and freedoms, as well as certain types of socially-oriented economic activities, such as the production of “social” food, etc. In this way, they generate the effects of social responsibility on specific areas of specialization. With the development of social entrepreneurship, in addition to organizational and legal forms that correspond to the established entrepreneurial tradition, its structuring by industry and the more economically stronger country, the more penetration into different industries becomes social entrepreneurship.

Conclusions

In countries with advanced social entrepreneurship, appropriate legislation is adopted that clearly establishes the qualitative characteristics of the status of an enterprise of the “social” category according to a certain form of organization, distribution of responsibilities and results. In Ukraine, the development of social enterprises takes place within the framework of the general legislation on entrepreneurship, which complicates the identification of this type of enterprises, that is, they can be interpreted very broadly. For example, in an organizational form, a cooperative serving can be considered a social enterprise, because it has a non-profit status on the principles of doing business and so on.

International consulting organizations are currently operating in Ukraine, carrying out activities to promote the ideas of social entrepreneurship, implementation of this business model in the practice of socio-economic relations. Their experience is extremely important, there are many social problems in our country that need to be addressed, including the involvement of the non-governmental organizations.

Practically, social entrepreneurship is realized by market actors, which are organized in the forms prescribed by law. The organizational and legal form of social entrepreneurship provides for the format of the legal, organizational distribution mechanism of participation of founders, their responsibilities, etc.

There is a well-known world practice of applying legal forms or models of enterprises that meet the principles of social entrepreneurship. Cooperative is a universal form that, according to the principles of functioning, meets the necessary criteria of sociality. The relevant principles are laid down in the nature of the cooperative as a social structure, especially serving. For example, in countries with highly developed economies, cooperatives are a common form of social enterprise organization. One of the main reasons is the democratic nature of governance and the direct involvement of all participants in these structures. It can be as creators, acquirers of social products, which increase the level of mutual responsibility for the result, enhancing the motivational factors of the social mission of such an enterprise.

Summarizing the study, we note that the organizational characteristics of social entrepreneurship are organizational, organizational and legal forms of enterprises, and functional are the role of this type of activity and statutory functions that perform the organization's purpose.

References:

1. Schumpeter YA. Teoriya ekonomichnogo rozvytku [The theory of economic research. profits, capital, credit, interest and the economic cycle] / Joseph A. Schumpeter; trans. Basil Stark. K.: Kyiv-Mohyla Academy. 2011. 242 p. (in English)
2. Blaug M. Ekonomichna teoriya v retrospekty`vi. [Economic theory in retrospect] K.: The basics. 2001. 670 p (in Ukrainian)
3. Veblen Thorstein. Teoryya delovogo predpryyatyya [Theory of a business enterprise] / Pers. from English M.: Delo, 2007.288 p. (in English)
4. Cantillon R. K voprosu o sushhnosti predprynymatelej. [On the issue of the essence of entrepreneurs] St. Petersburg: Litera Plus, 2006.220 p. (in Russian)
5. Romanova L.V. Stanovlennya pidpryyemnyctva v silskomu gospodarstvi [The establishment of government in the state thanks] K. : IAE. 1997. 272 p. (in Ukrainian)
6. Rozvytok pidpryyemnyctva i kooperaciyi: instytucionalnyj aspekt [Development of cooperation and cooperation: institutional aspect: monograph] / Lupenko Yu.O., Malik M. Y., Zayatsk V. M. and that. Kyiv: NSC "IAE", 2016.432 p. (in Ukrainian)
7. Rozvy`ok malyh agrarnyh pidpryyemstv u rynkovomu instytucijnomu seredovyshhi: indykatory ta efektyvnist [Development of small agricultural enterprises in the market and institutional environment: indicators and efficiency] / Lupenko Yu.O., Shpikulyak O.G., Malik M. Y. and that. ; as amended by O. G. Shpikulyaka. Kyiv: NSC "IAE", 2017. 204 p. (in Ukrainian)
8. Oleksandr Shpykuliak, Ilona Bilokinna. "Green" cooperatives in the formation of an institutional mechanism of evelopment of alternative power engineering in the agrarian sector of the economy /Baltic Journal of Economic Studies, Volume 5 Number 2. Riga: Publishing House "Baltija Publishing", 2019, 262 pages. 249 – 255. DOI : <https://doi.org/10.30525/2256-0742/2019-5-2-249-255> (accessed 4 november 2019).
9. Socialne pidpryyemnyctvo: vid ideyi do suspilnyx zmin [Social entrepreneurship: from idea to social change]. Manual / AA Svinchuk, AA Kornetsky, MA Goncharova, VY Nazaruk, NE Gusak, AA Tumanova K: VI ENE ENTERPRISE LLC. 2017. 188 p. (in Ukrainian)
10. Gavrilishin, Bogdan. Do efektyvnykh suspilstv: Dorohovkazy v maibutnie: dop. Rymskomu Klubovi [Towards Effective Societies: Towards the Future: Ext. Roman Club] / B. Gavrilishin; order. V. Rubtsov. View. Fourth, no changes. K.: Univ. kind of PULSARI. 2013. 248 p. (in Ukrainian)
11. Orhanizatsiino-ekonomichna modernizatsiia ahrarnoi sfery: naukova dopovid [Organizational and economic modernization of agrarian sphere: scientific report] / for the head. ed. Acad. NAAN P.T. Sabluka. K.: IAE Scientific Center. 2011. 342 p. (in Ukrainian)
12. Shpikuliak O.G. Formation of social capital in the agrarian sphere of transformation economy. Management Theory and Studies for Rural Business and Infrastructure Development, Volume 8. Page 28 – 34. Published 2007. URL: <http://mts.asu.lt/mtsrbid/article/view/678/704> (accessed 24 November 2019).
13. Sperkley F. A Guide to Social Entrepreneurship Planning [Electronic resource]. The British Council. 2011. URL: http://www.britishcouncil.org.ua/sites/britishcouncil.ua/files/posibnik_z_planuvann_ya_socialnogo_pidpriemstva.pdf. (accessed 10 November 2019).
14. Pharmaceutical encyclopedia. URL: <https://www.parmencyclopedia.com.ua/article/8468/socialna-ekonomika> (accessed 13 November 2019).
15. Social`na ekonomika [Social Economics]: lecture summary for full-time and part-time students in specialty 051 "Economics" / syllabus. L.S. Larka. – [electronic edition]. Kharkiv: NTU "KPI". 2017. 56 p. (in Ukrainian)

16. Smith Adam. Doslidzhennya pro pry`rodu i pry`chy`ny` bagatstva narodiv [Research on the nature and causes of the wealth of nations] / trans. from English. O. Vasilyev, M. Mezhevikina, A. Malovsky. – K.: Our format, 2018. 736 p.
17. Tugan-Baranovsky, M.I. Polity`chna ekonomiya : kurs populyarny`j [Political economy: the course is popular] Kiev. Scientific thought. 1994. 264 p. (in Ukrainian)
18. Moye zhyttya ta robota [Ford Henry. My life and work] / trans. from English. Uliani Jaman. K.: Our Format. 2016. 344 p. (in English)
19. Mochernyi S.V., Larina Y.S., Ustenko O.A., Yuri S.I. Ekonomichnyj encyklopedychnyj slovnyk [Economic Encyclopedic Dictionary] : In 2 vols. S.V. Diarrhea. Lviv: The World. 2006. 568 p. (in Ukrainian)
20. Sociologichna encyklopediya [Sociological Encyclopedia] / Compiled by V.G. Gorodyanenko. K.: Academvid. 2008. 456 p. (Erudite Encyclopedia Series). (in Ukrainian)
21. Owen R. Izbrannye sochineniya [Selected Works]. Volume 1. Trans. S.A. Feiginoy. Moscow; Leningrad: Publishing House of the Academy of Sciences of the USSR. 1950. 419 p. (in Russian)
22. Borodayevsky S.V. Istoriya kooperaciyi [History of cooperation] Kyiv: Center for Educational Literature. 2019. 446 p. (in Ukrainian)
23. Sakovska O., Shpykuliak O. State regulation of the functioning and development of agricultural cooperatives in the grain market. Proceedings of the 33rd International Business Information Management Association Conference, IBIMA 2019: Education Excellence and Innovation Management through Vision 2020. 33rd IBIMA Conference: 10-11 April 2019 Granada, Spain. Editor Khalid S. Soliman. 2019. P. 8316-8321. URL: <http://www.scopus.com/inward/record.url?eid=2-s2.0-85074096591&partnerID=MN8TOARS> (accessed 4 November 2019).