

Social Entrepreneurship and Its Role in Sustainable Development: Regulation, Funding and Trust Building

Inna Khovrak*

This article focuses on the role of social entrepreneurship in achieving sustainable development in the context of regulation, funding and trust building. A system approach to the research was determined by the need to achieve the main objectives such as (1) to systematize theoretical approaches to the determination of the essence and characteristics of social entrepreneurship; (2) to discuss the EU experience in regulation and financing of social entrepreneurship; (3) to identify the directions of social change the generator of which is social entrepreneurship; (4) to prove the impact of trust on the development of social entrepreneurship. A critical analysis of legislative acts, scientific publications, reports and statistics in the field of social entrepreneurship allows proposing a “6S concept” for the analysis of the impact of social entrepreneurship through social challenges, social mission, social dialogue, social innovation, social changes, and sustainable development. Taking into account the variants of communicative interaction, the author argues that social entrepreneurship leads to changes in consciousness, public opinion, and behavior based on trust.

Keywords: social entrepreneurship, sustainable development, social change, trust.

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Przedsiębiorczość społeczna i jej rola w zrównoważonym rozwoju – regulacja, finansowanie i budowa zaufania

Artykuł koncentruje się na roli przedsiębiorczości społecznej w osiąganiu zrównoważonego rozwoju w kontekście regulacji, finansowania i budowania zaufania. Systemowe podejście do badań jest zdeterminowane potrzebą osiągnięcia głównych celów, takich jak: (1) usystematyzowanie teoretycznych podejść do określania istoty i cech przedsiębiorczości społecznej; (2) omówienie doświadczeń UE w zakresie regulacji i finansowania przedsiębiorczości społecznej; (3) określenie kierunków zmian społecznych, których generatorem jest przedsiębiorczość społeczna; (4) udowodnienie wpływu zaufania na rozwój przedsiębiorczości społecznej. Krytyczna analiza aktów prawnych, publikacji naukowych, raportów i statystyk z zakresu przedsiębiorczości społecznej pozwala na zaproponowanie „konceptu 6S” do analizy wpływu przedsiębiorczości społecznej poprzez wyzwania społeczne, misję społeczną, dialog społeczny, innowacje społeczne, zmiany społeczne i zrównoważony rozwój. Biorąc pod uwagę warianty interakcji komunikacyjnych, autorka twierdzi, że przedsiębiorczość społeczna prowadzi do zmian w świadomości, opinii publicznej i zachowań opartych na zaufaniu.

* **Inna Khovrak** – PhD, Kremenchuk Mykhailo Ostrohradskyi National University (Ukraine), Faculty of Economics and Management.
Correspondence address: Kremenchuk Mykhailo Ostrohradskyi National University (Ukraine), 39600, 20, Pershotravneva Street, Kremenchuk.

Słowa kluczowe: przedsiębiorczość społeczna, zrównoważony rozwój, zmiana społeczna, zaufanie.

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1. Introduction

Social entrepreneurship, which is a reaction to the chronic problems of society, aims at innovative, substantial and positive social changes that ensure the sustainable development of the community, the formation of the middle class and the improvement of the quality of life. Social entrepreneurship with added value shows greater consistency with the principles of sustainable development (Pallares-Blanch, Tulla, & Vera, 2015). Moreover, social entrepreneurship has an important role in the achievement of sustainable development and should be involved in sustainable development (Iyigun, 2015). At the same time, social entrepreneurship satisfies those needs that cannot be satisfied by the public sector and that are ignored by the private sector. The ultimate goal of this activity is not profit making, but the production of a product or service intended to solve a public problem. As a result, global change can be achieved through the implementation of local initiatives.

Classic business understanding of a business with only one social responsibility – to use all resources to increase profits (Friedman, 1970) – changes under the influence of the concept of bounded rationality (Simon, 1947), the concept of sustainable development (United Nations General Assembly, 1987) and behavioral economics (Christine, Cass, & Thaler, 1998). Therefore, in today's globalized world, the driving force of sustainable development is social enterprise (Batko & Bogacz-Wojtanowska, 2015), social responsibility (Pańków, Rok, Strumińska-Kutra, & Woźniczko, 2010), cooperation (Kuraszko & Rok, 2007), moral and ethical relations (Tiwari, Bhat, & Tikoria, 2017), gift economy and gift culture (Malara & Kroik, 2015), the understanding of decision making motives (Kobus & Jelemieniak, 2014), social work (Pankiv & Duranowski, 2014), etc.

Moreover, social entrepreneurship is a concept that combines sustainability and

entrepreneurship, because it is considered as “an innovative, market oriented and personality driven form of value creation by environmentally or socially beneficial innovations and products exceeding the start-up phase of a company” (Schaltegger & Wagner, 2007). But there is a question: are answers to the three basic questions (what, how and for whom to produce) sufficient for sustainable development of the economy? Should states or international organizations create regulatory imperatives and provide financial support for the development of social entrepreneurship? Perhaps the question we should think about is how to communicate and build trust relationships? Is it enough for the business to solve the acutest problems of humanity on the basis of moral principles and responsibilities? Or perhaps should we change the business philosophy, principles of relationships and trust?

That is why the concept of social entrepreneurship is a vector for development in the 21st century. Originated in developed countries, the concept is currently very actively used in developing countries. However, the differences between countries in terms of economic development, business practices, mentality and other factors ensure the relevance of further research into the concept of social entrepreneurship. Among the least investigated aspects are aspects of regulation, funding and trust building in the field of social entrepreneurship. Accordingly, the strengthening of the role of social entrepreneurship can be achieved by providing appropriate regulatory support and access to a variety of sources of financial resources. Institutional support for social entrepreneurship generates a surge in firm formation (Hunt, 2015). What should be remembered is the importance of relations with various stakeholders, the formation of a culture of loyalty and trust, which are “the marketplace currency for the twenty-first century” (Singh & Sirdeshmukh, 2000).

2. Materials and Methods

The main research question, namely the identification of the role of social entrepreneurship in achieving sustainable development in the context of regulation, funding and trust building, requires a dialectical approach, which is adequate for such a kind of conceptual and review-based research. A system approach to the achievement of the research goal was determined by the need for attaining the main objectives such as (1) to systematize theoretical approaches to determination of the essence and characteristics of social entrepreneurship; (2) to discuss the EU experience in regulation and financing of social entrepreneurship; (3) to identify the directions of social change the generator of which is social entrepreneurship; (4) to prove the impact of trust on the development of social entrepreneurship.

In order to achieve these objectives, the dominant research method is a critical analysis of legislative acts, scientific publications, reports and statistics in the field of social entrepreneurship. The method of structured comparison based on the literature review with the interpretative approach allows for developing a system of common features of social entrepreneurship, non-governmental organizations and classical entrepreneurship.

The author focuses on the analysis of the “6S concept” (for the analysis of the impact of social entrepreneurship on sustainable development) and links between trust and development of social entrepreneurship. This study is also based on the descriptive and comparative method, tabular technique.

3. Literature Review

3.1. The Genesis and Essence of Social Entrepreneurship

To determine the essence of social entrepreneurship, it is necessary to analyze the history of its emergence starting with (1) practical implementation without theoretical justification, (2) the origins and development of the theory, (3) formal inclusion in international documents, and ending with (4) the process of adaptation to national characteristics.

Examples of early social entrepreneurship include cooperatives and civic organi-

zations. The first organizations formed the social life of communities, were religious communities, farmers' organizations, trade associations, professional societies, youth organizations, fraternities, secret societies, ethnic groups, etc. So, in 1980, Bill Drayton established the Ashoka Foundation to support socio-entrepreneurial initiatives around the world; in 1983, Professor Muhammad Yunus founded the Grameen Bank to eradicate poverty and support poor women in Bangladesh (winner of the 2006 Nobel Peace Prize).

However, in the scientific literature, the term “social entrepreneurship” is relatively new, since a thorough scientific research of problems began in the 1990s in the context of achieving social change. In a large number of studies over the last decade, it is emphasized that social entrepreneurship arises not only as a reaction to changes in the environment but also as a factor generating changes in the environment. Table 1 illustrates the characteristics of social entrepreneurship according to different authors.

The presence of different views and approaches is determined by the contextual factors and the existence of various schools of social entrepreneurship researchers. Dees and Anderson (2006) identified two main schools of social entrepreneurship:

- the social enterprise school, whose representatives focus their research on how to earn income from non-profit organizations and social projects of commercial enterprises;
- the social innovation school, whose representatives focus on innovative ways of solving social problems and consider social entrepreneurs as agents of transformations that can cause structural and systemic changes in society.

An analysis of theoretical approaches to defining the essence of social entrepreneurship makes it possible to highlight the following features of social entrepreneurship:

- social sensitivity as active participation in social programs for social benefit;
- maintaining the stability of the economy and social integration;
- establishing and balancing social and cultural diversity;
- solving urgent social problems through mobilization of ideas, opportunities, and resources necessary for social transformations, economic and social development.

Table 1. Characteristic features of social entrepreneurship

Author/authors	Characteristic features
Dees (2001)	<ul style="list-style-type: none"> – the blurring of cross-sectoral boundaries in order to realize large-scale positive transformations; – the purpose is to serve a socially vulnerable population through the creation and maintenance of social value (good); – the implementation of a continuous process of innovation, adaptation, and training; – high responsibility of the entrepreneur for the results of activities towards direct clients and society
Mair and Schoen (2007)	<ul style="list-style-type: none"> – the presence of a social mission and the creation of social value are mandatory conditions for social entrepreneurship; – the creation of economic value is a prerequisite for the financial stability of social entrepreneurship
Bornstein and Davis (2010)	<ul style="list-style-type: none"> – a process whereby institutions are created for solving social problems such as poverty, illiteracy, environmental degradation, human rights violations, corruption, in order to improve the lives of many people
Mair and Marty (2006)	<ul style="list-style-type: none"> – an innovative model for delivering products and services aimed at satisfying basic needs (rights) left out of the attention of political and economic institutions; – creating opportunities for accelerating social change and/or meeting social needs.
Austin, Stephenson and Wei-Skillern (2006)	<ul style="list-style-type: none"> – innovative activity focused on creating social value that can be carried out by non-profitable, profit organizations and government agencies
Peredo and McLean (2006)	<ul style="list-style-type: none"> – creating and distributing social value; – recognizing and taking advantage of opportunities
Sharir and Lerner (2006)	<ul style="list-style-type: none"> – business strategy for more effective confrontation with complex social problems
Weerawardena and Mort (2006)	<ul style="list-style-type: none"> – a behavioral phenomenon aimed at delivering social value through the exploitation of perceived opportunities.

Source: author's own work.

3.2. EU Experience in Regulation and Financing of Social Entrepreneurship

As shown by the experience of many EU countries, social entrepreneurship is a means of forming a free, creative person, a solidarity community, and people. Official recognition of the status of social entrepreneurship in international documents resulted from the Social Business Initiative definition of a social enterprise as “an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services to the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve

social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers, and stakeholders affected by its commercial activities” (European Commission, 2011).

The vast majority of social enterprises operate in four countries: Germany (27.1%), Great Britain (21.5%), Italy (18.9%) and France (9.2%) (European Commission, 2015). Social enterprises in Europe employ 6.5% of the EU-27 working population, with their main activities in (Widuto, 2017):

- social and economic integration of disadvantaged and marginalized people (employment assistance for migrants, long-term unemployed and people with disabilities);

- social services of general interest (care for certain categories of persons: children, the elderly and people with disabilities; education; social housing; healthcare and medical services);
- other social and community services (counseling on insurance, lending and investor search, youth outreach, temporary housing for the homeless);
- public services (refuse collection, transport services, rehabilitation of ex-offenders);
- land-based industries and environmental work (reducing emissions and waste, recycling, renewable energy, neighborhood development; food production and distribution);
- cultural, tourism, sport and recreational activities;
- solidarity and cooperation with developing countries (promoting fair trade, social responsibility, and development aid).

Since the EU experience of legal regulation of social entrepreneurship began more than 25 years ago (Italian Law no. 381/1991 on social cooperatives), it should be taken into account in determining the priorities for further development. Regulation can be defined as the ability of a government and its public institutions to implement rules that affect the activity of social entrepreneurship (Rodriguez-Gulias, Gabriel, & Rodeiro-Pazos, 2018). However, at least 18 EU member states have differences in the legal regulation of social entrepreneurship. This is due to the fact that countries have different problems, priorities of socio-economic development, as well as resources for their implementation. Accordingly, the process of adaptation of international standards in the field of social entrepreneurship to the national peculiarities is constantly carried out. The level of development and effectiveness of social entrepreneurship varies from country to country (Table 2).

Table 2. Earned income derived by social enterprises from market services (including competitive public sector contracts)

Market income as a share of total revenues	Exemplar countries	Sources/Comments
Above 50%	The Czech Republic, Finland, Italy, the UK	CZ: P3 & Provida survey (2013) FI: Stakeholder interviews IT: Istat, Censimento Industria Servizi UK: Social Enterprise (2012)
35% to 50%	Austria, Belgium, Poland	AT: Schneider & Maier (2013) BE: Selusi (2013) PL: Central Statistical Office (2012)
Less than 35%	Hungary, Ireland, Slovakia	HU: Stakeholder feedback IE: Clann Credo Study SK: Stakeholder feedback

Source: European Commission (2015).

Conventionally, there are three types of legal forms used by social enterprises (European Social Enterprise Law Association, 2015):

- Type 1: Non-profit organizations (association, foundation, non-profit company) – which may be democratic or controlled by managers, do not distribute profit and trade in furtherance of a social purpose;
- Type 2: Co-operatives – which are generally owned and controlled on a democratic basis by members, distribute profit from trading activities to members and may have a social purpose beyond benefiting members written into the constitution or carry out a service of general interest; and
- Type 3: Share companies – which are generally owned and controlled by shareholders on a pro rata basis and which may trade in furtherance of a social purpose and may have other governance features to subordinate profit to purpose.

According to researchers, they differ in such criteria as engagement in the economic activity, social purpose, limited profit distribution, existence of asset lock, availability of democratic decision-making, participatory governance.

The main sources of funding for social entrepreneurship remain the founders' funds. However, various financial programs support the active development of social entrepreneurship in the EU (Table 3).

Table 3. EU funding for social entrepreneurship

Program	Purpose	Timeline	Budget
European Social Innovation Competition (2017)	Boosting the potential of social innovation to provide solutions to societal challenges and foster sustainable and inclusive growth in Europe	yearly since 2012	Annual budget: €200k
EU Programme for Employment and Social Innovation (2017)	Promoting a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions	2014–2020	Total budget: €919m
European Fund for Strategic Investments (2017)	Supporting strategic investments in key areas such as infrastructure, energy efficiency and renewable energy, research and innovation, environment, agriculture, digital technology, education, health and social projects, as well as helping small businesses to start up, to grow and to expand by providing risk finance	2015–2018	Total budget: €21b
Social Impact Accelerator (2017)	Establishing a sustainable funding market for social entrepreneurship in Europe	since 2013	Total budget: €243m
European Social Fund (2017)	Supporting employment and social cohesion (helping people get better jobs and ensuring fairer job opportunities for all EU citizens)	2014–2020	Total budget: €80b

Source: author's own work based on the program websites.

However, according to the results of a survey by British researchers (Temple, 2017), the following factors impede the development of social entrepreneurship: obtaining grant funding (25% of social enterprises), cash flow (23%), lack of demand/economic climate (17%), obtaining debt or equity finance (17%), time pressures (16%), recruiting other staff (14%), prohibitive commissioning/procurement with public services (11%), shortage of skills (11%), availability/cost of suitable premises (8%), understanding/awareness of social enterprise among general public/customers (6%). Thus, despite a significant number of programs and funding, the rate of development of social entrepreneurship is insufficient, and research in this area is fragmented and unsystematic.

In general, the activities of social enterprises depend on a variety of factors, namely: the ability to identify an impor-

tant social problem and offer its creative solution, the ability to attract the necessary financial and human resources for the project implementation, the availability of mechanisms for measuring and demonstrating impact, the level of readiness of the society for the perception of the activities of social enterprises, etc.

4. Results

4.1. Social Entrepreneurship as a Basis for Social Change and Sustainable Development

The analysis of the EU experience shows that social entrepreneurship in different countries has different manifestations and legislative regulation; this is due to the existence of various problems, priorities of socio-economic development, as well as resources for their implementation.

Since there are different forms of social entrepreneurship, the author suggests comparing social entrepreneurship with non-

governmental organizations and classical entrepreneurship (Table 4).

Table 4. Comparison of social entrepreneurship with non-governmental organizations and classical entrepreneurship – original concept

Criterion	Public organization	Social entrepreneurship	Classical entrepreneurship
The purpose of forming	Solving an important problem		Making a profit
The nature of the relationship within the organization	Cooperation		Fulfillment of obligations
Perception of social responsibility	The basis of civil society development		Negative impact reduction tool
The nature of the activity	Non-commercial	Commercial	
The nature of labor	Volunteering	Rewards	
The mechanism of achieving social change	Influence on decision making by authorities or other institutions	Creation of institutions for implementation of decisions	
The nature of behavior	Innovation, initiative, leadership		
Formation of social consciousness	The possibility of influencing and changing the society's attitude to problems		

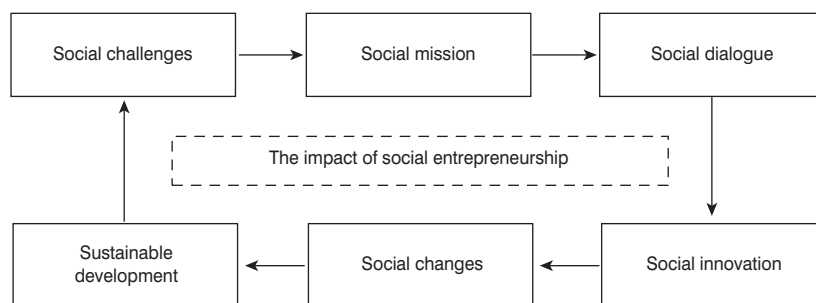
Source: author's own elaboration.

As shown in Table 4, social entrepreneurship, whose main task is to solve social problems through innovation, erases the traditional boundaries between the public, private and non-profit sectors and uses approaches that combine commercial and non-profit business models. The author believes that this combination of models can provide sustainable development of society by transforming the idea into social change.

The study of the essence of social entrepreneurship allows the author to develop and propose the concept of "6S" (Figure 1)

that reflects a transformation of social entrepreneurship from an idea to sustainable development. Accordingly, given this concept, social entrepreneurship responds to social problems of a society, based on its own social mission and vision. At the same time, with the help of social dialogue and interaction with the beneficiaries, it is possible to develop mechanisms of an innovative solution to problems and social innovations the implementation of which leads to social changes and sustainable development of society.

Figure 1. "6S" concept – original concept



Source: author's own elaboration.

Social entrepreneurship plays a key role in ensuring sustainable development, as it leads to a series of social changes. Charac-

teristics of the directions of social change the generator of which is social entrepreneurship are given in Table 5.

Table 5. Characteristics of the directions of social change the generator of which is social entrepreneurship – original concept

Directions for change	Examples of changes
Formation of a responsible society	Change in consciousness and behavior Elimination of social contradictions Public control
Strengthening public relations	Reducing social inequality and tension Social dialogue
Optimization of social processes	Satisfaction of social needs Expansion of social opportunities Mobility and integration
Achieving sustainable development	Improving living conditions Ensuring social well-being Formation of the middle class Social innovation

Source: author's own elaboration.

Consequently, the activity of social enterprises leads to the achievement of social changes, transformations in the organization of society as well as changes in consciousness, public opinion, and behavior.

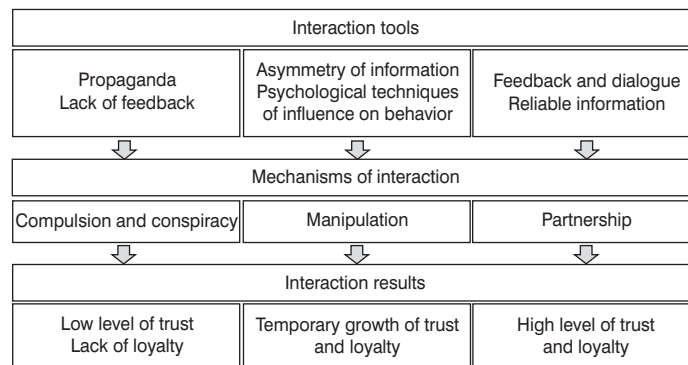
4.2. Trust as a Key Factor in the Social Entrepreneurship Development

The modern global economy is characterized by a high degree of complexity of processes. Social connections, norms, beliefs, and rules play an important role in the process of making economic decisions. Therefore, in accordance with the concept

of behavioral economics, it is important to take into account non-material aspects of the interaction between citizens, the processes of formation of interpersonal trust on the basis of which a stable civil society emerges and functions.

Sustainable social development is becoming a strategic prospect for countries. Therefore, the transition from authoritarian to democratic models requires not only theoretical comprehension but also the development of appropriate mechanisms of information and communication partnership of entrepreneurial structures and society (Figure 2).

Figure 2. Options for communicative interaction between social enterprises and consumers – original concept



Source: author's own elaboration.

Table 6. Principles of creating trust in social entrepreneurship

Principle	The essence of the principle
Accountability	An enterprise that can be counted on, is responsible for itself, for its actions and possible failure. It is ready to suffer the consequences and meets the criteria of transparency and compliance with the declared standards
Inclusivity	An enterprise takes into account the needs and expectations of the various stakeholder groups (those that affect the company's operations, as well as those which the company affects)
Completeness	Taking into account the influence and responsibility in all areas of activity
Measurability	Development of criteria and indicators for assessing the effectiveness of activities, continuous improvement of the evaluation methodology
Regularity	Systematic dialogue with stakeholders, studying their needs and expectations
Quality assurance	Providing services and manufacturing high-quality products in accordance with international standards
Accessibility	Finding the most effective communication channels, so the necessary information can always reach those who seek it
Comparability	Setting targets for a given reporting period, and then – after the end of that period – addressing the scope of their fulfillment
Reliability	It is important that all facts, assessments, measurements are presented with due diligence and honesty
Understandability	The individual data is presented in such a way that it can be used to assess the firm's strengths and weaknesses, even by those who do not have professional expertise in the field
Continuous improvement	Willingness to implement the results of a strategic analysis, set new goals and undertake further improvement activities, define procedures, control, take corrective actions, monitor implementation
Reciprocity	Mutual support, avoidance of negative situations.
Balance	The efficiency of activity and good relations should be balanced, achievement of one category is impossible due to deterioration of the second
Strategic orientation	Perspectives and long duration of relationships, taking into account the vision and mission of the firm
Selectivity	It is necessary to analyze the groups of stakeholders, to identify the main ones since it is impossible to focus on all groups
Transparency and symmetry of information	Lack of communication barrier, information is provided in the appropriate form and time, in the corresponding quantity and quality, to the correct addresses – safety in the information dimension

Source: Kozina (2014) and Rok (2017).

Of the three options of communicative interaction, only the partnership mechanism, which is the basis of social entrepreneurship, allows an unusual way to solve socio-economic problems of society due to the high level of trust and loyalty. At the same time, it is necessary to analyze relations in four dimensions in the

process of communication (Wit & Meyer, 2007):

- subjects of relations (within the enterprise and between enterprises);
- objectives of the relationship (the synergistic effect of joint efforts);
- determinants of relations (admissibility, urgency, the frequency of mutual con-

- facts, the possibility of their continuation);
- the form of relations (joint training, contractual relations, financial relations).

As the modern global market is characterized by dynamic changes and increased competition, it is particularly important to establish sustainable, mutually beneficial and trust-based relationships with employees, consumers, business partners, etc. For the effective construction of relations, it is necessary to realize that transactions are rarely one-off, so trust is needed to build relationships efficiently. The basic principles of building trust in social entrepreneurship are given in Table 6.

It is also important to remember about a new type of consumer that affects the transformation processes in the business environment. Generation Y, which will be the main group of consumers in the near future, differs from consumers of the twentieth century. They are communicative, autonomous, mobile, adaptive. Generation Y “want it all” and “want it now” (Ordun, 2015). In addition, generation Y will become the largest group of employees, so it is also worth changing the approach to human resources management. Workers of a new type have different motivations: good pay and benefits, rapid advancement, work/life balance, interesting and challenging work, and making a contribution to society (Ng, Schweitzer, & Lyons, 2010).

Therefore, the reputation of enterprises is the basis of trust between the parties (owners and staff, social enterprise and clients), its growth or decrease affects the prospects for development of a social enterprise. The success of project implementation leads to high ranking positions and offers new opportunities since the decision to choose a partner is based on reputation.

The level of trust also depends on the quality of goods and services of social entrepreneurship. Thus, according to the Gap model, developed by American researchers (Parasuraman, Zeithaml, & Berry, 1985), there are possible discrepancies in the consumption of services. The key is the gap between the elements “expected service” and “perceived service”. A breakdown means exceeding the consumer’s expectations for the service obtained in reality. The service is a high-quality service if there is no gap.

Consequently, trust in social entrepreneurship, as a belief in its reliability and lack of intentions to cause harm, correlates with a sense of risk and personal security (moral, psychological, material, financial, physical).

The essence of trust is a combination of three components: the cognitive aspect (knowledge of the partner), direct act of trust (moral behavior) and culture of trust (social pressure). Therefore, trust is based on special expectations about the behavior of others in some future situation and confidence in actions. Accordingly, in the process of humanization of social development, there is an orientation towards the realization of human interests and values, a wide range of interpersonal relationships and the existence of a dialogue.

In general, the impact of trust on the activities of a social enterprise should be divided into three aspects. The first aspect is the presence of trust in a social enterprise team that offers attention, tactics, and professionalism to clients, which increases the desire of clients to return to the enterprise and increases the number of potential customers. The second aspect is the trust of the environment in a social enterprise. Representatives of this environment are consumers, investors, partners and other beneficiaries. The third aspect is the trust of the social enterprise in the external environment. The fuzzy nature of trust is associated with incomplete information, expectations, experience and ambiguous situations.

The trust of individuals, both in the social enterprise and in each other, offers the possibility of forming a dialogue in society and, accordingly, has a positive impact both on the achievement of individual social changes and sustainable development of society in general.

5. Conclusion

The conducted study allows asserting that social entrepreneurship is a special way of thinking and lifestyle, a responsible approach to implementing an innovative socially important idea for the sustainable development of society. Since social entrepreneurship uses commercial and non-profit business models, it is necessary to start its activity from answering a number of questions. What is the mission and

vision of a social enterprise? What is the innovation and importance of business for society? Who is the target audience? What is the background of the founder and the team? What resources and in what amount are needed for start-up and further operational activities? What key business performance indicators should be used?

The existence of differences in legislative regulation in different countries proves the importance and variety of practices of social entrepreneurship that can quickly take into account specific regional problems, priorities of socio-economic development, as well as resources for their implementation. However, business is associated with risk and ability to accept it. Social entrepreneurship is no exception, so it is important to understand and analyze legislative, financial, personnel, psychological and other types of risks.

To conclude, it should be added that the formation and consolidation of the values of civil society update the research of the problems of public trust in social enterprise, the level of which becomes an indicator of the sustainable development of society. Therefore, further empirical research needs a basis for building trust, namely, the transformation of economic culture and behavior, peculiarities of mentality, mechanisms of change of consciousness of citizens and public opinion, etc.

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