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**TRANSFORMATION OF MODERN  
SOCIO-ECONOMIC SYSTEMS UNDER THE  
CONDITIONS OF EUROPEAN  
INTEGRATION AND CHALLENGES OF  
GLOBALIZATION**

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**Секція 9.**  
**СОЦІАЛЬНЕ ПІДПРИЄМНИЦТВО СВІТОВІ ТЕНДЕНЦІЇ ТА ДОСВІД**  
**ЗАПРОВАДЖЕННЯ В УКРАЇНІ**

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**Соціальне підприємництво в розвинутих країнах Скандинавії:**  
**виклики та можливості**

*Автор розглядає феномен соціального підприємництва в Скандинавських країнах; визначає поняття соціального підприємця та запровадження соціальних ініціатив як альтернативного та більш продуктивного шляху використання ресурсів уряду.*

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***Social entrepreneurship in the Scandinavian welfare state: challenges and possibilities***

In modern times the Scandinavian welfare state is not able to provide the kind of social services the population need due to political regulations and laws. There is an increasing frustration towards the welfare system both internal and external. But a different model of solving social challenges in the society is emerging, social entrepreneurship. In countries where there is a welfare system, social entrepreneurs must relate to the system one way or the other. That is because the people social entrepreneurs seek to create changes for are users who are dependent on welfare benefits: services and/or payments.

Scandinavian countries have developed a welfare system over the last 100 years. The Scandinavian welfare state is facing serious challenges it has difficulties with resolving. The political and financial climate has changed considerably since 1891 and the welfare state is not able to adapt to these changes in an adequate way.

“A welfare state is a state in which organized power is deliberately used (through politics and administration) in an effort to modify the play of the market forces in at least three directions - first, by guaranteeing individuals and families a minimum income ..... - second, by narrowing the extent of insecurity by enabling individuals and families to meet certain “social contingencies” ..... and - third, by ensuring that all citizens without distinction of status or class are offered the best standards available of social services.” [14, p. 226]. With other words, a welfare state is a system that distributes key social goods, is paid for by public funds and organized by public officials. This explanation shows the relation between funding, rights and social services.

The Scandinavian welfare had its early beginnings in Denmark with old age pension law, and Sweden with sickness insurance law, in 1891. The Scandinavian welfare model with universal rights for all was created after World War II with the influence of the socialist movement in Scandinavia.

The Scandinavian welfare model rests upon three pillars. The oldest is the collaboration between employers and employees. The second pillar is financial and the goal is to secure the citizens financial basis. A third and newer pillar is the development of labour: effective production methods and inclusive working life among others.

The society is changing in an ongoing process. Several different aspects influence the changes in modern times. Changes like less stable households, economic upheaval, social exclusion and technologic transformation, among others.

The Scandinavian welfare state is political controlled with an expectation that the services are efficient and cost effective. The civil servants have competence on a limited field, and possibilities for collaboration rests upon the middle managers. There is a big labour turnover particularly during systemic reforms, and the chance to access personal knowledge and experience is lost.

A social entrepreneur is a creative leader who raises capital in order to spread new combinations of land and labour in a social system. The goal is to create a better world for the population. "It is not necessary for a governmental assistance for entrepreneurship to be successful because there are always possibilities in a market." [8, p. 87]. It is the entrepreneur's effort that is essential for the success or lack of it.

There is a political commitment to help and foster innovation in Scandinavia. There seems to be political agreements across political parties that social entrepreneurship is a positive activity. Different programs, agreements and financial incentives have been implemented in Norway, Sweden and Denmark during the last 15 years.

The welfare state spend more money on developing services for the modern society than what the costs are for hiring other stakeholders. Private initiatives that are working well are a more efficient use of resources for the government than developing new internal projects. Social entrepreneurs can facilitate collaboration and create new partnership with a social purpose and they often know what the biggest challenges are.

The welfare state is a static system that follows political rules and regulations. There are possibilities for change within the system, but resources, political influence, static condition of the system, hierarchy and project based funding, limits them. Entrepreneurship and social entrepreneurship is a dynamic and creative process lead by individuals. A social entrepreneur is a changemaker in a welfare state and therefore can be regarded as a competitor, threat or critic by public employed. A social entrepreneur can also face the possibilities of their service/product being copied by public employed people and their service/product can no longer compete on the market. Social entrepreneurship is a diverse and still a young field in Scandinavia. It need time to grow and showcase great examples.

There is an increasing interest to test partnership with social entrepreneurs because regulations, religious beliefs, specific ideology or municipal borders do not limit social entrepreneurs. The government will most likely decide how these partnerships will look like. When you combine a static system with a creative process, the results can be unpredictable and diverse. It is in the welfare systems nature to control, plan, regulate and command. The innovative process is dynamic and social entrepreneurs have a determination to try new ways of solving problems.

A social entrepreneur can also face the possibilities of their service/product being copied by public employed people. Everyone can copy new solutions provided. It's just the people performing the new combination that cannot be copied. Often when a solution or method is copied, the mindset behind it is not.

When comparing new combinations in social entrepreneurships with welfare state benefits, which have a 100-year long history, social entrepreneurship does not have the same strength and power. The field of social entrepreneurship need time to test, grow and produce results so that it is possible to showcase great examples and inspire more people to become social entrepreneurs.

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### Соціальне підприємництво в Україні: неоцінена необхідність

*В роботі автор розглядає питання соціального підприємництва як спеціальної форми управління бізнесом, досліджує сучасний стан соціального капіталу в Україні та окреслює шляхи його збільшення в сучасних умовах господарювання.*