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DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP: ACCOUNTING, ANALYSIS AND QUALITY STANDARDS

Abstract: *The study analyzes the state of social entrepreneurship, quality of accounting in the EU and its state regulation. The social entrepreneurship development intensity was calculated by taking into account the level of GDP per capita of the country, which revealed certain patterns: countries with a high level of social protection form a lower level of social entrepreneurship development. For countries that have a high level of economic development is characterized by high intensity of social entrepreneurship; territorially limited countries. The systems of indicators that allow assessing the social effect of the country through the macroeconomic indicator of GDP per capita with the specification of social groups are described. It is proved that the effectiveness of social entrepreneurship depends on the level of income of social groups. That's why in Eastern Europe countries (Bulgaria, Hungary, Romania), the intensity of social entrepreneurship is much lower than in Western EU countries (Germany, France).*

Keywords: *Social Entrepreneurship; Non-Financial Reports; Social Indicators; Stock Indices.*

1. Introduction

The market economy model leaves the social sphere out of the attention of business, and governments are not always able to address quickly pressing social problems. A separate type of entrepreneurial activity was formed - social entrepreneurship focused on solving social problems at the expense of income from their own activities. The specifics of social entrepreneurship determines certain features of its accounting and analysis. With a purely economic approach, many social problems of society remain out of the attention of businesses and governments. The dismantling of the socialist world system proved the complete inability of transition economies to solve social problems.

A series of economic crises in 2001, 2008 and 2014 led to the complication of social problems. In addition, the mass illegal migration of people from North Africa and West Asia has further exacerbated the social component of European society and posed entirely new problems. State regulation of a market economy is not able to quickly solve urgent social problems of society, and big business conducts charitable events that are isolated and do not solve these problems. Crises force entrepreneurs to be realized in another sphere - social.

It has been growing in European countries since the 1980s social entrepreneurship in solving social problems and value added. It is quite difficult to assess fully the activities of social entrepreneurship, as the rating of countries on the index of social development is conducted only by the non-governmental

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organization Social Progress Imperative with the support of “Deloitte”. When we are calculating other indices, only certain aspects of the social sphere (life expectancy, basics of well-being, level of education, etc.) are taken into account, which does not allow tracking the current state of development of the social enterprise.

There is no single method of assessing the social usefulness of social enterprises and determining their share in the structure of the national economy, which makes it impossible to compare individual companies and effectively implement state regulation of both social partnership and the social sphere in general. This complicates the control over the implementation of measures in the field of state policy of social responsibility of society, which complicates the indicative forecasting and planning of the country's development. Such uncertainty does not allow full implementing the concept of sustainable development.

The aim of the study: is to investigate quality and the features of accounting and analysis of social entrepreneurship in the EU.

Research tasks:

- Analyze the current methods of assessing the effectiveness and quality of work social enterprises and determine the criteria for their impact at the macro level.
- Investigate the differences in the implementation quality of work social enterprises in the regional context of the EU.
- Assess the system of state accounting and reporting for social entrepreneurship in the EU.

2. Literature Review

The term “social entrepreneurship” has been widely used since the 1980s, thanks to research by Drayton, the founder of Ashoka. In the late 1990s, Dees substantiated the foundations of social entrepreneurship and pointed out its main features (Dees, 2002):

high responsibility of the entrepreneur for the result of its activities; use of new technologies for project implementation; implementation of a continuous process of innovation; adherence to the mission of creation enterprises and support for social benefits; determination to act regardless of the availability of resources.

Muhammad (2010) formulated principles of social entrepreneurship: 1. The business goal is not to maximize profits, but to prevent / combat poverty or any other social problem. 2. Financial and economic stability. 3. Investors receive their investments, but only without interest. 4. After the return on investment, the company's profits are used for further development and solving the social problem. 5. Responsible attitude to the environment. 6. The employee receives a salary that corresponds to the state labor market; improved working conditions. 7. Work with pleasure.

Marty and Meyer (2006) consider that some manifestations of social entrepreneurship were initiated in Europe in the 19th century and in Asia in the first half of the 20th century. The organizations founded by Florence Nightingale and Vinob Bhave were essentially venture social entrepreneurship organizations.

In modern conditions, social entrepreneurship is aimed at solving a social problem through the mechanism of business. As the scope of activities of social enterprises is quite wide, they successfully compete with commercial firms. For example, Institute for One World Health (IOWH) is the world's first non-profit pharmaceutical company to develop medical supplements for the treatment of people without access to health care. This company provides medicines to those in particular need in developing countries, including the entire supply chain from drug development to delivery (Seelos & Mair, 2005).

The scope and type of activity, sources of funding, organizational and legal form for social enterprises in different countries differ (Huang & Donner, 2018). In most European

countries, the organizational and legal form of social entrepreneurship is legally recognized as an enterprise (organization). Ordinarily, these are cooperatives and non-profit organizations, with the participation of beneficiaries, which solve issues of employment and social integration (Staicu, 2018; Wevers et al., 2020; Cagarman et al., 2020; Hojnik and Crnogaj, 2020).

The European Commission (2020) determines social entrepreneurship as an entity of the social economy, the main purpose of which is social impact, rather than making a profit for its owners or shareholders, and uses its profits mainly to achieve social goals.

Hadad (2017) analyzed social entrepreneurship in the context of entrepreneurship and corporate social economy. Travaglini et al. (2010) compare the legislation on social enterprises in some European countries. Javed et al. (2019) based on data from 41 world countries, investigated the relationship between social entrepreneurship (finance, social networks, social mission and social innovation) and sustainable enterprise development (economic, social and environmental measurement).

Hojnik and Crnogaj (2020) consider that social entrepreneurship is more developed in northwestern European countries than in southeastern ones. Amelio (2020) characterizes the important role of the European Union in the development of social entrepreneurship. Biggerset et al. (2020) investigates the behavior of social entrepreneurs, modern ecosystems of social entrepreneurship, ability to social innovation and social integration, the role of stakeholders in the development of socially oriented business.

In connection with the growing popularity of social entrepreneurship, there is a need to study the features of its accounting and analysis. In the paper Costaet et al. (2014) studied the benefits of social and environmental models of accounting, the

traditional principles of accounting for social enterprises, and reporting, as well as proposed a system for improving them. Manetti et al. (2019) suggest the book value of net assets (BVA) to measure the socio-economic impact of social enterprises using. Mäkelä (2021) points to the significant role of accounting in the development of social enterprises. There are a number of researchers such as Gibbon & Affleck (2008), Johnson & Schaltegger (2016), Kay & McMullan (2017), who criticize the use of traditional accounting approaches in the study of social entrepreneurship. Such scholars as Hall & O'Dwyer (2017), Agyemang, O'Dwyer & Unerman (2019) point to the importance of various alternative approaches and offer promising ideas in this direction.

3. Methods

Realization of the purpose of research provides use of such methods:

- systematization, generalization of scientific publications on the problems of accounting and analysis of social entrepreneurship;
- comparative analysis to assess the contribution of social entrepreneurship in EU countries to sustainable development;
- abstraction in identifying the main criteria that ensure the effectiveness of programs and activities by social enterprises;
- induction, which allows to assess the contribution of social entrepreneurship in the development of the socio-ecological component of society;
- deductive reasoning allowed to indicate the need to take into account the macro-indicator of GDP per capita in assessing the effectiveness of social entrepreneurship.

4. Results

State regulation reflects the specifics of social entrepreneurship in individual EU countries and organizational forms of its implementation. For instance, for Italian and Polish entrepreneurship, the priority is not making a profit, but social significance plays an important role. Most Eastern European countries develop social entrepreneurship through a system of programs and foreign grants, partly, through religious organizations (see table 1).

The basis for assessing social entrepreneurship is the international system of regulation of social and labor relations, initiated by the UN due to the UN Global Compact, uniting more than 8000 participants, (including 6000 - business representatives) from 135 countries of the world. This contractual framework is focused on the protection of human rights, labor relations, environmental protection and anti-corruption activities.

Table 1. Features of legislative regulation of social enterprises in EU

Systems of organizing social entrepreneurship	Countries	Legislation	Type of social entrepreneurship
Model of Northern Europe	Belgium	Article 661 of the Company Code of 1999	Social Enterprise
	Denmark	Law No.711 of 25/06/2014 on Registered Social Enterprises	Social Enterprise
	Finland	Law No.1351/2003 of 30.12.2003 on Social Enterprises	Social Enterprise
	Luxembourg	Law of 12/12/2016 of Social impact Societies, or SIS	Social Enterprise
Model of Central Europe	Greece	Law No.2716/1999 and No.4019/20144 on Social Cooperatives	Social Cooperative
	France	Law No.2014/856 of 31/07/2014 on the Social and Solidarity Economy	Collective Cooperative
	Italy	Law No. 381/1991 on Social Cooperatives; No.155 of 24/03/2006 on Social Enterprise	Social Cooperative
	Portugal	Law No.1/2013 of 29/10/2013 on Special Employment Centers	Social Cooperative
Model of Eastern Europe	Croatia	Law No.764 of 11/03/2011 on Cooperatives	Social Cooperative
	Czechia	Law No.90/2012 on commercial Companies and Cooperatives	Social Cooperative
	Hungary	Law No.X-2006 on Cooperatives	Social Cooperative
	Latvia	Law No.212(6039) of 2018 on Social Enterprises	Social Enterprise
	Lithuania	Law No.IX-2251 of 1/06/2004 on Social Enterprise	Social Enterprise
	Poland	Law of 27/04/2006 on Social Cooperatives	Social Cooperative
	Romania	Law No.219 of 23/07/2015 on the Social Economy	Social Enterprise
	Slovakia	Law No. 5/2004 of 04/12/2003 on Employment Services	Social Enterprise
Slovenia	Law no.20 of 2011 on Social Entrepreneurship	Social Enterprise	
Model of Great Britain	Great Britain	Law No.1788 of 2005 on Community Interest Company Regulations	Organization with the interests of territorial communities

Source: Compiled by authors based on the data of European Parliament (2017)

Social enterprises, regardless of the sphere of activity, are obliged to prepare and submit financial statements to interested users, which reflect complete, truthful and unbiased information about the financial condition and results of the enterprise for the reporting period.

In addition to financial statements, the social enterprise prepares and releases to public non-financial statements, which detail the responsibility of the subject of social entrepreneurship for employment and social responsibility (protection of human rights, corruption and bribery control); implementation of environmental measures; implementation of due diligence (investment risk assessment, independent assessment of the investment object, comprehensive study of the company's activities, comprehensive review of its financial condition and market position). For large enterprises, the need for non-financial reporting is regulated by Directive 2014/95 / EU as of 22 October 2014 (Directive 2014/95/EU).

Directives 2013/34 / EU (paragraph 19a 1 of Article 19a) (Directive 2013/34 / EU) have provided information unification and structuring of non-financial reporting, developed requirements and relevant standards. Social enterprises with more than 500 employees should include non-financial information in the Management Report, in particular, on the activities of the enterprise, at least in the following aspects: environmental, social, employment, anti-corruption and bribery control, respect for human rights. They should also contain:

- a brief description of the current business model of the enterprise;
- a description of the economic entity's policy on the above mentioned aspects, including the implementation of due diligence;
- the results of the policy on the above mentioned aspects that have been achieved;

- significant risks arising in connection with the company's activities; they may depend on the economic entity, including commercial relations with other counterparties, products and services, which are likely to cause significant adverse effects in the above areas, as well as information on what steps the company has taken to manage these risks;
- key non-financial indicators specific to the relevant business.

Subsequently, a series of standards has been developed and proposed, covering social partnership activities in key areas. The most common reporting standards are as follows: ISO 14000, Social Accountability 8000 (SA 8000), Account Ability 1000 (AA 1000) and Global Reporting Initiative (GRI). (see table 2).

The assessment of social entrepreneurship in the EU is carried out at the macro and micro levels. Macroeconomic assessment of the social component of the national economies of the EU is carried out through global and psychological indices (Table 3).

The economic measure of the social significance of social services provided is GDP per capita. It does not fully reflect the level of social protection of the population, but connects economic patterns with social processes taking place in the country. This is a general indicator of the level of economic and social development of the country.

Let us determine the dependence of the number of social enterprises on the value of GDP per capita for European countries. To do this, we will introduce an indicator of the number of social enterprises per 1 euro and form a rating of EU countries according to this criterion (Table 4).

Table 2. Features of current standards for the formation of requirements and reporting of social entrepreneurship

Group of standards	Title	Features
ISO 14000		
ISO 14001:2004	Environmental management systems. Requirements with guidance for use	It is aimed at the functioning of environmental management systems of organizations
ISO 14001:2015	Environmental management systems — Requirements with guidance for use	It provides assistance to organizations in the sound performance of their environmental responsibilities on a systematic basis
ISO 14004:2016	Environmental management systems - General guidelines on implementation	It is of a recommendatory nature; it can be applied to any organization, regardless of its size, type, location and level of maturity.
ISO 14015	Environmental management - Environmental assessment of sites and organizations	It establishes guidance in the process of identifying environmental aspects and environmental findings and provides identification of their implications for business
ISO 14020	“Environmental labels and declarations - General principles”	It establishes principles to be followed in the development and use of eco-labels and declarations
ISO 14031	Environmental management - Environmental performance evaluation - Guidelines	It establishes an environmental assessment that allows organizations to measure and evaluate environmental performance and share data on the issue using key performance indicators
ISO 14040	Environmental Management - Life cycle assessment - Principles and framework	It describes the general structure, principles and requirements for life cycle assessment research
ISO 14050	Environmental management — Vocabulary	The standard defines the basic concepts related to the environmental activities of organizations, published in a series of international standards ISO 14000
ISO 14062	Environmental management — Integrating environmental aspects into product design and development	It describes the concepts and existing methods related to the integration of environmental aspects in product design and development, where “products” mean both goods and services.
ISO 14063	Environmental management — Environmental communication — Guidelines and example	It establishes recommendations for organizations on the basic principles, policies, strategies and activities related to internal and external limited environmental information.
ISO 14064	Organisation Quantification and Reporting of Green House Gases	It provides governments, businesses, regions, and other organizations with an additional set of program tools for quantifying, monitoring, reporting, and verifying greenhouse gas emissions
OHSAS 18000		
BS OHSAS 18001:2007	Occupational health and safety management systems — Requirements	It is aimed at identifying hazards, assessing and managing risks in the field of health and safety related to the activities of the organization
BS OHSAS 18002:2008	Occupational health and safety management systems – guidelines for the implementation	It evaluates activities in the field of health and safety; it gives general advice on the application of OHSAS 18001: 2007.
BS OHSAS 18004:2008	Guide to achieving effective occupational health and safety performance	It provides general assistance in the development, implementation and improvement of the occupational safety and health management system and demonstrates examples of successful implementation of activities in accordance with the requirements of BS OHSAS 18001: 2007.

Table 2. Features of current standards for the formation of requirements and reporting of social entrepreneurship (continued)

Group of standards	Title	Features
Account Ability 1000		
AA1000APS	Accountability Principles Standard	It is the basis for companies to identify and reveal the most important issues in the field of sustainable development and respond to them
AA1000AS	Assurance Standard	It provides a methodology for assessing the level of compliance with the basic principles of the AccountAbility standard, on which the accountable companies are based.
AA1000SES	Stakeholder Engagement Standard	It sets guidelines for the organization of the process of interaction with interested parties in order to achieve manageable, predictable and sustainable results to improve efficiency in the field of CSR.
SA 8000		
SA 8000:2008	Social Accountability International	It establishes social responsibility and obligations of the organizations before the personnel and all society; it defines conditions of introduction of social qualities of rendering of work
Global Reporting Initiative (GRI)		
GRI 101	Foundation	It is applied to simplify the process of publishing a report by companies
GRI 102	General Disclosures	
GRI 103	Impact Standards	It is focused on large enterprises; it meets the needs of a wide range of interested parties - employees, consumers of products and services, local communities

Source: Compiled by authors based on the data of European Commission (2020)

Table 3. Accounting for social entrepreneurship through index indicators

Index group	Index	Marking	Developer
Global indexes	Index of social progress	Social Progress Index (SPI)	Harvard Business School and Massachusetts Institute of Technology
	Human Development Index	Human Development Index (HDI)	UN
	A real indicator of progress	Genuine Progress Indicator (GPI)	Redefining Progress Public Non-Profit Institute
	Vanderford-Riley Welfare Index	Vanderford-Riley wellbeing schedule	-
	Gross national happiness	Gross National Happiness (GNH)	King of Bhutan Jigme Singye Wangchuck
	World Happiness Index	Happy Planet Index (HPI)	New Economics Foundation (NEF)

Table 3. Accounting for social entrepreneurship through index indicators (continued)

Index group	Index	Marking	Developer
Psychological indexes	Happiness quality index	Quality-of-life	The Economist Magazine
	Index of physical quality of life	Physical quality-of-life index	British Council for External Studies
	The level of happiness of the country's population	World Happiness Index (WHI)	UN Office for Sustainable Development
	Life satisfaction index	Better Life Index (BLI)	Commission on key indicators of economic activity and social progress

Table 4. Ranking of EU countries by the number of social enterprises per 1 euro GDP per capita

Groups of countries on the intensity of social entrepreneurship	Countries	2015			2020		
		GDP per capita, USD	Number of social enterprises	Number of social enterprises per 1 euro of GDP per capita	GDP per capita, USD	Number of social enterprises	Number of social enterprises per 1 euro of GDP per capita
A	Italy	30,657th most common	102461	3342	35.96 th most common	113258	3150
	Poland	26,622th most common	29535	1109	15,304th most common	31220	2040
	Germany	47,254th most common	77459	1639	45,466th most common	78536	1727
B	Lithuania	19,883th most common	3476	175	28,587th most common	39874	1395
C	Hungary	15,373th most common	15855	1031	26,536th most common	18836	710
D	Belgium	44,206th most common	18004	407	43,814th most common	19023	434
	Bulgaria	19,286th most common	3700	192	9,826th most common	3980	405
	Portugal	28,053th most common	7938	283	21,608th most common	8563	396
	Spain	34,751th most common	9680	279	26,832th most common	10365	386
	Romania	12,813th most common	6371	497	20,933th most common	6936	331
E	France	41,431th most common	96603	2332	39,257th most common	10562	269
	Slovakia	29,975th most common	3737	125	18,669th most common	4039	216
F	Czech Republic	32,076th most common	3773	118	22,627th most common	4026	178
	Netherlands	51.29 th most common	5000	97	49,623th most common	5985	121
	Luxembourg	109,602th most common	928	8	101,054th most common	10365	103

Table 4. Ranking of EU countries by the number of social enterprises per 1 euro GDP per capita (continued)

Groups of countries on the intensity of social entrepreneurship	Countries	2015			2020		
		GDP per capita, USD	Number of social enterprises	Number of social enterprises per 1 euro of GDP per capita	GDP per capita, USD	Number of social enterprises	Number of social enterprises per 1 euro of GDP per capita
G	Greece	26,303th most common	1148	44	18,168th most common	1354	75
	Slovenia	30,918th most common	1393	45	25,039th most common	1876	75
	Sweden	48,309th most common	3000	62	50,339th most common	3658	73
H	Croatia	21,683th most common	526	24	14,033th most common	730	52
	Ireland	65,481th most common	3376	52	79,669th most common	3698	46
I	Austria	47,071th most common	1535	33	48,634th most common	1623	33
	Finland	41,164th most common	1181	29	48,461th most common	1359	28
J	Latvia	26,675th most common	200	7	17.23 th most common	320	19
	Denmark	47,223th most common	411	9	58,439th most common	602	10
	Cyprus	34,747th most common	190	5	26.24 th most common	253	10
	Estonia	28,451th most common	121	4	22,986th most common	195	8
K	Malta	37.87 th most common	31	1	28,469th most common	45	2

Source: Compiled by authors on the data of Eurostat (2020)

This calculation reflects the current trends in the development of social entrepreneurship in the EU. Social entrepreneurship is not widely used in countries with a high level of social security (Austria, Denmark, Ireland, and Sweden). Intensive development of social entrepreneurship in various forms appropriate for countries that maintain the level of economic development (Germany, Italy, Poland). The intensity of social entrepreneurship is minimal for countries with small areas and small populations

(Cyprus, Malta).

For the socially vulnerable, GDP per capita needs to be clarified and adjusted. A more accurate measure is the GDP per capita for vulnerable groups. It covers the part of the population of the country, which includes various subgroups by social and demographic aspects, which indicates the need to diversify the indicator. Accordingly, it is necessary to determine the GDP per capita of the country by different social groups.

$$GDP \text{ per capita } \left\{ \begin{array}{l} GDP \text{ per capita}_{retirees}^{i=1} \\ GDP \text{ per capita}_{disabled \text{ people}}^{i=2} \\ \dots \dots \dots \dots \dots \dots \dots \\ GDP \text{ per capita}_{social \text{ groups}}^{i=n} \end{array} \right.$$

This approach will help to take into account the real situation of socially vulnerable groups of the country, will be a guide in the implementation of priority measures of state social policy and will be an indicator for social entrepreneurship in the choice of services.

To measure the social impact and performance at the micro level, i.e. at the level of individual social enterprises, analysis techniques are used, which allow to evaluate both individual subjects of social entrepreneurship and their programs and activities. The effectiveness of such an assessment of social enterprises is derived from a system of economic performance indicators.

The social effect of the social enterprise is manifested in two ways. First, as a public benefit that provides the economic benefit of the entity that provides social services and at the same time usefulness for consumers who do not pay received services.

Secondly, the external effect in itself is a saving of budget expenditures on the social sphere. In general, provide an increase in the level of socio-cultural and environmental components of society, while not dependent on the activities of economic agents of the country. In this sense, we should talk about the budget efficiency of individual programs implemented by social enterprises based on CBA (cost-benefit analysis). The CBA is a comparison of costs and social benefits / effects in monetary terms. Given that the social effect is quite difficult to assess in monetary terms, it is advisable to use this method when comparing social programs with each other and in different time dimensions and take into account the cost of public service, which is determined by market analysis. This method is also successful in evaluating alternative social programs

compared to the implementation of existing ones.

To assess the effectiveness of budget programs for social development, social enterprises should use cost-effectiveness analysis CEA (cost effectiveness analysis). This technique is universal and widely used in medicine and rehabilitation. However, the method cannot be used when comparing different in nature social services and those with different social effects. In addition, this method does not take into account the influence of external factors on the results of the enterprise, as well as the high sensitivity of the result to the choice of the indicator that will be dominant in obtaining the social effect.

Some social funds develop their own methods for assessing the effectiveness of the implementation of relevant programs. Thus, by combining CEA and CBA, the American Acumen Fund created the BACO index (Best Available Charity Option). Its use is possible to evaluate alternative programs in only one area, and is used exclusively to compare malaria treatment programs.

Methodology of the Robin Hood Foundation (USA) is developed by a non-profit fund, is based on a cost-benefit analysis and assesses the social effect solely in monetary terms. The specificity of the methodology is that a base of measuring instruments of the so-called metrics is formed, which are included in the calculation of the effectiveness of poverty reduction programs. This technique is not in the EU applied, but the approach itself in the set of these metrics became the basis of the method SROI.

The index approach in assessing the social component of a society with a market model of economic relations is dominant due to a number of factors. First, it is impossible to evaluate in monetary terms all social

activities. Secondly, if the amount of funding (amounts of investments, investments and charitable contributions) in monetary terms is determined quite easily and accurately, the result of changes can be assessed only in part through changes in the infrastructure component in monetary terms, namely changes in book and current value of individual elements of socio-ecological infrastructure. Third, it is impossible to assess the moral and psychological condition of those consumers who have received certain social services in terms of value.

As for the social entrepreneurship accounting system, it differs in each of the EU countries. This applies to the compliance of the accounting policy of the enterprise with the general state requirements. Therefore, in Germany, the company must legally comply with the national Commercial Code. In contrast, in Italy, Belgium and Spain, accounting practices do not approach the company's income, but the loss from adjusted events. Moreover, such adjustments are accounted for through the profit and loss account for the previous reporting period. In France, adjustments are also made to the Profit and Loss Account, but for special items, and events that do not apply to the existing enterprise must be analyzed in detail and submitted in a separate management report. The specifics of accounting is also the accounting of income of these enterprises to change retained earnings, which explains compliance with the main condition of social enterprises - the targeted use of profits for social services. The accounting (one typical thing) is focused on the requirements of IFRS (International Financial Reporting Standards), which provides for a simplified accounting system for these companies. In this case, the owner of the enterprise independently chooses the elements of organizational and technical components of reporting. Different countries have relaxed requirements for the publication of reports and results of audits, and this depends solely on the country's legislation on the activities of social enterprises.

5. Discussion

The theoretical substantiation of social entrepreneurship, dating from the 80s of the XX century, is connected with the successful functioning of such subjects at the junction of the economy of entrepreneurship and social protection. Such scholars as Dees (2001), Meyer and Marty (2006) and Yunus (2010) proved the basic concept of social entrepreneurship. Thanks to the European Commission, in 2020 this phenomenon became internationally recognized.

The results of research in various areas of social entrepreneurship by scientists such as Travaglini et al. (2010), Hadad (2017), Biggers et al. (2020), Hojnik B. & Crnogaj K. (2020) are necessary to explain the trends of its further development and consequence in the context of sustainable development

Since 2014, when the relevant legislation was adopted in most European countries, a study of the peculiarities of accounting and analysis of the activities of social entrepreneurs has begun. We agree with research results of some authors (Gibbon and Affleck, 2008; Johnson and Schaltegger, 2016; Kay and McMullan, 2017) that it is impractical to automatically transfer existing accounting systems to social enterprises due to environmental and social performance.

Social entrepreneurship provides value added in the provision of socio-cultural and environmental services. However, in the existing approaches and methods there is no criterion for assessing intangible value in the provision of relevant services by social entrepreneurs. Porter's attempt to single out intangible value is conditional, because the social sphere is a consequence of the development of social production. A market economy is not interested in the development of social and environmental values of society. Therefore, the economic indicator of GDP per capita remains the only criterion for the impact of the economic component on the socio-ecological component of society and requires clarification of certain vulnerable

social groups of the population.

It should be noted the lack of a single comprehensive approach to the analysis of the activities of social entrepreneurs. Such entrepreneurship is assessed indirectly through a system of indicators of sustainable growth and human potential.

6. Conclusions

Social entrepreneurship has developed as a continuation of trends in corporate social responsibility in response to international requirements for human rights and environmental protection. In time, this is a quite new phenomenon of economic and social nature.

The accounting system of social entrepreneurs is quite specific and due to the requirements of International Financial Reporting Standards. For these enterprises, there is a simplified accounting system, which has national characteristics for individual countries, due to the norms of national legislation on social entrepreneurship. In organizational terms, business owners independently form such reports on accounting and financial accounting.

The current method of assessing the results of social entrepreneurship is an analysis of the economic characteristics of the enterprise in terms of costs and results and is assessed as profitability. At the same time, it is implemented in two directions: CBA

(comparison of enterprise costs to its benefits) and CEA (comparison of costs and performance of the enterprise). The combination of these methods in the analysis of the work of social enterprises has led to the introduction of the SROI indicator, which has become widespread among EU countries to assess the effectiveness of social entrepreneurship programs. Its universality is manifested in the possibility of simultaneous analysis of the effectiveness of all participants in the social project, but has a significant drawback - the subjective nature of the assessment of the feasibility and importance of social projects.

We have proposed a comprehensive approach to assessing social enterprise based on GDP per capita, which allows us to take into account the possibility of starting social entrepreneurship because of market supply and demand through the level of profitability of individual social groups.

The study allows supplementing the analysis of social entrepreneurship through public indicators of statistical reporting on three components (economic, social and environmental), based on which to calculate the index of social entrepreneurship for rating EU countries on the contribution of social entrepreneurship to development.

Further research should focus on the analysis of government measures to support the development of social entrepreneurship. It is also advisable to conduct an analysis on a regional basis.

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