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# Social Entrepreneurship in the European Union and Russia: motives, factors of success and failure

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# The Omsk region

Area -141140 km<sup>2</sup>

Population – 1944225 (2019)





# The city of Omsk



# The downtown





# Petrochemical refining





# Agricultural sector





# GDP of Russia

in trillion US dollars, World Bank data


Year	2011	2012	2013	2014	2015	2016	2017
GDP of the RF	2.052	2.21	2.297	2.064	1.368	1.285	1.578

**GNI per capita** – 9230 (2017)  
15200 (2013)

Income level: Upper middle income



# Social entrepreneurship



is a hybrid form of entrepreneurship that pursues a social mission and, at the same time, uses market-based approaches to earn commercial income to accomplish its mission.





# Social entrepreneurship



is a broad path to implement individual as well as corporate responsibility to improve the conditions, livelihoods, and standards of living of populations and ecosystems.

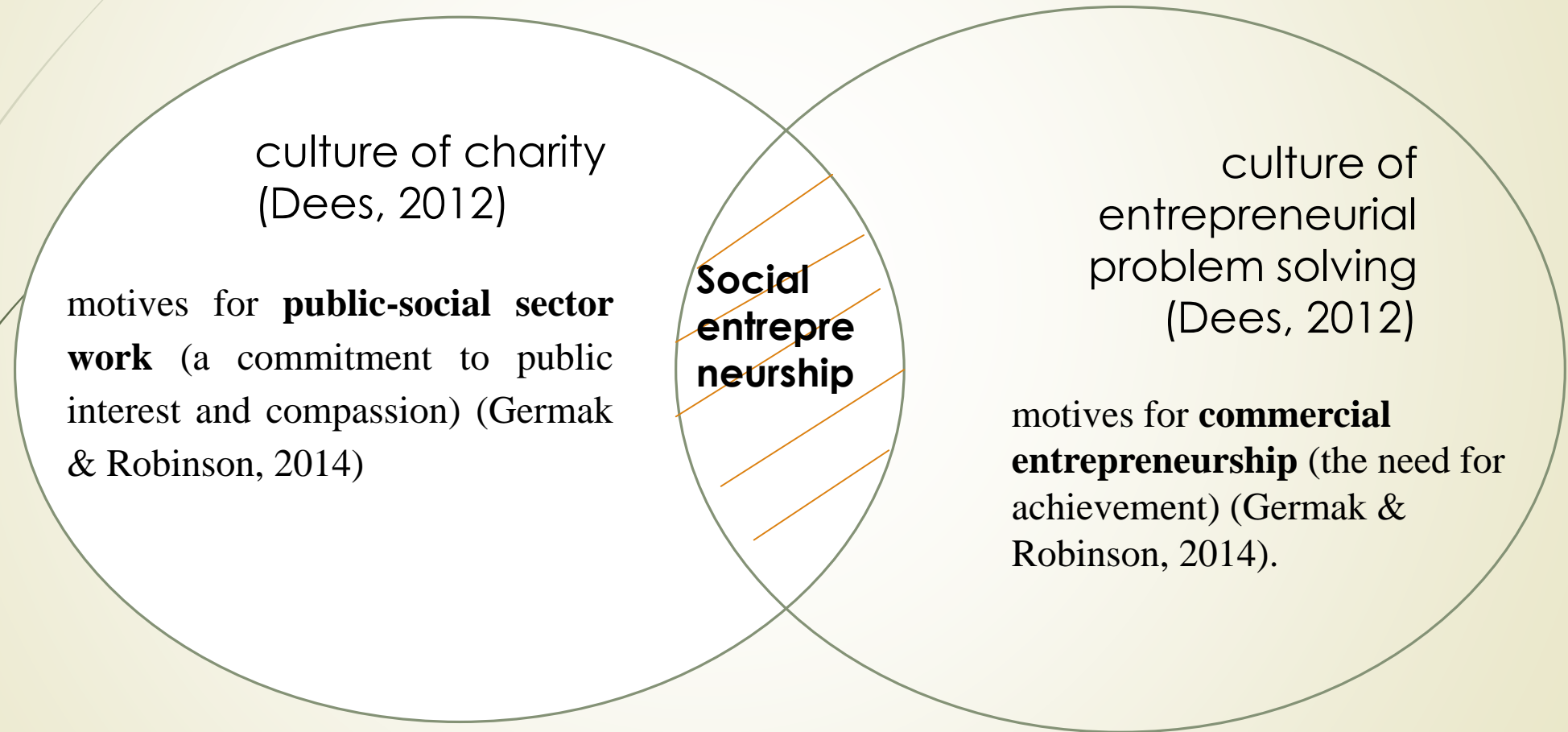



# ***Theoretical Background***

- “We define social entrepreneurship as innovative, social value creating activity” (Austin et al., 2006)
- While the nonprofit sector is usually considered as the main sector for social entrepreneurship (Stecker, 2014), the business and public sectors are often involved as well (McMullen, 2011; Keohane, 2013).



# Theoretical Background





# Paid employment in the social economy

- ▶ The social economy of the **EU27 (2010)** has provided paid employment for about 6.5 percent of the working population - **about 14.1 million people**, including about 2.5 million in Germany (6.35%), 2.3 million in France (9%) and 2.2 million in Italy (9.7%).
- ▶ The non-profit sector in the USA employed 11.4 million people in 2012, compared to 10.5 million in 2007.
- ▶ In Russia paid employment in the social economy was about 1.4 percent of the working population (990,000 of 68.5 million paid workers) in 2015, compared to 0.9 percent in 2009.





# Volunteers

- ▶ the EU27 (2011) - about 102 million people
- ▶ In Italy (2011) - 13,484,222 people (**26% of adult population**)
- ▶ The number of volunteers in Russia increased from 0.33 million in 2009 to 1.435 million people in 2016 (**about 2% of adult population**)




# Social entrepreneurship in the Omsk region

- At the beginning of 2018, there were 2,593 non-commercial organizations in the Omsk region employing about 28,000 people and involving about 47,000 volunteers.





# Research questions

- ▶ What are the main motives of social entrepreneurs to participate in social projects across the Omsk region?
  - ▶ What are the main factors that lead to the success or failure of social entrepreneurial ventures across the Omsk region of Russia?
  - ▶ What are the differences and similarities in motives and the factors of success and failure among nascent and mature social entrepreneurs in the Omsk region of Russia?
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# Research Methods

- ▶ a qualitative approach (Patton, 2002; Germak & Robinson, 2014; Shaw & Carter, 2007)
- ▶ Interviews with social entrepreneurs included only open questions concerning the motives of social entrepreneurs to participate in social projects; the factors of success and failure.






# Data set

<b>Nascent social entrepreneurs</b>	<b>Mature social entrepreneurs</b>
31 respondents	27 respondents
With less than 3 years of entrepreneurial experience	With more than 3 years of entrepreneurial experience
19-24 years old	28-47 years old
6 male and 25 female respondents	11 male and 16 female respondents
trained in Social Entrepreneurship and Project Management	




## *Findings*

<b><i>Motives of nascent social entrepreneurs in the Omsk region (31 respondents)</i></b>	<b><i>Motives of mature social entrepreneurs in the Omsk region (27 respondents)</i></b>
Personal connections	Experience
Passion and enjoyment	To be in a trend
Experience	Passion and enjoyment
Trend or anti-trend	




<b><i>Motives of nascent social entrepreneurs in the Omsk region</i></b>	<b><i>Motives of mature social entrepreneurs in the Omsk region</i></b>	<b><i>Motives of nascent social entrepreneurs in the USA (Germak &amp; Robinson, 2014)</i></b>	<b>Dufays &amp; Huybrechts (2014)</b>	<b>Antecedents of social entrepreneurial intentions (Baierl et al., 2014)</b>
Personal connections	Experience	Personal fulfillment	Social networking as an objective of social entrepreneurs	Perceived feasibility (need for success)
Passion and enjoyment	To be in a trend	Helping society		Perceived desirability (need for social impact)
Experience	Passion and enjoyment	Nonmonetary focus		
Trend or anti-trend		Achievement orientation		
		Closeness to social problem		





To classify the social ventures as successful or not we used the following criteria:

1. the implementation of the venture in practice and the ability to ensure sustainable current activities (Witt, 2004; Sharir & Lerner, 2006).
  2. the subjective evaluation of social entrepreneurial success by the social venture leader or participant (Witt 2004) and the achievement of the social goals (Cukier et al., 2011; Sharir & Lerner, 2006).
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# Nascent social entrepreneurs

## ***Factors of success of nascent social entrepreneurs in the Omsk region***

Social Networking

Motivated Leader and Team

Previous Experience of the Team Members and Team Leader

Ability to find Resources and Financial and Organizational Support

## ***Factors of failure of nascent social entrepreneurs in the Omsk region***

Lack of Team Motivation and Cohesion

Poor Networking

Organizational Context

# Mature social entrepreneurs

## ***Factors of success of mature social entrepreneurs in the Omsk region***

Institutional and Market Context

Ability to find Resources and Financial and Organizational Support

Motivated Leader and Team

Previous Experience of the Team Members and Leader

Organizational Context

Social Networking


## ***Factors of failure of mature social entrepreneurs in the Omsk region***

Lack of Team Motivation and Cohesion

Lack of Funding

Institutional and Market Context





## ***Factors of success of social entrepreneurs in the Omsk region***

## ***Sharir & Lerner (2006)***

Social Networking

the entrepreneur's social network

Motivated Leader and Team

total dedication to the venture's success

Previous Experience of the Team Members and Leader

the entrepreneurs' previous managerial experience.

Ability to find Resources and Financial and Organizational Support



the capital base at the establishment stage

Organizational Context

the team, including the ratio of volunteers to salaried employees

Institutional and Market Context

ensuring cooperation in the public and nonprofit sectors in the long-term; the ability of the service to stand the market test; the acceptance of the venture idea in the public discourse



## ***Factors of failure of social entrepreneurs***

Lack of Team Motivation and Cohesion

Poor Networking

Organizational Context

Lack of Funding

Institutional and Market Context



Thank you for your attention!