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Julia Tkhoryk, Anastasiya Parashchuk

Language tutor: Svitlana Rybachok,
Candidate of Philological Sciences, Associate Professor
Ternopil National Economic University

SOCIAL ENTERPRISE

A social enterprise is a commercial organization that seek to maximize profits while maximizing benefits to society and the environment. The profits are principally used to fund social programs [1]. The concept of a social enterprise developed in the UK in the late 1970s to counter the traditional commercial enterprise. Social enterprises exist at the intersection of the private and volunteer sectors. They don't measure their success in terms of profit only – success to social entrepreneurs means that they improve the world.

Social enterprises have mixing characteristics: they integrate the capital and management methods of both commercial and nonprofit organizations, and adopt the commercial way to obtain economic benefits, aiming at realization of social objectives. The organizational values are measured on basis of commercial and non-profit aspects. There are many forms of social entrepreneurship. This is due to the fact that this kind of business is related to different social, cultural and political backgrounds.

By selling goods and services in the open market, social enterprises create employment and reinvest their profits back into their business or the local community. This allows them to tackle social problems, improve people's life chances, provide training and employment opportunities for those furthest from the market, support communities and help the environment [2].

Many employees of social enterprises come from at-risk sections of the community. These include long-term unemployed workers, members of marginalized groups or people with disabilities. The social enterprise may seek to provide a living wage, which in most cities is above the minimum wage. Sometimes, drawing employees from at-risk groups may be the stated social goal of the enterprise.

A social enterprise is not to be confused with social entrepreneurship, which tends to focus on individuals who develop solutions to social and environmental problems using existing business techniques and strategies [3].

Social enterprises often use for-profit business strategies to fund their social change. The methods in which these social enterprises create sustainable revenue streams differ from social business to social business, but all share the goal of abandoning the need for government or donor support. This difference in funding strategies as the innovation that differentiates the social enterprise from the traditional non-profit actor.

Therefore, a social enterprise is a new type of business, which combines profitability and a desire to change the world for the better. Social business has successfully entered the market and operated to achieve a balanced financial, social and environmental set of objectives.

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