

**SOCIAL ENTREPRENEURSHIP AS A SOCIO-ECONOMIC PHENOMENON AND ITS
ROLE IN SOCIETY**

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Abstract

This article examines the concept of social entrepreneurship, emphasizing its significance in contemporary society. It explores the role social enterprises play in addressing social challenges, promoting community development, and fostering sustainable economic growth. Additionally, the study provides practical recommendations for enhancing the development of social entrepreneurship in Uzbekistan, aiming to create favorable conditions for social innovation, support for socially oriented initiatives, and increased engagement of businesses in solving societal problems.

Key words

social economy, social problems, socially needy categories of the population, social goods, social services, activities in the social sphere, social entrepreneurship, social enterprise.

Social entrepreneurship has emerged as a distinct socio-economic phenomenon over the past few decades, reflecting a global shift in the way societies address social challenges. Unlike traditional business, which primarily focuses on profit maximization, social entrepreneurship prioritizes social impact, aiming to create sustainable solutions to pressing societal problems such as poverty, inequality, access to education, healthcare, and environmental sustainability. The growing interest in social entrepreneurship worldwide is driven by increasing social needs, limited government resources, and the demand for innovative approaches that combine economic activity with social responsibility.

The concept of social entrepreneurship is multidimensional, encompassing both the creation of social enterprises and the integration of social objectives into the operations of existing businesses. Social entrepreneurs identify gaps in social services and develop innovative models that generate revenue while addressing social issues. This dual focus not only benefits communities and vulnerable populations but also promotes inclusive economic growth and fosters a culture of social responsibility within society.

International experience demonstrates that social entrepreneurship contributes significantly to the socio-economic development of countries. In nations such as the United States, the United Kingdom, South Korea, and various European countries, social enterprises have successfully created jobs, provided essential social goods and services, and enhanced community resilience. In Uzbekistan, the promotion of social entrepreneurship has become a strategic priority, as highlighted in the national socio-economic development programs and presidential initiatives, which emphasize the creation of a legal framework and support mechanisms for social enterprises.

Studying social entrepreneurship as a socio-economic phenomenon is crucial for understanding its role in contemporary society, identifying best practices, and developing strategies to encourage its growth. This research aims to explore the essence, principles, and objectives of social entrepreneurship, analyze its impact on society, and propose recommendations for the development of the sector in Uzbekistan, contributing to sustainable social and economic progress.

The growing interest in engaging in social entrepreneurship has become a prominent global trend over the past decades, driven by several factors. These include the increasing demand for social services among populations, insufficient financial resources of many countries to fully address social issues, and the limited capacity of governments to provide comprehensive social support. These circumstances have laid the foundation for the development of social entrepreneurship as a mechanism capable of simultaneously addressing multiple challenges: generating financial resources, tackling social problems, and creating profit opportunities for owners of social enterprises.

As a key direction of socio-economic policy, the role of social entrepreneurship in addressing societal challenges is invaluable. Notably, in the Address of the President of the Republic of Uzbekistan to the Oliy Majlis, the development of a draft law on the fundamentals of social entrepreneurship and measures to encourage its growth was emphasized, highlighting its strategic importance. Consequently, studying the principles of social entrepreneurship and the obstacles to its promotion is crucial.

Literature Review. The general theoretical foundations of social entrepreneurship have been examined in the works of G. Dees, J. Thompson, S. Alvord, J. Mair, and I. Marti. Among domestic scholars, A.N. Makarevich, T.Yu. Sazonov, M.L. Batalina, A.A. Moskovskaya, and L.D. Taradinas have made significant contributions. Their research analyzes social entrepreneurship based on the generalization of international experience, particularly noting that practical development of social entrepreneurship in Russia began in the early 2000s. Despite numerous studies, debates regarding definitions, approaches, and the scope of social entrepreneurship remain ongoing. There is an evident need for systematic analysis and the collection of practical information to understand the current state of social enterprises and their effectiveness.

Methodology. The study employs logical analysis, scientific observation, comparative analysis, and other research methods to ensure a comprehensive examination of social entrepreneurship.

Analysis and Results. Social entrepreneurship has emerged as a socio-economic phenomenon, reflecting societal responses to pressing social issues. Its primary objective is to benefit society, with social considerations taking precedence over purely commercial interests. Social enterprises—whether legal entities or individual entrepreneurs—seek to mitigate social problems and improve living conditions, particularly for vulnerable populations, by creating jobs, producing social goods, and delivering social services. Key principles include:

- Social justice
- Prioritization of societal interests
- Voluntary engagement in social entrepreneurship

The objectives of social entrepreneurship encompass providing employment, delivering social goods and services, ensuring access to essential products for vulnerable groups, and responding to emergencies such as natural disasters, epidemics, and other crises. It is also a vital tool in poverty reduction.

International experience demonstrates the efficacy of social entrepreneurship. In countries such as the USA, UK, Poland, Belgium, and Italy, social enterprises have successfully produced social goods, provided services, and created employment opportunities for marginalized populations. South Korea offers a notable example: during the Asian financial crisis of the late 20th century, the country implemented social entrepreneurship initiatives to stabilize society and mitigate economic hardship. By 2007, the adoption of the Law “On the Development of Social Entrepreneurship” institutionalized this sector, while the establishment of the Social Enterprise Support Agency and Social Entrepreneurship Support Committee has facilitated continuous

improvement and problem-solving within the field. The country now boasts a robust small business sector, contributing significantly to GDP and social stability.

Conclusions and Recommendations. Uzbekistan faces social challenges similar to those of other countries, and social entrepreneurship represents an effective mechanism to address these issues. Beyond contributing to the economy, social enterprises play a vital role in solving societal problems. To foster the growth of this sector, it is essential to implement comprehensive state support mechanisms, including legal regulation, tax incentives, subsidies, grants, and favorable conditions for investment in social projects. The adoption of a law on social entrepreneurship would provide a clear legal framework, encouraging enterprise activity and ensuring sustainable development of social entrepreneurship in Uzbekistan.

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