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UUT26 Inclusive business models for improving socio-economic support and reducing social vulnerability

From the University of Portsmouth: project coordinator – **Olubukola Aluko**, Lecturer in International Business and Sustainability

From the Odessa Polytechnic: project coordinator – **Prof. Dr. Svitlana Yermak**, Professor of the Economics Department



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1. The purpose of the project and subjects of the investigation

Aims:

- Detailed study of the international (UK and Ukraine) experience of implemented inclusive business models and successful social entrepreneurship to transfer it to the activities of Ukrainian enterprises, representatives of SMEs during the war and at the stage of post-war recovery, when an increase in vulnerable categories of the population is expected (veterans and war invalids; forced migrants returning home; orphaned women and children, etc.) who will need to fill their niche in the country's economy.
- To develop a modern paradigm for socio-economic development and form a theoretical and methodological basis for the development of inclusive business models.
- To identify principles, mechanisms and methods for the organization and management of entrepreneurship to ensure socio-economic efficiency and inclusivity.
- To assess the effectiveness of inclusive business models in improving socio-economic support and reducing social vulnerability.



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2. Tasks of the project

Tasks of the project are:

- To examine the awareness and readiness of inclusive business models and social entrepreneurship among small and medium-sized businesses in the UK and Ukraine.
- To identify the key factors that influence the adoption and implementation of inclusive business models in small and medium-sized businesses.
- To identify the benefits and challenges associated with implementing inclusive business models in small and medium-sized businesses.
- To assess the potential impact of inclusive business models on socio-economic support and social vulnerability in the UK and Ukraine.
- To provide recommendations on how to promote the adoption of inclusive business models and social entrepreneurship among small and medium-sized businesses in the UK and Ukraine.



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3. Waiting for project results

- Systematic literature review.
- Presentation of a joint research paper "Characteristics of inclusive circular business models in social entrepreneurship" at the International Conference on Circular Economy and New Business Models (ICCENBM 2023), which will take place on August 24-25, 2023 in Dublin, Ireland.
- Research paper. The target journals: Journal of Business Ethics or Business and Society.
- Development of directions for further research.



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4. Road map of the project

- Literature review (month 1)
- Research seminar presentation at the University of Portsmouth (month 2)
- Survey development (month 2)
- Sample selection and data collection (month 3)
- Data analysis (month 4)
- Report writing and dissemination (month 5)



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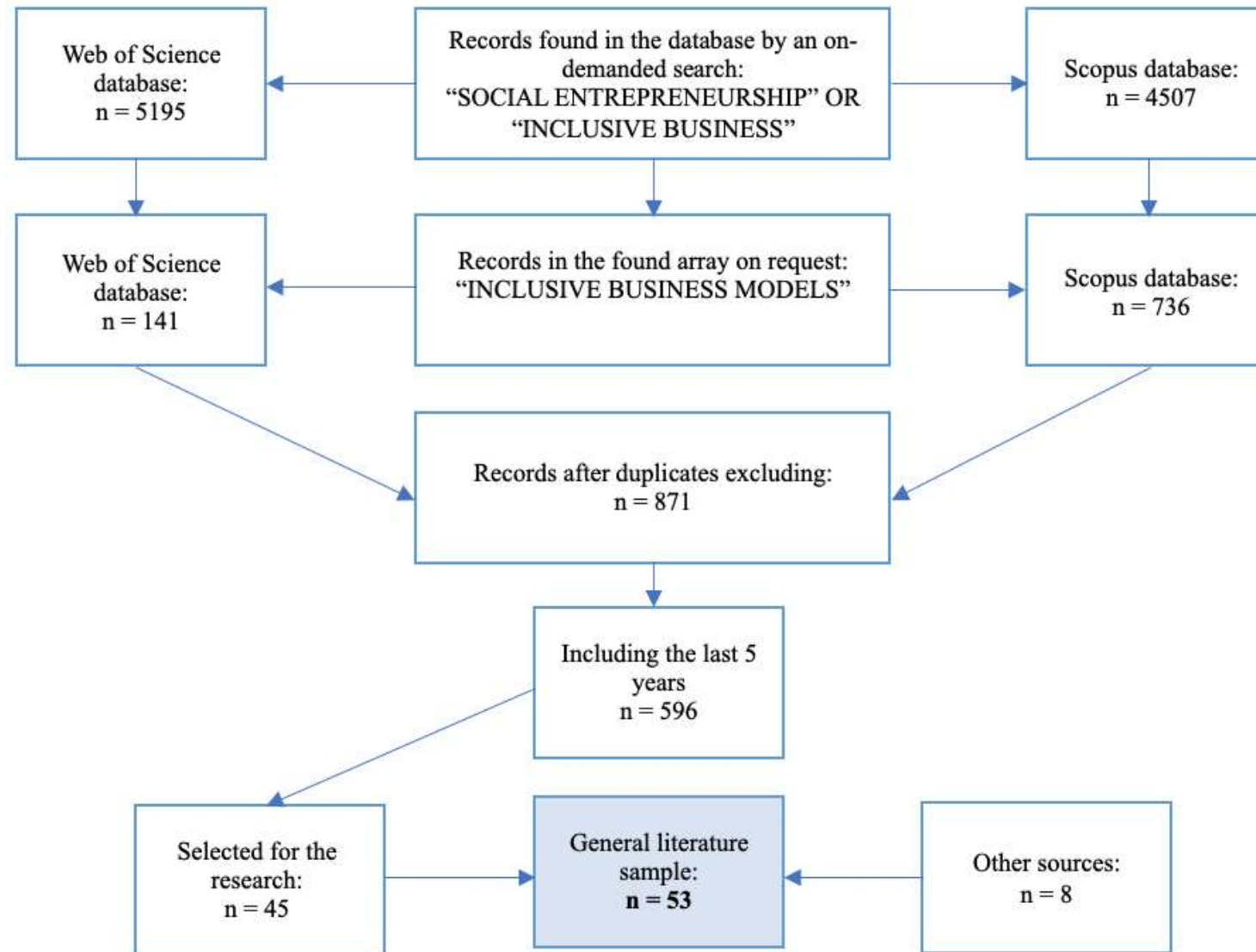
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5. Obtained project results

SYSTEMATIC LITERATURE REVIEW



LEADERS IN SOCIAL ENTREPRENEURSHIP

Social enterprise plays an increasingly important role for vulnerable groups and geographies

There are more than 100 000 social enterprises in the United Kingdom, which contribute to the economy of £60 billion and provide work for about 2 000 000 people



Businesses that have a social or environmental objective and reinvest their revenues to promote that mission are referred to as **social enterprises** in the UK. They may exist as CICs, cooperatives, or charities with trade arms, among other legal entities.

Important inclusion requirements include:



A clear social or environmental mission, which is central to the organization's operations.



A commitment to reinvesting profits to further the social or environmental mission.



Transparency and accountability in decision-making and reporting.



A focus on creating social value alongside financial sustainability.

SOCIAL ENTERPRISE INCLUSION CRITERIA BY OECD

ECONOMIC CRITERIA:

- social enterprises are directly involved in the production and/or sales of goods and services;
- social enterprises are voluntarily created and managed by groups of citizens on a voluntary basis;
- the financial viability of social enterprises depends on the efforts of their members;
- the activity of social enterprises requires a minimum number of paid employees, volunteers are often involved in the work.

SOCIAL CRITERIA:

- social enterprises are created on the initiative of citizens who belong to a certain group and/or have common values or needs;
- the right to make decisions in social enterprises is divided among its participants according to the principle of one participant - one vote and does not depend on the amount of invested capital;
- social enterprises include organizations in which the distribution of profits between its founders and participants is prohibited;
- social enterprises have a clear purpose to benefit the community or a specific group of citizens, which directly or indirectly contributes to social responsibility at the local level.

INCLUSIVE BUSINESS MODELS



are an approach to business organization that seeks to include all participants in society, including vulnerable groups and persons with disabilities, in economic activity and value creation.

They focus on *social inclusion*, *equity*, and *sustainability*, helping to eliminate inequalities and ensure equal opportunities for all.

FEATURES OF INCLUSIVE BUSINESS MODELS



INTEGRATION OF
VULNERABLE GROUPS
OF THE POPULATION



AFFORDABLE GOODS
AND SERVICES



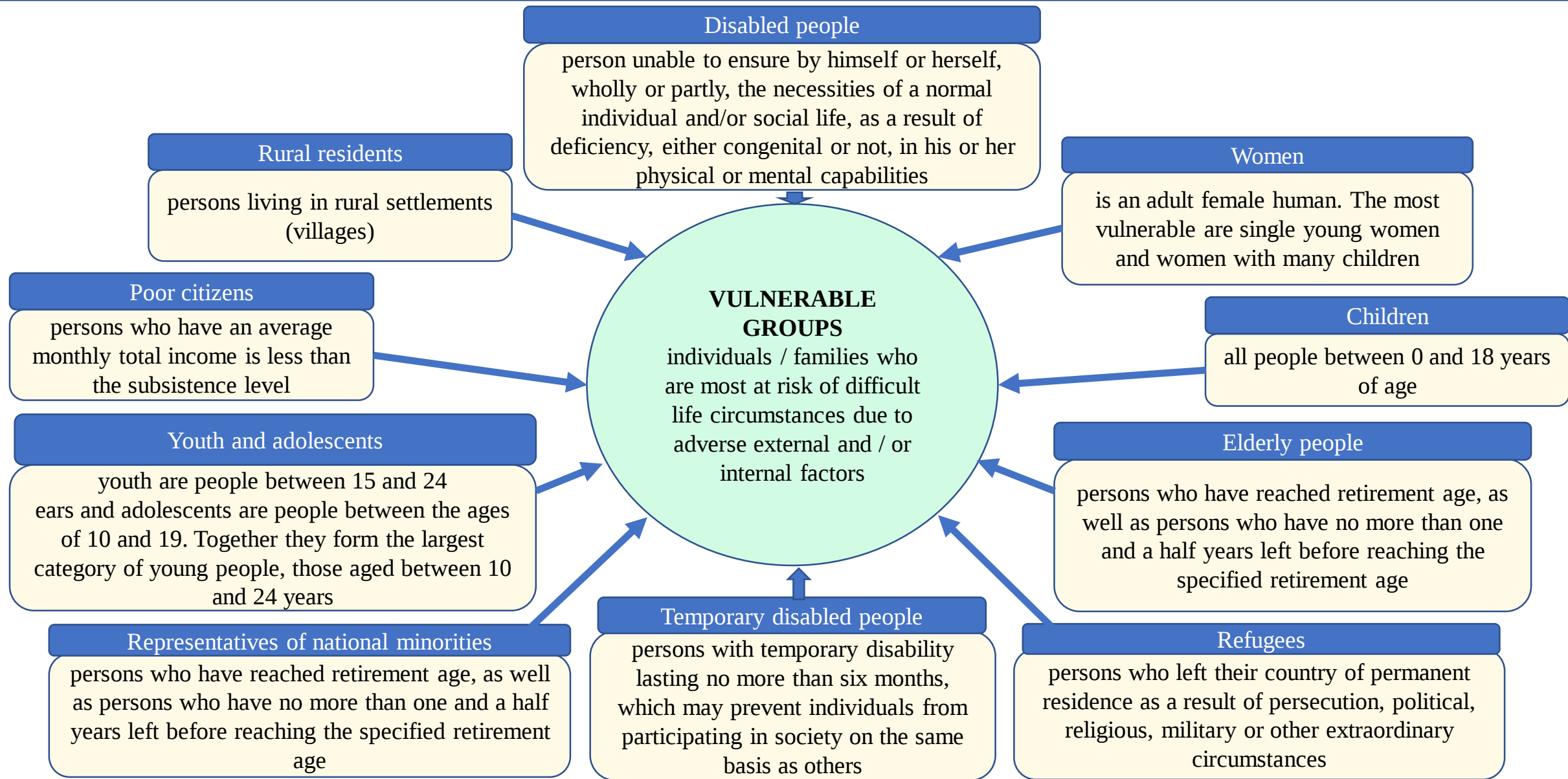
INCLUSION OF LOCAL
COMMUNITIES



COOPERATION WITH
GOVERNMENT
AGENCIES AND NGOS



FLEXIBLE WORKING
CONDITIONS



Many **social enterprises in Ukraine** transfer part of their profits to the needs of the army or to volunteer organizations to help internally displaced persons and military

And citizens willingly contribute to the support of the country in wartime by buying the products of such enterprises





UK Research
and Innovation



Calling all UK Social Enterprises!
Join our Research Project for
Positive Change!



@Olubukola Aluko



@Svitlana Yermak



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Анкетування UUT26

Інформаційний лист учасника.

Запрошуємо Вас взяти участь у міжнародному проєкті UUT26 "Інклюзивні бізнес-моделі для покращення соціально-економічної підтримки та зменшення соціальної вразливості" та заповнити цю анкету.

A questionnaire was prepared in Ukrainian and English for a survey of social entrepreneurs in Ukraine and the UK

The questionnaire was posted on various social networks and sent by email to more than 200 social enterprises and 15 public organizations

Responses received from 34 social enterprises in Ukraine and the UK



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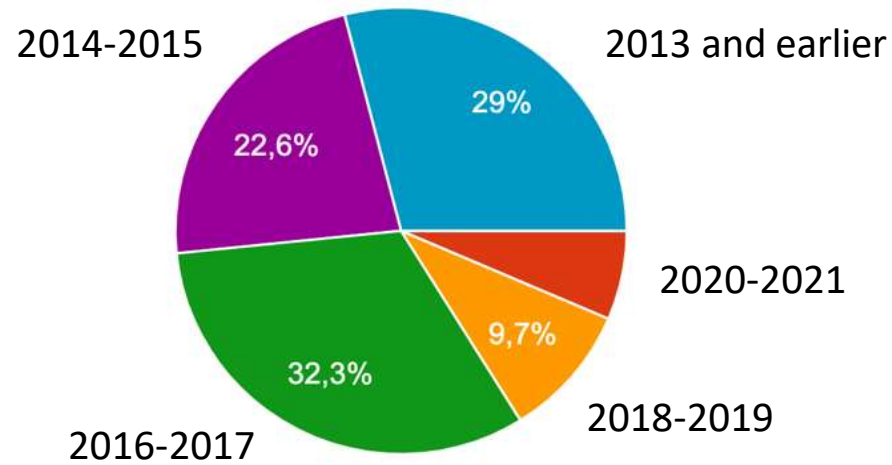


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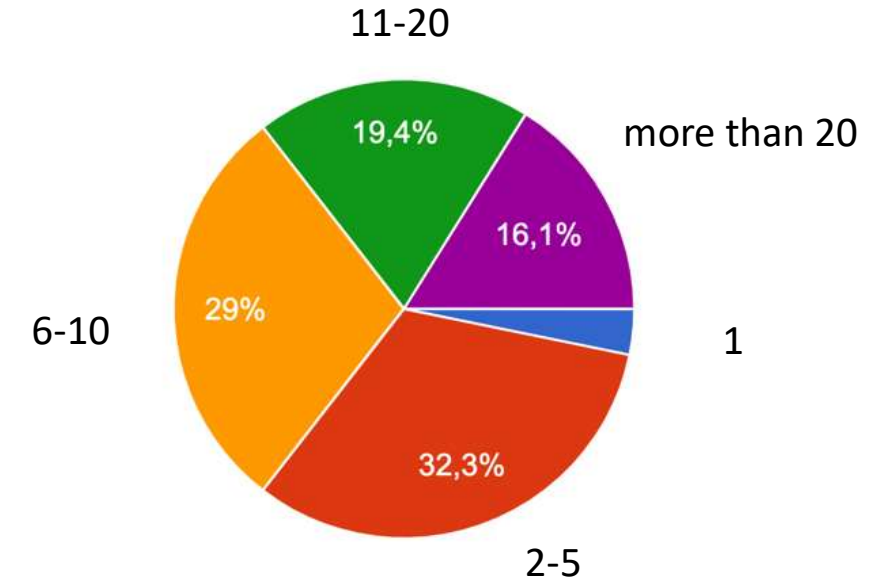
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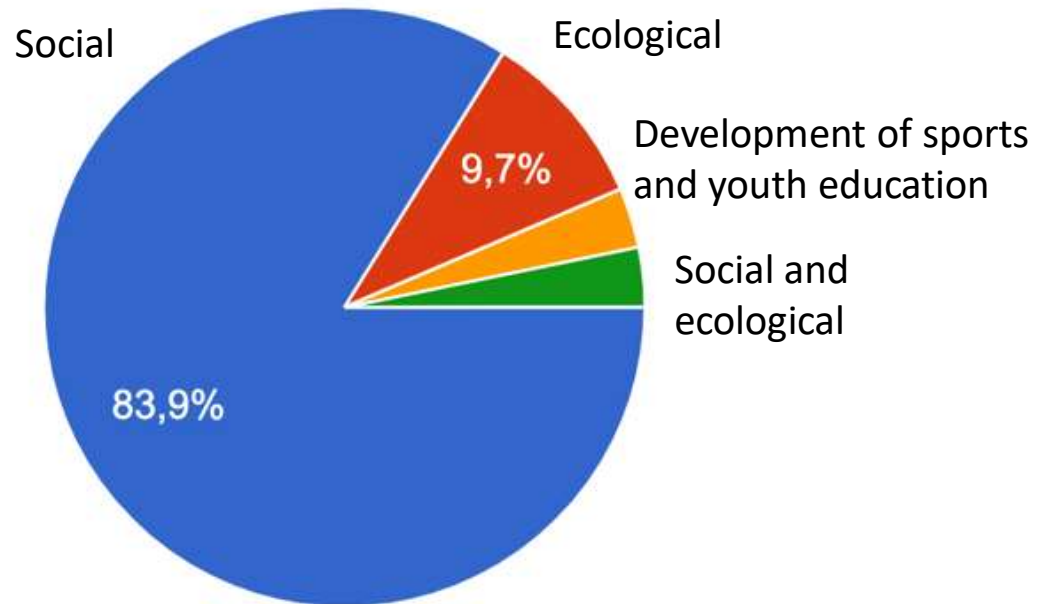
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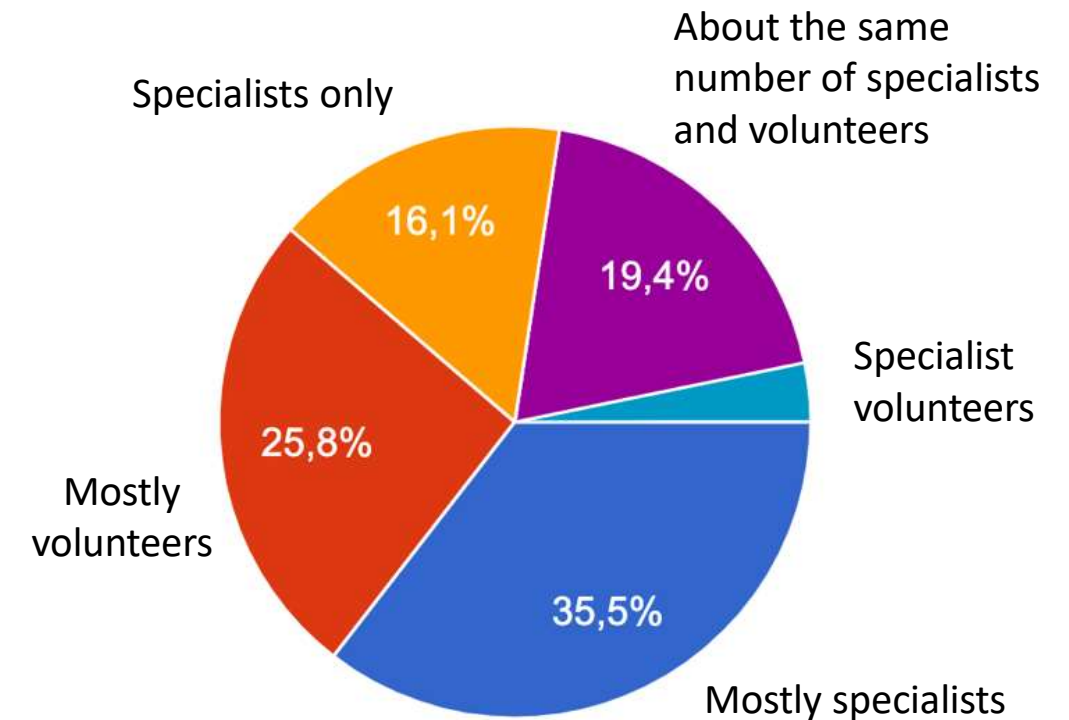
**Year of founding of the
business structure**



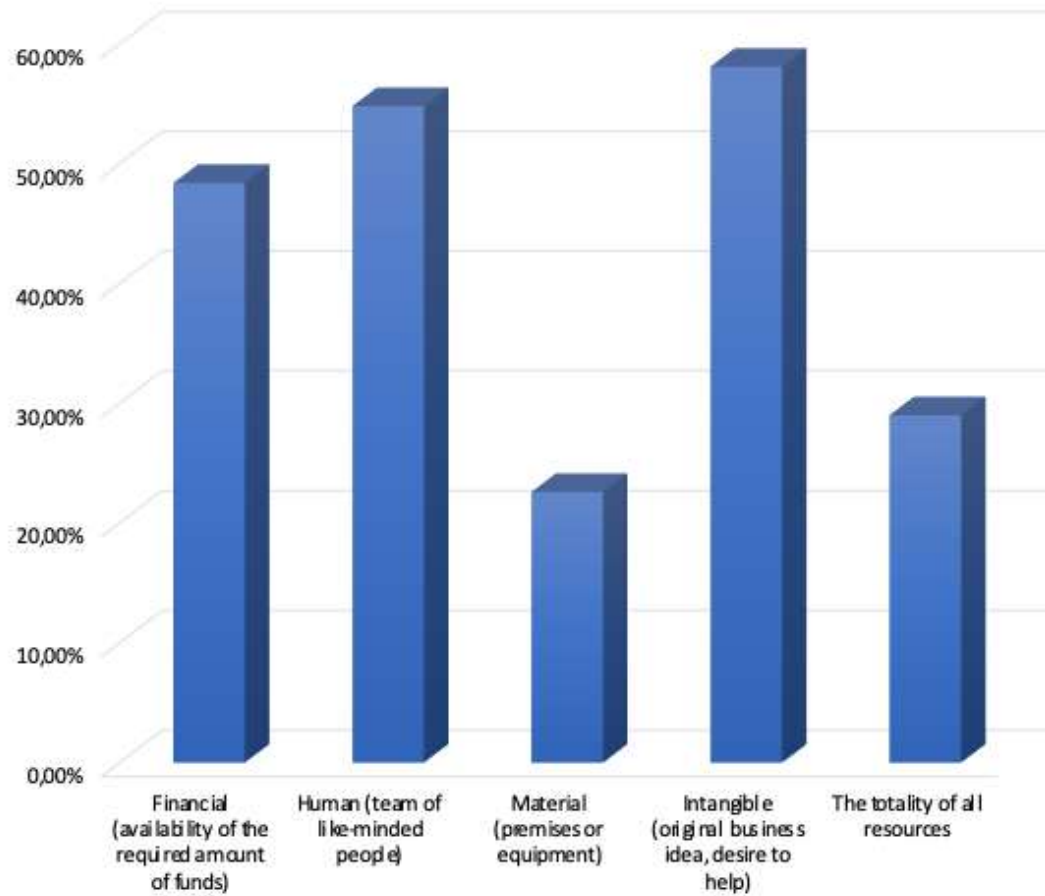
**The number of employees of the
social enterprise**



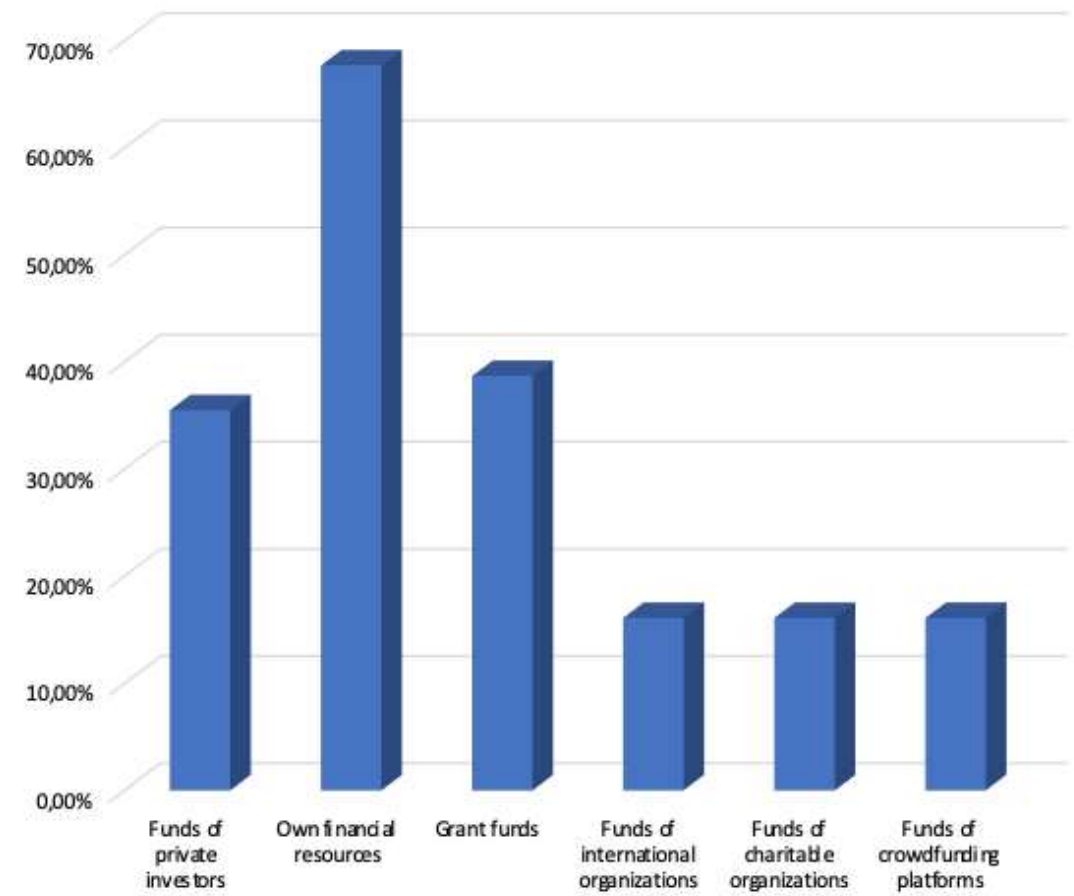
The problem that social business aims to solve



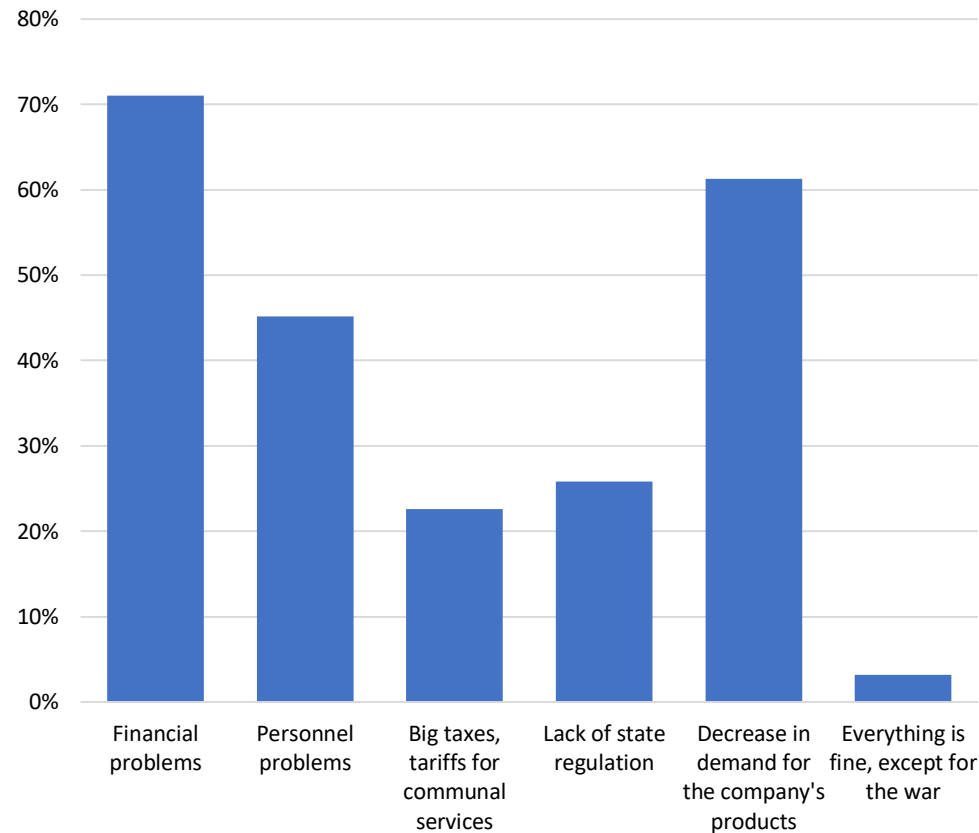
Composition of employees according to professional characteristics



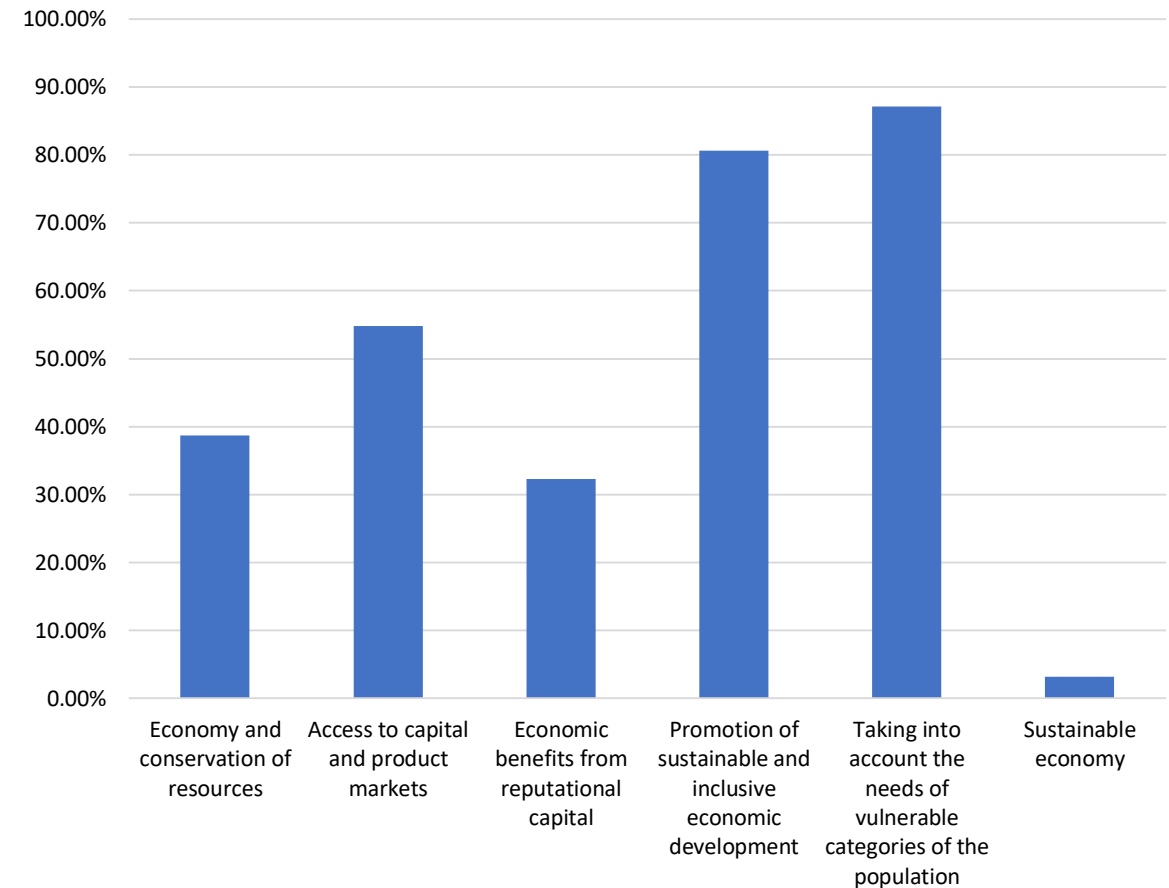
Resources that became decisive for starting a social business



The structure of sources of funding for social entrepreneurship in Ukraine



The main problems of social enterprises



The main advantages of inclusive business models

What are social enterprises lacking in Ukraine?

1. State support, state regulation.
2. Separate regulation, which would include a mix of legislation for entrepreneurship and charity.
3. Provision of state support and preferences in taxation and lending.
4. There is a lack of a clear structure of the functioning of social enterprises approved at the legislative level.
5. Clear understanding and regulation of the activities of social enterprises.
6. There is not enough funding and cohesion to solve the general problems of society.
7. Financing.
8. Preferential conditions of activity at the start.
9. Creativity, frankness, resourcefulness, communication.
10. Training, circles of like-minded people.
11. Public awareness, state regulation of the activities of social enterprises.
12. There is a lack of political and economic stability in the country.
13. Systematics, covering with high-quality communication, internet, good infrastructure.
14. Absence of corruption.

PUBLICATIONS

1. **Svitlana Yermak, Olubukola Aluko. Characteristics of inclusive circular business models in social entrepreneurship.** ICCENBM 2023: International Conference on Circular Economy and New Business Models, August 24-25, 2023 in Dublin, Ireland. URL: <https://publications.waset.org/abstracts/169632/characteristics-of-inclusive-circular-business-models-in-social-entrepreneurship>
2. **Olubukola Aluko, Svitlana Yermak, Larysa Frolova, Dmytro Kovtunencko, Hanna Ilchenko. Some issues of the research of inclusive business models in Ukraine and the UK to improve socio-economic support and reduce the social vulnerability of the population.** Materials of the XII International Scientific and Practical Conference "Actual Problems of Management Theory and Practice" (May 26, 2023, Odesa, Ukraine). 2023. P.191-194. URL: <https://economics.net.ua/files/science/men/2023/s7.pdf>
3. **Svitlana Yermak, Olubukola Aluko. Characteristics of inclusive circular business models in social entrepreneurship.** International Journal of Economics and Management Engineering. 2023. Vol. 17. No. 08. (Accepted for printing).
4. Work on the research article "**INCLUSIVE BUSINESS MODELS FOR IMPROVING SOCIO-ECONOMIC SUPPORT AND REDUCING SOCIAL VULNERABILITY (cases of Ukraine and the UK)**" is being completed. Target journal: Journal of Business Ethics or Business and Society.

DEVELOPMENT OF DIRECTIONS FOR FURTHER RESEARCH

01

1. Formation of a collection of cases of inclusive business models and their popularization.

02

2. Drawing up a road map for the implementation of inclusive business models in the activities of enterprises.

03

3. Development of proposals for changes in legislation on state regulation of social entrepreneurship.

Acknowledgment

This project was made possible through the UK-Ukraine twinning grants scheme, funded by Research England with the support of Universities UK International and UK Research and Innovation



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Thank you very much for your attention!

<https://op.edu.ua/en/international/projects/uk-ukraine-twinning-initiative-26>

<https://economics.net.ua/en/uut26>

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