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Innovative Public Governance. The Finnish Welfare State Model

Natalia Kohtamäki

Abstract: **Background:** The rationality of developing citizen-friendly solutions is demonstrated by the state helping citizens, Finland has own pattern of public governance based inter alia on the ideals of New Public Management. As a peripheral country quite remote from the largest European centres of power such as Germany or France, it represents unique way of innovation in the welfare state model.

Research objectives: The paper discusses the specifics of Finnish solutions in the field of public management. The present analysis was carried out based on the dependence of those solutions on cultural conditions.

Research design and methods: The choice of Finland is justified by its leading position in various world rankings regarding its commitment to traditional regional values related to open public administration, the transparency of its operations, and public participation in governance processes, the social welfare state. The study uses secondary sources and applies systematic analysis.

Results: Finland is seen as a latecomer in developing a welfare state, in part because of its rural and agrarian social structure. This process was strengthened by Finland's special position between East and West during the Cold War.

Conclusions: Finnish administrative culture stems directly from the innovative forms of public management developed among the Nordic countries. Finland is a model example of a country exhibiting rational, knowledge-driven progress and maintaining simplicity in developing citizen-friendly solutions.

Keywords: innovation; public governance; welfare state, enabling state; regionality; administration; public services
JEL Codes: H83, I3

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1. Introduction

Thanks to its commitment to traditional regional values related to open public administration, the transparency of its operations, and public participation in governance processes, as well as to the characteristics of its social welfare state, Finland has for several years been leading in various world rankings. These consider public satisfaction with the health care and education system, the stability of the political and economic system, as well as systematic GDP growth. All this makes the specifics of Finnish solutions in the field of public management worth analyzing. In this context, Finland is a model example of a country that exhibits faith in such rational, knowledge-driven progress and at the same time maintains simplicity in developing citizen-friendly solutions. The rationality of this concept is demonstrated by the fact that the state is supposed to help citizens in a subsidiary and efficient way. As a peripheral country quite remote from the largest European centres of power such as Germany or France, which

have a great impact on European public management models in the normative and institutional spheres, Finland has developed its own pattern of public governance based *inter alia* on the ideals of New Public Management.

The present analysis was carried out based on the dependence of those solutions on cultural conditions. Finnish administrative culture stems directly from the innovative forms of public management developed among the Nordic countries, which form a coherent group that is active not only regionally, but also internationally. They jointly promote the welfare state model, which is slowly evolving towards what is known as the 'enabling state'.

In this context, Finland is a model example of a country that exhibits faith in such rational, knowledge-driven progress and at the same time maintains simplicity in developing citizen-friendly solutions. The rationality of this concept is demonstrated by the fact that the state is supposed to help citizens in a subsidiary and efficient way. As a peripheral country quite remote from the largest European centres of power such as Germany or France, which have a great impact on European public management models in the normative and institutional spheres, Finland has developed its own pattern of public governance based *inter alia* on the ideals of New Public Management.

2. Understanding the Modern State

Along with technological development and the dynamic processes of the globalization and internationalization of various spheres of social life, including the law, the term 'innovation' has become fashionable and widely used, usually with a positive connotation. As the dictionary tells us, innovative activities bring a certain novelty (Merriam Webster Dictionary, 2022). They differ significantly from the solutions used so far, and containing modernizing, creative elements. This is tantamount to an adoption of the Enlightenment perspective on progress, in which it is assumed that what is new is better than what is old. Such a simplified vision of progress has become part of the Eurocentric mythology in which the largest, and economically and politically the strongest, European countries take the lead in developing trends that are taken up far beyond the Old Continent. It is also synonymous with Western rationality (Conrad, 2012, 999; Rocco, 1994, 74).

New solutions, e.g., in administration, are supposed to be rational, growing out of logical premises, though in the 21st century this vision does not fully correspond to the truth. It turns out that, according to various theoretical concepts concerning international reality such as constructivism, critical theory, postmodernism and postcolonialism, the notion of humanity's continuous improvement can be easily undermined (Agger, 1991, 107). A progress is not necessarily a continuous, logical development towards a bright future, as the bloody 20th century amply proved, and secondly, development need not stem from countries having superpower status (Allen, 2015, 204).

The rationality of development as understood within the above-mentioned theoretical concepts, which are alternatives to traditional trends such as liberalism, contains an "original sin", i.e. a certain paradox. Rational development is supposed to be associated with the democratic freedoms of the individual as well as his or her unhindered evolution in the cultural, educational, political and economic dimensions of life. Yet technological development does not necessarily entail liberation. It can lead to various forms of "digital enslavement", a phrase used explicitly by Theodor Adorno and Max Horkheimer, representatives of critical theory within the so-called Frankfurt School, in their famous work *The Dialectic of Enlightenment*. Adorno and

Horkheimer pointed out the illusory nature of “Enlightenment modernity”, commonly associated with justice, liberty and individual self-determination (Adorno & Horkheimer, 2002, 94; Rocco, 1994, 78).

Such modernity can also be looked at through the development of bureaucratic structures, often identified with increasingly complex systems of public governance that provide “social” freedom within national, international and multinational frameworks. In the 21st century, this systemic complexity results from the growing specialization and technicratization of public administration. Management processes in various spheres of social life involve experts whose duties require increasingly specialized knowledge (Gunnel, 1982, 395).

Progress, modernity and, in today’s understanding, innovation in public governance correspond to the assumptions of the classical theory of bureaucracy created by Max Weber. Weber assumed that modernity means a steady evolution towards a rational legal administration free from political influence and focused mainly on effectiveness and efficiency (Mueller, 1979, 149). These trends are confirmed in crisis situations, such as the financial crisis of 2008–2011 or the Covid-19 pandemic that broke out in March 2020. In such crisis situations, knowledge becomes the main element that legitimizes intervention by public administrative bodies. It is technocrats who are called on to find solutions that are effective and rational, and which will restore the stability lost during the crisis (Grogan & Beqiraj, 2021).

3. Innovation Governance Model in Finland

The Finnish model derives directly from the country’s historical and geopolitical background. In previous centuries, Finland was dependent on the neighbouring powers of Sweden and the Russian Empire. It was under Swedish rule for more than seven centuries. In 1809, after Sweden lost in a conflict with Russia, the Grand Duchy of Finland (Fin. *Suomen suuriruhtinaskunta*) became an autonomous part of the Russian Empire under the rule of the Russian Tsar of the time, Alexander I, who allowed Finland to keep the Swedish model of governance, including Swedish legislation and many of its institutions. Finland was part of the Russian Empire until the abdication of Nicholas II in 1917, and proclaimed its independence on 6 December of that year (Bengtsson et al., 2019, 231).

Finland’s specific nature is also due to its special geographical location in the north of Europe. The country’s northern regions, such as Finnish Lapland, are among the inaccessible areas in Europe (in terms of costs and travel time). With a population of 5.5 million, Finland is one of the smaller European Union Member States. However, taking its economic potential and technological advancement into account, it plays an important role in the European administrative space (Spiekermann & Aalbu, 2004; Panke, 2010; Gailišs, 2020).

This analysis is intended to introduce the reader to the nuances of the functioning of Finnish public administration. The characteristics of the cultural conditions that bind Finland to the region of Northern Europe will be presented. These play an important role in the evolution of the innovation policies introduced in various fields of Finnish public governance. As a decentralized unitary state, Finland is currently adjusting its public service system to the challenges posed by the changing demographic structure of society. For various reasons, Finland stands out from other EU Member States when it comes to public management mechanisms. The originality of its approach is appreciated not only among other small or medium-sized EU countries, but even among the other Nordic countries. It is worth noting at the outset that, although Finland is commonly understood as being a part of Scandinavia, in fact it is not, nei-

ther linguistically nor ethnically. Properly speaking, Scandinavia comprises countries in which Germanic languages are spoken – Norway, Sweden, Denmark and Iceland, whereas the Finnish language belongs to the Finno-Ugric language group. In many contexts, including the political and cultural contexts, Finland is clearly distinct from the other Scandinavian countries.

4. Nordic Exeptionalism: Truth or Myth?

While they have a strong sense of their own identity that differs from that of the other northern states, the Finns, like the Scandinavians, clearly identify with the region known in the literature on international law and international relations as the North – Norden (Musiał, 2001). The five Nordic countries, then – Finland, Sweden, Denmark, Norway and Iceland – stand out from other European countries precisely because of their strong regional solidarity, manifest, for example, in their sharing similar socio-economic approaches – a result of cultural proximity and common historical experience (Korhonen, 2011, 14).

The pragmatism of the Nordic peoples, resulting in part from their need to adapt to difficult climatic conditions, is one of the reasons for their attachment to the region and their understanding of its specificity compared to other parts of Europe. Their approach relies primarily on the belief that most decisions should be negotiated within different kinds of deliberative platforms: at various levels of public administration, within local government, in Nordic regional cooperation institutions and, more broadly, in European and international bodies. In this understanding of Nordic pragmatism, there is a close identification between state and nation (Vogt, 2009, 143; Kettunen, 2008, 60). Citizens perceive their coexistence through the prism of the institutional and normative framework that constitutes the state. In this context, it should be noted that the region's positive image stems directly from the positive self-reflection of the Nordic countries themselves, which was born after the Second World War and has become an enduring leitmotif for the institutionalisation of regional cooperation (Hecker-Stampehl, 2002).

For decades, decision-makers from countries such as Finland, Sweden and Denmark have realised that it is to each country's advantage to speak with a common voice in international institutions and to stand in solidarity with the other Nordic countries in multilateral negotiation processes. Cultural and geographical proximity also shapes similar national goals and interests. The literature refers in this context to a "community of destiny" among the Nordic countries. In the context of many of the economic or legal solutions they employ they remain close to each other, but are distant, different and often incomprehensible to other European countries. The idea of regional solidarity, which stems from this "community of destiny", is expressed *inter alia* in the adoption of management or regulatory models that are effective in individual countries. Historically, in terms of legal and administrative culture the Swedish model has been of particular importance. Today, however, Finland is leading the way in many areas, such as in the use of artificial intelligence in the functioning of public administration or health services (Hecker-Stampehl, 2002; Peterson, 2022; Savolainen, 2021).

The Nordic countries are a good example of the characteristic processes taking place in the international environment in the age of globalization. On the one hand, one can observe a universalization, cosmopolitanization and harmonization of institutional and normative structures, and within this scope the Nordic countries have been identified for several decades as being among the most 'globalized' countries in the world (Einhorn & Logue, 2004). On the other hand, a derivative of globalisation and the internationalisation of social reality is a regionalization and intensification of nationalist sentiments. Northern Europe, due to its historical

experience associated primarily with centuries of Swedish domination, has developed a specific regional identity anchored in the national identities of its individual states (Thorkildsen, 1997, 138, 142).

There were strong nationalist overtones in the first half of the 20th century, primarily due to “Nordic” racial element in the Nazi propaganda of the 1930s and 1940s. This narrative was abandoned after the Second World War in favour of a more benign self-perception among the Nordic peoples that accentuated their cultural and economic originality, as well as innovations in various areas of social life. Good governance – effective and citizen-friendly public management – has become one of the components of the Nordic countries’ positive image (Musiał, 2001, 107).

The Nordic countries are seen as mid-ranking countries in the international system. Together, Finland, Sweden, Norway, Denmark and Iceland have only 25 million inhabitants. Their regional identification, though, yields practical results: by speaking with one voice, they are heard more clearly on the international stage. It is easier for the Nordic countries to act together in integrated structures, and they often present a coherent position. They are also very close to each other, not only geographically or more broadly, geopolitically, but also – and this is important in the context of these considerations – culturally, mentally, civilisationally and ideologically (Hecker-Stampehl, 2002).

Their cultural proximity, which involves not only a similarity of axiological systems but also of their legal and administrative cultures, is of special importance. The Nordic countries have a common understanding of the mechanisms of the rule of law, the importance of civil rights, the functioning of social systems supporting citizens at different stages of their lives, social solidarity, egalitarianism, and equal opportunity. Attention is drawn to the homogeneity of Nordic societies – above all in terms of social background and education. This facilitates a consolidation of the Nordic nations, including the Finnish nation, around common values, and strengthens the legitimacy of decision-makers as the nation’s representatives (Strang, 2013; Vik et al., 2018).

Nordic decision-makers do not differ in principle from other citizens in terms of their social status, education or experience. This is reflected in media reports illustrating the unprecedented behaviour of Finnish President Sauli Niinistö, who is very popular for his directness and ease of communicating his intentions. In 2018, he managed to be re-elected as president in the first round of the election with more than 60% of the vote. Another example is Finland’s Prime Minister Sanna Marin, who is one of the youngest European prime ministers and one of the few women in this position in one of the world’s most feminised governments: currently, nine out of the country’s eighteen ministers are women. Leading politicians do not remain aloof from the public. Decision-making chains are much shorter than in larger, more bureaucratic countries such as Germany, France or Italy, something often emphasized as one of the dimensions of the welfare state and an important factor that accelerates the implementation of social innovation.

This reflects another very strong element of the Nordic identity. Until the mid-20th century, the Finns strongly identified with a kind of ‘tribal’ community, i.e. one based on ethnic origin. In this Herderian understanding, belonging to a national group (Germ. *Volks*) is connected with the fact of birth and is inalienable (Eggel, 2007, 48). Such perceptions within Nordic societies, including Finnish society, have been far-reaching reconfigured and deconstructed over time. Nordic egalitarianism, which stems from historical traditions and Protestantism, was one of the reasons why Finland and Sweden, as well as the other Nordic countries, were seen as attractive migration destinations (Borevi, 2020; Vogt, 2009, 143).

Unexpectedly, ethno-nationalism (so called nativism), a characteristic of populist right-wing parties, has returned with the influx of migrants (Arter, 2010, 497). For many years, the prevailing view in the academic literature was that Finland (and Sweden) was a country where radical right parties were unable to make significant headway. Finland was even long considered “to be immune to right-wing populist appeal”. This point of view had to change, however, in 2009, when the nationalistic True Finn Party (Fin. *Perussuomalaiset*) gained 10 per cent of the national vote in the European Parliament election. Since then, the party has had a permanent presence on the Finnish political scene (Kitschelt, 2007; Kestilä-Kekkonen & Söderlund, 2014).

In the current composition (200 seats) of the Finnish parliament (Eduskunta) after the 2019 elections, the Social Democratic Party (Fin. *Suomen Sosialidemokraattinen Puolue*) is the dominant force (40 seats), which is in line with the traditions of the Nordic countries. However, it has only a slight advantage over the True Finn Party (in second place in the 2019 election) and the center-right National Coalition Party (Fin. *Kansallinen Kokoomus*), each of which holds 38 seats in the Eduskunta. In fourth place, with 31 seats, is the liberal-conservative and agrarian Centre Party (Fin. *Suomen Keskusta*), the coalition partner in the Social Democratic government of Prime Minister Sanna Marin (Eduskunta, 2022).

The Nordic countries are creating a relatively independent security policy. After years of neutrality, they have become actively involved in pan-European processes. Their foreign activity has been described as original, something which the Finns consider a normal part of multi-level governance as broadly understood, and which also applies to the international sphere. ‘Conceptual innovations’ are an integral part of the Nordic countries’ foreign policy, which is usually based on ‘agility’ and flexibility (Palosaari, 2013, 359; Sinkkonen & Vogt, 2015). Small states must be ‘agile’, since often they are unable to fully determine their own actions in complex multi-level deliberative structures. To paraphrase Robert Keohane’s metaphor, small powers, even when grouped together, can never change the international system (Keohane, 2006, 55). They take up and develop initiatives already launched by the larger players. In the case of the Nordic states, this means using regional cooperation mechanisms, particularly within the Nordic Council (Strang, 2013, 34; Gassen & Maurer, 2006, 31).

In this sense, it is understandable that Finland has aspired for several decades as a mediator, advisor and donator in the international environment. Those aspirations stem from the Cold War and the efforts of the longstanding Finnish president Urho Kekkonen to define Finland’s role as a ‘bridge-builder in the conflict between East and West, which ultimately resulted in Finland’s involvement in the process related to the Conference on Security and Co-operation in Europe (Sinkkonen & Vogt, 2015, 67; Vogt, 2009, 145). Kekkonen’s metaphor that Finland is “a physician, rather than a judge” has been preserved, and today Finland is known for its activities in peacekeeping and crisis management operations led by the European Union and the North Atlantic Treaty Organization. Finland’s efforts to institutionalize mediation in international relations stem directly from its cultural background and are reflected in its overall conception of public governance processes. The Finns view social interaction in multi-level deliberative structures at the national and international levels through the prism of dialogue and the search for constructive solutions acceptable to all participants (Palosaari, 2013, 361).

5. Building Social Innovation on Belonging

An important cohesive element in the Nordic countries is Protestantism, which is dominant. The religious factor is seen as an important element shaping national identity and its cultural

dimension. This also applies to the Protestant countries of the North, where the Evangelical-Lutheran confession had an important function in shaping identity (Kotiranta, 2015, 273). In those countries, and especially in Finland and Sweden, denomination and nationality were closely linked, and traditional values stemming from the religion determined various state reform projects. They also contributed significantly to the process of developing the Nordic welfare state models.

Some scholars speak in this context of a 'secularized Lutheranism' where the dominant confession is closely integrated in state structures. After obtaining its independence in 1917/18, Finland declared itself a religiously neutral state. However, the state church system, which also includes the Orthodox Church, was retained (Werner, 2008). Despite their high membership levels in the Evangelical Lutheran State Churches, the Nordic countries are seen as highly secularized. In the literature, their nationalised religion is seen as an element that consolidates society and contributes to its economic development: "It is definitely more of about *belonging* to than *believing*" (Lejon & Agnafors, 2011). It has also been pointed out that 'secularized Lutheranism' as a dominant feature of Nordic society directly contributes to "impressively high levels of societal health, social well-being, and an admirable moral social order" (Zuckermann, 2008, 20).

Protestantism is one of the components that shapes what are known as individualistic cultures. In such cultures, the individual is the fundamental subject. One's place in a specific social group depends on one's individual talents, skills, knowledge and effort. This is one of the foundations of Nordic, including Finnish, innovation: belief in one's own abilities and skills, thanks to which an individual can modify their surrounding reality. One of the most important elements of the Finnish educational system is the formation of the so-called adversarial approach in Finns, based on the belief that everyone should have an equal opportunity to defend their position in various situations, and that the individual's ability to present their views logically and clearly should be strengthened (Hofstede, 1991, 28; Kohtamäki, 2017).

For several decades, these elements have contributed to the strong conviction held in Finland and the other Nordic countries that they are exceptional. While such a conviction is not exceptional, what is exceptional is the fact that the identity of – the five Nordic states is founded on their perception of the uniqueness of the whole region. This stems from the region's geographical and geopolitical remoteness from Central and Western Europe. It is also the result of specific nation-building processes. To draw on the dichotomous division of the German sociologist Ferdinand Tönnies, Nordic societies have a strong sense of national community (Germ. *Gemeinschaft*) but have also developed modern civil societies (Germ. *Gesellschaft*) in which the law and transparent public governance provide the basis for the functioning of the community. The modern regionalism of the Nordic countries is the result of this dichotomy (Tönnies, 2012, 27).

In the case of the Nordic states, regionalism has not weakened their sense of being separate from their neighbours. In fact, it has strengthened this in their relations with countries outside the region. The latter relationship is based on a belief in the strong interdependence of participants in contemporary international relations. The Nordic states, aware of their peripherality, have turned it into an asset by binding themselves within multiple cooperative networks with a series of multilateral commitments. In this context, they are transforming regional exceptionalism into internationalism (Vogt, 2009, 141; Miles, 2015, 15).

In reports on social happiness, the Nordic countries, including Finland, have been in the lead for many years. Finland has ranked in recent years as the most stable and one of the best-governed countries in the world (cf. Fragile State Index 2020 and Legatum Prosperity Index

2019). This objectively confirms Finland's uniqueness compared to other countries in the world, although together with other Nordic countries Finland also faces many problems that are causing some economists and political scientists to question the myth of Nordic exceptionalism. From a legal perspective, however, in terms of both the activities of public administration bodies and the regulatory construction of the Finnish system, the myth of the uniqueness of Nordic concepts can be confirmed (Bengtsson, 2014; Ornston, 2018; Raitio, 2012).

It should be noted at the same time that public management is a certain semantic construct that is part of national legal and administrative culture as broadly understood. These cultural dimensions co-create the national identity of Finland and the other Nordic countries. If we adopt a constructivist understanding of identity, then this should be seen as a continuous process of creating social norms in various interactions. Nordic exceptionalism, then, is also not a static phenomenon. It manifests itself in various forms of activity of the Nordic societies and corresponds to certain perceptions – their own perceptions and those of other actors in international relations. One enduring topos that has become entrenched in recent decades is the belief that the Finnish administrative system is innovative (Hecker-Stampehl, 2002; Browning, 2008).

6. Finland's Evolution towards the Welfare State

Finland, like the other Nordic countries, is regarded as a peripheral state, that is, one that is far from the core of political, economic and cultural activities. For centuries, Finland has been geographically distant from Western Europe, which, with Germany and France at its head, can be considered the centre of the European world. Situated far from the centre, but with strong ties to the countries of the region, Finland has developed a particular type of economy that qualifies it as a wealthy Nordic welfare state. It also features a stable political system that pursues similar objectives in domestic and foreign policy regardless of the party in power, as well as a transparent public management based on innovative solutions (Browning, 2008).

Finland is a unitary state, ranked among the most stable countries in the world in terms of the durability of its legal norms and the effectiveness of its political and economic structures. A derivative benefit of these elements is high public trust in the state (in political and judicial institutions), which facilitates the introduction of innovative solutions in public management, e.g. in health care in times of pandemics. Finns legitimise the actions of those in power in crisis situations, and this stems not only from the latter's formal legitimacy – the anointing of decision-makers in democratic elections – but also from axiological and participatory legitimacy.

Axiological legitimacy consists in sharing similar values. In the case of Finland, those values result in part from tradition and the country's Protestant roots, as mentioned above. Participatory legitimacy is related to the pragmatism of decision-making processes as indicated in the previous section, understood as inclusiveness. Finland is a model example of multi-level governance, in which citizens participate in an active and increasingly technologically advanced way at different levels of the administrative system. Hence, despite its geographic location and its small population, Finland quickly found a place for itself in the European administrative space after joining the European Union in 1995 (Gassen & Mauerer, 2006; Martela et al., 2020).

It is believed that it is easier to build a welfare state in ethnically and culturally homogeneous countries (Bjørnskov, 2008). While the other Nordic countries confirm this claim less and less due to the large influx of migrants, it still applies to Finland. The number of people with a foreign background represents only 6% of the Finnish population (in contrast to Sweden,

where 25% of residents have a foreign background) (Statistics Finland; Statistics Sweden). This assumption translates into the consolidation of society around common assumptions resulting from tradition and history, which enables a strong identification with both the institutional structure of the state and the regulatory actions of policy makers. This refers both to the legislative dimension, i.e., acts of law interfering with the market, and to the supervisory dimension, i.e., interventions by state bodies in the economic activity of private entities.

Research on the economic development of the Nordic countries shows that it fits into two complementary theoretical concepts. The first is the concept of modernization, associated with the adoption of functional solutions created by more advanced countries. Modernization in this part of Europe has taken place intensively since the second half of the 19th century, and has encompassed the economy, education, law (especially administrative law), and the political system. The Nordic countries, including Finland, did not uncritically follow the “universal development patterns” of Western Europe. Since many solutions reached Northern Europe with a certain delay over the centuries due to the region’s geographical remoteness, the patterns adopted were internalized into the native systems, ‘filtered’ functionally and adopted consciously in accordance with the criterion of their usefulness for local communities (Iommi, 2020).

Thus, in the Nordic countries – and in Finland in particular, mainly due to its continuing high level of cultural, linguistic and ethnic homogeneity – the theory of modernization should be understood broadly. That is, not only the assumptions presented in the context of modernization by economists, but also those by sociologists, lawyers, and political theorists apply. In the context of the theoretical considerations of Nordic researchers such as the Norwegian philosopher Gunnar Skirbekk, the modernization of Northern Europe should be understood differently from other parts of the world, primarily in the particular axiological dimension of values, including a strong attachment to nature. The rationality of modernization processes is connected in this cultural circle with the understanding that man functions as part of the natural environment – an inherent component of the collective identities of the Nordic states. This is clearly visible in the context of Finland, where the national colors – blue and white – refer to the dominant colors of the landscape. In Finland, the natural environment is one of the primary references in defining national identity. Modernization, identified with the search for novel, innovative solutions in social life, should therefore take account of issues related to preserving the purity of the natural environment (Skirbekk, 2011, 38, 68).

The community of values is also reflected in the Nordic understanding of democracy, which has a strongly participatory character. To quote Gunnar Skirbekk: “Democracy in modern societies (...) requires public education and public enlightenment (...). As citizens in a democracy, we have political power and co-responsibility (dependent on personal position and resources). Thus, there is a difference between the role of a citizen (Germ. *Staatsbürger*) and the role of a subject (Germ. *Untertan*)”. A citizen is a subject who co-creates social reality. This co-creation means exerting influence through elections at different levels – not only federal elections but also those at the local level – decisions made for the community. In the Finnish context, self-governance and the municipal structure are of particular importance (Rizzo, 2006, 52).

The second concept is the theory of late industrialization, which originally referred to the authoritarian and protectionist policies of Asian states. This assumes a strong role for the state, and appeals to patterns of mercantilism and economic nationalism (Pawłuszko, 2015, 199). In Finland, the process of industrialization did not begin until the second half of the 19th century. The Finns themselves even write in this context about industrialization “in the middle of

the forest” because for the next 100 years one could talk about the industrialization of sparsely populated, agricultural and forest areas (Alapuro, 2019, 19–37). Industry was dominated by the production of wood, paper and wood products, and for a long time these were Finland’s primary export products. Also significant for modern Finland and the idea of local government was the country’s historical social structure dominated by farmers, and later, workers. The Finnish bourgeoisie grew slower than its Swedish counterpart, and this can be seen as an explanation for Finland’s lower rate of industrialization. In addition, to this day Finland is a rural country with small towns and only a few bigger cities (Bengtsson et al., 2019, 231).

7. Conclusions

In all the Nordic countries, the construction of the welfare state took place as an important element of the modernization of state structures. The process of modernization understood in this way was gradual and involved the transformation of agrarian-dominated societies into industrial societies, which in turn meant the dissolution of traditional forms of social protection and support. The dynamic changes that took place in Finland and the other Nordic countries at the beginning of the 20th century related to the increasing number of workers who identified themselves both as individuals with specific civil rights and as members of diverse social groups. The point of reference for such social collectives was, above all, the individual’s place of origin, but also included their place of work or residence. To quote Niels Christiansen and Klaus Petersen: “Across conflicting ideologies people regarded these collectives as the prime agents in the formation of the future social order, and these collectives, farmers and workers in particular, played an essential role in the formation of political democracy (...) as well as in the construction of the welfare state” (Christiansen & Petersen, 2001, 178).

The change of social structure and progressing industrialization conditioned increasing interventionism on the part of the state. The period from the 1930s to 1950s is seen in Finland, as well as in the other Nordic countries, as the beginning of the construction of the modern welfare state with a developed system of social protection. Market mechanisms begin to be regulated by the state under the principle of equal opportunity and care for all citizens. The foundation of such activities was the concept of social solidarity and the principle of the citizens’ social rights (Bengtsson et al., 2019).

The first phase of building the welfare state involved the creation of administrative structures to intervene in the social sphere. Parallel to this process, the legislative activity of the state created normative bases for citizens’ social rights. The main idea of such legislative evolution was that all citizens, regardless of their sex, age or the region where they live, are equally entitled to the same rights and opportunities (e.g., education and work). In this context, equality and balanced regional development are considered important parts of Finnish innovation policies. The whole process of shaping those policies can be seen as a kind of social engineering. This is typical of the Nordic countries in the 20th century, in which modern social structures were built in a pragmatic, functionally conditioned manner (Suorsa, 2005, 16).

Modernity understood synonymously with innovativeness is directly connected with social development supported by the state, e.g., in the fields of education, health care and social security. Here, the welfare state is associated with modernization. The Nordic welfare state concept is neither ideal nor static. Attention is drawn to the dynamics of its development along with the development of the Nordic economies (Jungerstam & Wentjärvi, 2019).

This is especially true for Finland, which, after World War II, was one of the poorest European countries. In comparison with other countries struggling to overcome the damage caused during the war, Finland not only made up for its losses relatively quickly, but also began to rapidly develop its economy, to become in the 1970s and 1980s one of the most dynamically developing European countries. This was also a time of dynamic development in the Finnish welfare state, meaning above all the expansion of social security benefits and public services. Thus, Finland is seen as a latecomer in developing a welfare state, in part because of its rural and agrarian social structure as mentioned above. The transformation to an “urbanized wage-work society” was completed only in the late 1980s. There is a strong belief in the study of international relations that this process was strengthened by the Finland’s special position between East and West during the Cold War, which fostered the creation of a “coordinated market economy” – a unique socio-economic configuration (Kettunen, 2001, 226; Adler-Nissen & Gad, 2014, 8).

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Conflict of Interest

I declare that the research was conducted without any commercial or financial relationships that could be construed as a potential conflict of interest.

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Understanding Antecedent Components of Social Entrepreneurship in Relation to Entrepreneurship and Family Business

Aaron A. Vargas Zeledon

Abstract: **Background:** This conceptual paper advance the understanding between the fields of entrepreneurship and family business to social entrepreneurship derived from studies which expose the existence of meaningful antecedent components moving closer to each other in the direction of social entrepreneurship

Research design and methods: This paper presents a theoretical framework of five antecedent components that emerge as an active ground of practice and research based in a systematic literature review using different works published in scientific journal.

Results: Social entrepreneurship within the last three decades, in spite of its rising acceptance, scholars are far from touching a defined consensus concerning their valuable impact. This paper sheds light on the understanding and offer a novel establishment of knowledge, which enlarges the social entrepreneurship domain.

Conclusions: Yet little research elucidates the mechanisms addressing the antecedent components. In this aspect, examining the link that exist between entrepreneurship and family business will augment the social entrepreneurship domain enabling future research to consolidate the impact of the discipline.

Keywords: ethical responsibility, family employment, community development, perceived environmental dynamism, governance structure

JEL Codes: L26, L31, M2

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1. Introduction

The preceding decade has noticed a clear enlarge in academic significances concerning social entrepreneurship (De Bernardi et al., 2022). Remarkably, the attention boomed in the last ten years. It is seem that exist a mutual agreement (Bhatt, 2022; Defourny, & Nyssens, 2017). As variant commerce, family businesses compulsory keep going, vigilant or dispose of inconsequential operations adhesive around a determined agenda, entrepreneurial exist and is thus a key issue for families about cares of value generation (Salvato et al., 2010). Family business studies has been growing over the latest decade but as a field of scientific academic search is still emerging (Zachary, 2011). In early periods, family business simplified within the sociology

denomination, and afterwards within a small business management denomination, neither of which allowed the field to become distinctive (Benavides-Velasco et al., 2013). Throughout the time of the twenty century, family businesses were traditionally seen as a recollection of the past (Landes, 2006), entrepreneurship and management works acquitted minor attraction to the family business forms of organization. As a result, works on the field of family businesses appear not be extensive compared with other disciplines (Daspit et al., 2018). Family businesses comprise a setting that can fertilize and understand entrepreneurship foundation on the family as the entrepreneurial actor, and entry and exist as entrepreneurial movement (Nordqvist, & Melin, 2010), family businesses also struggle for social implementation. In this vein, promoting a broader comprehension of the domain is helpful for new investigators and policymakers, i.e., social entrepreneurship and make clear the areas of interest from earlier works conducted over countless years, as well as their connections (Tan Luc et al., 2022).

Entrepreneurship and social entrepreneurship share innumerable similarities. Aside, the latter might referred to the preeminence of social issues (e.g., eliminate poverty) alongside market established organizing and the assumption of a peculiar identity (social venture as a hybrid establishment with assorted bottom lines) stuck by the profitable perspective relative only in function of the well-being of the shareholder value (Bhatt, 2022; Miller et al., 2013), articulated in terms of the entrepreneurial actions in the case of opportunities appreciation, innovation (Bacq, & Janssen, 2011). The similarities, differences and the relationship need to be clarified (Tan Luc et al., 2022). In social entrepreneurship, the core ingredient is persuaded by individuals who are the spirit of the entity and, as a consequence of this, the core of this target on the entity's movements. The goal of an organization is seen from the standpoint of social entrepreneurship articulated in terms of prosperity, as a reaction, activities should integrate into the organization's social mission (Bacq, & Janssen, 2011). Ultimately, a framework for rigorous evaluation of social entrepreneurship that encourages social innovation is essential (Tan Luc et al., 2022; Bacq, & Janssen, 2011) derived from entrepreneurship and family business is a potential topic. The essential interrelation and complexity call, sincerely for business strategies addressing and underlying issues with profitable implications, that is, entrepreneurship and family business (De Bernardi et al., 2022).

Social entrepreneurship comprises dissimilar concepts, perspectives and overviews related to dissimilar disciplines (Tan Luc et al., 2022). It seeks to discover an equilibrium concerning social equality, environmental sustainability, and profitable benefit (Bhatt, 2022). For instance, one school refer to social entrepreneurship as the management of scenarios to generate social value (Austin et al., 2012). A second group of scholars define social entrepreneurship as a communal responsible business in practices (Sagawa, & Segal, 2000). Finally, a third line of consideration describes the use of social entrepreneurship as a promoter for resolving social issues and as a tool for social change (Alvord et al., 2004). In this vein, it may capture a more satisfy perspective to drive responsible entrepreneurship to gather comprehension concerning family business and social values. Understanding the actions of social entrepreneurship can offer suggestions on how to handle the stress brought by opposing normative ideals (Bhatt, 2022). According to Dees (1998), social entrepreneurs are a subset of the entrepreneur's family. Nonetheless, in spite of that, while exist innumerable superposition concerning social entrepreneurs and their commercial peers especially related with leadership, vision, guide and opportunism, the core dissimilarity among social entrepreneurs generally have transparently what things desire change and resolve in a widespread area or a socio virtuous inspiration in their entrepreneurial determination and target (Nicholls, 2006). For instance, there is still a scarcity of clarity

and specificity concerning ethics in social entrepreneurship research (Bhatt, 2022), comprehending how social entrepreneurship alters (or not) the social system that preserves social issues requires spreading the ethical scope beyond organizational boundaries.

From an academic perspective, three elements of social entrepreneurship are similar to those observed in early entrepreneurship works. First, social entrepreneurship studies still is a phenomenon (Mair, & Marti, 2006), social entrepreneurship has gathered notoriety that is, attention and attraction as a field of entrepreneurship by scholars recently less than 20 years ago. In fact, as a sub-field of entrepreneurship, social entrepreneurship has reserved most of its exertions to explore social entrepreneurs (De Bernardi et al., 2022), a considerable enlarge beginning in 2001, only a restricted number of publications may be registered. Second, Bruyat and Julien (2001), Shane and Venkataraman (2000), and Chell et al. (1991) among others, regretted the scarcity of a unify model in the field of entrepreneurship. Indeed, from a reverse perspective, entrepreneurship continue to be one of the uncommon subject-matters that draws specialist from countless mismatched discipline of works. As the subject becomes more complex, academics are progressively integrating countless theoretical perspectives (De Bernardi et al., 2022). Third, the field of social entrepreneurship in academia continues to be in its development (Bhatt, 2022; Kabbaj et al., 2016; Dees, & Battle-Anderson, 2006; Dorado, 2006), as entrepreneurship field was some years before the present (Brazeal, & Herbert, 1999). Social entrepreneurship is considered as a field of entrepreneurship that operates in the reverse direction that results in academic consideration from both business and social sciences (Morris et al., 2011; Hoogendoorn et al., 2010).

Social entrepreneurs are excluded from the demarcation linked with the conventional form of be good or moral drivers helping others. What is distinguishing concerning social entrepreneurs is that they are profitable actors who, due to their initiative and passion generate value in the absence of involve himself for the amount they entice will begin to move in areas where government and market failures seem to be more prevalent (Santos, 2012). Creating optimistic social change is at the core of countless social entrepreneurs' missions (Bhatt, 2022). Social entrepreneurs are actors who play in institutions a genuine depiction in the profitable system, which cannot be replaced in a potent course of action by any other denomination of institutional role. The social enterprise can be assumed in mind as the reaction of entrepreneurial behavior, embracing what is being built. In all, it is an irony to say that social entrepreneurship suggest a fructose origin of studies opportunities (Hoogendoorn et al., 2010).

Dees and Battle-Anderson (2006) argue that social entrepreneurship does not now suppose the bottom, abundant descriptive or perspective conjectures represent a more prominent field of studies. Social entrepreneurship even though it acquires some idiosyncrasies, entrepreneurship reconstructs the evolution path of its original field. Nicholls (2006) suggests that social entrepreneurship constitute a social optic adjusted to a classical understanding of entrepreneurship. Taylor and Thorpe (2004) conclude that there are powerful antecedent components. So far, the most common way to study the field is applying entrepreneurship theory and family business to better understand social entrepreneurship (Nordqvist, & Melin, 2010). Initial examinations indicate some components that may provide opportunities noticed by social entrepreneurs (Corner, & Ho, 2010). Nonetheless, we know little about these antecedent components that may enrich an understand in relation to social entrepreneurship (Stephan et al., 2015). Antecedent components such as ethical responsibility (Chell et al., 2016; Zahra et al., 2009), *family employment*, *community development* (Nordqvist, & Melin, 2010), *perceived environmental dynamism and governance structure* (Choi, & Majumdar, 2014; Bacq, & Janssen,

2011; Weerawardena, & Sullivan, 2006). These components requires attention to better understand how facilitate or inhibit social entrepreneurship in relation to entrepreneurship and family businesses. The discipline of management scarce a visionary grasp of the economic depiction and rational venture of social entrepreneurs (Dacin et al., 2011). Scientific literature likewise demonstrates how insufficiently is known concerning social entrepreneurship at the non-academic level. So, on the one hand, social entrepreneurship has added momentum, nonetheless, on the other hand, it risks being mystified and attracted from disciplines such as entrepreneurship (De Bernardi et al., 2022). Further definitional work is necessary in light of this.

Academic research as well as policymakers' agendas have been influenced by the growing consciousness of social issues (De Bernardi et al., 2022). By moving away from stable and basic issues, this research provides a new perspective concerning how social entrepreneurship navigate complexities to implementation relations between these domains. These domains are linked by the fundamental standards of changing power relations. Therefore, this conceptual paper evidencing existing gaps in literature advance addressing antecedent components, increasing the valuable role of social entrepreneurship by means of entrepreneurship and family business in literature. Such a comprehension is likewise vital for evaluating the progress made by social entrepreneurship on their calling addressing organizational confronts (Bhatt, 2022). The antecedent components can restructure gradually social entrepreneurship with the passing time and may cause more significant changes derived from the predictable of five antecedent components present in literature. Furthermore, scholars need to explore the role within dissimilar geographical regions (Tan Luc et al., 2022). There is a need of studies from a widespread regions and ethnic base in order to advance the comprehension concerning entrepreneurship and family business to social entrepreneurship (Nordqvist, & Melin, 2010). Both advanced and emerging economies around the world can benefit from this topic (De Bernardi et al., 2022). Social entrepreneurship has a major effect on the economy by means of creating innovative sectors, allowing new ventures, and re-directing assets uncared for social problems (Zahra et al., 2008). The social meaning of social entrepreneurship should, in fact, allow dialogue with civil society, lessening the typical academic tendency of producing self-referential works (De Bernardi et al., 2022).

2. Research Design and Method

Social entrepreneurship research represents a largely conventional picture of what social entrepreneurs now do (De Bernardi et al., 2022; Tan Luc et al., 2022; Dacin et al., 2011). In this vein, theoretical and methodological dilemmas contribute to this picture. Countless techniques have been employed to enhance understanding of social entrepreneurship as it has progressed, e.g., literature review (Tan Luc et al., 2022). This paper presents a systematic literature review of scientific works on social entrepreneurship, entrepreneurship, and family business offering a relevant statement, and method (Lopez-Alvarez, 2018; Bettinelli et al., 2017; Lopez-Fernandez et al., 2016). To identify suitable papers, the researcher limited the review to articles published in established peer-reviewed journals (De Bernardi et al., 2022), concerning the speech of results, only taking papers in English into consideration (Baima et al., 2021; Lopez-Fernandez et al., 2016). For instance, articles, books, book chapters (Tan Luc et al., 2022). Pursuit preceding works, e.g., Burg and Romme (2014), they have previously been judged journals for relevant research. In addition, the orientation related journals likewise helps those interested in reducing search time and focusing more on familiar journals (Tan Luc et al., 2022).

The systematic literature review was developed in three phases. In the first phase, the researcher considered journals classified in the business, management and accounting fields. The second phase, the researcher included not only articles about the essence of the topic, but also articles that showed relationship, then the researcher read the titles, and abstracts of the papers and classified them into three categories: relevant studies, studies whose relevance was unclear, as well as included studies that were not relevant. The researcher then followed an interactive process for inclusion and exclusion from categories namely A and B, to select the papers (Bettinelli et al., 2017; Hoogendoorn et al., 2010). To broaden the scope of the systematic literature review, in the third phase, a wide search was carried out in journal websites related to the essence of the topic. However, documents had to mention one of the following words or phrases into works' title, abstract, and keywords as follows: Title-Abs-Key (social entrepreneur*, AND entrepreneur*, AND family business*), papers that used the keywords but did not focus on the essence of the topic were excluded (Tan Luc et al., 2022; Baima et al., 2021; Lopez and Alvarez, 2018; Bettinelli et al., 2017; Lopez-Fernandez et al., 2016). The researcher finally using coincident terms among the dissimilar selected papers 136, clarified the selection of the antecedent components. Moreover, the selected database from which collecting articles the selection process used Academic Search Complete (EBSCO).

3. Foundational Background

The antecedent components about considering difference and geographical aspects can show dissimilar results regarding to societal practices and values concerning the SMEs in a country represented by a dynamic entrepreneurship. It can be assumed that the antecedent components can have a positive or negative relationship concerning entrepreneurial social orientation. This accentuates the preeminence studying the mentality, postures, and practices of the firms in order to comprehend the scope relationship concerning entrepreneurship and family business to social entrepreneurship. Social labor organizations frequently enlarge on value systems and content on value capture by aiming to take just enough value to encourage operations and re-invest in prosperity. Sometimes, organizations may endorse both approaches, nonetheless, these two components still do not completely correspond (Santos, 2012). Determining how social enterprises operate with these impressions demands interpretation. It is indispensable make a comprehension of how social entrepreneurs handle such assumptions (Molecke, & Pinkse, 2017), social enterprises feel coerced into evince dissimilar opinions of their social impact, balancing the helpfulness use of official practices with the costs of rising incomprehensible proficiency, and uneven resources and exertions away from venture projects and initiatives (Bhatt, 2022; Rourke, 2014). Thus, social enterprises operate in an ambience, counting other social enterprises, businesses, and aid organizations, whose effects might interact (Molecke and Pinkse, 2017).

Social entrepreneurship have partially, two primordial properties. First, its novelty discussing social issues, which are contemplated every day more excessive and adherent matted, has received widespread academic support (Johnson, 2000; Thompson et al., 2000). Second, this novel entrepreneurial practice bias the supremacy blurring of classic borderlines concerning private and public sectors, which gives birth to hybrid ventures (De Bernardi et al., 2022; Johnson, 2000), guided by tactics of double value generation social and economic (Alter, 2007). Social entrepreneurship constitutes a subgroup of entrepreneurial action, where in the products and services attempt to forward social issues (Mair, & Marti, 2006). Studies evince that entrepreneur-

ship brings concerning social value by essence, i.e., in establishing employment, economic prosperity. Still in all, it makes no assumption that social entrepreneurship is related in any way to entrepreneurship (Bacq, & Janssen, 2011). One way to progress in the awareness of social entrepreneurship going back to its roots is necessary for a reliable field of inquiry, social entrepreneurship has tried to be a promising and outstanding embracing phenomenon, without doubt certainly deserves a subject that has taken little academic care far in the social entrepreneurship literature (Carsrud, & Brannback, 2011). We need to ascend the earlier disputes that the solution dissimilarity concerning social entrepreneurs' contrast to commercial entrepreneurs related to demand opportunities for value generation in the absence of taking into account the possibility of economic efficiency (Santos, 2012). Nonetheless, exist edited works that considers measures and processes in the scene of family business related (Klewitz, & Hansen, 2014). Further studies on part of affinity among entrepreneurship and family business be able forward issues such social in the entrepreneurial process (Lopez-Fernandez et al., 2016).

Social entrepreneurship as social phenomenon is the pursuit care for issues with optimistic externalities. The most neglected issues with optimistic externalities upward under-represented individuals. This explains why so countless social entrepreneurs work for the compensation of these individuals. The rational inference is that exertions to help disadvantaged individuals may likewise empower social entrepreneurship addressing issues with optimistic externalities with a commanding objective of value generation (Santos, 2012). Still, social entrepreneurs need to procure certain independence in the way they go towards measuring social impact, in order to build measures that contemplate their comprehension maintaining their commitment to their social work (Lumpkin et al., 2013), the attributes of the social enterprise's product and questions regarding how countless individuals in a country or region may be in need of the product's services are both taken into consideration (Molecke, & Pinkse, 2017). In practice, the unfolding of social entrepreneurship is traditionally conducted by countless components. From a panorama of a system alteration, both social components and institutional environment can endorse the prosperity of social entrepreneurship (Su et al., 2019).

Social entrepreneurship studies are increasing in number and indispensable since not long time ago. Sadly, from an academic perspective, scholarly works in the ground of social entrepreneurship have long persist pictorial and, periodically factional (Bacq, & Janssen, 2011). The widespread documented and contextual base for social entrepreneurship studies has identified several antecedent components that permute the success of social ventures (Lumpkin et al., 2013), components that might sheen the feature aspects of social entrepreneurship phenomena. Nonetheless, existing studies ignore these antecedent components in which social entrepreneurship emerge (Su et al., 2019). Thus, there is an absence examination related to the connection concerning entrepreneurship and family business to social entrepreneurship. The commitment of social entrepreneur is shaped by societal forces and the scripts associated with social entrepreneurship frame golden chances for process, partly the individual is, indeed, a disposal of stimulations, apprehension, enthusiasm for resolve certain issues that generate the entrepreneurial space required to reveal in the process (Miller et al., 2013).

The related antecedent components theoretically confer a contextual gap, a potential limitation of studies is the assumption that entrepreneurship struggle the generation of a new profitable value. Nonetheless, despite that, in the past, works had instituted that the merger of profitable and social components are traditionally valuable in family businesses. Not around for long time ago, the literature act on this shortage, for instance devoting especial issues in *Entrepreneurship and Regional Development* in 2010, *Entrepreneurial Families and Family*

firms. Nordqvist and Melin (2010) emphasize in this remarkable edition that more studies are required for understanding adequately the commitment and power of family businesses for social entrepreneurship around the world, and more particularly concern to emerging economies (De Bernardi et al., 2022). Further inquiry is needed to appreciate the contextual components, particularly in relation to grounds in which entrepreneurial take place, such as social entrepreneurship (Cope, 2005), which more studies is needed to better comprehend components of social entrepreneurship that may exist, whether they interact and how they interact to further advance social entrepreneurship domain (Germak, & Robinson, 2014). Frictions concerning the social labor and marketplace condition have taken acknowledge by countless academics as the middle most requiring segment of social entrepreneurship. Nonetheless, in spite of that insufficient number of works have been performed thus far, the form concerns this double bottom line that can be operated (Bacq, & Janssen (2011), similarly is clear that circumstantial and institutional components may be more admissible in supporting the arrangement of social enterprises (Spear, 2006), which components peak the stability in favor of entrepreneurship with a primarily social goal look back on unexplored (Hoogendoorn, 2016).

It is then the aim of this paper comprehend these antecedent components, in which social entrepreneurship emerge and recognized by some scholars, nonetheless until now the literature does not offer enough evidence, which the antecedent components should not be neglected, components such as ethical responsibility (Chell et al., 2016; Zahra et al., 2009), family employment, community development (Nordqvist, & Melin, 2010), perceived environmental dynamism and governance structure (Choi, & Majumdar, 2014; Bacq, & Janssen, 2011; Weerawardena, & Sullivan, 2006). This are legitimate social components in countless family businesses (Sharma, 2004) conceiving entrepreneurship as a social process that involve multiple agents. Scholars draw on contextual relationship of family business to examine the incidence of abundant degrees of entrepreneurship orientation on dissimilar variety of social execution, counting social entrepreneurship (Steyaert, & Katz, 2004). Even if social entrepreneurs typically lead with fewer arranges, they traditionally target issues, which have a local verbalization application disseminating small ventures creation (Santos, 2012). Thus, the antecedent components can be embedded in a widespread societal value representing the preeminent focus (Defourny, & Nyssens, 2017).

Dissimilar perspective of social entrepreneurship have emanated through dissimilar regions in the world. Their dissimilarities could be due their origin. The unprecedented elucidations that social entrepreneurs embrace in their resident setting traditionally get reproduce in other areas with the power of revolve all-embracing industries (Zahra et al., 2008). Family businesses in countless regions, e.g., Latin America, struggle not only for widespread social outcomes, nonetheless likewise for social entrepreneurial interests, where they are indispensable motors (Nordqvist, & Melin, 2010). Arend (2013) recommend that social entrepreneurs as their peer commercial entrepreneurs involved in entrepreneurial action (McMullen, & Shepherd, 2006). Considering social entrepreneurship, the emergence of a gesticulated entrepreneurial actors that, in differentiation to classic commercial entrepreneurs, have prominent objectives, use contrastive approaches, visualizations and forms on contrastive domains of work, begs for conjectures, it enables us to interpret our findings and accurately predict (Santos, 2012). Family business constitute most of the SMEs supposed in the world. Furthermore, disseminate a higher part of a nation's economic gross domestic GDP, and to a nation's prosperity. They vigorously confer the profitable prosperity in terms of innovation, venture and/or investment, employment, and generation of added value. For instance, even though nearly all the noted

social enterprises work in the South Asian regions or Latin America, nonetheless even factual investigative works in this region are nearly put it aside (Tiwari et al., 2017). Specially speaking like in the case of emerging economies, the field of entrepreneurship does not have representative authors, and works published in well-organized scientific journals are minimal and/or truly insufficient (Lopez, & Alvarez, 2018) therefore, contributions to the field does not exist compared with other countries more globally. Among countries diverse criteria can be used to determine the size of a business. Works on social enterprise are vital to comprehend the potential benefits of entrepreneurship to resolve plenty of societal and environmental issues.

In this vein, the pivotal conviction of this paper concern to increase the relationship concerning the extrinsic antecedent components related to entrepreneurship and family business to social entrepreneurship. As a prove of the slight knowledge social entrepreneurship may vary with context. This paper move beyond the universal symbol approach contributing like that with the increasing motivational attentiveness linked to birth of new social entrepreneurs, development, and sustainability of initiatives with high economic value particularly in emerging economies. Family business as emerging academy field needs to be more developed, for example by understanding antecedent components, which have a clear orientation referent the importance that they push. Family businesses play a strong entrepreneurial portrayal within countries, and the nature hybrid of these entities and their increasing preponderance help to increase existing theories of entrepreneurship and organizations (Miller et al., 2013). Social entrepreneurship can act as a point of departure regarding to find solutions and sickness in our modern societies. Up to now, social entrepreneurship is a flourishing phenomenon, in less emerging economies as well (Santos, 2012), and wherever the line is drawn, the antecedent components discern opportunity comprehension, that is constructive in a social entrepreneurship context happen on the coincidence concerning society's call to resolve certain social issues and the willingness of social entrepreneurs to resolve them (Lumpkin et al., 2013).

3.1. *Entrepreneurship and Family Business to Social Entrepreneurship*

Entrepreneurship as a dynamic powerful ground of progressive performance is decisive to family business because the recognized worth, the innovations generated, the prosperity deployed, counseling businesses to advance, without the foment of entrepreneurship businesses may decline in the route of their success to reach their peak strength, may deteriorate, thus family business has the power to alter the conducting strengths that guide entrepreneurship (Spinelli, & Adams, 2012), support the oxygen that nurture the entrepreneurship fire (Rogoff, & Zachary, 2003). Currently, exist a widespread accordance in relation to entrepreneurship and the family business grounds. Nonetheless, an insufficient number of works incorporate into their objectives the process of acknowledge and recognize opportunities for entrepreneurship in the framework of the family business field (Bettinelli et al., 2017; Lopez-Fernandez et al., 2016). Entrepreneurship nowadays is identified as a prominent academic field of study (Minniti, & Nardone, 2007; Bruyat, & Julien, 2001; Shane, & Venkataraman, 2000), and has a valuable realistic community (Acs, & Audretsch, 2003; McGrath, 2003). It has achieved to go toward their childhood stage to spread the young adulthood stage (Carsrud, & Brannback, 2011).

Entrepreneurship evinces to be an effective driver of economic value generation and synchronously a presage to concordat with abundant social issues. While the involvement of family business have a comprehensive optimistic impact on entrepreneurial approach, the most major influence on entrepreneurial views should come from founding one's own small business, which is commonly seen as the pattern of entrepreneurship (Harris, & Gibson, 2008).

Nowadays, the generalizability of the persuasion of dissimilar denomination of the impact of entrepreneurship on economic prosperity at the national level, and concerning developed and emerging economies, persists hardly comprehended. The widespread presence and economic commitment of distinct patterns of entrepreneurs may fluctuate in the middle of specific economies. Part of this fluctuation is related to social and ethnic components, as well as national circumstances association. Thus, entrepreneurs traditionally are highly linked positively concern expectations affiliated with prosperity in developed economies (Valliere, & Peterson, 2009) who recognize and take advantage of a high-growth opportunities, who fruitfully boosting the country's infrastructure for discovering new knowledge, who convenience from reduce governmental adjustment, and effectuate prosperity and jobs. In this aspect, entrepreneurship and family business is preponderant (Randerson et al., 2015, p. 144) and have dissimilar theoretical foundations, therefore no single theory can explain the phenomena inherent in the family entrepreneurship ground.

Social entrepreneurship is the mechanism of an optimistic and systemic transformation that alter what, how and why individuals do in matters (Neck et al., 2009), emerging as a progressively more natural approach to meet social and economic requirement. The prevalence of social entrepreneurship describe our presumptions concerning human being behaviors and lucrative actions, social entrepreneurship is a novelty mechanism in the economy that can occur in countless institutional backgrounds, founded on value generation, and planned by their own regulation and philosophical criteria (Santos, 2012). Even if small in number, empirical works are certainly appreciable noteworthiness for social entrepreneurship as a ground of systematical examination (Hoogendoorn et al., 2010), we do not have long time conscious in the development of an parallel knowledge infrastructure for social entrepreneurship, by away of a sphere of inquiry in its own authority (Dacin et al., 2011) particularly, examining whether the setting associated with social entrepreneurship requires singular individuals to think and behave separately than in other forms of entrepreneurship.

Social entrepreneurship is seen as the establishment of businesses to attend penuries (Seelos, & Mair, 2005), the use of social innovations to settle social issue and to bring concerning social change, without regard for supposing mercantile movement implicated or not (Martin, & Osberg, 2007), and because often is inclined in relation to a vast priority on value capture (McMullen, & Bergman, 2017), their pro-endemic inspiration social entrepreneurs intercede to introduce results that empower institutional, social, economic, and even political development that would not happen build on monetary provocations merely. Light (2009) consider social entrepreneurship as one of the maximal tenting terms on problem to resolve countless scenes nowadays. Thus, social entrepreneurship does not only impute in a projective way of concrete features, nonetheless accredits a valued achievement. Social entrepreneurship can be seen as a cooperative movement, where the social entrepreneur is implanted in a net connection of provision and/or counseling that aids this fresh style of entrepreneurship prosperity (Hulgard, & Spear, 2006). This expectation has been emphasized describing social entrepreneurship as social having mostly a social labor (Nicholls, 2006; Seelos, & Mair, 2005), as generating social prosperity (Zahra et al., 2009), as conducting social issues and dilemmas (Light, 2006; Alvord et al., 2004), and accentuating social needs (Mair, & Martí, 2006; Seelos, & Mair, 2005). Social entrepreneurs make exertions to remain connected to the comprehension of social values as being democratic (Sharir, & Lerner, 2006; Sullivan et al., 2003), certainly is indispensable for social entrepreneurship, their building of social steam (Austin et al., 2012).

The social entrepreneurship term is predicted more than an umbrella combining and encapsulating a widespread denomination of movements across dissimilar geographical sectors and areas (Satar, & John, 2019). As an indispensable driver strength for generating social value, social entrepreneurship needs a speculative system to harmonize and investigate its internal connection mechanisms and all-important entrepreneurial components (Su et al., 2019). Its means, social entrepreneurship is an organizational practice activated by entrepreneurs, carry by means of entrepreneurial movements, and mixed within an entrepreneurial environment. The social entrepreneurs built a novel fertilization of how social effect can be quantified and what it means to them, this is highlighted in the way social entrepreneurs used experience or inherent elements such sculptures and potent stories, to explain things. By giving richer depictions, a place in social impact measurement, social entrepreneurs integrate their insight and leadership into the push toward social impact measurement becoming much more accurate and supported by evidence (Molecke, & Pinkse, 2017). Enclosed by the background of social entrepreneurship, the macro plane institutional tendency is an indicator of a generous environment (Townsend, & Hart, 2008). Otherwise, perspectives of the social entrepreneur concerning societal models of authenticity will persuade in obedience to which form the social entrepreneur coalitions.

Social entrepreneurship implies not only because the recognition of social opportunities by vigilant and socially minded individuals, nonetheless still the generation of a venture to the community (Sunduramurthy et al., 2016) conceptualizing their environment, social entrepreneurs confront complications in their environment, as the social change entrepreneurs traditionally shortages authenticity. Nonetheless, tend to refuse environmental limitations. In terms of repercussions, dissimilar entrepreneurs contribute distinctively to the growing development. In terms of controversy, dissimilar desire planes have dissimilar drivers. The anticipate upward of economic prosperity is not completely homely. On one side, entrepreneurs have superior streams of income in affluent areas to assets, knowledge, and technology, and then may be better able to face for innovation and growth with their firm. On the other side, entrepreneurs are more inclined to depend on their organization for continuity in less privileged locations, which may energize them to struggle for growth, whereas entrepreneurship is more prevalent as a driver to serve the prerogative coupled an individual's demand in more affluent locations (Hessels et al., 2008).

Thus, studies is needed to assessment and consider multiple antecedent components such as community development and social insertion rather than the regular anchor on shortened functioning benchmark (Hall et al., 2012), such as government creating community businesses aimed at local prosperity in disadvantaged urban areas is only one example of how local public agencies may take the lead (Defourny, & Nyssens, 2017). From a governance view, social entrepreneurship is outside of their parent organization, and it is able to transfer their revenue to their parent organization, nonetheless only in order to keep up their humanitarian labor. Thus, the pattern of governance varies markedly as specified by the role that public agencies perform and their dedication to it, social entrepreneurs like other agents, traditionally evaluate their environment when deciding how to proceed (Mair, & Marti, 2009). Family businesses are the principal generator of regional employment expansion (Karlsson, 2018). Associated with social entrepreneurship this means that family businesses are prevalent in growth related society, in which SMEs are more expected to be at a point where owners need to choose whether to engage (Fang et al., 2017). The entrepreneurial context poses several unique ethical confronts (Bhatt, 2022), if this is the case ethical values are higher in small businesses (Morris et al., 2002).

3.2. *Commercial and Social Entrepreneurship*

What describes in opposition to commercial entrepreneurship, social entrepreneurship is predominantly grounded on value generation rather than value exploitation. Therefore, it is movements is sensed as having a high latent for value generation, nonetheless a low inherent for value exploitation are an inborn scope to manipulate for economic actors preponderantly driven by value generation, such as social entrepreneurs. Naturally unnecessary to say, economies are not inactive. New needs, new technologies, and new information arise, opening up fresh avenues for improvement in the organization of assets and delivery of possessions and services. Nonetheless despite of that and under this overview, profit-oriented organizations traditionally invest assets and proficiencies becoming efficient in explicit regions of activity (Santos, 2012).

Commercial entrepreneurship is more than an impressive other than social entrepreneurship as a method for action due to the fortitude of market-based impetuses in capitalist economies. In both cases, the individual must endeavor to expect peculiarities of prospective markets to define *ex ante* and *ex post* if favorable circumstance has prospect value (Eckhardt, & Shane, 2003). Nonetheless, successful social entrepreneurs can build, level out and diversify their sustainable mechanism, such as establishing official positions to connect varied actors (Sunduramurthy et al., 2016). From commercial entrepreneurship where profit and financial stability is observed since a productive consumption perspective is the primary goal. Social entrepreneurship as innovative solutions traditionally with challenging to conventional frameworks, patterns, or superficial sights of participants traditionally assumed by the society (De Bernardi et al., 2022). This distinguished from commercial entrepreneurs who serve their customers, rather than combatting the denial patterns linked up with their customers (Sunduramurthy et al., 2016; Bacq, & Janssen, 2011). Divergences in leverage concerning social enterprises and commercial enterprises assume from imprints of prosocial organizing of capital design go beyond financial options. Thus, social enterprises may require doctrines adapted to their background (Siqueira et al., 2018) dissimilarities concerning social enterprises and commercial enterprises are form of organizations economically significant.

Commercial labors are traditionally more concentrated on consumer desire to go toward the fundamental necessities of primary urgency (Lumpkin et al., 2013). Nonetheless, most social businesses combine commercial and charitable facets in a productive correspondence: related inducement, incorporating appeals to selfhood and to benevolences, labor-driver, as well as market-driver mediums, and social and economic value generation as main goals (Defourny, & Nyssens, 2017; Dees, 1998). Commitment and personal singularities may arise an avenue by means of which commercial and/or social comfort rational are pervaded within the venture generation process and, thus, are suitable to comprehend the unfolding of social enterprises (Wry, & York, 2017; Hoogendoorn, 2016), nonetheless social entrepreneurs face requirements, which are comparable to those of business entrepreneurs in terms of gaining stream to, and congregating assets (Stephan et al., 2015), whereas the expectations for the commercial in the more traditional scope have been appointed as more explicit and homogeneous (Parhankangas, & Renko, 2017). However, social entrepreneurs must indemnify the ambivalence regarding these anticipations trustily on communications instruments, the effectiveness of which does not pivot on their ability to forecast the anticipations estimated by their audiences in a transparent and comprehensible manner.

Such as the hybridization of businesses and the likelihood to practice both commercial and social intentions (De Bernardi et al., 2022) might manipulate as venture capitalist. In juxtaposition, a combined social prosperity entrepreneur might breach a commitment identity as a nonlucrative manager and have a distinctive identity values prosperity and power. Thus, an entrepreneur will likely discern massive tension to persecute goals in line of her or his projection commitment of indistinctly during opportunity identification and development will hold more reserves applicable to this pursuit. Comprehending the identification and prosperity of social enterprise requires consider how dissimilar denomination of entrepreneurs are likely to encounter and try to resolve the rigidity concerning these two reasoning, extending the influence of these tenacious entrepreneurs will anchor ways to create value either by means of social or commercial as they create models to take advantage of an opportunity (Wry, & York, 2017). Because they may driver social enterprise, nonetheless mature revelation rather than by means of endorsing new models. It is conceivable that entrepreneurship has both continuous and constrained consequences thus, it will be found to deviate from a severally sector of this denomination (Valliere, & Peterson, 2009). Nonetheless, commercialization creates additional confronts and offers unique opportunity for social entrepreneurs. On the one hand, social enterprises are organizational innovations, which serve in accordance with entrepreneurs' singular values and nurture institutional changes and social progress. On the other hand, commercial and social forces are contending for possessions (Su et al., 2019). What is counted is in dependence on who is doing the counting and for what connotation (Chell, 2007). Thus, essential characteristics of social entrepreneurs are comparable to those of commercial entrepreneurs, which supports the belief that social entrepreneurs are, in essence, entrepreneurs (De Bernardi et al., 2022).

Our societies face innumerable and difficult confronts at all levels. The assortment of social entrepreneurship models and their internal assortment as symbol of a widespread mutual willingness to develop suitable, even if periodically unborn, answers derived from new forms of social labor are used to power commercial business models (Defourny, & Nyssens, 2017) in the social entrepreneurship view of widespread countries, relying on social or societal confronts are frequently imperative and seedy attended by the existing public and private sectors. When the government failure to encounter the provision of (quasi) public possessions or the market failure to encounter the public command, the institutional void leaves of social exigencies forsaken, conceiving opportunities or inducement for social entrepreneurship and prosperity (Su et al., 2019). Nonetheless, dissimilar commercial enterprises, social entrepreneurship must manage double and/or triple bottom line which requires a careful equilibrium endeavoring to build and maintain competitive advantages (Satar, & John, 2019; Chell, 2007). That is, as opposed to commercial business, social entrepreneurship may offer a potential boost (De Bernardi et al., 2022).

3.3. Social Entrepreneurship

Social entrepreneurship exists in innumerable contexts, across developed, in process of, and emerging economies generating optimistic results, at the same time for the crucial parties associated and for large society. Social entrepreneurship gives a desirable option, nonetheless it does not explain why this phenomenon is more popular now than it was in earlier decades. Social entrepreneurship embodies the best of the private and the public sectors (Kickul, & Lyons, 2012), the contemporary application of the term social enterprise to this phenomenon is novel (De Bernardi et al., 2022; Kerlin, 2010). Thus, possess unique adequacies to make

a glamorous alternative to an unadulterated response to social and environmental issues either purely private or public. Agents may shape social enterprises for varied motives and put forward tendency and potentiality distinctive models of entrepreneurs to create social value may contrast with a non-banal form (Wry, & York, 2017; Hoogendoorn, 2016). Of these, social value generation is a prerequisite for social entrepreneurship (De Bruin et al., 2017). In this vein, this paper acknowledges social entrepreneurship in line with Bacq and Janssen (2011) stressed in the identification, evaluation, and interpretation of opportunities with the conclusiveness, and the remaking concern social value generation derived from commercial, market-based movements, as well as the use of a broad scope of assets. Since responsible innovation combines charitable and economic aspects, by demanding the innovator should perceived their obligation and repercussion of each innovation, it is usual referred to entrepreneurs who console as social entrepreneurs.

The creation of social entrepreneurship chances can drive business owners to confront the inconsistencies of their obvious issues. Because of that, passionate and having a strong sense of one's identity may incline with entrepreneurs discerning not only fragileness in their business models, nonetheless likewise gaps in their knowledge, adequacies, and social proximities. This is pertinent due that entrepreneurs are considered as a driver who force for innovation, job generation, and economic prosperity as a result of the existence pertinence interplays concerning economic prosperity and entrepreneurship activity. Added, social entrepreneurs, likewise conventional entrepreneurs, even now need to have the primary capacity building resorts and organize administration (Su et al., 2019). Conclusively, the existence and prosperity of social enterprises not only call for entrepreneurs to have pro-social incentives. Yet, it is likewise critical for them to act entrepreneurially with sound economic sense.

The term social enterprise nowadays start to relate income in generating movements for social as well as reasonable development (Dacin et al., 2011; Kerlin, 2010), though a modern movement for social enterprise appears to be developing synchronously in countless places around the world. The social entrepreneurship field add much more comfort in the time to come from a merger of visionaries exertion to the oversize clarity, an inclusive definition of social enterprises and other forms of social entrepreneurship emerged from a supplementary and aspirational exertions (Defourny, & Nyssens, 2017), overall speaking, it can be stated that truly scarce visionary buildings were tested antagonist or derived from widespread pragmatic assertion. Social entrepreneurship could result in a better unification concerning two pervasive nonetheless arguably opposed identities of social entrepreneurship (social versus economic) in the long run facilitating a conceptual and classical transference from either/or to both/and. Thus, this could perforce, generate a course for social entrepreneurship to increasingly develop in relation to the planning of sustainable entrepreneurship, and for the agendas of the two inclined to carefully intersect (Nicolopoulou, 2014).

An indispensable aspect concerning social entrepreneurs neither extend the reality that they generate new practices to address social needs nor actual such practices in term regular to industry integrant (Chandra, 2017; Waldron et al., 2016). Agents such as social entrepreneurs depart from their reliance on role reasonings, with some avoiding and others adopting such reasonings. Thus, the nature of social entrepreneurs' eloquence practice on their perceptions of the industry integrant they discover to strength, as use of more communal phrase describing social problems (Parhankangas, & Renko, 2017) in dependence of supposing that the entrepreneur belongs to an emergent or established category of new ventures compared to commercial entrepreneurs. Social enterprises, as well as their connection to the entrepreneurial

ecosystem, evoke negative comprehension amid their great and recent expansion (Bhatt, 2022; Bergman, 2017). In this vein, social enterprises serve as laboratories in the sense that they produce expect high variations in organizational values and features. They already face fewer environmental peculiarities than they did in the past and will face even fewer in the future (McMullen, 2018). Even if social enterprises manage to achieve organizational synchronizations, the rules and features of social enterprises influencing individuals of traditional organizational structures and the institutional contexts in which they are incorporated, without doubt makes social entrepreneurship still in an experimental phase (Su et al., 2019). Social entrepreneurship depicts a paradigm alteration by leading a renewed background approach of development (Satar, & John, 2019), the social entrepreneurship must survive a lot of happy dynamics as well.

4. Development of Antecedent Components

4.1. Ethical Responsibility

Social entrepreneurship is traditionally founded on ethical reasons and virtuoso care (Mair, & Marti, 2006). Thus, the assumption of social entrepreneurs is that they are motivated by moral principles and a desire to support others (Zahra et al., 2009). The social indicators consider several themes including ethical behavior (Hall et al., 2012; Chell, 2007), and reputations to generate innovative solution to deep-seated social problems (Shaw et al., 2011), contemporary entrepreneurs awareness socio-economic problems generated by frame variability and believe that diverse personal and social benefits can accrue from their active involvement redistributing their prosperity and alleviating social problems, because social entrepreneurship arise a more ethical permutation of entrepreneurial movement (Branzei, 2012). Yet, less care has been paid to the ethical confronts faced by social entrepreneurs when they pledge the process of social change (Bhatt, 2022).

The ethical purpose of social entrepreneurship arise from uncountable manners: first, ethical values lead the way of social entrepreneurs to help guarantee that public coin well consumed; second, while business entrepreneurs may conduct lucrative or shareholder value, social entrepreneurs are conducted as focal point on meeting social issues, and third, social entrepreneurs as their predicament in the local community as necessary for building dependability for their social enterprise. Critical risk for social entrepreneurs transparently prevails, but it is the investment of personal dependability and renew, rather than monetary that is scare by their entrepreneurial actions. Thus, social entrepreneurs are confronted with ethical issues when they are executing their social change agenda (Bhatt, 2022). Failure trace not monetary loss, nonetheless a loss of personal honesty, while success trace not monetary gain, nonetheless enlarged social and human capital by means of an enhanced personal honorability (Shaw, & Carter, 2007). Thus, it is indispensable that business ethics studies understand what components play a part in social enterprises' success having a great social transformation (Smith et al., 2016). Nonetheless, it depends on the insight of the extent to which social entrepreneurs are ethical. The vast moral exigencies entrepreneurs sense, the more possible they would decide to use a more extensive structural model to make a straight and widespread proliferation of social innovation (Su et al., 2019), individuals with vigorous social accountability aggressively converge in assets, carry out entrepreneurial movements and shoulder social labors, as well as individuals with prosocial esteem will be extra engaged to social entrepreneurship (Stephan et al., 2015).

Moral ethic in relevance to social entrepreneurs is affiliated to the extent to which social entrepreneurs are fully committed to their idea and experiment morally coerced to pursue them (Beugré, 2017). As specified moral ethic is assess as the phase, which person experiment the sensibility of responsibility to help disadvantaged people in each situation (Tiwari et al., 2017), moral ethic as a precedent is indispensable for the social entrepreneur as it driver consideration addressing a peculiar social problem is the appropriate thing to do, such as the integration of under-represented individuals into the field of entrepreneurship (De Clercq, & Honig, 2011). Thus, individuals may be enterprising, indeed as a moral prescription because enterprise had be appointed as ingrained with the sense of good citizenship (Chell, 2007), social entrepreneurs must have a heavy esteem to generates confidence among its collaborators, and a complacency to put money into the social enterprise and its labor (Austin et al., 2012), where adherence to moral norms is a cornerstone of the social entrepreneurship literature (Hockerts, 2015). This assessment draws care to the limitation of universal moral norms (Bhatt, 2022). For instance, the bibliometric analysis of Vallaster et al. (2019) concern ethics and entrepreneurship evidence that entrepreneur are fundamental assets because influence and shape both ethical behavior and the generation of structures in the entrepreneurial background. Nonetheless, they are not always aware of the ethical issues, but traditionally act in accomplice with their own values. On the other hand, and since a science perspective has so far neglected conceptualizing the ethical side of the field related social entrepreneurship. From here the need to understand the ethical issue and accept it as a non-relegated social component. The ethical complexity comprehending social change agenda is more confused in practice and needs detailed care (Bhatt, 2022), nonetheless can be reached by means of the action of recognition.

4.2. Family Employment

We do not know much concerning the employment generation pushing of the social sector (Kachlami et al., 2020), studies have established dissimilarities concerning social and commercial firms and their creators may persuade their employment upward of commercial start-ups. The young ground of social entrepreneurship has typically lent from the mindfully allied ground of commercial entrepreneurship. It is found that family business contributes to most of the net employment (Karlsson, 2018), studies counsels that family business upwards their local communities and regions where they operate. The thought of the business family is referring to the family as an institution, or social shape, which can both lead and confine business movements. This is an indispensable annotation since the family's persuasion on entrepreneurship consider support in some circumstances, and inhibition in others (Nordqvist, & Melin, 2010). The family and the individual family integrant have been considered determinants of entrepreneurship, without considering the impact that entrepreneurship could have on them (Marchisio et al., 2010).

Actions that the family takes stipulates entrepreneurial connotation for the family, for its firm(s), and/or for the social or economic evolution of a widespread frame of references, i.e., the local community (Nordqvist, & Melin, 2010). Be involved in a family employee impelled by a sense of commitment to one's family and one's community (Lee et al., 2016) a conviction that the business is crucial to the prosperity of the family and their approval of the business's objectives, direction, and strategies. The heterogeneous family business behaviors may be driven together the noneconomic concerns of the family and economic opportunities (Fang et al., 2017), family businesses are indeed a significant source of job foundation in best part of regions (Karlsson, 2018). Even if the average family business make progress more gradually

than its peers, the real size of the family business area means that the effect of zone on family business employment growth has substantial complicity in the national context. Nonetheless, it was so far indistinct supposing that social firms also make a pronounced donation from one region to another the employment generation (Kachlami et al., 2020).

In any case, family business scholars have not formerly pay care on the link concerning growth and, in employment (Colombo et al., 2014). Thus, somewhat staggering how slightly contemplation the family has derived from entrepreneurship studies as an inherent part of analysis, even if there are auguries that this scarce of contemplation beginning to change, because individual family members would engage in altruistic behaviors (Marchisio et al., 2010; Sharma, 2004), inherent employment upward of social firms are seedy comprehended. No preceding studies severally investigated into the net employment upward of social firms (Kachlami et al., 2020), employment upward of social firms likewise follows a gesticulate pattern over time, suggesting that both enduring and dissimilar upward are at play. In the middle of other things, social firms are likely to be unbalanced prominent for employment in dissimilar clusters like people with disabilities and long-term unemployed individuals. There are scarcity of pictorial studies which amalgam ammunition suggesting that the enhancement of the social sector is affiliated with employment increase (Sivesind, 2017).

The upward of family businesses on the assertive interrelation concerning employment and entrepreneurial (Colombo et al., 2014), it is permissive suppose that the decisions of family businesses, besides influencing their competence will have indispensable transcendence for productivity and employment growth. Thus, to fully comprehend employment decisions in family businesses, contextual social components which impact the difficulty of monitoring must be considered (Fang et al., 2017). The optimistic net upward per entrant on domestic employment is countless for social firms than for commercial firms (Kachlami et al., 2020) the net employment perpetration of social firm entry not only harmonize, nonetheless surpasses of new commercial firms. The goal of the relation concerning employment and entrepreneurial hazard with family businesses. Specifically, this goal makes enterprise more reluctant to hire workers and less attractive as employers compared with their rivals without family businesses (Colombo et al., 2014). At the margin, family businesses are expected to attach prominent weight to family cored noneconomic goals (Chrisman et al., 2012). Therefore, family business is more unwilling to enlarge the number of employees of their organizations than their peers' equivalents. Entrepreneurial hazards with family ownership may be inclined by their noneconomic goals to outsource (section of) their production activities as an alternative hiring worker, even if the proficiencies of these workers would have fortified these firms' competitive advantage (Chrisman et al., 2013).

4.3. Community Development

A community is part of a social base, in which several numbers of dissimilar types of enterprises can develop. Community development is not a new concept. Social entrepreneurship might be considered a recent approach to community development (Morch, 2016). It builds on the knowledge, particularly academics (King, & Cruickshank, 2012), the notion of community in a social ambit of notion labels such as community engagement. Even if similar concepts have been extant in community development practices and studies. Community development strategies by governments are traditionally fostered by government as success tales (King, & Cruickshank, 2012). Entrepreneurs are concerned with amending sensed market and government failure; their role is achieve sustainable solutions in line to achieve sustainable dominance. Sus-

tainable solutions are approaches that either unalterably address the core causes of the issue or institutionalize a system that persistently addresses the issue (Santos, 2012). Nevertheless, if undertaken accurately, community development for social change is difficult, complicated, and demanding (Eversley, 2020). To bring concerning social change, a process must engage and win over those who do not believe that the change is possible.

Very devoting is the proliferation by social entrepreneurs of community-based solutions, which primarily do not count on markets or government plans (Peredo, & Chrisman, 2006). When communities build their abilities and competence to be related, they can mobilize their network and identify problems, which is unconstrained by terms of testimonial of government bureaus (King, & Cruickshank, 2012). Thus, resilient communities, which lies at the core of community development (Morch, 2016) in this standpoint social entrepreneurship is truly likely to continue even more room in community development than it already does, which is probably also true for innumerable countries particularly in emerging regions. In addition, McGregor and Crowther (2018) explain concern the empowerment through emerging community in a global transition to generate change, transition verbally speaking open the door in opportunities for social enterprises. Then, the association of value generation with social entrepreneurship extenuate the idiosyncratic commitment of social entrepreneurship in the fashionable edification derived from trendy economic system.

This presage that value generation is a conviction measured at the societal or system level, while value capture is measured at the organizational or unit phase. It is more essential for conjecture proliferation to shape on an inclusive conviction of value, defined in terms of the enlarge in the utility of society's integrant (Chandra, 2017; Santos, 2012). Even if, this can be respected to a preventive speculation, it confesses consigning the conjecture of social entrepreneurship in the usual of economic and management thinking. Korsching and Allen (2004) emphasize that community development means more than the goals of establishing jobs and producing income. Development in the community refers to specific tangible goals, while development of the community entails widespread premises involvement, widespread allocation of profits and improvement of the community's hassle resolve capacity. It is development of the community field. If this is true, it is more than evident the indispensable commitment that social enterprises perform in a society particularly if there is abundant need to resolve issues and/or try to alleviate it such as poverty.

By means of their initiatives, social entrepreneurs focus on equity and stability. When their work in areas such as community development, and so forth helps, generate chances for socio-economic prosperity. In this vein, the future prosperity of society as a whole is being ensured by social entrepreneurs (Kickul, & Lyons, 2012). Peredo and Chrisman (2006, p. 310) put forward that community-based enterprise is acknowledged as a community acting mutual as both entrepreneur and enterprise in pursuit predictable good as a surrogate to energize entrepreneurial knowledge. Nonetheless, despite that the cultivation of works is primordial to comprehend how this can result in an irresistible continued attainment (Hall et al., 2012). Community development in general is reflected in innumerable forms even though the meaning differs across dissimilar national contexts and, is increasingly being used to serve the legitimization function specified by central government (Fung, & Craig, 2017).

Satar and Natasha (2019) depict evidence in India that, must of the social entrepreneurship are founded with the community development labors and irrespective of their zone position endeavored combining meager into the marketplace system. As producers by preference than consumers because the prosperity of community be appointed as a chance to guaran-

tee a better-quality life of individuals. Likewise, while the separate community engagement requires social entrepreneurship to employ individuals who are otherwise incapable for jobs, the development of workforce by means of community development results in the precedence given to hire/use the local labor force. From this aspect, the invention of somewhat of value to a prescribed community or a motive is the potential join to the social enterprise (Chell, 2007). Therefore, development is aided when setting meets conviction where problems profoundly understood on the ground meet solutions with caution worked out on innumerable grounds (Mintzberg, & Srinivas, 2010).

4.4. Perceived Environmental Dynamism

Beginning with Schumpeter (1942), works on entrepreneurship at the societal level evidence ample sources of information. By cite, McGrath (1999) argues that vagueness is not continually bad thing even when most entrepreneurs fail generating more worth to a society, nonetheless hardly add value. Since a community cannot anticipate with precision which entrepreneurial initiatives will lead to economic and prosperity, at the societal level (Lee et al., 2011). Up to now, environment is the dominant influence on organizational actions (Weerawardena, & Sullivan, 2006). In a societal plane, the unbounded opposite potential connected with entrepreneurial actions exists since prospect economic value can generate. The confronts, nonetheless, is that in the present days the environment surrounding disclosure rising of social entrepreneurship (Townsend, & Hart, 2008), perceived vagueness emanating from the scarce of normative accordance over the suitability trying to synchronous and originate taking into account social and economic impact, a conspicuous fragment of the divergence in the choice of organizational form in social entrepreneurship ventures. Then, entrepreneurs are natural heterogeneous in their perception of the environment (Kwapisz, 2019). As a result, when an entrepreneur is driven primarily by either economic or social aspirations such goals are likely decisive of both the figure and function of be appointed as visible venture. The scarcity of a primary inward motivational exhortation sublimates comparative preeminence of an entrepreneur's capture about the setting to the preference of organizational form (Townsend, & Hart, 2008).

The essence of the environmental uncertainty in terms of hostility, compassion, and dynamism will transcend on entrepreneurial inducement (King, & Cruickshank, 2012; Hessels et al., 2008). Dynamism and hostility correlate with entrepreneurship (Miller, 1983). Therefore, the adaptation of the external business environment has an optimistic upward concerning the dynamism of social entrepreneurs in an environment that change constantly. Environmental changes display chances responding widely in terms of social needs and in the generation of new shapes of value (Morris et al., 2011). The sustainability of a solution and environmental impact traditionally become aware of a compulsory state for social entrepreneurship (Lumpkin et al., 2013). Thus, firms constantly try to regulate themselves from their rather stable and predictable environments, the stable environment allows visuals mechanistic orientation, making it easier and safer bumper from external uncertainties (Miller, 1983). To root of this as more dynamic and hostile the environment, organizations will be and/or implement more salient in relation to entrepreneurship. As a variable phenomenon, then, entrepreneurship occurs to extent in all societies (Davis et al., 1991).

4.5. Governance Structure

Economic movement cannot run competing in relation to an institutional empty space. The necessity for a central player such as the government and its institutions exists. Applied to the

field of social entrepreneurship, institutions symbolize a set of rules in a coherent manner that organize the economic, social, and political reciprocities concerning integrant, social clusters in society. Institutions (and the state that form them) are crucial determining entrepreneurial habits (Minniti, 2008), when governments transversely the sphere are noticing at entrepreneurship as a creative answer to the unfavorable economic status (Roman et al., 2013) entrepreneurs shall not be considered as remote and stand-alone decision makers but as players implicated in a special micro and macro context.

In this vein, the government performs is vitally important in the regulatory justification, setting the constitutional and monitoring structure, which guarantees that aggressive market circumstances are maintained (Santos, 2012). With the doubt that governments need to relate, community has come as a range of catechize concerning what is needed to be known concerning community prior to the engagement come to pass (King, & Cruickshank, 2012), particularly on the part of governments and policy makers has been much debated (Shaw, & De Bruin, 2013). To address this, governments traditionally presupposed a re-distributive commitment be means of tax system and social coverage, trying to ensure that every individual in society slightest admitted phase of individual prosperity. Until now, governments traditionally do not have the means or expertise to perform re-distribution function, markedly when action is needed at a local level because unfortunately the terrible edification of the economic system is weakened by the presence of externalities. To accomplish a favorable economic posture, these exterritoriality require be interiorized by economic performers in their decisions (Santos, 2012).

Government efficiency refers to the absence of over-regulation, ambiguity, and wastefulness (Mohamadi et al., 2017), at the end ensuring it does not lead to excessive equilibrium, which decrease productive shapes of entrepreneurship. Extra active governments may escalate the social entrepreneur's personal assets or those enlarged by means of the entrepreneurs' unaffected social nets (Stephan et al., 2015). Less active governments may engender higher social need, and thus countless demand for social entrepreneurship (Zahra et al., 2009). In contrast to much social entrepreneurship, nonetheless, concerns of social exclusion should be left to the government (Hall et al., 2012). Entrepreneurial alertness thus, does not each time provide a route to create end results; indeed, it can lead to destructive entrepreneurship where institutional settings are weak therefore, people make sense with institutions, not despite them (Weber, & Glynn, 2006). Accordingly, if the market failure is produced by affirmative externalities, governments over to have a key manipulate to play in adjusting these market failures providing services by means of governmental organizations and/or making a system to generates stimulus for economic performers, generating worth for society, not to capture worth (Santos, 2012).

It then falls to social entrepreneurs to confront those uncared issues with optimistic externalities, providing a solution to them, while alerting society is integrant to the preeminence of these issues, and related value redundant, so that they can be described in time to come actions. This is the notable domain of social entrepreneurship. The development of the field of social entrepreneurship may demand the cultivation of work on spotting, which areas are likely to get uncared by both markets and governments. This included challenging policy and developing new policy, which support new ways for government individual to work with and be related by the community (King, & Cruickshank, 2012). By cite, a government agency is more likely to personify an optimistically position aligned with their dexterity medium or policy agenda, this provides a rather unprecedented version of essence in reality, as learning occurs, impression of the issues may change, and contrastive people may enter in and leave the process.

The call for countless execution capacity by part of the government in relation to entrepreneurship, differs from studies founded on entrepreneurship in industrialized countries (Hall et al., 2012). The government can play a transcendental commitment as a prosperous, by cite in rectifying jurisprudences and regulations (Stam, 2015). However, social enterprises generally look like where governments failure providing for social needs (Hoogendoorn, 2016; Stephan et al., 2015), the failure of the government to disseminate essential services and social prosperity, nonprofits step provide such possessions and services, to care for the needs of the individuals and to guarantee their prosperity, the government plays an evocative role, while social entrepreneurs generate their enterprises to remit social needs (Stephan et al., 2015). Nevertheless, Sunduramurthy et al. (2016) evidence that across dissimilar regions globally, social entrepreneurs are aware and are actively using regulatory and governmental institutions to countersign and advance their causes. The predictable symbol is appointed as visible to be the naked truth that entrepreneurs generate fresh value, organized by a widespread variation of governance methods, empowered, and incapacitated within a definitive institutional context (Stam, 2015), for a cromulent extenuating, we need a discrepancy concerning necessary and chance acclimatization, while for policy thinking clear the depiction of the government and other public organizations.

Now a new variety of entrepreneurs detect new opportunities motivated by the variation into a resource spam to go toward the limits world such as, social entrepreneurs (Elkington, 2006) in large cities and light-handed growing, smaller cities confronting growing radius of economic, social, and environmental confront. Nonetheless, for much countless care to governance schemes and procedures, which guarantee the elemental rules of behavior are go around with, governance issues be appointed as an increasingly significant feature. Accordingly, managerial government can ease the progress of a social cause, setup the movement of dissimilar agents in the field. Nonetheless, countless governments at both the national and local levels are becoming more and more pressured to lower public service allocation fees or gain maximum efficiency in this ground (Defourny, & Nyssens, 2017). In line with Bacq and Eddleston (2018), this paper acknowledges government structure as the skill of a social enterprise to acquire government support by means of friendly laws and regulations, jurisprudences, financial aid, and greater visibility of social work on the government's agenda.

For instance, Kwapisz (2019, p. 8) demonstrates that solely a small proportion, 6 percent of entrepreneurs notice government regulations as the main barrier indicating that those, which perceived government as the main impediment are more potential at the end form of new profitable firm. Just like that, there is an interesting empirical abnormality that call around concerning entrepreneur's bureaucratic illiteracy. Entrepreneurship can be explained by a broader set of institutions when can be concerned by a cross-national differentiation (Busenitz et al., 2000). Extra (not reduces) energetic governments (i.e., those that have relatively high phases of escalating tax collection and government spending) help endorsement generation of social ventures (Stephan et al., 2015), and/or officially certified (Bidet, & Eum, 2011). Therefore, figure 1 depict the following theoretical framework:

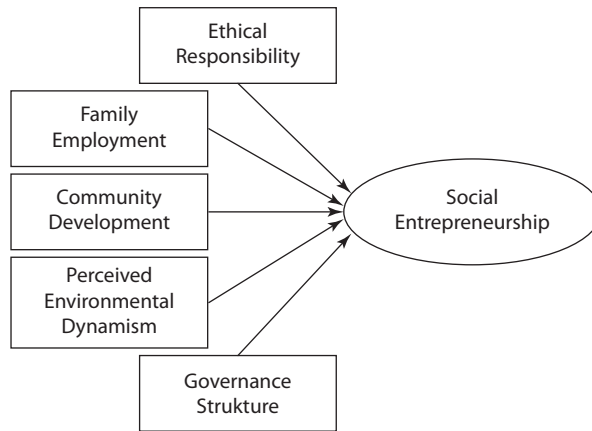


Figure 1. Theoretical Framework

Source: Own study based on survey data.

5. Concluding Remarks

The aim in this paper concern the comprehension of antecedent components of social entrepreneurship in relation to entrepreneurship and family business as a domain of inquiry in its own right. The researcher sheds light analysing antecedents in contexts (entrepreneurship and family business) using coincident terms of analysis. At the intersection, this is quite complex (Betinelli et al., 2017). However, this paper reviewed definitional debates and proposed that a focus on outcomes and context comprises the most expressive way to comprehend dissimilar antecedent components. In this aspect, this paper explains how social entrepreneurship as a valuable organizational form disseminates the engagement in precious activities without needing a narrow focus on profit expansion. Thus, the researcher has determined to focus on social entrepreneurship because of the essential role social entrepreneurship is predictable to play undertaking confronts.

Moreover, foster the production of new insights concerning the meaningful of the antecedent components applicable in both theoretical and empirical research. Obviously, social enterprise seems to draw on those leading socioeconomic antecedent components, which offer greatest intensity in a given region or country. In this vein, social entrepreneurship chances are generated, recognized, disseminated, and exposed in a dynamic process that is, organic and combined in logic (Su et al., 2019). Thus, the subsequent several years will be essential for the progress of social entrepreneurship as a genuine scientific subject because the future of this field is still uncertain (De Bernardi et al., 2022). The huge care that scholars from dissimilar disciplines are disbursing to comprehensive fields such as sustainability has led countless of them to use the term social entrepreneurship unsuitably.

For instance, ethical issues in social entrepreneurship is at a premature stage to organizations addressing ethical complexities such as action of recognition, action of reposition, and the action of collaboration (Bhatt, 2022). These provide the required material basis for the prosperity of its social activities, favorable to ongoing the sustainable prosperity of the social value nature process and expanding the general welfare of the society (Su et al., 2019). Moreover, not preceding works severally examine into the net employment upward of social ventures

(Kachlami et al., 2020). In countless countries, the business environment is changing according to the demands of consumers and of stakeholders such as government, society, etc. In other words, it is mainly a question of environmental background, which allows social entrepreneurship find room. Yet, social entrepreneurship opportunities are generally deserved by the void of the system, nonetheless, there is until now a shortage of works to incorporate components such as government features in it (Su et al., 2019).

Therefore, the paper have tried to accomplish the aim in three dissimilar ways. First, developing a systematically literature review to ascertain the state of knowledge on the essence of the topic respect to the antecedent components. Second, selecting sources on countless aspects of entrepreneurship, family business, as well as social entrepreneurship using dissimilar approaches of inquiry. Third, opportunities for further research in this ground certainly are warranted. From a theoretical perspective few research concern to the comprehension of the antecedent components in relation to entrepreneurship and family business to social entrepreneurship. Therefore, the paper contributes advancing in the proposition of a theoretical framework and even more despite efforts to address social enterprises. Future research should examine the valuable role of the antecedents components founding and attainment their social goals, and to enlarge their social impact. For instance, social entrepreneurship is related to financial upward not simply from an inward perspective nonetheless likewise from an outbound perspective (Bhatt, 2022). The general interest/public benefit premise has been employed as the key strategy for accomplishing the meaningful purpose (Defourny, & Nyssens, 2017).

There is a need for future research to further explore this side to better comprehend the role of the entrepreneur. Entrepreneurs represent two social categories: commercial and social. The exploration of a broader diversity of social categories within the entrepreneurial community still call for future studies. Nonetheless, surely more research is needed to explore countless measures of social impact related to social entrepreneurship, which take into account dissimilar social enterprise performance. Social enterprises, which are able to scale their social impact on capabilities, the advantages of these capabilities concerning their social impact can be nurtured by the establishment of a stronger entrepreneurial culture toward social enterprise. Despite the shortcomings of the present review, this paper argue that social entrepreneurship has the potential to enlarge, spread and exploit much more organization theory and therefore hold the promise as a domain of inquiry by means of the proposition of five conceivable avenues for theory building at dissimilar levels of analysis. In addition, to facilitate the comprehension among social actors from dissimilar regions, the empirical assessment of the suggested antecedent components predicted within figure 1, represent a significant route for social entrepreneurship research to elucidate even more the connection that exist concerning entrepreneurship and family business to social entrepreneurship. At the intersection of the components open the option to practice both commercial and social meanings into the core of business.

It is the hope of the current conceptual paper stimulates future research to better comprehend the complex dynamics and contribute to the bright of social entrepreneurship. Likewise, enhancing knowledge on a widespread perspective of the entrepreneurial dynamics for emerging economies and gives more bases to accentuate the imperative for the creation of countless new papers to further develop this research stream. There are scarcity of research from emerging economies. For instances, it should be noticed that this description include Latin America (De Bernardi et al., 2022). A young field of study such as social entrepreneurship needs robust empirical assessment to progress, while this requirement implies countless of research opportunities.

This study is not free of limitations. First, the study do not cover all relevant source concerning the domains examined. The documents referred are simply part of a sizeable amount of works, thus confining the general comprehension of social entrepreneurship research. There were likewise features of the context that could create boundary circumstances. The results are extremally contingent on the standard assumed for gathering data. Second, given the nature of this paper, and the need to comprehend the shadow and complexity, the technique exposed may not sufficiently explain the content in terms of scope. The researcher inspires future research combine abundant insights with other procedures such as co-occurrence analysis and could be interesting likewise analyse grey literature coming from the business practice (De Bernardi et al., 2022), co-citation and co-work analysis (Tan Luc et al., 2022).

In particular, when the goal is to address societal confronts, organizations need to comprehend the misidentification process (Bhatt, 2022). Third, the process used in terms of networks are tremendously sensitive to dissimilar parameters, i.e., keywords, consequently the results can change by varying even one of these parameters. Fourth, this investigation centres on the process to comprehend, and develop antecedent components, and may disregard other significant actions in the process of social entrepreneurship. Finally, this investigation combines three domains, the interaction among these domains need more in-depth research, if we consider that entrepreneurship refers to behaviours and attitudes that should affect an organization as a whole. Research is obviously needed to comprehend how recognize other components that support and influence the unconditional incidence of social entrepreneurship.

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Child Labour – What Can We Do about It?

Maciej Frączek, Aleksandra Żyła

Abstract: **Background:** Despite increasing knowledge of its harmful consequences, child labour is a persistent issue in developing countries; moreover, the number of working children has increased in recent years. **Research objectives:** To explore the issue of child labour by defining its drivers and indicating strategies for reducing its extent and impacts. To answer the following research question: What are the feasible solutions to the problem of child labour that might also be applied in the context of social economy or social entrepreneurship? **Research design and methods:** The authors rely on a combination of an analytical and synthetic approach and draw mostly on a review of the literature as well as normative acts (in the latter case, taking advantage of the dogmatic-legal method). Information resources comprise scientific research, studies of international institutions, legal acts, and websites. The last section employs heuristic methods to identify new sectors of social economy activity in the context of efforts to combat and prevent child labour. As a result, the considerations are primarily qualitative in nature. **Results:** Despite the absence of instances of direct implementation of social economy (entrepreneurship) solutions designed to address the problem of child labour in developing countries, it is possible to identify numerous prospective domains and instruments where this sort of activity might be conducted. **Conclusions:** Child labour is a complex issue in developing countries since both internal and external factors contribute to its emergence and perpetuation. Its abolition requires immediate cooperation of multiple institutions and organisations from the governmental, private, and social spheres. It appears that social economy organisations should be included in the list of existing actors in this field.

Keywords: child labour, children's rights, social economy, worst forms of child labour

JEL Codes: J13, J81, J83, O15, I25

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I. Background

Today, child labour is a major worldwide issue that, unfortunately, receives insufficient attention. This is demonstrated by the fact that 2022 saw the first increase in the number of working children in third-world countries in 20 years.¹ Given that between 2000 and 2016 the magnitude of this phenomenon steadily declined, the current situation raises serious concerns among the authorities of affected nations. These disturbing statistics prompted the authors of this article to investigate child labour in more depth, analyse its causes and effects, but most importantly, to explore and discuss the solutions employed by a variety of institutions, includ-

¹ According to the Human Development Index, third-world or developing countries are categorised as medium and underdeveloped ones.

ing international organisations, nation states, businesses, and the third sector, which could also be applied to the operations of social economy entities.

II. Definitions of child labour

Due to its complexity and multifaceted nature, child labour has proven challenging to define throughout the previous several decades. Hence, it is vital to take into account the many definitional approaches to the fundamental concepts used to characterise this topic in order to adopt a structured approach to the issue.

In Polish and international literature, the term *child* does not have a universally accepted definition. Although it is often expressed in terms of various age restrictions and may be interpreted in many ways depending on the area of interest, its fundamental meaning remains the same. For our purposes, the legal framework that seems most pertinent defines a child as “every human being below the age of eighteen years, unless, under the law applicable to the child, majority is attained earlier” (Convention on the Rights of the Child, adopted by the United Nations General Assembly on 20 November 1989, OJ. 1991 no. 120 item 526, Article 1).

The International Labour Organisation (ILO) provides the most relevant definition of child labour as work that deprives children of their childhood, prevents them from regularly participating in education, is mentally and physically dangerous, and damages their social and moral development. Yet, as the ILO points out, this idea is understood differently in different countries and even regions of a country where this problem arises. Child labour is frequently regarded as a negative phenomenon since it is usually equated with employment, the conditions of which (such as working hours and demands that are inappropriate for the child’s age) have a negative impact on the child’s development. (ILO. What is child labour? Defining child labour; accessed 02.09.2022; available at: <https://www.ilo.org/ipecc/facts/lang--en/index.htm>).

The issue of child labour is strongly linked to the establishment of a minimum age for children to work. Currently, most countries have laws setting a minimum age for employment. Most solutions adopted within the framework of national legislation draw on the provisions of the ILO Minimum Age Convention No. 138 of 1973 (ILO Minimum Age Convention, adopted in Geneva on 26 June 1973, OJ. 1978 no. 12 item 53). This convention outlines three age limits, crucial in the fight against child labour worldwide: “The minimum age of working children shall not be less than 15 years” (Article 2(3)). However, in order to meet the needs of underdeveloped countries, which face more difficulties in achieving this goal, an age limit of 14 years has been set for a transitional period (Article 2(4)). Moreover, children aged 13 to 15 can perform light work (Article 7(1)).

This minimum age condition, among other things, allows for a distinction between positive and negative perceptions of child labour. Positive consequences are associated with the involvement of a child above the minimum age in work that does not adversely affect his or her physical and mental health and may have a promising impact on his or her future (e.g. in economic and vocational terms). Children can thus learn responsibility and self-reliance, while contributing resources that positively impact on the life of the whole family. On the other hand, when the term „child labour” is used pejoratively, it only refers to children who are employed in the harshest and most dangerous types of work and are younger than the legal minimum age for employment (Terre des Hommes 2019; Terre des Hommes position on child labour; Accessed 01.09.2022; available at <https://www.terredeshommes.org/terre-des-hommes-position-on-child-labour/>; pp. 1–2). In such circumstances, children face constant threats to their

health and lives; moreover, they are denied the opportunities provided by education, to which they have limited access due to their obligations to the employers.

III. Areas of child labour

Child labour, as an extremely complex phenomenon, takes many forms that result from, among other things, the legal framework enacted by the state and the prevailing market conditions. Children find employment in a variety of areas, but mostly in agriculture, services or industry (ILO, UNICEF 2021, p. 13).

Farm work is the most common and hazardous sector of child labour (Gamlin, Hesketh 2007, p. 2), involving more than 70 per cent of working children, or more than 112 million girls and boys (ILO, UNICEF 2021, p. 6). Child farm work carries a number of risks, including exposure to pesticides, dusts, and chemicals that cause allergies, poisoning or skin disorders (Gamlin, Hesketh 2007, p. 9). Agricultural work also exposes young people to potentially hazardous weather conditions, especially if they are expected to work for several, often more than ten hours in the sun. This may lead to dehydration and general weakness (ILO 2004, p. 58). Headaches, nausea, lack of energy, and physical and mental exhaustion are inherent conditions associated with daily farm work (Mull, Kirkhorn 2005, p. 652). According to the Eclt Foundation, children working on family farms contribute to sugarcane, cotton, tobacco and coffee production and help in cattle farming (Eclt foundation, *Child Labour in Agriculture: Facts and Figures*; accessed 01.09.2022; available <https://www.eclt.org/en/news/child-labour-in-agriculture>).

Another space for child labour is prostitution, a form of violence that targets the most vulnerable group in society. The United Nations defines it as “the use of a child in sexual activities for remuneration or any other form of compensation” (Optional Protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography, adopted in New York on 25 May 2000, OJ. 2007 No. 76, item 494, Article 2(b)). Without a doubt, this practice breaches the most fundamental human rights of freedom and dignity, yet about one million youngsters participate in it each year. It contributes to various physical and mental disorders in children, including HIV infections and depression. Furthermore, prostitution leads to unwanted pregnancies as well as addiction to alcohol and psychoactive drugs (Willis, Levy 2002, pp. 1418–1420). It is worth emphasising that, contrary to popular belief, boys are increasingly engaging in prostitution. Such circumstances are especially common in large cities, where sex tourism is a major issue (Klain 1999, p. 2). Due to the varied and disparate approaches to dealing with child prostitution in different countries, eradicating this problem is extremely challenging. While most nations outright prohibit the involvement of children in prostitution, other developing countries only impose age restrictions, which are not observed by local communities in any case (Clark, Clark, Adamec 2007, p. 69).

There is no doubt that child labour in mines – another segment of child labour cited here – exposes children to enormous risks and puts their health as well as their lives at risk (ILO 2019, p. 2). Children operate dangerous machinery, carry loads often exceeding their weight, and are exposed to a variety of injuries with long-term negative health consequences (ILO 2019, p. 3). Due to the continuing physical growth, child miners experience these incredibly challenging working conditions far more keenly than adults. This vulnerability has a long-term detrimental impact on children’s physical and emotional health (ILO, IPEC 2006, p. 1).

IV. Causes of child labour

Several variables contribute to the incidence of child labour. The most serious ones include poverty, a lack of access to education, and the low level of economic development of their home country.

Poverty in third-world countries is viewed as one of the primary causes of child labour. According to studies, the children's employment rate is higher in developing countries, and as poverty levels fall, so does the number of working children. This is due to the fact that child labour frequently constitutes a significant source of revenue for the household without which the entire family could face severe financial difficulties (Anker 2000, p. 262). Due to the widespread poverty in third world countries and the resultant necessity for children to work, they are deprived of opportunities for healthy development and education. This, in turn, contributes to fewer opportunities in terms of social advancement. For this reason, children remain in the same communities for the rest of their lives with no prospect for improving their living conditions (Saad-Lessler 2010, p. 327), which is often referred to as the 'inheritance of poverty.'

Education is also a major factor in child labour with a two-pronged impact on the phenomenon under discussion. Children are forced to work due to a lack of access to education and a poor level of human capital; as a result, their early employment prevents them from engaging in education, which restricts their future competitiveness on the labour market, creating a self-perpetuating vicious circle.

Due to very low educational standards compounded by a lack of opportunities, third-world children frequently do not receive any education at all. Parents who are considering enrolling their child in school usually have to decide between a far-off school with a subpar education and the prospect of additional income in the household budget. When faced with this choice, they often favour the latter option. Thus one factor that has the potential to have a considerable impact on the rising risk of child migration into the workforce is education, including access to it (Khan 2001, p. 98). In order to change the outcome of this peculiar cost-benefit analysis, parents need to recognise the value of their child's school attendance, they must be able to see the advantages of learning and apply them to their children's daily responsibilities. This can only be accomplished by raising the standard of instruction, which calls for hiring better teachers and tailoring the curriculum and distribution of content to better meet the requirements of pupils (ILO 2004, pp. 120–121).

Studies by the OECD show that when a nation becomes more industrialised, its economic potential increases, which in turn raises the standard of living for a major proportion of the populace; as a result, fewer children are forced to work. One factor is a shift in the economy's profile – a growing proportion of individuals are engaged in the industrial sector, a trend that is matched by declining employment in agriculture, where, as was mentioned above, the vast majority of children work. Furthermore, the literature indicates a link between economic growth and technological development, which favours a decline in the number of children typically performing simple physical tasks. This is especially true of agriculture, where mechanisation reduces the demand for unskilled workers (Thévenon, Edmonds 2019, pp. 29–34).

V. Consequences of child labour

It is worth emphasising at this point that not all child labour has negative consequences. If it is done on a time-limited basis and adapted to children's abilities and, most importantly,

does not interfere with their participation in school activities, it may even have a positive impact on children and their families (ILO 2004, p. 16).

Regrettably, in developing countries, the aforementioned conditions are frequently disregarded and, as a result, it is much more common for children (and their immediate environment) to experience mainly negative effects of employment.

Education is widely regarded as one of the crucial ways in which to improve one's social or economic status, broaden one's opportunities, and, most importantly, is a fundamental right of all people. Such possibilities and benefits are denied to children who work instead of attending school (Heady 2000, p. 2). Statistics from a study by UNICEF and the ILO reveal that more than one-third of children who work do not attend school (ILO, UNICEF 2021, p. 8), and even when they do, their academic performance is very poor. Unsurprisingly, this is due to exhaustion, lack of energy, and lack of time to rest, study, or play (Mavrokonstantis 2011, p. 17).

The health of children is adversely affected by their employment under hazardous conditions, as well as by deficient work organisation, a lack of precautions, and lax safety regulations. This leads to a higher risk of accidents that leave victims disabled and, in the worst circumstances, dead (Kaur, Byard 2021, p. 210). The most current ILO and UNICEF report raises awareness of the 79 million children (nearly half of all those who work) who are employed in conditions that are harmful to their physical and mental health (ILO, UNICEF 2021, p. 8). Furthermore, an evident but often overlooked fact is that children who begin working at a young age are considerably more likely to suffer from occupational diseases than adults who work under the same conditions but only began working after reaching adulthood. Furthermore, working in hazardous conditions has an increasingly negative impact on the mental health of children. It is an unsettling fact that very young people raised in challenging environments, particularly work-related ones, face a higher risk of developing all manner of mental dysfunctions, depression, concentration problems, and reduced self-esteem. Unfortunately, despite this undeniable evidence, interest in children's mental health is not as strong as that in their physical health (Aransiola, Justus 2018, p. 49).

Gender is a feature that contributes to the unfairness and inequality that people experience from a very early age. This form of bias is also associated with the kind of jobs that children perform. Compared with girls, who often work as nannies or housekeepers, boys are more likely to work physically outside of the home. There is no disputing the fact that this employment disparity does not provide boys and girls with the same development opportunities, which puts them at a disadvantage in terms of their future in the workforce (The World Bank 2005, p. 3). Moreover, if parents decide to send their child to school, they usually choose their male offspring. Educating a daughter appears to be unprofitable for the family, as she will mainly play the role of mother and wife in adulthood anyway. Such circumstances exacerbate gender inequality in access to education (NGO Group for the CRC 2002, p. 1).

The impact of child labour on the adult labour market, on the other hand, receives less attention. Interestingly, as Bekele and Boyden argue, child labour can contribute to adult unemployment and reduced adult wages (Bequele, Boyden 1988, p. 90). Indeed, employers tend to hire young people, because it makes economic sense (using very narrow understanding of economic rationality) – children do not generate as much cost or demand as much money as adults do, and they are also more obedient (Galli 2001, p. 13).

The development of communities, societies and states is influenced by many factors, one of which is the of child labour. Working children, as previously said, have very limited access to education, which is vital for generating economic growth in a country by increasing the

amount of human capital. Furthermore, an uneducated society is mostly unaware of its rights, which prevents the establishment of a democratic state (Galli 2001, p. 7). It should be emphasised that hiring low-cost young workers discourages employers from developing and investing in their enterprise, which significantly limits technological development and productivity growth in the economy as a whole (Galli, 2001, p. 8). According to Zheng (2021, p. 70), countries with high rates of child labour are falling further and further away from the development mainstream as social stability, employment dynamics, improvements in educational quality, and the development of the social economy are all declining, the latter being especially interesting from the perspective of this article.

VI. Instruments to reduce the scale and impact of child labour

Without doubt, child labour should be eradicated, and the necessary measures must be implemented as quickly as feasible. Presently, a lot is being done to tackle this problem, particularly by large international organisations like UNICEF and the International Labour Organisation.

With its outreach programmes, UNICEF seeks out places where children are employed, discourages them from work, and assists those children who need to work. These efforts involve specialised social workers who, in collaboration with local authorities, analyse the problem and attempt to mitigate it by disseminating healthy societal values that oppose violence, exploitation, and abuse of children (UNICEF, Child labour; accessed 01.09.2022; available <https://www.unicef.org/protection/child-labour>).

As an organisation concerned with employment issues, labour standards, and gender equality, the ILO places a high priority on preventing child labour. To that end, it established a special entity, the Programme for the Elimination of Child Labour (IPEC), tasked with reducing, first and foremost, the worst types of child labour (ILO, About the International Programme on the Elimination of Child Labour (IPEC) accessed 01.10.2022; available <https://www.ilo.org/ipec/programme/lang--en/index.htm>).

One of the main tactics for eliminating child labour is international cooperation. It has led to a spate of legislation that almost all nations have adopted in an effort to reduce the prevalence of child labour (ILO 2004, p. 196). These include, for example, the establishment of sanctions enforced by national and international organisations to discipline countries that pursue inconsistent child labour policies, thus impeding the eradication of the problem (ILO 2004, p. 203).

ILO Conventions 138 and 182 are of utmost significance in the international arena for the abolition of child labour. Both of these statutes require ILO's signatories to abide by the established rules, even if they have not ratified them. Convention No. 138, which was discussed in the previous section, sets a minimum age for children to work, whereas Convention No. 182 specifies the worst types of child labour and requires state authorities to provide aid to affected individuals (ILO and Inter-Parliamentary Union 2002, p. 36).

In order to improve the wellbeing of children in developing countries, comprehensive regulations that lay down specific responsibilities and impose sanctions in the event of non-compliance should be enacted (ILO 2018, p. 32). Now, tighter enforcement is required, as is the creation of stricter rules that will effectively deter the condoning of child labour due to the predominance of informal work arrangements and the failure to incorporate the agreed-upon provisions into domestic legislation (ILO 2004, pp. 203, 204). However, in the authors' opinion, bottom-up actions that focus less on criminalisation or ostracism and more on testing, imple-

menting, and disseminating effective methods for reducing the prevalence of child labour and its detrimental social and economic effects should be at least as important.

Child labour in the industrial sector affects most underdeveloped countries. Very young people often make products intended for the global market. What is interesting, but also disturbing, the more complex and intricate the supply chain, the higher the risk of child involvement in this process (ILO 2018, p. 57). The work done by the Fair Trade organisation, which promotes conscientious consumption in industrialised countries, is a crucial step in the fight against child labour. Its certification process informs consumers that particular products bearing the Fair Trade logo comply with the organisation's standards, one of which is the restriction on the use of child labour. Fair Trade ensures that high-quality goods are manufactured under ethically sound circumstances and that purchasing them contributes to eliminating child labour (Baradaran, Barclay 2011, p. 32). Product certification enables new manufacturers to enter the global market providing a significant economic incentive for entrepreneurs to adopt the Fair Trade standards. Such a strategy results in improved working conditions for workers, including higher incomes, access to education, and overall job security (Baradaran, Barclay 2011, p. 1).

Social protection programmes are regarded as one of the most important measures for combating poverty and the related issue of child labour. They ensure access to essential rights and services for those in need, giving children equitable opportunities to thrive in a supportive environment. There is currently no template for a one-size-fits-all programme to address child labour within larger social policy. Eliminating such a convoluted problem necessitates similarly comprehensive and complementary socioeconomic activities. A well-designed social protection system, backed up by economic incentives, should comprise a tailored set of programmes to fulfil the specific needs of a community. Addressing child labour may necessitate, among other things, cash transfers, employment promotion and unemployment protection as well as health plans and assistance for persons with disabilities (ILO 2018, p. 49; ILO, Child Labour and Social Protection; accessed 09.10.2022; available https://www.ilo.org/ipec/Campaignandadvocacy/wdacl/2014/WCMS_245210/lang--en/index.htm). The authors of this study believe that these incentives should target the population of working children both directly and indirectly, when their parents or entire families stand to benefit from these measures.

Promoting educational activities in third-world nations, which offer development possibilities for large numbers of children, is the strategy that, according to the authors of this article, most successfully reduces the scope and negative impacts of child labour. It is currently one of the top areas of focus for NGOs, government agencies, and even for-profit companies (Osment 2014, p. 23), which, under the aegis of corporate social responsibility financially support the operation of schools in developing countries. Regrettably, many nations still struggle to provide free access to education. The development of curricula that are suited to the requirements of children, as well as a lack of schools and inadequately trained teachers, are significant obstacles to delivering high-quality education (ILO 2004, p. 120). Lesson content should be tailored towards children's overall physical and mental development in order to better prepare them for everyday challenges, and curricula should be enjoyable rather than focused on memorising unnecessary facts (Osment 2014, p. 23). The future of children depends on education. The sooner educational programmes are revised and implemented, the better occupations graduates will be able to apply for, and thus their chances of socioeconomic advancement will dramatically grow (ILO 2018, p. 57).

VII. Potential fields of activity for social economy and social entrepreneurship

A review of the literature on the subject clearly reveals that neither social entrepreneurship nor social economy has been consistently or directly linked to the problem of limiting the incidence and effects of child labour.² For this reason, the authors, drawing on their reflections, experience, and good practices documented in the literature, decided to propose a set of areas and tools that might serve as a space for action for entities that fuse economic logic with the achievement of social objectives.

Since local activities have a major impact on the number of working children, it makes sense to start there, before moving to the global or national levels. Community-led grassroots projects are crucial, particularly in the context of social economy (both broadly and strictly conceived). The initiatives that involve local residents in dismantling deeply entrenched informal institutions, such as child labour, are those that yield the most tangible outcomes. Societies in developing nations do not fully understand the detrimental effects of child labour, and their citizens are not aware of either their human or labour rights. Therefore, local organisations (such as those in Kenya and the Philippines) use indigenous culture and art in the form of performances and campaigns that clearly explain the problem of child labour in order to help the communities in question bring about changes in their social patterns and cognitive scripts. Some of these events also involve young actors who, in order to convey their predicament, perform brief scenes from their challenging day-to-day lives. Such initiatives resonate with local audiences, explain the situation in an engaging manner, highlight the risks of child labour, and encourage education. Finally, what is important, they do not require large sums of money (ILO-IPEC 2001, p. 29).

Local officials, who are viewed by their communities as all-powerful and all-knowing leaders, also have a huge impact on small rural populations. Individuals with local roots often enjoy much greater credibility than representatives of external NGOs. With this rationale in mind, local leaders (in conjunction with social economy actors) have powerful tools in their hands to convey knowledge about the harms of child labour and influence a change in how it is perceived (ILO-IPEC 2001, p. 30) using negative incentives (e.g. social ostracism towards individuals, businesses exploiting child labour) or positive ones (promoting good practices to combat child labour).

Cross-sectorial collaboration can be advantageous to a community. The partnership between the Aide et Action Foundation, the local brick factory's business association, and the Telangana state government in India is a prime example of this type of cooperation. The state police conducted inspections of unauthorised underage labourers as part of the initiative. These children were then enrolled in public schools or temporary ones established in their workplaces. Children were given the opportunity to study and work part-time to help support their families. Crucially, neighbourhood officials constantly kept watch on the makeshift classrooms and provided the pupils with food and basic educational materials (Aide et Action 2020, India: 2,600 children supported to escape child labour; accessed 09.10.2022; available <https://seac.aide-et-action.org/india-child-labor/>).

In an effort to reduce the prevalence of child labour, the authors propose the following direct-impact instruments:

² The Scopus database yielded no results for the combined terms 'child labour' and 'social economy,' whereas a search for 'child labour' and 'social entrepreneurship' yielded only two references (Baporikar 2017; Overall 2017).

- Cooperation (partnership) of social economy entities with private firms aimed at devising business models in which the employment of children would be limited to a set number of hours in safe conditions. This type of action would thus primarily aim to reduce the negative consequences of child labour in developing countries, while taking into account the current developmental conditions, which frequently make it necessary – for economic, cultural, or social reasons – to keep children engaged in activities that generate income for their households;
- Encouraging local social economy actors to participate in Fair Trade-type models, which would allow them to use indigenous resources and potentials (e.g. cultural, ethnic, raw and natural materials), offer their products to consumers in domestic and global markets, and limit the scope of child labour primarily to assistance within the framework of income-generating activities undertaken by their parents (assistance in household work, family business, handicraft, cottage industry, etc.). In doing so, it is vital to provide educational opportunities for children, so that the Fair Trade label represents not only the abolition of child labour but also the promotion of education for children whose parents are involved in the manufacture of items bearing the logo.

In terms of indirect instruments, there are numerous areas where significant progress will translate into a targeted reduction in the level of child labour, such as education, childcare infrastructure (both institutionalised and informal), improving parents' employment prospects, raising legal awareness, and changing social patterns. Many of the topics listed above are common spheres of activity for social economy actors, which increases the likelihood of achieving high impact effectiveness.

Following up on one of the previous themes, adult employment is a less evident concern associated with the extent of child labour, despite the fact that these two labour segments are closely linked. The availability of low-wage child labour, as previously mentioned, contributes to adult unemployment; as a result, boosting the labour-market status of adults is a vital step towards minimising the numbers of working minors. In this context, the involvement of organisations that support adult employees in fighting for their rights and appropriate working conditions is crucial. There is significant potential for action for the social economy sector, which after all, among other things, serves vocational integration, job creation, and local development. Another measure involves providing micro-credits to people who need capital to start their own income-generating businesses, which may eventually replace the need for a child-provided income. Adults would also benefit from training and/or apprenticeship opportunities provided by other organisations in order to obtain the necessary skills and career guidance (ILO, Nippierd, Gros-Louis, Vandenberg 2007, p. 22). The impact of improved adult employment conditions on children's life has been demonstrated in Brazil, where an increase in the number of jobs available for qualified adult workers resulted in more hours spent in school by children (ILO 2018, p. 34).

VII. Summary

This article aims to demonstrate the complex interplay of factors that contribute to child labour in developing countries, including its characteristics, causes and effects. It concludes with a variety of workable remedies involving stakeholders from a number of sectors of the economy.

The authors' review of the literature on the subject reveals a lack of directly targeted, structured, and practical instances of the application of social economy solutions to address the serious socio-economic challenge of child labour in developing countries. This may be due to a number of factors that, for the time being, can be summarised in the authors' working hypotheses, which require further research.

The first factor is the generally weak entrenchment of social economy actors in these countries, which reflects their low level of socio-economic development. Secondly, even if they are there, the issue of child labour does not rank among their primary social concerns. Thirdly, the specificity and complexity of the problem of child labour means that, from a macro perspective, the instruments devised by international organisations (e.g. regulations contained in conventions subsequently adopted in national legislation), actions taken by large NGOs or transnational corporations which, by transferring new technologies, business models, and practices specifically prohibiting child labour to developing country markets can significantly affect local employment relations. The fourth reason for the social economy's negligible contribution to reducing child labour is that in recent years, approaches other than social economy have been developing much faster not only in academic and public discourse, but also in public policies and in business practice in an attempt to combine economic values with socially rooted ones. Ideas such as sustainable development, the economy of values, and corporate social responsibility are all worth mentioning here. As part of the last trend, enterprises wishing to demonstrate their sensitivity to important social issues have been exceptionally active. This new fashion means that a number of activities previously subsumed under the theoretical and practical umbrella of social economy are now associated with CSR.

Nonetheless, the authors believe that social economy and social entrepreneurship have the potential for growth in developing countries since their initiatives may become an important complement to the efforts of actors traditionally involved in mitigating the negative impacts of child labour. Their keen understanding of the local context, which manifests itself, among other things, in the judicious use of human, cultural, natural, economic, and social assets, will be central to this process. Still, it is also important to take advantage of the opportunities that arise from external conditions and resources. Business models such as Fair Trade not only facilitate participation in global trade and increase the economic potential of developing economies, but they also allow for the achievement of desirable social goals, such as reducing the incidence and harmful effects of child labour.

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Social Farms as Social Enterprises in the Czech Republic

Eliška Hudcová

Abstract: **Background:** Social entrepreneurship has grown in popularity in the Czech Republic over the last few decades as a solution to the demand for long-term, socially responsible drivers of economic growth. As part of social entrepreneurship, social farming combines social services and the opportunity for work integration in a farm setting. This article employs EMES methodology to the study of social farming in the Czech Republic.

Research objectives: Drawing on the findings of 15 case studies, the author analyses social farming in the context of the EMES model with a focus on the organisation and principal goals of Czech social farms.

Research design and methods: The theoretical part is based on a review of the literature on social economy, social entrepreneurship, and social farming. The case study report that follows employs mixed data sets such as interviews, field notes, information gathered from publicly available sources, brochures, organisation laws, annual reports, newspaper articles and other media reports, as well as data from a variety of registers.

Results: From a normative standpoint, social farming and social farms in the Czech Republic are comparable to those in Europe, but they are fewer in number and are subject to distinct regulation. Institutionally speaking, only social farms registered as institutes (zapsaný ústav) meet the EMES social enterprise criteria. Czech social farms are known for their emphasis on craftsmanship, tradition, volunteerism, strong bonds with a particular location, ecology, links with direct suppliers, solidarity, and non-monetary trade.

Keywords: social enterprise, social farm, EMES criteria, environment, solidarity, craft

JEL Codes: D 64, I 30, I 38, J 14, J 15, J 24, Q 10

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1. Introduction

The long history of associative activity in what is now the Czech Republic started in the late 19th century. The liberal associative statute (the Law on the Right of Association) was passed in 1867. Following this, hundreds more associations developed, as evidenced by the review of current associations completed by a group of historians led by Marek Laštovka (1998) in their book *Pražské spolky: Soupis pražských spolků na základě úředních evidencí z let 1895–1990* (Prague associations: List of Prague associations based on official evidence from 1895–1990). Many other societies, voluntary groups, charities, and mutual insurance firms achieved prominence in public life decades before this. Together with the cooperative movement that gained in importance at the end of the 19th century, they established the basis for the Czech social economy movement that started its modern era in this century.

Forty years of totalitarian regime interrupted the promising development of civil society and alternative approaches to the economy. Still, in the last thirty years, Czech culture has been able to successfully build on what was already well-established in the past. Many important motivations came into play when the Czech Republic joined the European Union and had the opportunity to strengthen the development of its social economy. Social economy or the third sector can be described as an economy that prioritises people over profit, or as Jacques Defourny says, it presents a “new entrepreneurial spirit focused on social aims” (2001, p. 2). According to the European tradition, the social economy sector consists of foundations, co-operatives, associations and mutual societies. These organisations have the mission to benefit “either their members or a larger collectivity rather than to generate profits for investors” (Nyssens, 2008, p. 2). The social economy sector nowadays consists of 2.8 million entities across Europe, employs 13.6 million people, and accounts for a sizeable proportion of European GDP (Social Economy Action Plan, 2021, p. 3).

In the Czech Republic, social economy entities or social enterprises entered the public sphere after 2000. An important stimulus for developing social economy is the sustained support of European funds administered by the Ministry of Labour and Social Affairs. Social enterprises vary according to their legal status. In general, they employ persons with health, mental, or intellectual disabilities (so-called work integration social enterprises – WISE), apart from providing other vital public benefits, such as improved environmental and community resilience.

This study looks in more depth at social farming viewed as part of the social economy sector. Social farming may be defined as any activity that focuses on delivering social and health services to individuals in need at farm level in rural communities. The organisations that provide these activities – social farms – are part of the social entrepreneurship sector since they sell their products and services on the market. Nonetheless, they have a number of significant social and environmental effects as well as provide direct social benefits.

The primary aim of this study is to discuss the fundamental characteristics of Czech social farms and the secondary one to determine whether and to what extent the EMES criteria for social enterprises are applicable to the social farms under consideration. For this reason, the paper begins with a theoretical background on social economy and social entrepreneurship as defined by the EMES research network and goes on to provide a short overview of the social farming concept. Based on a mixed methodological approach and fifteen individual cases, the findings give data analysis about Czech social farms.

The rationale for the selected methodology was adapted from my doctoral thesis, which was written from 2016 to 2019 and defended in 2020, and from which I have selected only those parts that match the profile of the journal. The paper does not include sections related to social work on farms, comparisons of social farming across European countries, or the history of the concept. The EMES methodology is then compared with the actual characteristics of social farms as social enterprises. Finally, the study offers a broader view of social farms as social enterprises and their new activities when contrasted with the traditional social farming perspective.

2. Theoretical background

Social farming is a new socio-economic phenomenon at the crossroads of different conceptual frameworks. Its remit usually includes multifunctional agriculture, as evidenced by the works of Di Iacovo and O'Connor (2009), Randall (2002), Ploeg and Roep (2003), and Mölders

(2012), who emphasise not only food and fibre provision as the sole function of agricultural systems but also landscape and water management, cultural heritage protection in rural areas, biodiversity, environmental and social issues, and many others. Then the social economy and social enterprise that will be developed below are often noted. Murray et al (2019) focus on the theoretical frameworks of social integration and social work listed in their overview of farm activities enhancing participants' quality of life. Sometimes public health (Briers et al, 2021) is mentioned in connection with social farming, but this context has not yet gained prominence in the Czech Republic.

2.1. Social economy, social enterprise, and the EMES methodology

The concept of social economy has its roots in the 19th century; however, its beginnings can be traced back to free movements in the first Christian communities, monastic orders, guilds, or Freemasons dating back to the medieval era (Hoffmann, 2006). Social economy re-emerged in the mid-1970s, strongly linked to the new environmental movement, feminism, and the welfare state crisis. Several theories have been proposed to explain the rise of social economy in a modern sense. In two sectoral perspectives – as public and purely market-oriented institutions – Weisbrod (1977) proposes the public good theory as an economic theory explaining why these two sectors cannot meet the heterogeneous demand for the general-interest services provided to the average voter. In his overview of the civil society, Skovajsa (2010) puts forward another explanation, stating that voluntarily founded and formalised groups of people aim to fill in the gap by supplying goods neglected by public or for-profit private bodies, and to satisfy their own needs.

Other approaches to social economy include trust-related theories linked to the information problems inherent in the goods or services provided by them (Laville, Young, & Eynaud, 2015) and the entrepreneurial approach on the 'supply side,' which is often cited in the context of social farms. Social entrepreneurs are considered to be active creators motivated by social or other beneficial purposes and assume the risk of organising and managing new business ventures. Unlike businesspeople, social entrepreneurs create social values rather than monetary ones (Defourny, 2001). They introduce new ways of seeing and doing things and present ongoing competition between alternatives (Young, 1981). Social enterprises are, in this perspective, as Pestoff (2012) puts it, organisations or firms belonging to the sphere of the social economy that successfully address the practical and actual demands of present society (e.g. long-term unemployment, social exclusion, advocacy, ecological problems, child or elderly care). They, at the same time, comply with entrepreneurial means and a particular type of governance. While the U.S. approach to social enterprise mostly follows Young's views on the social entrepreneur as an agent of social change (Young 1983), the cooperative and solidarity movement is central to the European social economy sector. According to Borzaga and Galera (2012), social entrepreneurship actors are characterised by using market mechanisms to produce goods or services of general interest. They do not rely solely on the conversion of revenue from diverse resources into free services (like traditional non-profit organisations), but pursue business activity to sustain their operation ensure further development.

To determine to what extent Czech social farms constitute social enterprises as specific bodies pursuing the activities represented by social economy, the paper adopts the conceptual approach proposed by the EMES European Research Network, which builds on a combination of a legal-institutional and normative factors that apply to a wide range of social enterprises across Europe. It defines a social enterprise as one that applies economic, social, and

democratic dimensions in equal measure in its operation. The methodology's emphasis on the participatory aspect of organisational governance, which leans significantly on the cooperative movement, is a key distinguishing element. Participants in a social enterprise are thus expected to bear greater responsibility for its performance. More specifically, the identifying criteria of the economic and entrepreneurial dimensions of its activities are as follows:

- continuous activity producing goods and/or selling services,
- high degree of autonomy,
- significant level of economic risk,
- minimum amount of paid work.

The criteria that focus on the social dimension of a social enterprise include:

- an explicit aim to benefit the community,
- an initiative launched by a group of citizens or civil society organisations,
- limited profit distribution.

The last group of criteria involves participatory governance, which means:

- a high degree of autonomy,
- decision-making power not based on capital ownership,
- participatory nature involving various parties affected by the activity (Defourny, & Nyssens, 2014, pp. 26–27).

Apart from the above-mentioned criteria, an emphasis is often put on developing a particular locality and institutional cooperation in a specific place. This paper is thus concerned with a type of enterprise that applies a mix of democratic, social, economic, ecological, and governance patterns. The validity of these criteria shall be explored in more detail in its analytical part.

2.2. Defining social farming

The most recent review of literature on the social farming concept and its definitions was provided by Jarábková, Chreneková, and Varecha (2022) in their article, which includes a systematic quantitative literature review. They provide an overview of social farming definitions (p. 542), from which I have selected that by Haubenhof et al (2010), who define social farming as “the use of commercial farms and agricultural land as a basis for the promotion of mental and physical health through normal agricultural activity.” According to De Bruin et al (2010), social farming “in addition to its primary function of food production, involves the provision of secondary services from which the community may benefit, such as social services or job placement for disadvantaged people.” Guirado et al (2017) view social farming as an “activity which gives agricultural practices a new meaning which goes beyond the productive aspect and provides a social function primarily intended for groups at risk of exclusion. (...) The creation of health and social services and the processing and marketing of quality value-added good products, achieved with social justice and environmental sustainability.” Murray et al characterise care farming as “the use of commercial farms and agricultural landscapes as a base for promoting mental and physical health through normal farming activities. Specifically, providing a structured, supervised programme of health, vocational, social and/or farm-related activities for vulnerable people” (Murray et al, 2019, p. 14).

In the Czech Republic, the generally accepted definition comes from the Opinion of the European Economic and Social Committee from 2012 (NAT/539 Social Farming), which was later adapted into the first Czech methodology concerning social farming. Social farming is thus defined as a “set of activities using agricultural resources, both plant and animal, to create an

adequate environment for differently disabled or socially disadvantaged people and the public to provide them with employment opportunities, to assist their integration into society. (...) In this sense, the aim is to create conditions within the farm or farming activities that enable people with special needs to participate in normal farming activities to ensure their development and support and to improve their well-being" (Chovanec, Hudcová, & Moudrý, 2015, p. 5).

These and other definitions strive to combine agricultural activities (multifunctional agriculture frame), social integration and social work (social inclusion frame), health and community network assistance (public health frame), and social economy. Depending on local traditions and experiences, other definitions emphasise health, social and work integration, economic, educational, or environmental factors, as detailed in a recent paper by Briers et al (2021). But the crucial aspect of social farming is the enhancement of the well-being of people living in challenging circumstances due to their health or social problems. Social farming also embodies the idea of ecological justice (Besthorn 2012, p. 35). Social farms thus offer even the most vulnerable people a dignified living environment. As cultural islands, they can provide security, healthy food, water and landscape access, social life, and variable services. Partnerships and interdependence, rather than paternalism and anthropocentrism, have a chance to flourish there.

3. Research design

As the main aim of my doctoral thesis was to explore the phenomenon of Czech social farming, I chose the case study as my research framework. In this paper, I use only a part of the collected data. According to Yin (2009), a case study is an empirical research method exploring a particular phenomenon in its actual context, and the boundaries between it and its context are only partially obvious. George and Benett (2005) point out that a case study serves to study a well-defined phenomenon of scientific interest, aiming to test a theory, develop, or convey a general understanding of the phenomenon due to the causes of similarity or difference between a case and class of issues. In their view, a case study includes methods that permit an internal and external analysis of a case from quantitative, qualitative, and interpretive perspectives (George, & Bennett, 2004, pp. 17–18). The case study has its strengths in terms of conceptual validity, the elicitation of new hypotheses, and the rich explanatory value of a single case. On the other hand, it does not prescribe iterative research procedures, which may reduce the validity of findings (Yin, 2009). The social farms analysed in the thesis were not chosen at random, but were preceded by an introductory analysis. In this context, Silverman warns against 'anecdotalism,' stating that the validity of explanations is occasionally called into question since the researcher fails to deal with situations that differ in some way from the generalisation (Silverman, 2005, p. 23), thus lowering her credibility. This is prevented by abstracting from the topic and removing oneself from the emic perspective, selecting instances from a larger pool, devising an honest study design, and rigorous data triangulation.

The sample and characteristics of the data collected

The methodology for selecting social farms for my study was based on several criteria adopted in advance. In making the selections, I took advantage of my familiarity with the overall context of social farming in the Czech Republic and of my prior understanding of the social reality under investigation, thanks to which I was able to anticipate where the processes of interest were most likely to occur.

The primary sample selection criteria were as follows:

- Social farms located on the Map of Social Farms (Google Maps, n.d.). The Map of social farms is available on the website managed by the Association of social farming, which is a private, non-profit umbrella organisation for social farming in the Czech Republic.
- Social farms, regardless of their legal form, registered as agricultural enterprises under Act No. 252/1997 Coll. on Agriculture, but do not have to report 50% of their income from agricultural production.
- Social farms located in rural areas characterised according to the OECD typology by population density, i.e. at most 150 inhabitants per km² in a given location (OECD 2011).

The information in this research was gleaned from numerous informal and unstructured interviews, as well as in-depth semi-structured interviews with fifteen heads of social farms using a pretested questionnaire. The interviews took place between 2015 and 2017. Some respondents were interviewed more than once at subsequent follow-up interviews. Other data were obtained from publicly available sources, the internet, leaflets, organisations' constitutions, annual reports, newspaper articles and other media reports, and (promotional) videos prepared by individual organisations. I also relied on participant observation through involvement in work activities on social farms and non-participant observation during visits, excursions, workshops, and other projects. Since 2014, I have kept field notes during these journeys, which proved to be a valuable source of observations and information. In the triangulation process, I compared my field notes with publicly available data, then revised and polished them through email discussion with the actors in the regions studied.

In my doctoral thesis, these aggregated data are presented as individual cases on a specially designed matrix. Several new content codes appeared regularly across multiple narrators and could also be discerned in the content analysis of the accompanying documents but were not included in the matrix. These gaps gave rise to additional content codes that constitute amendments and additions to the existing conceptual framework. The paper summarises the main findings in more general terms. References to specific data sources (e.g. date of creation) can be found in my PhD thesis (Hudcová, 2020).

4. Results

4.1. *Characteristics of Czech social farms*

Although Moudrý et al (2017, p. 1209) mention that in the Czech Republic it is possible to identify 100 organisations that can be classified as social farms, and approximately 40 have actively embraced the concept, the map of social farms available on the portal www.socialni-zemedelstvi.cz contains 35 of them (30 September 2019). As the organisations' names reveal, not all of them consider themselves to be farms. On the other hand, the selected 15 farms and their leaders are aware of the concept of social farming and provide services or jobs in a farm setting; however, marketable production is not always central to their activity. Sometimes the primary source of income is the sale of services, with agricultural production serving as a supplement.

Activities pursued

Most social farms studied provide mixed services that combine work integration and social services according to the Social Services Act of 14 March 2006 (No. 108/2006) together with other therapeutic activities and education, as shown in Figure 1.

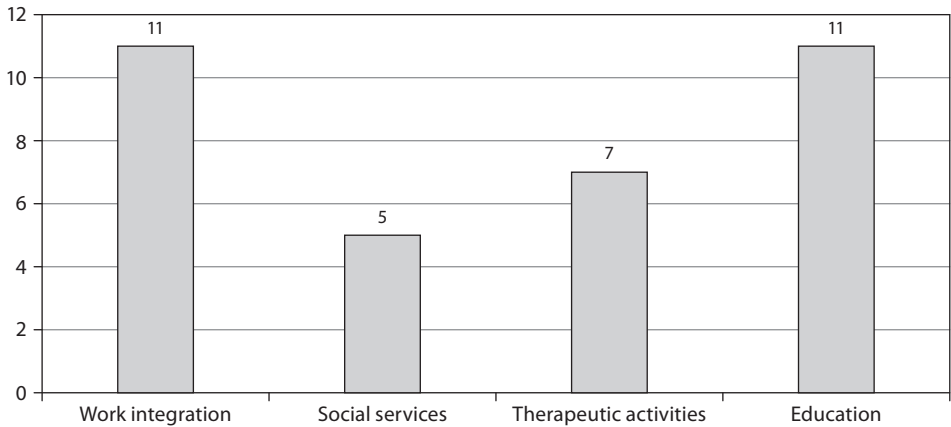


Figure 1. Types of social farming activities as part of multifunctional agriculture (n = 15)

Source: own study findings.

The key methodological publication on social farming in the Czech Republic (Chovanec, Hudcová, & Moudrý, 2015, p. 9) divides social farming activities into three categories: work integration, therapeutic activities, and education. The logic of formalised and non-formalised social and welfare services is used to divide therapeutic activities into two groups (social services and therapeutic activities) in Figure 1.

However, in my data, I also found other activities not included in the above-cited list. They were mentioned several times in interviews and documents, are perceived as necessary on farms, and can be distinguished from other, more typical ones within the social farming framework. They are shown in Figure 2.

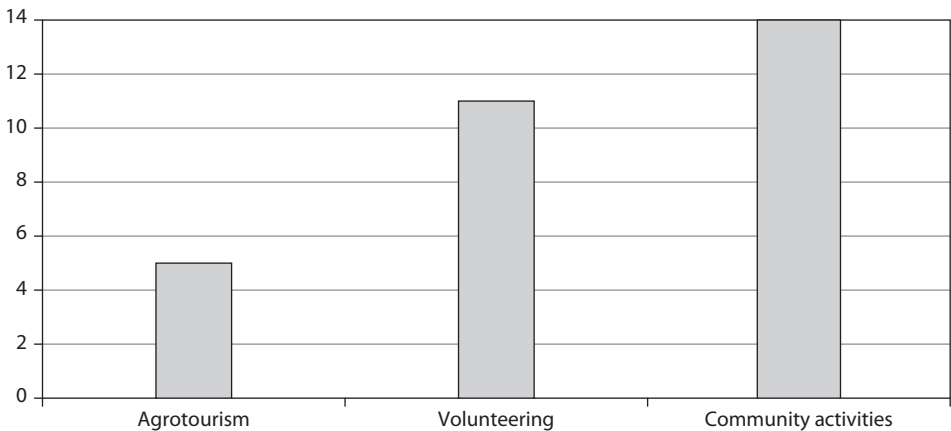


Figure 2. Additional social farming activities as part of multifunctional agriculture (n = 15)

Source: own study findings.

Both figures show that no farm is solely focused on a single activity. Volunteerism, agrotourism, and community activities represent fairly new types of activities encountered on social

farms. Volunteerism refers to farms cooperating with a selected official volunteer platform in Czechia for a long time (i.e. WWOOF, INEX-SDA, Tamjdem, o.p.s.). Other volunteering activities include internships or the form of corporate volunteering. Community activities demonstrate that social farms are not closed units, but rather actively reach out to their environment and generate participatory hubs for people living in and visiting the area. In this way, they strive for community development and are active in the village and regional communities.

Supported target groups

Individual programmes and activities pursued on social farms depend on the individuals in need of support. I divided them into six main target groups based on how often they can be found on selected social farms. Nonetheless, it is typical for one person to represent more than one group (e.g. a social service user as a disabled person and an integrated employee, or a social service user as a disadvantaged young person and a volunteer in another. Just as farms rarely focus on only one social farming activity, they usually prepare their programmes for several target groups, as shown in Figure 3.

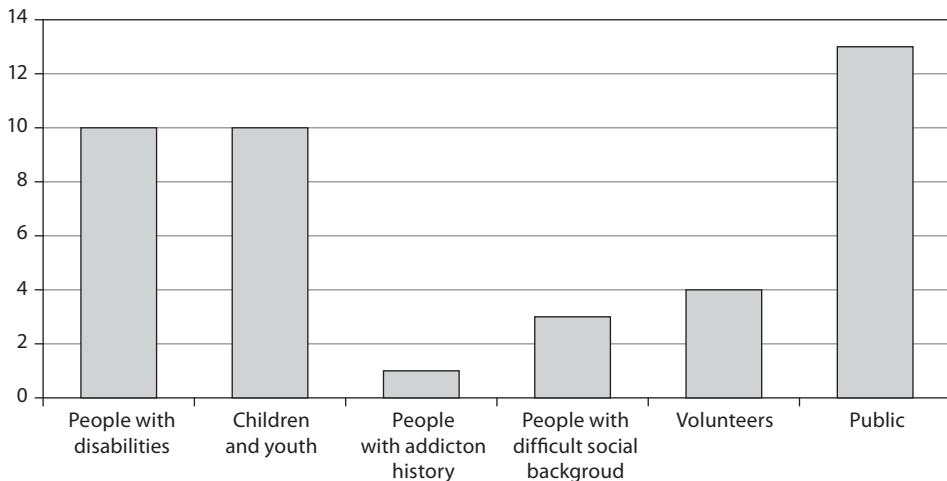


Figure 3. Supported target groups on social farms (n = 15)

Source: own study findings.

People with special needs supported on social farms form heterogeneous groups that vary according to the farmers' decisions, past experience, and expertise. Supported participants can be family members or people who live in the vicinity, or a neighbouring organisation that provides services (e.g. social services) for people living in difficult circumstances and participating in farming activities. The group designated as 'public' can be defined as older individuals who do not represent any specific target group in the Czech Republic compared with the Netherlands, Ireland, or Italy (Elings, 2012).

Number of employees

Among the 15 social farms under consideration, micro-enterprises predominate in terms of the number of employees (up to 10 employees and an annual turnover of up to EUR 2 million), according to the annual reports, the Register of Economic Entities, and information provided

on the organisations' websites. Three social farms are classified as small enterprises (up to 50 employees and an annual turnover of up to EUR 10 million). In terms of the number of employees (up to 250 people and annual sales of up to EUR 50 million), three farms can be classified as medium-sized enterprises. The functional model of Czech social farms involves two closely cooperating entities – one pursuing a more entrepreneurial model and the other a more typical non-profit. Thus, medium-sized organisations include the employees of both cooperating organisations. Seven entities report employing from 1 to 5 persons.

Size

The farm area referred to in this paper refers to agricultural land, permanent crops (vineyards and orchards), grasslands, and arable land managed by a single entity. The area, in turn, affects its activities and economics, including livestock size and the amount of subsidies. In Czechia, limited access to land is frequently cited as a reason for limited farm growth opportunities. According to the land registry, the average size of the analysed farms is 26.6 ha. Three of them are much smaller (2 ha each); on the other hand, the largest one has an area of 130 ha. The share of farms with an area of over 100 ha is significantly lower on average in the European Union compared with Czechia (about 3% in the EU vs. 20% in the Czech Republic). The average size of the agricultural entity in the Czech Republic is approximately 150 ha, almost ten times the EU average (Moudrý et al., 2022, pp. 13–14).

Length of operation

According to available records, the social farms studied have been in operation for an average of 13 years. However, not all of them were originally founded to engage in social farming operations. Some were formed as associations to teach people about rural living, while others were simply agricultural units. One business has been in operation since 1993, although social farming activities did not begin until 2006. Often, social services came first, and the agricultural component was added afterwards. Almost a fifth have only been in agriculture for five years. Initially, NGOs predominated among the farms and entities in the Czech Republic, later adding registered agricultural activities entered to social farming.

Agricultural management regime

The management regime refers to how the landscape and animals are handled and are generally divided into organic and conventional. Five entities in the sample were certified as organic. The rationale for the certification (protection of nature, sustainability of agriculture, and natural and closed farming cycles without the use of chemicals) is to provide transparent information for the customer about the kind of production and processing methods. Positive externalities are connected with this farming mode, which is also publicly rewarded via the agricultural payment system, including higher profit margins. In my interviews, a number of farmers and processors spoke about organic farming but have yet to obtain official certification despite their responsible agricultural practices. Others choose not to register their organic status due to the administrative and financial burdens involved.

Funding

The sources of funding for the operations of a social farm depend on its legal status and organisational structure. The latter is often based on the close collaboration of two parties, with the entrepreneurial organisation providing land, assets, and workplaces, while the NGO performs soft activities such as education, counselling, and social assistance. These businesses

are separate in accounting terms, yet they collaborate, and each has different options for requesting public or private funding.

The agricultural entrepreneur is frequently entitled to farming subsidies, and salary contributions from the Labour Office for disadvantaged employees, and makes a profit on entrepreneurial activities. The partnering NGO requests public monies for social services from the Regional Government and is typically a beneficiary of European Social Fund initiatives. It can compete for grants or receive donations from private companies and individuals (CSR, foundations and endowments, banks, and religious organisations).

Czech social farms are not supported by health insurance companies, nor does any health care facility qualify as a social farm, as is the case in the Netherlands (Elings, 2012). Additionally, volunteerism is an essential non-monetary component. In order to ensure the capacity to achieve beneficial goals, the funding is hybrid and multi-source, which ultimately reflects the characteristics of social enterprises, where at least part of the money originates from their economic activity (primary production, processing, sales, and services; cf. Defourny, & Nyssens, 2014).

Legal status

Dohnalová et al (2015) compiled a list of social enterprises in the Czech Republic classified as natural or legal persons. Not all of these legal forms are represented in the analysed sample shown in Figure 4.

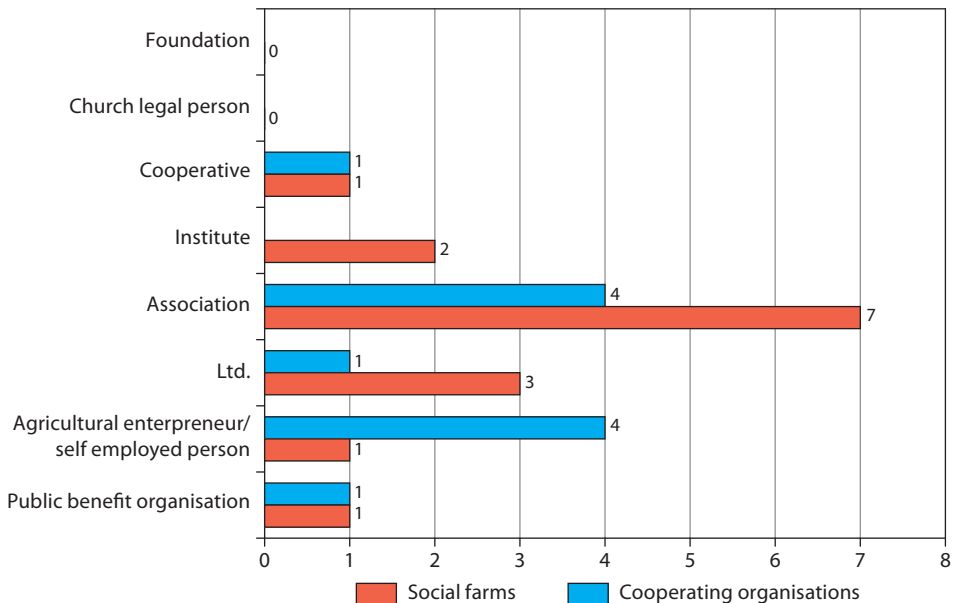


Figure 4. Types of social farms by legal status (n = 15)

Source: own study findings.

As previously stated, more than half of the social farms included in the study operate as two entities, but for the sake of clarity, I count each as a single 'organism.' Figure 3 shows a complete number of legal entities that make up the 15 social farms in the study. Apart from two organi-

sations that operate as institutes (*zapsaný ústav*) and two private limited companies, there is always a symbiotic relationship between two entities in the same geographical area.

4.2. International EMES methodology as applicable to Czech social farms

The criteria adapted from Defourny and Nyssens (2014) and cited in this section serve as a grid for the analysis that follows and is then applied to the social farms studied to determine how well the international methodology matches the phenomenon of social farms in the Czech Republic and their representation as social enterprises. This approach is based on the institutional model of social enterprises, which facilitates comparison since social enterprises are assumed to adhere to regulations in their operations.

Economic criteria

- Continuous activity aimed at providing services and producing or selling goods
Applies to all sample cases in terms of selling services or goods. Pure associations without a cooperating partner do not meet this requirement.
- Acceptance of economic risk
Applies to private limited companies, self-employed agricultural entrepreneurs, and institutes. If a given social farm is an association in institutional terms, economic risk is minimal as there are no employees from supported target groups, and revenues originate from services rather than from agricultural production.
- Minimum level of paid work
Does not apply in cases where the social farm is an association in institutional terms. Associations have no paid integrated employees. Only heads of associations get financial rewards for their work, but they are rarely treated as wages.

According to the economic criteria, entrepreneurship is manifested by ongoing business activity in which commodities and services are regularly exchanged for cash. Overall, they are consistent with Young's (1983) and Borzaga and Galera's (2012) assertions that people who use market strategies to carry out socially beneficial activities engage in entrepreneurial activity, which involves uncertainty, looking for opportunities, and having a 'pull on the goal.' Some of the 15 social farms studied are legally classified as non-profit organisations but do not adhere to the EMES standards for economic risk and paid labour; nevertheless, they meet the criteria set for social farms. Only private limited companies, institutes, and closely cooperating pairs where one of the entities is self-employed or a cooperative meet the economic criteria.

Social criteria

- Explicit efforts to benefit the community
Again, a difficult situation arises due to the fact that each legal form is associated with specific expectations. From an institutional standpoint, self-employed individuals in the current sample do not prioritise efforts to benefit the community in which they live – the positive impact of their activities is only felt in collaboration with a non-profit organisation. This refers to the employment of individuals with disabilities, the provision of social services, education, and cultural and awareness-raising activities related to agriculture at the local level.
- Established as a result of group initiative
For obvious reasons, it does not apply to the self-employed. But the opposite is true for non-profit forms, cooperatives, public benefit organisations, institutes or even private limited companies.

- Limited profit redistribution

These conditions are met by associations, cooperatives, public benefit organisations, institutes, and non-profits that are constrained in their ability to share financial surpluses. Even entrepreneurial institutional arrangements reinvest their revenues in their business. Profiting from the community is challenging for small-scale farming, as interviews indicate.

Social criteria justify establishing a social farm with the explicit goal of benefiting the community. The exact conditions for limited profit redistribution are the same as the economic criterion. According to Anheier (2005, p. 4749), the condition of limited profit redistribution in the EMES methodology is similar to the structural-operational definition of a third-sector entity, which also mentions reinvesting any financial surpluses in the organisation to fulfil its mission. In a social economy, the redistribution of part of profits to members is allowed as it is often the case in cooperatives.

Management criteria

The EMES methodology lays a strong emphasis on enterprise management. The fundamental criteria of autonomy and independence correspond with the characteristics of third-sector and non-profit organisations. They are expected to be private, independent of public bodies, they are not supposed to be organisational units of local governments, and they should have their own control and management instruments (Anheier, 2005). The right to make decisions is not based on capital ownership or on the amount of capital invested. The opportunity to share in the operations of the group contributes to its participatory nature (Laville et al, 2015).

- High degree of autonomy

Applies to all the cases in the sample. Neither the entities in my sample nor any other Czech social farm are associated with a state organisation or another public body. They have been founded by groups of people acting independently and in response to their own needs.

- Decision-making power not based on capital ownership

Differences in decision-making reflect traditions, which may be tied to the legal status of individual organisations. In non-profit entities, decision-making power is dispersed among various individuals without regard for the capital contributed. Instead, the latter is determined by experiential, social, and historical factors; it is also affected by the organisational structure and the number of members. Major decisions are taken by vote under the statutes, for example, by the board of trustees of a public benefit organisation. Agricultural entrepreneurs as self-employed individuals and private limited companies make their own decisions, and the capital invested is cultural, social, financial, and material. In a cooperative, each member has one vote, regardless of his or her individual contribution or the number of shares owned.

- Participatory nature, which involves various parties affected by the activity

The EMES methodology's final criterion for a social enterprise is its participatory nature, which comprises its numerous stakeholders, both formally organised partners and individuals interested in its operations. It must be viewed not only as participation in statutory activities, but also as the enterprise's openness to other organisations and people who have the opportunity to 'look under the hood' of the enterprise. Given their involvement in the locality, community, and cooperation development, the participatory nature of social farms is critical. In some villages, heads of social farms establish partnerships with municipalities, non-profit organisations, educational institutions, etc. Communication of immediate experience with authorities and other stakeholders is important. Exceptions include self-

employed entrepreneurs and private limited companies that do not operate in partnership with non-profit organisations. NGO statutes frequently include provisions for collaboration with other organisations. They deliberately, continuously, and methodically build networks across sectors of the national economy and in the communities where they operate, which is the foundation of their success and good reputation.

5. Conclusions

Defourny (2001), who originally developed the EMES evaluation criteria for social enterprises and, together with Nyssens, revised and restructured the methodology to better reflect the social reality thirteen years later (Defourny, & Nyssens, 2014), says that no organisation can meet all the criteria of the ideal type in the Weberian sense. Moreover, it is not even possible to find a purely social enterprise. The grid of criteria used to evaluate the social farms under study reveals that it is possible to institutionally approach this ideal type quite closely in some circumstances due to the organisational structure being split into two entities. However, the sample only includes two organisations that are 'pure' social farms in the sense that they combine their agricultural and social/educational components in a single legal entity. These two businesses make money off agricultural output, hire individuals with mental disability, and offer licensed social services. In the context of socially or economically beneficial activity, they also incorporate their economic activities. It seems, therefore, that from a legal point of view, the institute (*zapsaný ústav*) can best exploit the potential for linking the concept of social farm and social enterprise according to the EMES methodology in the Czech Republic. However, from a normative perspective, even outside of my sample, many more social farms conforming to the ideal type could be found.

In conclusion, only two of the farms studied fully meet the EMES methodology's economic, social, and management criteria for social enterprises. Other social farms could be defined more broadly as social economy companies that meet at least 50% of the criteria for social businesses. Private entrepreneurs' do not always comply with these criteria since in some situations they act independently of an NGO. Furthermore, the findings of my research suggest, both from the perspective of organisational pairs and distinct entities, that certain features which appear to be essential in the context of agriculture are missing from the EMES methodology.

Based on my research, I have identified the following additional criteria for social farms in a normative perspective beyond those specified by EMES:

- relationship with the local economy,
- local horizon and partnerships,
- direct (personal) distributional links between producers and consumers of goods and services,
- environmental awareness,
- emphasis on craftsmanship/manual labour (the physical aspect of social farming),
- emphasis on a healthy rural landscape/image,

A healthy rural landscape/image is intrinsically linked to agriculture. It is not only about health in terms of natural cycles but also about aesthetics, beauty and respect, including the commodification of the landscape in the form of agrotourism, which attracts rural honesty, a truly rural experience in a healthy environment. In this respect, Green Care (Murray et al, 2019) is also becoming more prominent as a specific approach to social integration in the countryside and creating healthy, inclusive communities. In this sense, there is great potential for eco-

logical social work, as Besthorn (2013) refers to it in the sense of radical equalitarian ecological justice and the shedding of anthropocentrism.

Craft and craftsmanship appear as skills linked to tradition and art, which can be found more frequently in the Czech countryside compared with cities. It is often recalled as something lost that has been replaced by artificial and mass production. However, it is seen as necessary in economic terms and bringing value to people. Craft and craftsmanship support their skills, competencies and creativity. "These skills need to be restored to people," as social farmers often say. Craft is also often mentioned in contrast to the rapid pace of social change and expectations of work. Manual labour, working in the fields, and interacting with animals are examples of human physicality and holistic engagement.

The short distribution paths, response to demand, buying and selling, are included in the Czech principles, but not sufficiently, given the currently existing alternative and informal distribution chains and relationships outside the mainstream economy models found in my research. In some cases, community-supported agriculture is seen as the democratising principle of exchange and as a result of the respondent's commitment to solidarity, transparency and sharing. Reciprocal solidarity is mentioned as a dimension of the solidarity economy by Laville (2014, pp. 109–110) that defies the classical market economy and predominates especially in third-sector organisations, NGOs, cooperatives and mutuals. Reciprocal solidarity and direct exchange also manifest themselves in voluntary activities that social farms in my sample use to achieve labour and economic sustainability. At this point, the participatory element of the EMES methodology is also highlighted and, above all, the public benefit of activities that social services and other activities of general economic interest can deliver. Social farm activities include employment for the underprivileged and other forms of rehabilitation that benefit both the individual and society, as well as other cooperative and social activities such as volunteering, organising cultural and educational events, and reviving rural crafts and traditions.

The discussion of the fifteen case studies presented above reveals similarities between Czech social farms and those in other countries with developed social farming, although there are fewer of them in the former compared with Western Europe (Briers et al, 2021). In many instances, the social dimension of their activities is prominent, involving not only providing gainful employment to marginalised socioeconomic groups but also solidarity, participation, and volunteerism. Czech social farms, however, stand out in their emphasis on craft and physical labour as well as on the integration of people with disabilities compared with social farms in Western Europe (Elings, 2012).

The EMES criteria for social enterprises were applied to the social farms reviewed in this paper to see if the latter could be categorised as such, and it was discovered that they were not met in some cases. In the future, it will be necessary to either adopt a new approach to identifying social farms as social enterprises or reformulate their definition, including the quality standards. The Czech Republic will need to address this issue soon.

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Student involvement in building entrepreneurial attitudes and social and business activities of SMEs: Discussion of survey findings

Artur Kwasek, Maria Kocot

Abstract: **Background:** This study investigates the involvement of Polish student entrepreneurs in business and social activities.

Research objectives: To identify factors impacting business efficiency and to assess respondent involvement in their firm's operations and social initiatives.

Research design and methods: A survey involving 720 respondents was conducted in 2022 using CAWI and SPSS Statistics for data analysis.

Results: The study findings suggest that a firm's social initiatives can affect its business efficiency in areas such as image, profitability, competitive advantage, trust, customer relations, and investor interest.

Conclusions: Firms focusing on the above-mentioned areas can enhance their efficiency, competitiveness, customer loyalty, and investor trust. However, the survey participants indicated moderate involvement in these activities.

Keywords: entrepreneurship, innovation, business, social activity

JEL Codes: O3, L26, M14

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1. Introduction

Stimulating business activity and its effects on the economy are made feasible by a variety of structural solutions, including a rising acknowledgment of the role performed by small and medium-sized enterprises (SMEs).

The SME sector provides the foundation for the market economy and the democratic social and economic orders. Small and medium-sized enterprises concurrently serve economic, social, and environmental tasks. One of their distinguishing features is the dynamic approach to the environment as illustrated by their capacity to almost instantly respond to continuously changing consumer preferences, including filling market gaps and adapting to changes in demand. In this respect, they have proved to be far more effective than major industrial players focused on mass production. Likewise, due to their high levels of innovation, SMEs increase

an economy's overall flexibility in the face of persistent market volatility. Thus, it is crucial to cultivate the mindsets of entrepreneurs who engage in both social and business endeavours.

2. Literature review

2.1. The role of SMEs in the Polish economy and the principles of their operation

Small and medium-sized enterprises play an important role in the Polish economy. According to Statistics Poland (Główny Urząd Statystyczny, 2021), in 2020, SMEs made up 99.8% of all Polish enterprises and employed 6.1 million people, or 68.8% of total employment in the sector.

SMEs are often defined in terms of a limited number of employees and an average annual turnover below a set threshold. According to the European Commission's criteria, a SME in Poland is defined as a firm with fewer than 250 workers and an annual net turnover of less than EUR 50 million or a balance sheet of less than EUR 43 million (European Commission, 2003).

The development of novel solutions and the creation of new jobs are among their crucial functions. They frequently operate in industries that require a high degree of adaptability and the capacity to act swiftly in the face of shifting market conditions. However, due to the small scale of their operations, these businesses are more susceptible to market downturns and funding challenges (Pietrzyk-Sokulska, 2014, pp. 5–14).

There are several programs and institutions in Poland tasked with assisting SMEs by providing grants, loans, and training for entrepreneurs, as well as consultancy services and fostering entrepreneurship. The Polish Agency for Enterprise Development and the Polish Chamber of Industry and Commerce are two examples of such institutions (Polska Agencja Rozwoju Przedsiębiorczości, 2021).

SMEs perform a variety of economic and social functions. Due to their predominantly local presence, they are attributed significant importance in the context of regional development, especially in terms of their impact on employment, the volume of goods produced, and the amount of income generated. By stimulating entrepreneurship, they encourage new economic initiatives and reduce unemployment. The region as a whole becomes more competitive and capable of attracting outside investment more effectively. Last but not least, SMEs are a significant source of revenue to regional budgets, which may be allocated for development purposes (Sajdak, 2013, p. 73).

In its activities, each enterprise should take into account the principles of rationality, entrepreneurship, innovation, cost-effectiveness, but most importantly, the provision of unique, new value for customers.

The cost-effectiveness concept is closely tied to an enterprise's financial stability. Each has a certain budget required to carry out its activities. Efficient use of the available resources entails minimising expenses while maximising earnings. This is a general principle of rational behaviour that states that the maximum degree of goal realisation is achieved by ensuring that the maximum degree of goal realisation is obtained with a given outlay of resources, or by proceeding in such a way that minimal resources are committed to achieving a given goal to a set extent (Sajdak, 2013, p. 73).

The former is known as the principle of maximum efficiency, whereas the latter is referred to as the principle of resource conservation. Utilising all of the company's resources while minimizing inefficiencies is the desirable result of putting these assumptions into practice (Sajdak, 2013, p. 73).

The principle of entrepreneurship, on the other hand, consists in carrying out the enterprise's tasks and responding to challenges in a creative and flexible manner. It involves a maximally innovative approach to its human and material resources in order to capitalise on any opportunities brought about by the advancement of science and technology as well as changes in external conditions (Starczewska-Krzysztozek, 2008, pp. 15–18).

Applying the principle of entrepreneurship means skilfully using such strategies to:

- be the first and strongest,
- take advantage of opportunities as they arise,
- find and occupy specialized economic niches,
- modify the economic characteristics of a product, market or industry.

Thus, the essence of entrepreneurship is expansiveness, which means setting ambitious goals. Their achievement results in rapid development and substantial progress within a short timeframe. In other words, expansiveness is tantamount to a great ambition to compete with, or even surpass, the top global firms (Starczewska-Krzysztozek, 2008, pp. 15–18).

The concept of economic calculation relates to the method of measuring company inputs and outputs. It promotes effective decision-making with the ultimate goal of maximising utility benefits. The following assumptions must be met in order for the economic account to be used effectively (Starczewska-Krzysztozek, 2008, pp. 15–18):

- the components of the economic account must be measurable; non-measurable effects are either excluded or their magnitude is estimated;
- the degree of reliability of the account depends on the quality and completeness of the information describing the phenomena; comparability of the components of the economic account – prices act as an aggregator of economic quantities;
- variability of solutions – the lack of other acceptable solutions to the problem under study makes it impossible to use the economic calculus;
- the ability to make decisions based on the outcomes of the economic account is related to the ability to conduct an economic account; it is futile to hold an economic account if managers are not interested in making the most informed judgements.

To summarise, SMEs are a significant component of the economy which, due to their small scale of operation, require specific attention. Programs and organisations that assist entrepreneurs in this sector provide critical assistance in business development and fostering entrepreneurship in Poland.

2.2. Motives for engaging in social and commercial activity

Business and social activities are two distinct areas that differ in their goals, strategies and approaches to how to deliver economic value for the company. However, today, many firms are pursuing a hybrid approach to business, combining both areas of activity to achieve sustainability.

Business operations are usually profit-driven, with the goal of delivering value to owners and shareholders; moreover, business decisions are made with a view to maximize earnings, reduce costs and increase market share. Social businesses, on the other hand, are more concerned with fostering positive social change through social projects such as community assistance, education, environmental protection, and combating poverty (Crane, & Matten, 2016).

In recent years, more and more firms try to combine these two models in order to strike a balance between profits and social impacts. One example is Corporate Social Responsibility (CSR) – a strategy that involves engaging in social activities to boost a firm's reputation and cus-

customer loyalty, which, in turn, results in increased revenues (Porter, & Kramer, 2006, pp. 78–92). According to Carroll (1991, pp. 39–48), CSR covers four areas: economic, legal (environmental according to Harvard Business School), ethical and philanthropic responsibility. Corporate social and business activities can also be motivated by brand image building considerations, compliance with legal requirements, taking advantage of market opportunities, or moral motives (Górnicka, 2020, pp. 25–36).

Another impetus for firms to take social and business actions is sustainability. With this in mind, firms seek to operate in a way that considers the balance between economic growth and environmental protection and social needs (Elkington, 1998, pp. 87–98). Finally, increasing employee involvement and building positive relationships with stakeholders helps companies achieve greater employee and customer loyalty (Godfrey & Hatch, 2007, p. 87–98).

In a market economy, businesses fine-tune every aspect of their operations in accordance with market feedback and laws. Their decisions include planning and execution decisions that impact production, the choice of factors of production, distribution routes, and the allocation of the outcomes obtained (Olesiński et al, 2016, pp. 31–33), (Munodawafa, Juhl, 2019, pp. 60–67).

Today's enterprises face a number of serious challenges, including the complexity, volatility and uncertainty of environmental conditions. Rapid changes force them to adopt new approaches to management and adapt their strategies to ever-changing operating conditions (Kopczyński, 2010, p. 11).

2.3. Involvement of present-day entrepreneurs in social and business activities

Entrepreneurship theory, which investigates the behaviour and decisions made by entrepreneurs while conducting business, discusses both types of activities. Accordingly, entrepreneurs should strive for profit while also considering the influence of their operations on society and the environment (Shapero & Sokol, 1982, pp. 72–90).

According to Shapero and Sokol (1982), entrepreneurship is “the process of discovering and creating new economic opportunities by building new organisations or developing existing ones” (p. 75). At the same time, under the CSR approach, entrepreneurs should engage in social activities to enhance their reputation and build a positive image among the local community and the general public (Karnani, 2010, pp. 5–21). Entrepreneurship theory also applies to other aspects of doing business, such as marketing strategies, innovation, human resources and financial management. However, with growing social awareness and the need for sustainability, the social aspects of business are becoming increasingly important.

According to the literature, entrepreneurship is a broad and interdisciplinary issue, which explains the richness of scholarly perspectives on the subject. Furthermore, it is a concept that has been studied in a variety of semantic contexts (creative initiative of the entrepreneur, implementation circumstances of ventures undertaken, and, as a result, the effectiveness of the activity; cf. Parker & Wall, 2008, pp. 413–440; Prokopowicz, 2015, p. 248). In the present research paradigm, entrepreneurship represents a continuous initiation and implementation of change, periodically fading until new initiatives emerge.

Thus, entrepreneurship is an interdisciplinary issue, often a determinant of social activity (Górka, 2006, p. 103). Individual entrepreneurship, as well as the intra-corporate one, undoubtedly is one of the most important vehicles for gaining and maintaining competitive advantage (Ronda-Pupo & Guerras-Martin, 2012, p. 165).

Entrepreneurship serves as a critical driver in contemporary enterprises, fostering the introduction of innovations through unique combinations of production factors. This results in the

creation of new products, manufacturing processes, production techniques, and organisation methods for the production and distribution of goods and services (Ciekanowski, 2012, pp. 131–139). For businesses, especially SMEs, to efficiently and effectively respond to ever-evolving market changes, they must foster an entrepreneurial mindset (Luthar, 2012, pp. 429–449).

When the workforce of an enterprise embodies entrepreneurial traits, it can leverage new practices and tools to increase responsiveness to environmental stimuli, flexibility, and skilfulness. The inherent nature of entrepreneurship in the organisation thus becomes an ability to innovate in products, services, or business processes, capitalising on opportunities presented by their societal activities (Sallnäs & Björklund, 2020, pp. 1177–1193; García-Granero et al, 2020, pp. 28–31).

Student involvement can aid in fostering these entrepreneurial attitudes. Engaging in entrepreneurial and innovative actions enables businesses to efficiently respond to changing market conditions, thus enhancing overall efficiency, effectiveness, and customer satisfaction (Olesiński et al, 2016, pp. 31–33). Enterprises with a social focus, and who employ entrepreneurial tools, can adapt competently to environmental stimuli (Nath & Agrawal, 2020, pp. 1589–1611) and show flexibility in response to changes (Sumukadas & Sawhney, 2012, pp. 101–102).

Assessing the entrepreneurial needs of a business also entails identifying and categorising the required resources to capitalise on market opportunities, evaluating the sufficiency of one's own resources, and procuring necessary resources from the environment (Sajdak, 2013, p. 73). Through student involvement, SMEs can better build these entrepreneurial attitudes and align their social and business activities to market demands, as our survey findings discuss.

3. Materials and methods

The survey was conducted in January 2022. A questionnaire was sent to respondents in accordance with the CAWI protocol. Thirteen survey questions were divided into 3 parts, dealing with demographics, entrepreneurship, and social activities, respectively. The target respondents included students of three universities: Vistula University, the Higher School of Banking (WSB), and the University of Technology and Economics (UTH). The survey consisted of several single- and multiple-choice questions, two quantitative questions with a 10-point rating scale, one question with a 5-point Likert scale, and two open-ended questions. The questionnaire was emailed to around 2,000 people, and 720 completed surveys were received. Microsoft Excel 2016 was used to process the replies, and data analysis was performed to detect statistically significant correlations among the extracted variables.

The survey was intended to determine the level of involvement of Polish entrepreneurs in business and social activities in the opinion of students who were entrepreneurs or employees of firms representing the SME sector. Some respondents (21%) did not work and were thus unable to remark on the topic under consideration, but a small group (7%) managed their own businesses and provided feedback from two perspectives: that of a student and that of an entrepreneur.

The following research questions were formulated:

- Which business areas affect business efficiency?
- What social projects are implemented in your workplace?
- To what extent are you involved in business and social activities of your company?

4. Findings

Table 1 shows the sociodemographic data of the respondents ($n = 720$)

Table 1. Sociodemographic data of the respondents

	Number of responses	%
Gender		
Female	434	60.3
Male	286	39.7
Place of residence		
Rural area	123	17.1
City of up to 20,000 residents	92	12.8
City of 21,000–50,000 residents	77	10.7
City of 51,000–200,000 residents	51	7.1
City of over 200,000 residents	377	52.4
Material status		
Very good	67	9.3
Good	421	58.5
Average	198	27.5
Poor	34	4.7
Employment status		
Not working	150	20.8
In permanent employment	362	50.3
In casual employment	145	20.1
Self-employed	63	8.8
Type of study		
Full time	410	56.9
Part time	310	43.1

Source: own study based on the survey.

In terms of demographics, the survey participants constitute a diverse group. Women make up the majority, accounting for 60.3% of respondents (434 individuals). Interestingly, the majority of respondents live in cities with a population of over 200,000 (377), which equates to 52.4% of the total. In contrast, a much smaller percentage, 17.1%, live in rural areas (123). Regarding their material status, most respondents, 58.5% (421), rate it as good, with a smaller portion of 9.3% (67) considering it as very good. A significant percentage, 27.5% (198), believe their material status to be average, while only 4.7% (34) consider it poor. In terms of studies, most respondents are full-time students, which makes up 56.9% of the sample (410 individuals), with the rest, 43.1% (310), attending part-time courses. In the context of employment, it's notable that only 8.8% of respondents (63 people) are self-employed.

There were three possible answers to the question on self-evaluation of entrepreneurial attitudes (yes / no / don't know). 366 respondents, or just over one-half of those surveyed, identified themselves as entrepreneurs, 86 did not, and the remainder decided not to comment. Respondents were then asked to indicate the areas where social activities had an impact on corporate efficiency.

The results of the survey on the impact of social activities on efficiency are shown in Table 2. Respondents were asked to suggest which areas of social activity they thought have a stronger impact on their company's efficiency. Non-working respondents were omitted from the findings.

The areas of social activity that were most often considered to affect business efficiency included: increasing competitiveness (strongly agree: 16%, agree: 21%), building customer relations (strongly agree: 17%, agree: 20%), and building trust (strongly agree: 15%, agree: 18%). Respondents also recognized that social activities have an impact on their company's market position (strongly agree: 14%, agree: 24%) and profitability (strongly agree: 9%, agree: 20%). The areas that were least likely to be considered as affecting business efficiency included promoting social activities and sustainable operations.

Table 2. Areas of social activity affecting business efficiency

	Strongly disagree	Disagree	No opinion	Agree	Strongly agree
Improved image	61	35	63	343	218
Increased profitability	52	62	185	311	110
Position in the market	61	41	66	296	256
Increased competitiveness	63	83	114	326	134
Building trust	59	39	51	240	331
Building customer relations	64	46	33	266	311
Promoting social activities	63	49	82	273	253
Sustainable operation	70	23	163	313	151
Ethical operation	71	43	132	312	162
Increased investor interest	68	53	150	283	166

Source: own study based on the survey.

The survey shows that entrepreneurs are aware of the impact of social activities on corporate efficiency, especially in terms of increasing competitiveness, building customer relations, and fostering trust. Increased profitability and market position were also identified as areas of influence, but to a lesser extent.

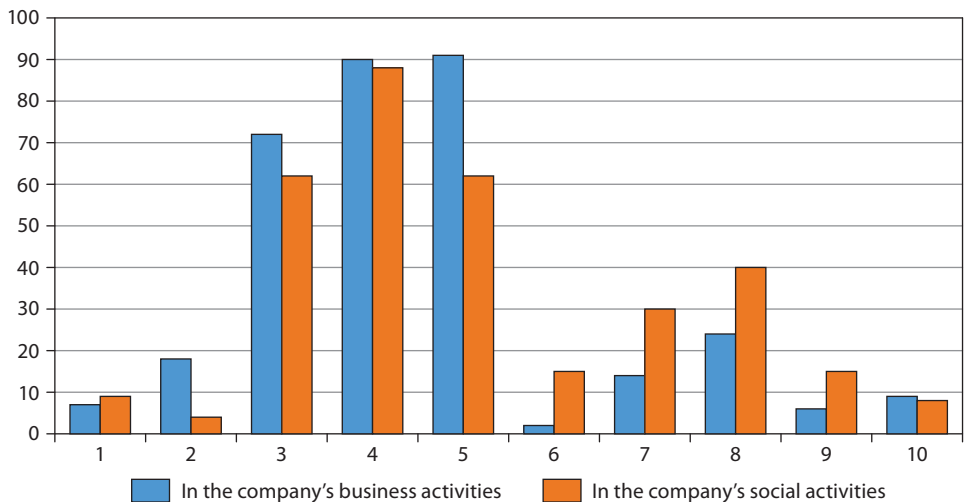
Table 3 lists the types of social projects carried out in the workplace. This question was only answered by students who were employed or self-employed. An important task was to determine the areas of social activity of the respondents. One-half (333) of those surveyed confirmed participation in social activities. Since the participants could choose several answers, 1112 responses were gathered, and their detailed distribution is displayed in Table 3 below. Environmental initiatives (18%), social campaigns (15%), and health activities (15%) proved to be the most popular undertakings. Employee volunteerism, community activities, and culture building were the next most common projects, involving between 7% and 13% of employees. 12% of employees follow ethics codes as well as support foundations and associations. According to the findings, businesses focus on a variety of social projects, including environmental, health, and pro-social initiatives, such as staff volunteerism and community support.

Table 3. Social activities implemented in the workplace

Type of social activities	Positive responses (<i>n</i> = 333)	
	Number of responses	%
Social campaigns	168	50.5
Environmental activities	196	58.9
Health activities	163	48.9
Employee volunteerism	104	31.2
Activities for the benefit of the local community	73	21.9
Building organisational culture	142	42.6
Codes of ethics	133	39.9
Supporting foundations and associations	133	39.9
Total responses	1112	–

Source: own study based on the survey.

Respondents who stated that they implemented social projects in their workplace (333), were also asked to rate their involvement in the company's business activities followed by social activities using a scale of 1 to 10. Figure 1 shows the distribution of responses.

**Figure 1. Level of involvement in the company's business and social activities**

Source: own study based on the survey.

Table 4 contains descriptive statistics on the level of respondent involvement in business and social activities using a scale of 1–10.

Table 4. Social and business activities carried out in the workplace

Statistic	Level of involvement in business activities	Level of involvement in social activities
Mean	4.6	5.1
Median	4	5
SD	1.9	2.1
Min	1	1
Max	10	10
Mode	5	4
Quartile 1	4	4
Quartile 2 (Median)	5	5
Quartile 3	7	7
Variance	3.6	4.4

Source: own study based on the survey.

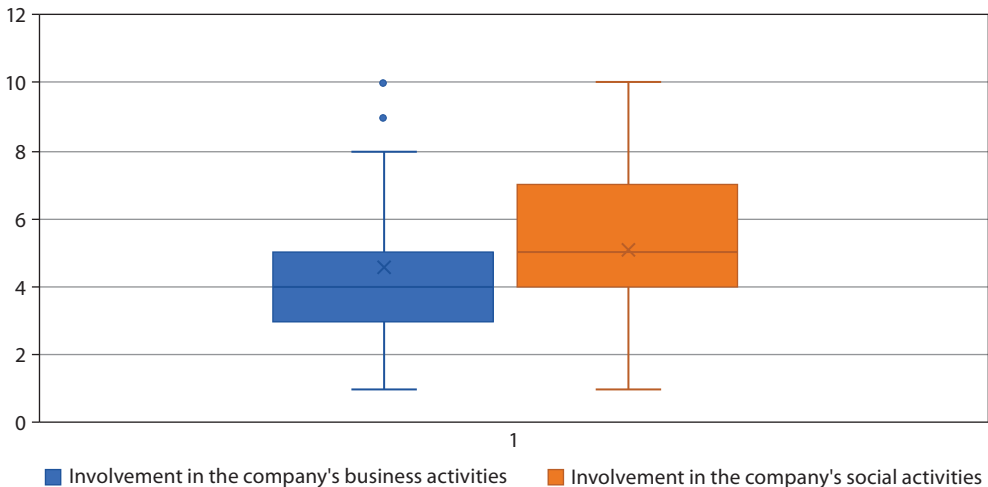


Figure 2. Distribution and Variation in Business and Social Involvement

Source: own study based on the survey.

On a scale of 1 to 10, the mean for business activities is 4.6 and 5.1 for social activities, which indicates that overall involvement is moderate. The median for business activities is 4 and 5 for social activities, implying that one-half of those surveyed are committed below these levels. The standard deviations are 1.9 and 2.1, respectively, showing a rather wide range of commitment. The mode for business activities is 5 and 4 for social ones, which implies that the most typical involvement level is moderate. It should be noted that the minimum and maximum values for both areas are the same, at 1 and 10, respectively. By quartile, 25% of respondents engage in business and social activities at a level below 4, while another 25% engage at a level above 7. Finally, the variances of 3.6 for business activities and 4.4 for social activities indicate that the level of participation fluctuates slightly more for social activities. The box plot

(Figure 2), which depicts the position, dispersion, and shape of the distribution of the variables, namely the level of involvement in business and social activities, is sufficient for visualising the aforementioned statistics (min. and max. values, the median, Q1, and Q3).

4. Conclusions

SMEs, as business entities, play a vital part in any country's economy. As a result, they can be regarded as the growth engines of all modern economies. Apart from stimulating development by promoting innovation, they generate new jobs, which is why it is critical to encourage entrepreneurial attitudes among students as well as to integrate social and business activities in a single workplace.

Several conclusions can be drawn from the questionnaire survey discussed in this article. Firstly, numerous areas of social activity may have an impact on corporate efficiency. The most significant of them include improving company image, boosting profitability and market position, increasing competitiveness, developing trust, building customer relations, promoting social activities, ensuring sustainability and observance of ethical principles, as well as greater investor interest. Companies that prioritise these areas of social activity can improve their efficiency by enhancing their competitiveness, consumer loyalty, employee engagement, and investor confidence. At the same time, the findings demonstrate that some categories, such as supporting social activities or operating in a sustainable manner, are less important to most respondents, suggesting that these activities have less of an impact on corporate efficiency.

Secondly, it can be stated that a number of social programmes, such as environmental efforts, social campaigns, and health initiatives, are implemented in the workplace. Employee participation, community service projects, forming codes of conduct, and sponsoring foundations and groups are somewhat less common. Accordingly, while a wide range of activities are carried out, environmental, health-related, and CSR projects receive by far the greatest attention.

Thirdly, respondents' involvement in their firms' business and social activities is moderate. Individual survey participants' levels of interest, on the other hand, vary greatly.

The study's findings support the research hypothesis. Many kinds of social activities pursued at the workplace can have a positive impact on business efficiency, and it is worthwhile to focus on areas that are relevant to employees and investors in order to achieve better business results.

Undoubtedly, the present study does not address all the aspects of young people's involvement in social and business activities. For this reason, future research should be expanded to include an analysis of young people's propensity and readiness to work while studying. This would help activate young people and combine the academic and practical components of university teaching. Such research would also yield a number of concrete findings and recommendations, such as how to create better curricula or promote entrepreneurial attitudes among young people. These topical areas will now be the focus of interest for the authors.

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Shaping the entrepreneurial mindset – the cases of Social Entrepreneurship HUBs within higher education in Thailand and Myanmar

Lisa Mahajan, Liliya Terzieva, Waruth Kaosol

Abstract: **Background:** The full potential of social entrepreneurship remains challenging to achieve, despite continuous efforts in various economies, including South-East Asia. Several obstacles need to be addressed, such as the scarcity of skilled employees, limited business understanding among founders, difficulties accessing funding and infrastructure, and the absence of proper social impact measurement. Higher education institutions (HEIs) often face constraints in engaging and supporting early entrepreneurial activities, exacerbating the imbalance in the social entrepreneurship landscape. This imbalance has been observed in both Thailand and Myanmar.

Research objectives: The Erasmus+ funded project, STEPup, running from 2020 to 2023, recognized an opportunity to foster innovative social entrepreneurship practices tailored for disruptive business settings in these two countries. By applying the challenge-based learning approach through interactive case challenge proceedings involving social entrepreneurs, faculty mentors and students, the development of the entrepreneurial mindset of the latter group was studied.

Research design and methods: To accomplish this, a multi-method research design was chosen, which involved a case-challenge experience within the framework of 6 universities, a questionnaire-based survey conducted among the student population which took part in the case-challenge experience and desk research.

Results: The study revealed the necessity for a self-organizing and organic support system for social entrepreneurship. The objective of this paper is to present recommendations and strategic guidelines to enhance access and opportunities for existing social enterprises and social entrepreneurs seeking to establish and sustain a social enterprise ecosystem. The proposed framework leverages the support, expertise, and structure of existing higher education institutions.

Conclusions: Higher Education Institutions can serve as excellent cases demonstrating how to design and develop resource hubs for social enterprise practitioners and engage stakeholders from all sectors to address social issues and promote awareness.

Keywords: entrepreneurship, social innovation, challenge-based learning

JEL Codes: L26, M14, O35

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1. Introduction

The unpredictability of the economic climate in the past years in terms of stability of markets and complex labour environments worldwide has proven once again the importance of acquiring 21st-century skills, a set of diverse applied skills ranging from critical thinking to collaboration, leadership and innovation, that allow individuals to react dynamically to unforeseeable changes within their respective business environments (Fadel, 2008). This requires the evolvement of healthy entrepreneurial mindsets, which through the fostering of creativity and innovative thinking patterns, instil confidence in – to a large extent – young people who wish to shape their professional careers by becoming entrepreneurs.

Research has shown that entrepreneurship can be taught, especially that the entrepreneurial mindset can be trained and developed if the proper teaching methods are applied (Kuratko, 2005; Neck & Greene, 2011). The entrepreneurial mindset allows the individual to have the ability to quickly sense, take action, and get organised under uncertain circumstances. It further requires constant thinking, rethinking, adaptability, and self-regulation, which is paramount in a quickly evolving environment such as a social enterprise (Neck, Neck & Murray, 2020). Moreover, when discussing shaping future generations towards people with an entrepreneurial mindset, one needs to see beyond striving towards profit and open the new paradigm where purpose and profit intertwine and lead towards social entrepreneurship. Especially social enterprises, as so-called hybrid organisations, that set and monitor financial and social goals, require this combination of business knowledge, innovation, creativity, and problem-solving skills, as its unique characteristic is one of combining profit with achieving a positive societal impact benefitting all stakeholder groups connected to the social business (Ignatius, 2019).

Therefore, universities must update their pedagogical approaches beyond the classical management styles if they want to prepare their graduates properly for the competitive business conditions that await them after their academic endeavours. This paradigm of new entrepreneurship education holds especially true for South-East Asian countries such as Thailand and Myanmar, where aspirations to establish social enterprises as a more proactive response to complex social and environmental problems are higher than in other regions of the world (Doherty & Kittipanya-Ngam, 2020; Thomson Reuters Foundation, 2018). Universities are excellent training grounds to provide “out-of-the-box” solutions to complex societal problems and challenges. Fostering an entrepreneurial mindset through education is very difficult if students do not actively participate in the entrepreneurial learning process. Establishing academic HUBs or centres equipped with relevant learning materials provide the exact positive context needed for students to curiously engage in the journey of discovering the entrepreneurial spirit and mindset (Secundo et al, 2020).

This paper analyses how a practical, interactive, 6-month-long social entrepreneurship case challenge experience carried out within specially equipped Social Entrepreneurship Knowledge Centres shaped and elevated the entrepreneurial mindset of more than 16 students from selected Thai and Burmese universities (Thailand: Payap University- PYU, Burapha University- BUU, Mahasarakham University- MSU, Prince of Songkla University- PSU, Myanmar: University of Mandalay- UM, National Management Degree College- NMDC). This was achieved by applying a multi-faceted training approach that focused on collaboration, experimentation, embracing and leveraging failure while dealing with the unknowable (Neck, Neck & Murray, 2020).

The results of the case challenge activity clearly indicate that an entrepreneurial mindset can be trained and developed, with universities playing a crucial role in developing students’

skill sets. The approach shows the importance of collaboration between different social entrepreneurship stakeholder groups to work together for the students' benefit within a stable learning environment.

2. Literature Review

Historical, cultural, and socioeconomic factors have shaped the higher education systems in Thailand and Myanmar. In Thailand, higher education reflects the country's cultural emphasis on learning and hierarchical values (Lao, 2015). Thailand's higher education stands out in Asia due to its unique development path, unaffected by extensive European or American influence due to the absence of colonisation. While Thailand recognises education as a driver of national development, there needs to be more clarity between this recognition and the actual budget allocation (Commins & Bhumiratana, 2012). The country aims to produce global citizens and emphasises global rankings for internal competitiveness. Buddhist temples, missionaries, and Islamic teachings provided early education in Thailand (Winichakul, 1997). Key figures played significant roles in promoting European-style education. Reforms, such as the National Education Act of 1999, have profoundly impacted university management and administration (Kirtikara, 2001). On the other hand, Myanmar's higher education system was influenced by Monastic schools before British colonisation, but they declined over time (Smith, 1965). Modern education brought changes, but military rule had a detrimental effect, including the expulsion of foreign missionaries and limited funding. The education system was biased towards Burman nationalism, with restrictions on ethnic minorities. Higher education faced challenges in infrastructure, teacher support, and technical training. Reforms are being pursued to improve quality, accessibility, infrastructure, curriculum, and faculty development. Thailand and Myanmar are fostering international collaborations to strengthen academic ties and promote knowledge exchange (Thang, 2021).

The Entrepreneurial Mindset approach differs from the traditional focus of entrepreneurship education. The EM approach is a move to broaden how colleges conceptualise and teach entrepreneurship, and the characteristic mindset of an entrepreneur is of benefit to students regardless of major. The EM is defined as the "ability to rapidly sense, act, and mobilise, even under uncertain conditions" (Haynie et al 2010 as cited in Schakett, 2015).

Developing an entrepreneurial mindset towards entrepreneurship development directly affects human behaviour. Government agencies, private enterprises, and educational institutions that want to promote human capital development to become entrepreneurs must focus on the development entrepreneurial mindset process. It is a basic set of ideas that foster the core competencies of a successful entrepreneur. All for-profit and non-profit organisations, especially social enterprises, require these skill set. Social entrepreneurs adeptly navigate diverse realms with distinct values and logic, employing cognitive frameworks that adapt and develop through continuous interaction with their environment. These frameworks enable entrepreneurs to comprehend, evaluate, and seize opportunities while swiftly adjusting their actions as needed. Consequently, their mindsets evolve through ongoing interaction with the entrepreneurial environment, reflecting their inherent context dependence and fostering growth (Žur & Naumann, 2018). Creating an entrepreneurial mindset focuses on creating a Growth Mindset, as behaviour change techniques that allow thought sets to change. The entrepreneurial mindset thus becomes the process of creating change from the outside in, that is, the formation of habits necessary for Entrepreneurship (Kittimetheelkul, 2020) that responds

to The National Education Plan 2017–2036. The National Education Standards 2018 focuses on developing Thai universities to be universities that focus on creating the entrepreneurial mindset and raising the university to be an “Entrepreneurial University” will enable the model of teaching, learning and research to develop innovation. That will help raise the level in terms of society, economy and the country, which will be in line with the country’s development in the future (Cheevapruk, 2018).

Colombelli et al. (2022) described, The Challenge-Based Learning approach as a learning methodology that assists students in learning by dealing with real challenges, such as solving actual problems proposed by existing businesses, while being supported by professors and/or external stakeholders. The students also may apply the knowledge and competencies learned during their courses in a natural context and develop new skills, mindsets, and career aspirations. The Challenge-Based Learning methodology complements the stipulations of Naumann (2017), who identified 7 entrepreneurial mindset attributes: 1) cognitive tuning and goal orientation, 2) heuristic-based decision logic, 3) alertness, 4) prior knowledge, 5) prior knowledge, 6) meta-cognition, and 7) cognitive adaptability. By exposing students to a setting that encourages learning in all these areas, the participants’ soft skills, performance, entrepreneurial intention, and mindset seemed to be enhanced.

The Knowledge HUBs of educational institutions will be the media to foster and cultivate the entrepreneurial mindset of all stakeholders, especially students, to participate in interactive entrepreneurial activities.

A commonly recommended approach to creating entrepreneurial mindset competencies is to provide interactive learning environments that facilitate active learning. These learning environments promote collaborative and multidisciplinary learning and are increasingly technology-enhanced. They allow a set of entrepreneurial mind-driven competencies to be addressed simultaneously. Constructivist learning theories suggest that learners can develop critical competencies and transfer their knowledge if they learn through authentic activity rather than instruction. Learning environments need to reflect real-world contexts. Such simulation has three primary purposes: it can motivate learners more than traditional approaches (Lepper & Henderlong, 2000); learners are more likely to remember concepts they discover independently and provide a meaningful environment for problem-based learning.

Entrepreneurship is an issue that has been discussed in the economic development of many countries, including Thailand. A 20-year (2018–2037) national strategy has been established, the strategy of building competitiveness to enhance the potential of entrepreneurs (The Royal Gazette, 2018, October 13) to respond to the rapid changes in the 21st century that has many impacts on human beings along with creating challenging problems. Hence, developing learners to have the knowledge and skills necessary to solve problems is crucial. The Challenge-Based Learning approach is the basis for a learning management approach that the Knowledge HUBs and education institution promotes problem-solving through the process of learning steps, starting from the Big Idea, Essential Question, The Challenge, Solution and Taking Action, and Assessment (Sooksena & Wongpuntasate, 2020) to improve learning skills in the 21st century, as well as to foster and cultivate the entrepreneurial mindset.

Many studies have shown that the entrepreneurs’ mindset, motivation and success factors in development and education are essential in Myanmar. In addition, those studies have identical significant recommendations on the collaboration between political, industrial, and academic sectors and upgrading and creating more training or knowledge centre (Lwin & Aung, 2019, pp. 169–184; Abe & Dutta, 2014, pp. 23–26; Myat Thu, 2022; Yu Thwin, 2018).

According to Comparative Report and GAP Analysis, Thailand and Myanmar's social enterprise ecosystem faces similar challenges: the lack of skill set and expertise, limited access to funding, lack of guidelines for measuring social impact, and a centralised supporting system. The analysis also stated that Myanmar does not have government-related regulations and limited involvement from the higher education sector. Suggestions to address these challenges include distributing support for the various components of the social enterprise ecosystem by developing provincial centres to increase access and opportunities. Long-term capacity-building activities should also be proposed to develop social entrepreneurship skill-set. These activities may include coaching and training programs and financial training to increase skills and confidence. In addition, the higher educational institutions in both countries may act as a "bridge" between different stakeholders by developing Social Entrepreneurship Knowledge HUBs to tackle social problems and promote social awareness (Meallem, 2020).

3. Research Methodology

This section addresses the following elements: research design, population, instruments for data collection and method of data analysis.

3.1. Research design

The researchers chose a multi-method research design that uses qualitative and quantitative methods. The above-mentioned multi-faceted research design consists of 1) a case-challenge experience within the framework of which 6 universities (four from Thailand and two from Myanmar) took part, 2) a questionnaire-based survey conducted among the student population which took part in the case-challenge experience, and 3) desk research within the realm of the entrepreneurial mindset and the specificities of a growth-mindset towards entrepreneurship among Thai and Burmese students.

The case-challenge experience is described in detail within the introduction of this paper; however, it is essential to be stated that it follows the interpretivist school of thought as well as the action research principles where all researchers have been active participants together with the sample studied and within the participatory observation.

Namely because of the latter, there has also been employed survey research, in which a group of people is studied by collecting and analysing data from a certain amount of people ($n = 36$) considered to be representative of the entire group. In other words, only a part of the population is studied, and findings serve as valid and reliable information to the entire population (Nworgu, 1991).

3.2. Study population

Within the framework of the Erasmus+ funded project STEPup (Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar 2020–2023), university staff from the countries mentioned above collaborated with local social entrepreneurs, who supported the students in their knowledge journey by jointly analysing a real business case. Scientific and project management contributions came from three European universities that were also part of the STEPup project, namely FH JOANNEUM Gesellschaft mBH (Austria), Breda University of Applied Sciences (The Netherlands), and Krakow University of Economics (Poland). The experience could be carried out in a controlled learning environment within the respective universities, the so-called Social Entrepreneurship HUBs. These

HUBs can bring together a large community of stakeholders from local social entrepreneurial ecosystems and students with a multidisciplinary profile (Secundo et al, 2020).

The target population for this research is defined to include the students from all 6 STEPup partner universities in Thailand and Myanmar within the researchers' reach.

In addition, the students surveyed were considered appropriate as the study area population because, as stated in the Introduction, they constitute the people responsible for taking part in the case challenge procedure and directly being involved in all activities along with the HUBs within the 6 universities. Most of them have already had several years of study using diverse learning strategies and methodologies. Therefore, they are claimed to be in the best position to furnish the researchers with the information needed to answer the research question of this study.

3.3. Method of data collection

Participatory observations – observation process starts with the researchers' first interaction with the students until the data collection process is over. It has been a continuous process requiring the researcher to observe using different lenses and perspectives to collect and analyse the current situation to move forward while focusing on the case-challenge experience's strengths and acknowledging what can be improved to learn and share the knowledge (Baker, 2006).

After the pitching events, the completion of all reports, and the conduction of all site visits, the study was set up. With the necessary modifications after piloting together with the researchers, the questionnaires were administered directly to the chosen sample for the study. The possibility of retrieving all the questionnaires was due to the researchers' colleagues from the Thai and Burmese universities offering additional support.

3.4. Data analysis

The data analysis in qualitative research (in this case, based upon the case-challenge experience) is considered in the literature to be one of the most complex steps. The researchers must use an analytical lens and allocate findings that shed light on new knowledge throughout each project step. The data collected, the phases of the research, and understanding of how the students were able to transform/grow. In general, this is an action-based qualitative research which means data collected from many sources such as creative consultancy sessions, interaction with the social entrepreneurs and observations, etc., using inductive reasoning and interpretation to organise and identify the meanings from the data collected (Thorne, 2000).

Due to the various data sources, thematic analysis has been mainly used to support the researchers' hypothesis. It helped by capturing and analysing the patterns and themes in the data collected to create meanings from it. This allowed the researchers to identify unique experiences, narratives, feelings and perspectives, and the behaviour of the participant's values (Clarke & Braun, 2017).

The data collected from the study were also analysed. A statistically weighted mean was used in answering the research questions. The response options in the instrument have been weighted.

4. Results

The findings of this study are based on a co-created minded questionnaire sent out to the participating students and observations from university staff that acted as mentors throughout the case challenge period. In total, more than half of the students ($n = 36$) from all 6 universities (BUU, PSU, PYU, MSU, UM, NMDC) gave their feedback and assessment about the development of their entrepreneurial mindsets and knowledge creation on social entrepreneurship practices while engaging in university HUBs. 72% of the respondents were female, 28% male, with the majority (15.42%) between the age group of 20 to 22 years, followed by 11.31% between the age group of 23 to 25 years. All students were in the last year of their respective study programs (Bachelors's and MBA programs), so the practical experience and the elevation of their skill sets were of particular value to them for the imminent future. Most of the participants were involved for the first time in an activity such as the case challenge, which made the framework and concept both inspiring and taxing. Apart from being able to engage with established entrepreneurs and fall back on the full support of faculty mentors during their research and analysis phase, 32 out of the 38 (84%) respondents indicated that the case challenge stimulated their interest in and enlarged their knowledge of social entrepreneurship. This fact is fascinating to higher education institutions in Thailand and Myanmar, as business students clearly express their receptiveness to alternative and sustainable business models, which would be of high value to societies.

A case challenge competition over a relatively long period requires constant interaction between student participants, university mentor staff and external stakeholders, which was best achieved through the use of the Social Entrepreneurship Knowledge HUBs. The co-creative development process of each case study broadened the students' horizons on the benefits and obstacles of social enterprises and the ways how a social enterprise develops, as well as gave them a sense of accomplishment by helping the local community to become more sustainable and improve the value proposition of existing products and services. Students were encouraged to adopt entrepreneurial thinking patterns to evaluate their specific business problems. Faculty mentors and social entrepreneurs contributed to the process by sharing their knowledge, skills, and experiences with each other and the participating students. Social entrepreneurship had not been the primary focus of their research expertise. However, the case challenge provided both faculty mentors and social entrepreneurs the Cooperative Learning possibilities to test their knowledge, skills, and experiences. Besides, the European mentors (composed of faculty members from the European STEPup project partners) have been beneficial in their learning process in every dimension. In addition, both stakeholder groups clearly perceived a positive interdependence on the resource and role interdependence and built a strong bond and network. The knowledge HUB served as the physical and mental core space to both the students' entrepreneurial mindset development and experimentation facilitation and as the social enterprise catalyser for new ideas and barrier reductions.

When focusing on the results of the study in terms of enhanced student skills and entrepreneurial mindsets, exciting and relevant to the original hypothesis findings can be drawn. Students indicated that the comprehensive availability of knowledge for researching the business idea, creating business plans, or analysing the enterprises' social impact within the HUBs was most beneficial to their professional growth. The engagement in developing the most suitable innovative solution for each social enterprise led to an increase in the student's ability to learn and share information and an improvement of their language skills in English. Further, they

experienced an augmentation of their ability to work on their initiative, which is paramount for any entrepreneurial endeavour.

The last part of the study asked students to rate their progress in terms of social as well as management skills after they participated in the case challenge program on a Likert scale from 1 to 5 (social skills: 1 – strongly disagree, 5 – strongly agree; management skills: 1 – poor, 5 – excellent). The social skills revolved around the interaction and networking with individuals from different backgrounds or business sectors, the experience of working in groups and the future application of newly acquired skills after graduation. Managerial aspects considered time and stress management, communication and teamwork, initiation, problem-solving and data analysis, computer and social media skills, self-confidence and presentation skills. This rather broad range of elements aimed for an in-depth coverage of the most essential components for an entrepreneurial mindset.

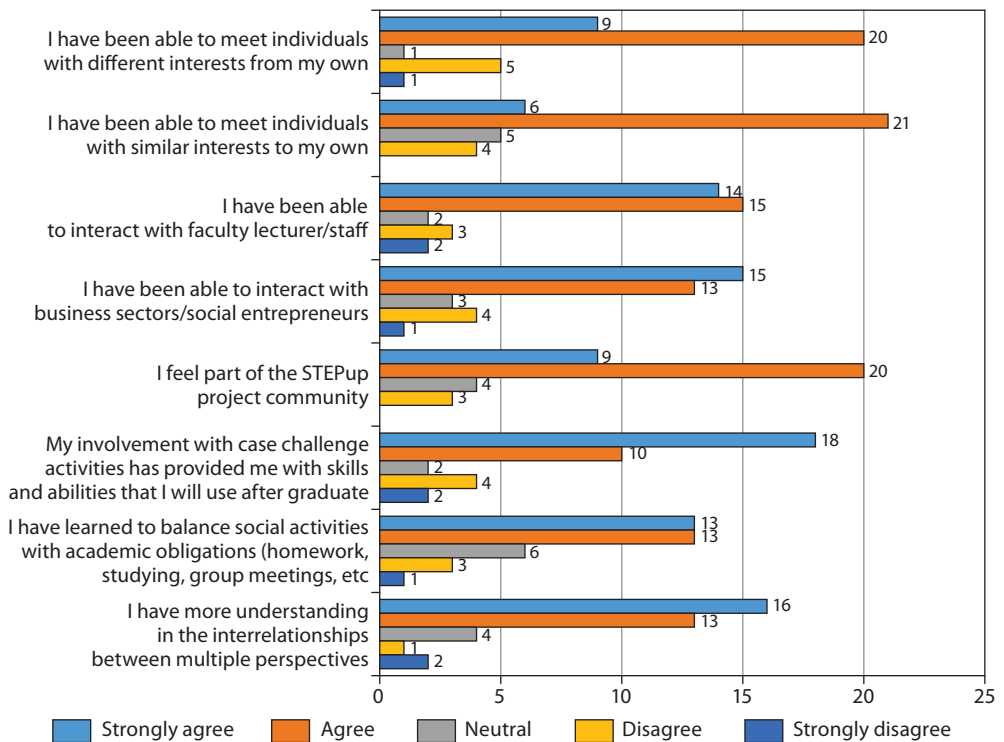


Figure 1. Self-evaluation of students in terms of social skills

Source: Own study (2022).

Regarding social skills, students clearly felt the greatest benefits derived from acquiring competencies and abilities to be used in their professional lives, which will enable them to act immediately as (social) entrepreneurs instead of waiting for circumstances to change in their favour. A positive cognitive development had also been observed, as the case challenge participation substantially increased students' understanding of interrelationships between multiple perspectives. Being able to grasp complexities in one's direct environment translates

into quick reactions and the willingness to experiment. Another important component that enriched students' experience was interacting with a community consisting of national and international stakeholders of the academic and business worlds. The ability to collaborate and to communicate are, therefore among the key elements that have been strengthened.

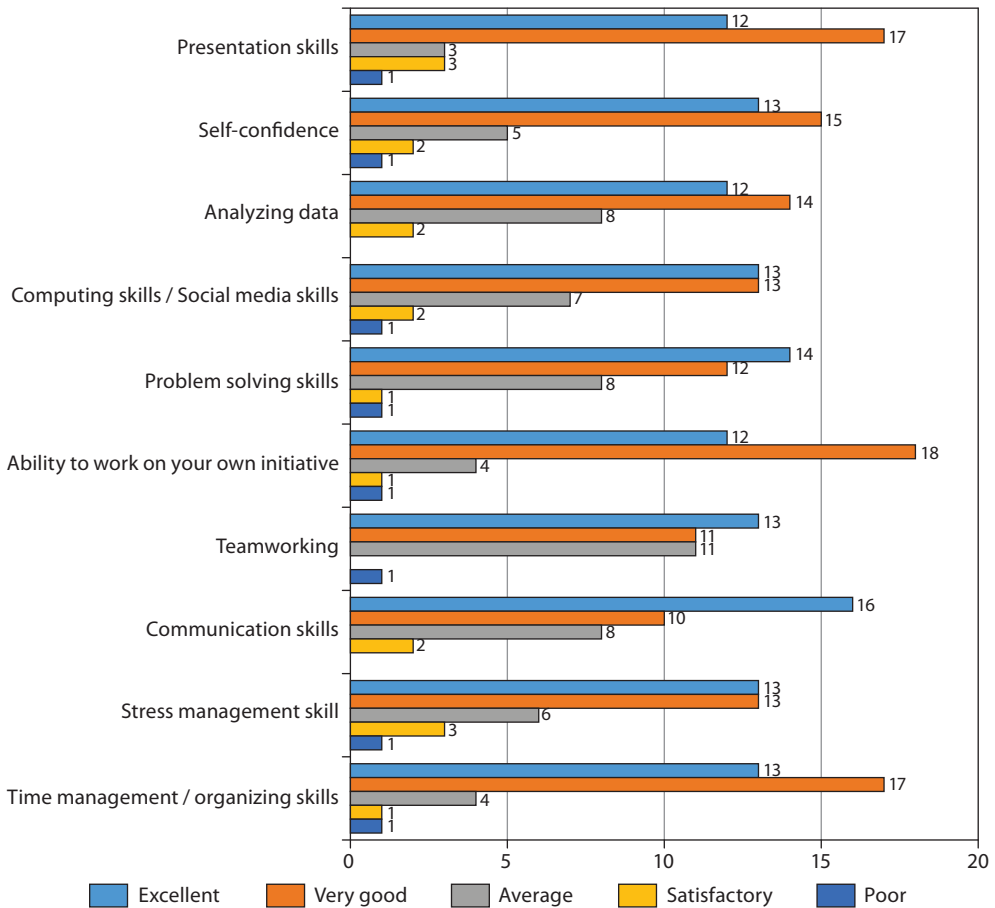


Figure 2. Self-evaluation of students in terms of management skills

Source: Own study (2022).

Regarding management skills, an increase in students' aptitude to solve problems on their while communicating efficiently with their team members could be observed. The possibility to analyse and interpret relevant and current data on how social enterprises conduct their business enabled participants to elevate their self-confidence, mirrored in better presentation skills during the pitching events in front of an international jury that followed the case challenge competition. The ability to self-reflect in stressful situations while still being able to deliver thoughtful arguments is a trait that is useful in many areas of a young professional's life.

In summary, the results showed that the case challenge competition via the STEPup project was essential in providing involved students with additional skills and capacities to shape

their entrepreneurial mindset while giving them international exposure. The practical activities allowed local youth, faculty members and social entrepreneurs to connect for a mutually fruitful exchange of ideas.

5. Discussion

This research was designed to investigate the effects of entrepreneurial mindset on students by offering an interactive learning environment within the university-based Social Entrepreneurship Knowledge HUBs. As confirmed by authors like O'Connor (2013), entrepreneurship education plays an integral role in increasing economic growth. University graduates with entrepreneurial mindsets are majorly shaping the dynamics and flexibility of business ecosystems, especially in Thailand and Myanmar. Establishing a practical program, such as the case-challenge experience, and using the state-of-the-art, publicly available resources in the HUBs created the opportunity to enhance student participants' ability to find innovative and creative solutions in a real entrepreneurial context. Secundo et al (2020) confirmed this point by assessing the importance of learning centres as distributors of entrepreneurial culture and immense value creators for students involved in action-based programs. The HUBs had the advantage of bypassing the usual difficulties of implementing extra-curricular entrepreneurship schemes in university settings, as they tend to be executed in a relatively short time frame (such as this 6-months case challenge) (Lindberg, Bohman & Hultén, 2017).

Students indicated in the study that they acquired new and improved existing competencies such as communication, teamwork, and time management, which directly translates into transferable skills that can be used in any organisational context (Solesvik et al, 2013). The findings further confirm earlier results on the positive effects of task-based learning on students' entrepreneurial mindsets (Lindberg, Bohman & Hultén, 2017; Piperopoulos & Dimov, 2015; Neck & Greene, 2011) that suggest guiding students through such pre-set activities allows them to practice pattern recognition, problem-solving and self-reflection (Lindberg, Bohman & Hultén, 2017). The uncertain circumstances of (social) entrepreneurial ventures require students to develop internal alertness while embracing risks and possible failures to exploit future business opportunities (Solesvik et al, 2013). The effectiveness of the pedagogical intervention within the case-challenge experience has been proven through the increase in students' understanding of the interrelationships of multiple perspectives while being able to improve their stress management skills. Authors like Saadat et al (2022) and Lindberg, Bohman & Hultén (2017) emphasise the fact as well that the effectiveness of entrepreneurial knowledge and skills development directly translates to an increased entrepreneurial mindset and alertness.

6. Conclusions

In support of what has been mentioned above within the Discussion, there come the recommendations of the students who took part in the case challenge experience. One can undoubtedly see the value they see in participating in such types of experiences and the necessity for others and general educational institutions to introduce them (see Figure 3).

Moreover, they state the usefulness of the case challenge towards thesis preparation, the close collaboration with the social enterprises and the expansion of their network regionally, nationally, and internationally. The study load to be increased has not been seen as an issue. The students also emphasise the time of interaction amongst each other and support both

by the local businesses and the university lecturers. Time itself is of immense importance for the development and sustaining of entrepreneurial mindsets, seen as a process and dynamics rather than a project/course with the completion of which one has obtained the mindset already, whereby study load to be increased has not been seen as an issue.

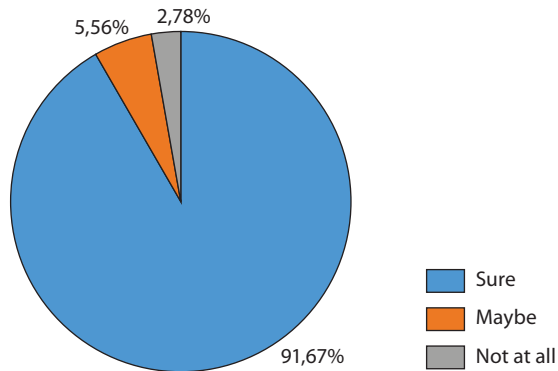


Figure 3. Further recommendations by students for applying case challenge experiences within the educational realm

Source: Own study (2022).

The research conducted also brings to the front the desire for further development of the case challenge experience as such towards more of the genuine formation of the 21st-century skills and in specifically, the entrepreneurial mindset – not only the students, but also the university staff who participated as well as the action researchers claim the relevance of providing concrete opportunities for the students to support the local businesses for acquiring subsidies and grants and also to introduce KPI's (key performance indicators) on every of the projects implemented out of the collaboration.

Thus, looking back at the literature studied, the research conducted, the results obtained, and the insights generated, one can state that there are three success factors which would determine enabling and enhancing the process of elevating entrepreneurial skills and contributing to the development of an entrepreneurial mindset amongst students, namely: 1) co-creating an authentic learning experience where lecturers, industry players and students actively collaborate, learn, experiment and form communities of practice, 2) designing a learning environment which supports exposure to real-life practices and shapes futures which go out of the traditional linearity, and last but not least 3) going beyond the business logic (traditional enterprise logic) as such and opening the door to social entrepreneurship and social innovation in their continuous process of development and growth.

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Conflict of Interest

The authors declare that the research was conducted without any commercial or financial relationships that could be construed as a potential conflict of interest.

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The tragic science: how economists cause harm (even as they aspire to do good) **by George F. DeMartino**

Tomasz Kwarciański

Abstract: This paper discusses the book *The tragic science: how economists cause harm (even as they aspire to do good)* by M. George F. DeMartino. The Author criticizes the moral geometry used by economists to evaluate harm, arguing for a more multifaceted understanding of harm that considers epistemic uncertainty. While the book under review lacks a systematic study of the moral dimension of harm, the Author's versatility and scholarship are admirable, making it an inspiring read for both casual readers and professionals in economics and philosophy.

Keywords: harm, causality, moral geometry, cost-benefit analysis, uncertainty, welfare economics

JEL Codes: D61, D74, D81

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George F. DeMartino, a University of Denver economist who specialises, among other things, in political and international economics as well as the relationship between economics and ethics, wrote *The tragic science: how economists cause harm (even as they aspire to do good)* essentially for two reasons. First, the author realised he had not properly analysed the category of harm in his previous work *The economist's oath: on the need for and content of professional economic ethics* (2011), in which he proposed to develop a specific professional ethics for economists along the lines of medical and legal ethics. An intuitive understanding of harm does not capture its complexity or the relationship between its descriptive (what is harm) and normative components (which harms should be avoided because they are morally unacceptable). The other reason was the belief that the rising anti-democratic movements and populist leaders gaining traction in the US and elsewhere were somehow prompted by the errors of economic professionals. In his view, the underlying fault of the economics community is an inadequate interpretation of the harms of the public policies promoted by economic experts.

The main ideas of *The tragic science*... can already be found in "‘Econogenic harm’: On the nature of and responsibility for the harm economists do as they try to do good," published in *The Oxford handbook of professional economic ethics* (2016), which the author co-edited with Deirdre McCloskey. It offers an argument for seeing harm as a complex and multifaceted phenomenon as well as a critique of the so-called moral geometry employed by economists to evaluate conflicting states of affairs and its reductionist perspective on the issue of doing harm

(a taxonomy of harm). In this article, the author also makes the case that economics is a tragic science, because, in their pursuit of good, economists invariably inflict harm on some members of society. The reforms they advocate always benefit some while imposing a burden on others. It is precisely the message of the tragic nature of the choices made by economic experts was intended to be communicated to a broad audience through *The Tragic Science*... Avoiding specialised jargon and citing numerous examples to illustrate his points, the author also tackles the problem of the responsibility of economists for actions that cause harm to people.

The book consists of four parts. In the first one, the author, in response to the question of why economics is a tragic science, argues that economists are constantly forced to accept trade-offs that benefit some groups of people gain while harming others. They make heroic efforts to find optimal solutions, but often disregard the fact that their ideal plans have little chance of being implemented and that attempting to do so at all costs results in severe social harm when compared to sub-optimal ones. He cites the example of market reforms introduced in Russia as well as other Central and Eastern European countries in the 1990s. Revolutionary privatisation and the liberalisation of trade, brought sudden poverty to large swaths of the population, contributed to a decline in people's mental and physical health, and even premature death (in the 1990s in Russia, the number of men of working age decreased by around 10 million, accounting for 6.7 per cent of the country's total population). In doing so, he draws attention to the economists' paternalistic mentality: they tend to believe that because of their scientific background, they know better than the general public which actions are worth taking and which harms should be considered tolerable. They fail to acknowledge the complexity of the harms caused by economic decisions (econogenic harms), even though it is clear that the latter are not limited to the economic domain (where they can be fairly easily compensated), but have far-reaching effects on private life (e.g. physical and mental health) and society at large (e.g. crime, homelessness).

Part Two of the book addresses the question of why economists' decisions inevitably cause harm. The author points out that while economic models offer an illusion of control since changing assumptions causes a change in the modelled values, economists themselves have no such control over real-world processes. The universe of economic models is a predictable, ergodic world in which the probability that certain event will occur is determined, much like a dice roll. In contrast, the real world is volatile, non-ergodic, and characterised by uncertainty about the consequences of actions. Economists can thus harm many people both because their decisions have broad social ramifications and they are unable to control their often far-reaching effects. Control requires knowledge of the world's causal relationships, which economists lack and are unable to acquire, and, as a result, they are doomed to irreparable ignorance. In order to prove that one event caused another, one must reconstruct the sequence of relevant events and imagine what the world would have looked like if the event identified as the cause had not occurred. The author devotes a great deal of space to the philosophical analysis of causality from David Hume to Judea Pearl. He hopes to persuade the reader that causation in economics is counterfactual by pointing out that scholars tend to focus on what would have happened if the event in issue had not occurred. As a result, understanding causal relationships must necessarily be speculative and fraught with uncertainty. Economists cannot be certain of the impact of a certain economic intervention in the future or the impact it had in the past since they lack a time machine that would allow them to re-examine the course of events. In the author's view, irreparable ignorance is the root cause of conflicting recommendations on what to do in the future and divergent interpretations of what happened in the past.

Part Three shows how economists prefer to disregard the problem of irreparable ignorance and take a reductionist approach to the concept of harm, rather than address it seriously. Their strategy is underpinned by an approach developed by welfare economics, which the author refers to as moral geometry. This is basically a utilitarian framework applied to economic analysis, in which the goodness refers to the consequences of actions, while rightness is assessed with reference to how much goodness an action brings. Good effects are those that meet the subjects' preferences (utility), and the degree to which they are satisfied is assumed to be measurable in monetary terms. For example, a person can be asked how much he or she would be willing to pay to leave the trees around his or her home intact (conditional valuation). In this way, it is possible to determine whether it makes sense to invest in a new tram line that involves cutting down these trees. Moreover, it is assumed that if the benefits of removing trees and having a new tram line are potentially sufficient to compensate for the losses suffered by those in favour of leaving the trees standing, then the project is worthwhile and should be pursued. This type of reasoning is referred to as cost-benefit analysis and is commonly used to evaluate investment projects. The implications of reasoning based on moral geometry are extremely significant for interpreting the harm caused by economic decisions. First, moral geometry implies that all of the goods that a person may choose are commensurable and that money is their common denominator. Second, harm is defined as a reversible and compensable loss of utility for a subject. DeMartino convincingly criticises this approach as incompatible with reality (people do not usually believe that everything important to them can be expressed in money), counter-intuitive, and reductionist (diverse categories of harm, e.g. health, emotional, ecological, and social, are reduced to material harm). Furthermore, he invokes theories that deconstruct the moral geometry perspective, one of which is the capability approach proposed by Amartya Sen and Martha Nussbaum.

The fourth and final part of the book explores how economists should deal with situations where it is impossible to avoid the harm done to a social group due to their recommendations without resorting to moral geometry and cost-benefit analysis. The author suggests that instead, they should analyse the harm profiles caused within specific socio-economic systems. He also makes several recommendations based on the recognition that an economy characterised by a higher risk of irreparable harm is worse off in this respect than an economy with a lower risk of such harm, and that an economy with a higher risk of inflicting non-compensable harm is inferior to an economy where such risk is lower. Bearing in mind that the key reason for causing harm is irreparable ignorance that economists have to face, the author proposes that cost-benefit analysis (CBA) should only be applied in cases where it is possible to assess the probability of individual outcomes with a reasonable degree of accuracy and where the goods being compared can be considered commensurate. In uncertain situations, he recommends the use of the increasingly widely developed decision-making under deep uncertainty methods (DMDU), which require decision-makers to involve experts from different fields, and directly affected stakeholders rather than only economists. These methods involve developing flexible scenarios that can be implemented in response to changing environmental conditions. DMDUs are not about maximising the utility of members of a community, but about optimising the robustness of the available action plans so that they are acceptable to a wide range of stakeholders under a variety of scenarios.

On well over two hundred pages, drawing on various theories like pieces of a jigsaw puzzle, DeMartino builds his narrative about the tragic nature of economic decisions, the inevitability of harm, and the obligation to act responsibly. He pays particular attention to one piece of

the puzzle, which is irreparable ignorance as a consequence of the counterfactual nature of causal relations. However, he does not seem to sufficiently elaborate upon another key piece of the puzzle, namely the issue of the normativity of the harm inflicted. Although the author emphasises in many of his works, including in the reviewed publication, that the category of harm is both descriptive and normative, although the systematic elaboration of this category was the main motivation for writing *The Tragic Science...*, and although his work does contain an elaborate taxonomy of harms, he provides no satisfactory answer to the question of why certain harms should be avoided while others can be tolerated under certain conditions. This missing piece of the puzzle is the ethical concept of harm.

The recommendations cited above suggest that economists should avoid causing harm that is both irreversible and non-compensable. Why are both types of harm wrong? It is worth looking at the examples used by the author to illustrate his point. He argues that it is futile to attempt to pay compensation for lost human lives or the destruction of a community's cultural legacy. These goods are irreplaceable and have no monetary equivalents that would allow for compensation. But is it wrong to cause harm in the form of human death only because it is irreversible and non-compensable? And if bringing people back to life were possible, would we consider killing to be ethically acceptable? On the other hand, if someone steals or damages my car, even though it can be bought back or repaired, in general such an action is still wrong. If we demand respect for human life and condemn the theft or destruction of material possessions, it is most likely because we recognise that certain actions should not be performed against other people or their property. Yet these are only intuitions. We need a theory to replace moral geometry and address issues concerning the valuation and prioritisation of goods and their attending harms, as well as to identify the content of moral responsibilities. In any event, irreversibility and non-compensability cannot be considered as moral value standards. In the author's view, the capability approach pioneered by Sen and Nussbaum is a good contender for an alternative theory. This concept characterises well-being using the so-called objective list theory, i.e. a list of goods that every individual should possess whether they want to or not. It usually comprises the capability to live a normal-length and healthy life, educational opportunities, mobility, quality housing, clothing, and food, etc. While the list appears to be universal, its use in decision-making practise raises concerns of paternalism, moreover, the rationale for including certain items in the list and the weights assigned to them are also problematic.

Rejecting moral geometry is thus vital not only for epistemic reasons – a world where we know the consequences of our decisions and can predict their probability is being replaced by a world where uncertainty reigns supreme. To reject moral geometry is to reject the utilitarian framework, which gives us confidence that the preferences of all stakeholders should be considered when making a decision, and that it is the decision-maker's duty to maximise good consequences. Without moral geometry, we are left with not only epistemic but also ethical uncertainty.

DeMartino's focus on epistemic uncertainty offers an array of in-depth analyses of causality as well as the suggestion that CBA be supplemented, and in some circumstances superseded, by DMDU. Nevertheless, ignoring ethical uncertainty has resulted not only in a lack of systematic study of the moral dimension of harm as a loss of good but also in a failure to recognise the importance of ethical uncertainty in decision-making. Perhaps decision-making under deep ethical uncertainty would also be worth developing as a decision-making aid. In DeMartino's project devoted to ethical reflection on the actions of economists, which has spanned more

than a decade, the jigsaw puzzle of ethical analysis of harm is still waiting to be put together. These reservations, however, in no way change my general opinion that the author's efforts, his versatility and scholarship are admirable. Last but not least, while *The Tragic Science...* was written with a broad range of non-specialists in mind, its depth of argumentation makes it an inspiring read both for casual readers and professionals in economics and philosophy.

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How social forces affect the economy edited by Steven Pressman

Norbert Laurisz

Abstract: This article discusses the book *How social forces impact the economy*, edited by Steven Pressman, which focuses on social determinants of economic processes. The contributors examine micro and macroeconomic theories and demonstrate how augmenting the analysis with social aspects – both as influences and outcomes – is critical to mapping reality. They endorse the idea that understanding the context of public policies, particularly economic ones, is essential if evaluations are to be correct and policies are to be effective.

Keywords: Economy, economic theory, social impact, public policy, economic policy

JEL Codes: D00, E00, H00, I25, I28, J68

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The book *How social forces affect the economy*, edited by Steven Pressman, consists of three parts, each containing three chapters (Pressman, 2020). It seeks to demonstrate the relationships among human behaviour, social factors, and their economic perceptions. The contributors adopt a comprehensive approach to the subject, examining everything from the individual and micro-social levels to society and public policies. Part one focuses on the study of individual behaviour and its social determinants, addressing both economic issues (such as consumer choice theory, producer theory, the labour market, game theory, and behavioural economics) and social issues (such as the influence of social norms on individual behaviour or social influences on economic decisions). Part two, which reviews the impact of social factors on the economy as a whole, among other topics, deals with the development of money as a social institution, the impact of social forces on economic development, globalisation, and international economic relations. Part three, in which the authors discuss the practical applications of various concepts in the fields of public policy and business, is mostly devoted to the effects of social factors on economic policy, the impact of public policies on economic development, and issues such as environmental policy, industrial policy, and policies that promote equality.

The volume begins with an Introduction (Chapter 1) entitled “Putting the social back into economics” written by Steven Pressman. It sets the tone for the entire book by establishing a critical perspective on an approach that focuses exclusively on the market and material aspects of the economy while ignoring the social and ethical ones. The editor believes that economics should first and foremost serve the well-being of society, but can only do so by

considering the social dimension in its analyses. In his argument, he references the works of economists and philosophers, such as Joan Robinson and Amartya Sen. Along with examples from real-world situations and economic history, he also draws on academic research in social psychology and behavioural economics.

Part one, entitled "Individual behaviour" offers a microeconomic look at behaviours of individuals and thereby at the social factor that influences economics and economic processes.

In "Becker's two models of social interaction," Ross Tippet presents the two models of social interaction introduced into economic discourse by Gary Becker (1974). Both refer to circumstances in which people make decisions and consider the impact of others on their actions and preferences. The author of this chapter avoids presenting his own perspective and instead focuses solely on describing the models of direct social influence (groups and individuals) on decision-making.

In "Greed, need, and solidarity: The socialisation of *Homo Economicus*," Roger D. Johnson takes issue with the widespread mainstream economic view of man as a rational and self-interested individual. According to the author, man is more than just a selfish consumer or a greedy producer; he also has social and solidarity needs. The author supports his claims by citing studies in social psychology and behavioural economics, as well as research findings and observations of real-life situations. The chapter's main goal is to provide an alternative approach to neoclassical economic theory by demonstrating that markets are a form of social interaction in which individuals jointly assign value to objects, actions, and other individuals, as well as to understand the factors that influence market operation and their the consequences for society and the economy.

"The burden of knowledge and Schumpeter's innovation" by Austin Landini is devoted to Joseph Schumpeter's concept of innovation and its impact on economic development. The author reviews the Austrian economist's theory of economic dynamism in the context of the sources of market innovation. He explores several interpretations of Schumpeter's theory and attempts to explain the reasons for the transition from individualistic innovation to social and integrated knowledge-based ones. He further emphasises that innovation is a complex knowledge – and skill-intensive process that requires cooperation among various social groups.

The common thread linking these chapters is the increasingly widespread view that traditional neoclassical economics, which emphasises individual decision-making based on rational self-interest, cannot explain a wide range of natural economic phenomena. Instead, the contributors rightly advocate a more interdisciplinary approach that takes into account the complex interaction between social factors and economic institutions. Another critical theme is understanding how social institutions and norms shape economic behaviour. The authors suggest that our approaches in economics must go beyond individual preferences or market forces to fully understand their impact on society. They emphasise the need for a more nuanced and interdisciplinary approach to economics, which this would allow the complex relationship between economic behaviour and institutions to be discussed in broader terms. In this part, the fundamental social aspects are culture, norms, values, education, and social groups, which, as the authors rightly argue, are essential in shaping economic behaviour and outcomes.

Even though part one of the book does not provide a detailed review of interdisciplinary approaches to economics, it implies that there is a growing recognition of the need for such research to gain a better understanding of economic behaviour and institutions. The authors discuss different models of economics, such as market, planned or mixed economies. They

objectively identify the strengths and weaknesses of each one and their impact on economic development. Next, drawing on the classical models of economic analysis, such as the resource allocation mechanism, consumer choice theory, and producer choice theory, they argue that economics cannot abstract from the social and environmental aspects of the surrounding reality, including the functioning of the economy.

Part two, "Macroeconomics and money," examines the relationship between economic behaviour and the economy or economics at the macro level. It focuses on the role of monetary institutions and policies in shaping the economy, the role of financial markets in capital allocation and systemic risks, including the impact of globalisation.

In the first chapter of this part, entitled "Money as a social institution: Its historical emergence and political implications," Ann E. Davis argues that the economy is a complex system that consists of many elements and is influenced by a variety of factors. The author emphasises that the economy does not operate in a vacuum, and that monetary policy, financial markets, and globalisation all have an impact on how it functions. She then discusses the role of central banks in shaping monetary policies and their impact on inflation and financial stability, emphasising the importance of selecting the appropriate monetary policy instruments and coordination among central banks. The author also explores various economic models in terms of how they affect social inequality and economic advancement, concluding that social and environmental aspects must be considered in economic analysis.

The chapter "A closer look at the promise of the blockchain in banking and biobanking" by Valérie Racine and Anita Dancs investigates globalisation and its impact on the world economy. The authors present evidence that globalisation has both beneficial and negative effects on the global economy. While allowing free movement of goods, services, and capital across borders and increasing market competition, it also produces social and economic disparities, a growing role played by capital and transnational corporations, dangerously increased migration, and environmental degradation. The authors underline the significance of incorporating social and environmental issues into the globalisation process, as well as boosting the impact of regulations, particularly those governing financial markets.

In "When the Cultural Argument Goes Too Far: The Need to Limit Particularism and Welcome Convergence on Socially Progressive Goals," Anna Klimina focuses on fiscal and monetary policy, and the role of central banks in the economy. The author emphasises that both types of policies are important tools for managing and regulating the economy since they make it possible to control inflation, investment, as well as employment and unemployment. Having discussed the many forms of fiscal and monetary policies and their impact on the economy, she supports taking into account social and environmental aspects in the decision-making process for these policies.

The key factors in the analysis presented Part Two are globalisation, fiscal and monetary policy, and the role of central banks. All the chapters deal with the complex relationships among the various factors influencing the economy, as well as the need to consider the social and political context in economic decision-making. The authors convincingly argue that all these aspects are inextricably linked; for example, globalisation affects various aspects of the economy, such as international trade, foreign investment, fiscal and monetary policy. The latter two, in turn, affect inflation, unemployment and other characteristics of the economy, and hence the central banks' decisions.

The authors emphasise the importance of considering social variables when making economic, fiscal, and monetary policy decisions. They demonstrate how globalisation may lead to

social and economic inequities as well as environmental degradation. Fiscal and monetary policies, in turn, have distinct, and often initially unmeasurable, effects on various social groups. As part of their recommendations, the authors correctly underscore the need to regulate financial markets and take systemic risk into consideration by showing that social and economic inequality compounded by financial instability may lead to major economic disasters.

Part three, entitled "Policy Issues," focuses on numerous political and social factors affecting the economy. Its contributors examine a range of political and social concerns, including social inequality, poverty, unemployment, and climate change, concluding that all of these have a substantial influence on the economy and should be addressed in all economic choices. They argue in favour of taking ethical factors into account while making economic policy decisions. This part of the book closes with a discussion of some of the economic ramifications of various public policy models, particularly the socially sensitive ones, such as health care programmes and pension plans.

In the first chapter, "Industrial policy and societal goals: A new look at the American case (from Hamilton to Obama and Trump)," Marco R. Di Tommaso, Mattia Tassinari, and Andrea Ferrannini analyse social inequality and its economic consequences. They contend that social inequality has a negative impact on the economy by reducing social mobility, productivity, and financial stability. Considerable disparities in social status may also contribute to social and political tensions, as well as a lower quality of life for many people. The scholars investigate numerous reasons of social inequality, such as differences in access to school and the labour market, as well as the increasing role of inherited wealth. When analysing social inequality, they emphasise the significance of examining the historical and cultural context, as well as the fact that different nations have diverse levels of social disparity and different public policy measures for eliminating it.

In her "Relational determinants of international environmental cooperation: A panel analysis," Mimi Houston focuses on climate change and its economic impact. The author presents evidence that climate change has a detrimental impact on the economy, raises environmental costs, and lowers many people's quality of life. The causes of climate change, such as greenhouse gas emissions and deforestation, as well as their ramifications for various economic sectors, such as agriculture and tourism, are examined in the context of increased natural disaster risk as well as political and social instability. The author's major conclusions include the importance of supporting green technology, educating the public about climate change, and promoting international collaboration to minimise greenhouse gas emissions as these investments will help the economy and the environment by creating new employment and encouraging innovation.

In "Explaining inequality: Facts are no longer enough," Dell Champlin and Janet Knoedler investigate the role of technology in the economy and emphasise that even though it is crucial for economic development, it may lead to social and environmental inequalities. When examining various areas of technology's involvement in the economy, such as innovation, digitisation, or automation, the authors emphasise the importance of investment in worker education and training, as well as the development of digital infrastructure. They also argue that these investments can benefit the economy and society by creating new employment and encouraging creativity. At the same time, they draw attention to the negative consequences of technological development, such as rising unemployment and social disparities. They conclude by emphasising the importance of protecting privacy and data security, as well as regulating technology markets.

Part three of the book offers a broader view of the economic reality. The authors look in more depth at the issues associated with current technological change and note that although it is crucial for economic development, it may at the same time exacerbate social inequalities. In order to prevent these negative effects, they argue for regulating labour markets and protecting workers' rights, implementing comprehensive economic policies aimed at innovation investing in worker education and training as well as in the development of digital infrastructure to benefit the economy and society.

Technology has a significant impact on data privacy and security, which is why the authors advocate for adequate regulation of technology markets, public education, and data protection. The robustness of institutions, which play a critical role in determining economic behaviour and performance, is a guarantee of positive change. Institutions should encourage entrepreneurship and innovation while combating corruption and inefficiency in public administration.

The role of the state in the economy is another major topic covered in this part of the book. The authors emphasise the importance of the state in fostering economic development through investing in infrastructure, education, and research. They do, however, advise against excessive state intervention in the market and believe that ensuring entrepreneurship freedom is essential.

Summary

It is clear from the outset that the book edited by Steven Pressman is intended to help students and other readers gain a better understanding of economics. Even the most complex concepts are explained lucidly not least thanks to the adoption of a broader, social perspective on the economic reality. Among other things, readers are given the opportunity to: (1) appreciate the scale and scope of the impact of social and cultural factors on people's economic behaviours and economic performance; (2) find out about the latest trends and challenges in economics; (3) understand how the science explains a variety of phenomena by considering its models and theories, including their strengths and weaknesses, as well as how different factors influence economic behaviour and the effects of specific policy interventions; (4) familiarise themselves with a range of interesting examples taken from real-world economic events and their interpretations with the benefit of hindsight.

Apart from students, another group of potential readers comprises academics and researchers. From the perspective of this group, the book's most important features include: (1) its interdisciplinary nature – the authors draw on knowledge and examples from different disciplines such as economics, psychology, and or sociology to provide a more comprehensive view on the issues studied; (2) a critical approach to traditional, e.g. neoclassical economic models, for ignoring the social context in which economic processes take place; (3) an analysis of the impact of social and cultural factors on the economic behaviour of individuals; (4) examples of good practices which may be useful for economic researchers; (5) a broad discussion of a variety of economic models and theories in the socio-economic context; and (6) a review of recent trends and challenges in economics.

The book does have certain shortcomings, though. One of the main problems is its sheer size – each of its nine chapters covers a wide range of topics. For this reason, it may be challenging to assimilate for people without prior exposure to economics. The reader may struggle to keep track of the interweaving strands and retain relevant information. Another challenge is the level of complexity of several chapters. Some topics are more complicated than others, and some chapters focus more strongly on theory, while others emphasise research findings, mak-

ing it harder to follow. The reader may need more time to comprehend the intricacies of certain concepts and theories. In several cases, the authors could have gone into more detail on various points for the sake of clarity of argumentation. Some chapters contain a lot of information, but lack specific examples or illustrations that could have helped the reader better understand the concepts presented.

However, the positive aspects unquestionably predominate. One of the most important qualities of this strictly economic book is that it focuses on social factors, such as the impact of technology, economic policy, and globalisation on social inequality, as well as the need to consider ethical aspects in the economic process and decision-making. While analysing economic issues, the contributors uncover the limitations of neoclassical economics and discuss problems that, while economic in nature, nevertheless have a strong social component. The authors also provide recommendations addressed to public policymakers in an intriguing way, emphasising the need to prevent unfair competition and ensure entrepreneurship freedom in national and international markets.

The book's multidisciplinary nature is a key asset; the authors draw on knowledge and methodologies from numerous domains, such as economics, psychology, and sociology, allowing for a more thorough understanding of the issues studied. The reader can follow the intricacy of economic processes and grasp the impact of social and cultural factors on the economic activity of individuals.

An equally important feature of the book is its topicality. The authors cover a wide range of relevant subjects from the social and economic perspective, such as the impact of technology on social inequalities and combating unfair competition in international markets, interspersing them with exciting analyses and conclusions. Their discussion of various economic models and theories, including their strengths and weaknesses, enables the reader to better understand the factors that influence the economic behaviour of individuals and the effects of specific policy measures.

Without a doubt, the book edited by Steven Pressman is a valuable resource for people interested in economics and its impact on society. Despite some of the challenges associated with its breadth and complexity, it provides a wealth of valuable insights and analyses that can be of use to students of economics, researchers, and practitioners involved in economic policy.

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