

UDC 316.334

**Kosovych V.**

*Doctor of Law, Professor,  
Head of the Department of Theory and Philosophy of Law,  
Ivan Franko National University of Lviv, Ukraine;  
e-mail: vitaliy.kosovych@lnu.edu.ua; ORCID ID: 0000-0002-6551-2686*

**Kosovych B.**

*Ph. D. in Economics, Associate Professor,  
Associate Professor of the Economy of Enterprise Department,  
Ivan Franko National University of Lviv, Ukraine;  
e-mail: bohdanna.kosovych@lnu.edu.ua; ORCID ID: 0000-0003-4760-3098*

**Rym O.**

*Ph. D. in Law, Associate Professor,  
Associate Professor of the Department of Social Law,  
Ivan Franko National University of Lviv, Ukraine;  
e-mail: olena.rym@lnu.edu.ua; ORCID ID: 0000-0002-3364-2830*

### INVESTMENT OF SOCIAL ENTREPRENEURSHIP IN UKRAINE: CURRENT ISSUES OF LEGAL REGULATION

**Abstract.** The article deals with the research of the creation of conditions for the socialization of economic relations in modern Ukraine — legal regulation of social entrepreneurship investment. The Ukrainian state actively implements world economic trends and legal standards into national practice. These include social entrepreneurship and its legal support. It is stated that the main priorities of social entrepreneurship today are: development of social innovations, ecology, health care, education, vocational training, employment of people with disabilities, welfare, development of territories, culture, etc. In Ukraine, social entrepreneurship has a somewhat undeveloped character, primarily due to a lack of funds for its development.

There is no specific legal regulation of social entrepreneurship in Ukraine. The main form of domestic social entrepreneurship is a charitable activity of public organizations. It is emphasized that the success of projects in the field of social entrepreneurship depends to a large extent on foreign investment. Investor rights in Ukraine are protected by advanced legislation and, despite bureaucratic obstacles, are guaranteed by the state. It is noted that the analysis of domestic economic and legal practice indicates the existence of social and legal prerequisites for successful investment in social entrepreneurship. Among these prerequisites, the following are outlined: public willingness and organizational support of the state, international assistance, presence of interested social groups, and availability of special draft laws that should stimulate the formation, development, and activity of social enterprises as the main form of social entrepreneurship. Attention is drawn to the fact that the draft Law of Ukraine «On Social Enterprise» changes social entrepreneurship ideology from charitable to entrepreneurial activity, which is combined with the implementation of innovation and solution of social problems. In particular, this approach is attractive for both internal and external investors and is the basis for social entrepreneurship's future success.

It is concluded that the proposed research can be of interest to both potential investors and investors who are already working in Ukraine and would like to develop or diversify their activities.

**Keywords:** investments, social entrepreneurship, protection of investor rights, economic and legal preconditions for social entrepreneurship.

**JEL Classification** E20, G20, O35, K20

Formulas: 0; fig.: 0; tabl.: 0; bibl.: 21.

**Косович В. М.**

*доктор юридичних наук, професор,  
завідувач кафедри теорії та філософії права юридичного факультету  
Львівського національного університету імені Івана Франка, Україна;  
e-mail: vitaliy.kosovych@lnu.edu.ua; ORCID ID: 0000-0002-6551-2686*

**Косович Б. І.***кандидат економічних наук, доцент,  
доцент кафедри економіки підприємства**Львівського національного університету імені Івана Франка, Україна;  
e-mail: bohanna.kosovych@lnu.edu.ua; ORCID ID: 0000-0003-4760-3098***Рим О. М.***кандидат юридичних наук, доцент,  
доцент кафедри соціального права**Львівського національного університету імені Івана Франка, Україна;  
e-mail: olena.rym@lnu.edu.ua; ORCID ID: 0000-0002-3364-2830*

## **ІНВЕСТИВАННЯ СОЦІАЛЬНОГО ПІДПРИЄМНИЦТВА В УКРАЇНІ: АКТУАЛЬНІ ПИТАННЯ ПРАВОВОГО ЗАБЕЗПЕЧЕННЯ**

**Анотація.** Присвячено дослідженню створення умов для соціалізації економічних відносин у сучасній Україні — правового забезпечення інвестування соціального підприємництва. Українська держава активно впроваджує в національну практику світові економічні тренди і правові стандарти. Серед них соціальне підприємництво і його правове забезпечення. Констатовано, що основними пріоритетами соціального підприємництва сьогодні є: розвиток соціальних інновацій, екологія, охорона здоров'я, освіта, професійне навчання, працевлаштування людей з обмеженими можливостями, добробут, розвиток територій, культура тощо. Соціальне підприємництво в Україні має дещо нерозвинутий характер через, насамперед, брак коштів на його розвиток.

В Україні немає спеціального правового регулювання соціального підприємництва. Основною формою вітчизняного соціального підприємництва є благодійна діяльність громадських організацій. Акцентовано на тому, що успішність реалізації проєктів у площині соціального підприємництва значною мірою залежить від іноземних інвестицій. Права інвестора в Україні захищені розвинутим законодавством і, попри бюрократичні перешкоди, забезпечуються державними гарантіями. Зазначено, що аналіз вітчизняної економічної та правової практики вказує на наявність соціально-правових передумов для успішного інвестування коштів у соціальне підприємництво. Серед цих передумов виділено такі як: готовність суспільства й організаційна підтримка держави, міжнародне сприяння, наявність зацікавлених соціальних груп, наявність проєктів спеціальних законів, що мають стимулювати утворення, розвиток і діяльність соціальних підприємств як основної форми соціального підприємництва. Звернуто увагу на те, що проєкт Закону України «Про соціальне підприємство» змінює ідеологію соціального підприємництва від благодійної до підприємницької діяльності, що поєднана з упровадженням інновацій та розв'язанням соціальних проблем. Саме такий підхід є привабливим для внутрішнього і зовнішнього інвестора та є основою для майбутнього успіху соціального підприємництва.

Підсумовано, що запропоноване дослідження може бути цікавим як для потенційних інвесторів, так і для інвесторів, які уже працюють в Україні і хочуть розвинути чи диверсифікувати напрями своєї діяльності.

**Ключові слова:** інвестиції, соціальне підприємництво, забезпечення прав інвестора, економіко-правові передумови соціального підприємництва.

Формул: 0; рис.: 0; табл.: 0; бібл.: 21.

**Introduction.** Ukraine is one of the largest European countries. Since 1991 transformations in the basic spheres of life have taken place in the Ukrainian state: economy, politics, legal system, etc. Objective obstacles on the way to becoming a prosperous state have become a challenge for Ukrainians and have pushed them to fight for their future. Obviously, that is why, during their visits to Ukraine, Americans and Europeans, pointing to the existing difficulties, emphasize the existence of life in Ukraine and great prospects.

President of the American Chamber of Commerce in Ukraine Andriy Gunder noted: «I have traveled extensively in Ukraine, visiting companies and witnessing great stories of success, growth,

and plans for further development. According to our latest survey, I am not surprised that 74 percent of US Chamber of Commerce members have seen their business growth in Ukraine in 2018; three quarters forecasted further growth in 2019. The main growth sectors are agriculture, information technologies, health care, food industry, infrastructure, consumer goods, renewables, and nuclear energy» [1].

According to the experience of many countries that have reached economic heights, foreign investment plays a vital role in economic development. Since the declaration of independence, our country has been trying to maximize investments in various areas of the national economy, creating favourable conditions for foreign investors.

In the Doing business-2020 [2] investment attractiveness rating, Ukraine ranked 64th out of 190 countries, improving its last year's position by seven points. The key attributes of business attractiveness to potential investors are sustainability and manageability.

The legal regime necessary for investment and social entrepreneurship has been created in many countries of the world. Nevertheless, public relations are constantly developing and unconventional directions of investment activity are emerging. In the article, we focus on the opportunities and prospects of investments of a currently new for a foreign investor type of economic activity — social entrepreneurship.

For this purpose, we would consider: the essence of social entrepreneurship as an economic phenomenon and its peculiarities in Ukraine; existing legal remedies for securing the rights of a foreign investor; social preconditions and prospects of development of legal guarantees of foreign investment of social entrepreneurship in Ukraine.

**The article's sources are scientific research** of foreign and domestic scientists, current and draft legislation of Ukraine on investment and social entrepreneurship, analytical evaluations of practitioners and representatives of the society, statistics data.

We can even constitute the existence of separate scientific schools and economic and legal doctrine, the formation of generally recognized standards that determine the content of these social phenomena.

**The methodological basis** of our research is a number of special scientific methods. The comparison method is used to examine social entrepreneurship's main features in Ukraine and other European and American countries. The statistical method allows determining the level of development of social entrepreneurship in Ukraine. The technical and legal analysis method is applied to assess the state of normative support of investment activity and social entrepreneurship in Ukraine to evaluate the quality of the draft legislation on social entrepreneurship. The systematic method permits to see prospects of foreign investment of social entrepreneurship in Ukraine through a combination of analysis of legal and economic characteristics of investment activity and social entrepreneurship.

**Social entrepreneurship as an economic phenomenon, its features in Ukraine.** Social entrepreneurship is a business that is created to earn and be financially stable and solve problems in the social and environmental spheres. J. Gregory Dees, often referred to as the «father» of the science of social entrepreneurship, in his work, «The Meaning of Social Entrepreneurship», develops this view: «They make radical changes and change the order of things in the social sphere to solve pressing problems. They attack the problem rather than simply stating its presence or treating the symptoms. They seek systematic change and continuous improvement. Although they may act locally, their actions have the potential to stimulate global improvement in their chosen field, whether in education, health care, or the natural environment» [3].

Social entrepreneurship came to Ukraine from the European Economic Area. The leader in the development of social entrepreneurship in the European region is the United Kingdom, with about 70,000 social enterprises currently employing nearly two million Britons (three percent of the population). Every fifth social enterprise has an annual turnover of more than one million pounds. Its total contribution to the economy is over £ 24 billion [almost nine percent of the country's gross domestic product (GDP)] [4]. UK social enterprises are involved in every sector of the country's

economy: construction, transport, waste recycling, trade, public nutrition, green energy, and even theatre. Here, social entrepreneurship has political support and is backed by legislation.

European social enterprises have regional peculiarities and a clear social purpose, to which a large part of their profits are directed. Social enterprises in developed countries are at first the representatives of small and medium-sized businesses, which play a key role in job creation and economic development — a priority for Ukraine as well. According to the European Commission statistics [5], there are currently two million social enterprises in Europe (ten percent of all European business) employing over 11 million employees (six percent of employees in the region). The main organizational and legal forms of social enterprises in European countries are cooperatives (in particular, in Portugal — «cooperatives of social solidarity», in France — «social cooperatives of the collective ownership», in Italy — «social cooperatives», in Spain — «cooperatives of social initiatives» etc.) or companies (for example, in the UK, «companies based on the community interests», in Belgium — «companies of social goals») [5].

Three countries (Lithuania, Slovakia, and Finland) have enacted laws that define social enterprises as those exclusively engaged in the labour integration of vulnerable groups of society.

The European Commission identifies four main areas in which social enterprises operate: work integration — training and integration of people with disabilities, unemployed and the youth; providing personal social services — health, welfare, vocational training, education, medical services, child care services, services for the elderly or assistance to needy people; local development of disadvantaged areas — social enterprises in remote rural areas, schemes of small urban areas development/rehabilitation in urban areas, assistance in development and cooperation with third countries; the other, including processing agricultural products, environmental protection, sports, arts, culture and historical preservation, science, research and innovation, and protection of consumers and sports fans' rights [5].

In Europe, there is also a separate type of social entrepreneurship aimed at integrating people through work, the so-called «work integration social enterprises» («WISEs»). In this way, people call private and independent enterprises operating in the market, where workers from vulnerable groups have equal rights with other workers. This is enshrined in legislation; thus their primary mission is integration of people in difficult life circumstances through the work [6].

Social entrepreneurship in Ukraine is only developing and has every prospect of becoming one of the key ones in the market because there are many opportunities in the country. However, material obstacles do exist, first of all, a lack of financial resources. A formal barrier to the emergence of social entrepreneurship in Ukraine is the lack of the necessary legal framework. Among the subjective obstacles to social enterprises' development are: fear of risk (and if nothing works?); not enough entrepreneurial skills and experience of obtaining funds through modern financial instruments; lack of awareness of the role of social entrepreneurship in society.

For the most part, non-profit civil society organizations are engaged in social entrepreneurship, and local business is only getting acquainted. The largest-scale social business development project in Ukraine is the Project «Social Entrepreneurship: Achieving Social Change with the Initiative from the Bottom», which is being implemented by a consortium of seven civil society organizations from Ukraine, Lithuania and Latvia led by the Ukrainian Philanthropists Forum with the financial support of the European Union. The project aims to develop professional potential, form public opinion, build an ecosystem, and advocate for favourable legislation for the development of social entrepreneurship in Ukraine [7].

Social entrepreneurs in Ukraine can be divided into two categories: the first is those who do business, know what it is, and want to add a social component; the second is the people who are worried about the problems, who see the problems in their communities and are willing to solve them — these are people for whom business or profit are not so important, they are ready to give everything, invest it, because it is the social component that is important for them [8]. Obviously, the first category is more interesting for a foreign investor, since the income from investing is provided by some additional privileges and governmental support.

There is no specific legal regulation of social entrepreneurship in Ukraine. Mykhailo Melnyk, Academic Director of the Ukrainian Social Academy, said during a press briefing at the Ukrainian Crisis Media Centre that «Social entrepreneurship is a business that tries to solve social problems through entrepreneurial ways. There is no law in Ukrainian law governing such activity. I think it allows us to act better and gives impetus to the development of social entrepreneurship in Ukraine» [9].

Social entrepreneurship in Ukraine is indirectly governed by a number of legal acts, in particular, the Economic and Tax Codes of Ukraine, the Law of Ukraine «On Public Associations», the Law of Ukraine «On Charitable Activities and Charitable Organizations», the Law of Ukraine «On Social Services», the Law of Ukraine «On State Targeted Programs» and the Law of Ukraine «On Public-Private Partnership».

Today, social entrepreneurship in Ukraine depends on foreign support. The largest donors in this area are the USA, Canada and Germany. An example would be the activities of the Western NIS Enterprise Fund (WNISEF) [10] Social Investment Program. In cooperation with Oschadbank and Kredobank, WNISEF implements a low-interest loan program for social enterprises. Loans are given to businesses employing more than 50 per cent of vulnerable workers and those much of the profits of which are reinvested in business development and job creation. In enterprises with less than 50 percent of vulnerable workers, at least 10 percent of profits should be directed towards achieving a social goal. Such a loan can also be obtained by enterprises that do not have employees from vulnerable groups but send at least 20 percent of their profits for social purposes. Social enterprises can get a loan from WNISEF in the amount of 10 to 100 thousand US dollars for a period of 36 months at an interest rate of 5 to 10 percent [10].

**Legal means of securing the rights of a foreign investor.** The question arises: what opportunities do foreign investors have in the economic and legal fields today? Traditionally, it is equality with Ukrainian entities and state guarantees. Perspectives include investing in creative business ideas by creating business incubators, venture capital funds, «business angels» or strategic alliances. Besides, crowdfunding and group investments are gaining popularity.

The formation of a normative legal framework, designed to effectively regulate Ukraine's investment processes, began with the adoption of the Declaration of Independence of Ukraine. Today, this database covers a number of normative legal acts.

Analysis of the current legislation is a subject matter of a separate scientific research. Therefore, we will present only some legislative provisions that confirm the legal guarantees for foreign investment in Ukraine on the example of the Law of Ukraine «On Foreign Investments Regime» [11]:

- foreign investments can be invested in any objects, investments in which are not prohibited by the laws of Ukraine (Article 4 of the Law);
- for foreign investors on the territory of Ukraine, the national regime of investment and other economic activity is established, with the exceptions stipulated by the legislation of Ukraine and international treaties of Ukraine;
- a privileged regime of investment and other economic activity may be established for certain business entities carrying out investment projects with the attraction of foreign investments implemented in accordance with state programs of development of priority sectors of the economy, social sphere, and territories (Article 7 of the Law);
- foreign investments in Ukraine are not subject to nationalization. Public authorities have no right to the requisition of foreign investments, except for situation of rescue measures performance in case of natural disasters, accidents, epidemics, epizootics (Article 9 of the Law);
- foreign investors have the right to compensation for losses, including lost profits and non-pecuniary damage, caused to them by the actions, inaction, or improper performance by the state bodies of Ukraine or their officials of the obligations stipulated by the law for a foreign investor or a company with foreign investments, in accordance with the legislation of Ukraine (Article 10 of the Law);

- in case of termination of investment activity, a foreign investor shall be entitled to repayment of its investments no later than six months from the day of such termination in kind or in the currency of investing in the amount of actual contribution (taking into account possible reduction of the authorized capital) without payment of duties, as well as income from such investments in monetary or commodity form at the real market value at the time of termination of investment activity, unless otherwise provided by the legislation or international treaties of Ukraine (Article 11 of the Law);
- foreign investors, after paying taxes, fees, and other mandatory payments, are guaranteed an unobstructed and immediate transfer abroad of their profits, income and other funds in foreign currency, legally obtained as a result of foreign investments (Article 12 of the Law).

Investing in social entrepreneurship should be done first and foremost in the legal framework outlined above.

**Social prerequisites and prospects for development of legal guarantees for foreign investment in social entrepreneurship in Ukraine.** The aforementioned range of economic benefits from investing in social entrepreneurship in Ukraine and the legal means of guaranteeing such investments do not appear to be very attractive. However, as it is known, the one who risks the first has every chance of receiving the future's most significant dividends. In our opinion, there are certain reasons for the prospects of success of such risk today that soon can be traced in the future.

**Social factors.** Today, in international practice, investments in social entrepreneurship create a positive brand image. Now it is not enough for consumers to buy quality products; they want goods to have some social purpose. According to Forbes [12], more than 88 percent of consumers believe that companies should strive to achieve their business goals while improving society and the environment, and 83 percent of consumers believe that companies should support charitable and non-profit organizations. Therefore, when an enterprise takes the initiative of educating poor children, planting trees, developing rural areas, and providing employment for people strengthens its brand and position in the market. The enterprise's social activity creates additional price for the product — not only valuable but also material. A global Nielsen poll [13] found that 50 percent buyers can pay more for socially responsible brand products, so that support of public initiatives is beneficial to society and profitable.

It is observed that nowadays, youth when looking for employment, more favours enterprises that create social values. According to a US Cone Communications Millennial CSR (2018) study, nine out of ten people under the age of 34 are eager to change their consumer preferences for branding with social purposes. More than 60 percent of those polled want to work for a socially responsible business, even if it offers a lower salary. About 80 percent of consumers want to buy a product, which production stimulates positive social or environmental changes [14]. On August 19, 2019, management of 180 global corporations from the Business Roundtable network, including Apple, Boeing, FedEx, General Motors, stated that profit was no longer the ultimate goal of their business. From now on, their corporate objective will be to satisfy the interests of all interested parties (stakeholders) — consumers, employees, suppliers, local communities, and their shareholders. [15]

In Ukraine today, many spheres are potentially related to social entrepreneurship: production and provision of services, transport, employment, ecology, culture, health care, rural areas development, organic production, and others.

These areas are the subject of attention of the state and the public with the respective priorities identified in the United Nations General Assembly Resolution «Sustainable Development Goals (known as Global Goals for the period till 2030)» [16].

Goals and objectives will stimulate activity in areas that are of the highest importance for humanity and the planet; they are based on a «leave no one else besides» approach, i.e., a holistic approach to achieving sustainable development for all. The SDGs aim to ensure all three sustainable development aspects (environmental, economic, and social).

As a result of the implementation of the Global Sustainable Development Goals, significant opportunities for the development of social entrepreneurship in Ukraine are emphasized at the local and national levels.

On September 30, 2019, the President of Ukraine issued Decree № 722/2019 «On the Sustainable Development Goals of Ukraine for the Period up to 2030» [17]. For the next eleven years, the country's Government has pledged to make every effort to ensure decent work and economic growth, overcoming all forms of poverty, addressing climate change, developing innovation and renewable energy, and combating inequality.

Sustainable development implies concerted efforts to create a comprehensive, sustainable, constant future for humans and the planet, harmonizing three key elements: economic growth, social integration, and environmental protection. These elements are interrelated and have crucial importance for the sake of preserving humanity and the planet. The important role of social entrepreneurship in achieving global goals for sustainable development is obvious, because it is they that allow creating sustainable changes and accumulating resources for them.

In order to implement all the declared in Ukraine priorities, the Strategy for Sustainable Development of Ukraine until 2030 was developed, focused on the vectors defined in the Strategy for Sustainable Development «Ukraine — 2020» [18]. The strategy includes:

- vector of development — ensuring sustainable development of the country, carrying out structural reforms, ensuring economic growth in an environmentally protective way, creating favourable conditions for economic activity;
- security vector — ensuring the security of the state, business and citizens, protecting investment and private property, securing peace and protecting borders, fair and impartial justice, urgent clearing of power at all levels, and ensuring the introduction of effective anti-corruption mechanisms. Priority is given to the safety of life and human health, which is impossible without an effective system of public health care, provision of adequate medical services, protection of socially vulnerable sections of the population, a safe state of the environment, safe and quality food products and manufactured goods;
- responsibility vector — providing guarantees to every citizen, regardless of race, colour, political, religious and other beliefs, gender, ethnic and social background, property status, place of residence, linguistic or other characteristics, to have access to a high-quality education, health care system and other services in the public and private sectors.

The available labour resources in the state are essential for the success of the economic activity. A difficult and unpromising one is a social group that can be engaged in productive work within social entrepreneurship. People who find it difficult to compete in the labour market, such as people with disabilities, are not usually in demand by employers, but if they create the necessary conditions for them, they can successfully work in the field of social entrepreneurship. Today in Europe, we can see an intensive labour migration, which in the future will lead to greater use of the work of this social group in Ukraine.

**Legal basis.** With Ukraine's accession to the Declaration of the Organization for Economic Co-operation and Development (OECD) [19] on international investment and multinational enterprises, a membership in the OECD Investment Committee, progressive business standards have been introduced, which will undoubtedly increase the attractiveness of our country.

National Transport Strategy for Ukraine until 2030's «Drive Ukraine 2030» [20] gives investors a clear vision of Ukraine's infrastructure and attracts more than \$ 60 billion in investments. «Drive Ukraine 2030» is a powerful signal that Ukraine is confidently looking to the future and sees itself as a participant in the global transport and logistics processes.

Ukraine's infrastructure is open to investments and innovations, actively reforming and integrating into the global and European infrastructural space, improving development indicators.

Today, a draft Law of Ukraine «On Social Enterprises» [21] has been developed in Ukraine, which regulates the status of social entrepreneurship's main subject — a social enterprise. This project changes the ideology of social entrepreneurship: from state-sponsored charitable activities to economic activities in order to achieve state-driven social results. To illustrate, here are two articles from this draft. Article 1: a social enterprise is defined as an economic entity formed by legal and/or natural persons whose priority is to achieve social results, in particular in the fields of health care, education, science, culture, the environment, the provision of social services and support for socially vulnerable population groups (unemployed, poor, elderly, persons with disabilities and other statutory

persons). Pursuant to Article 19 of the draft, obtaining a status of social enterprise entitles enterprises to state support in the form of lowered taxes, perquisites in investment activities, land issues, return and non-repayable financial assistance, loans, assistance in prioritizing while public procurement and meeting government target programs, in the employment of vulnerable categories of persons and in other forms provided by the draft.

The adoption of this and other laws will serve as a basis for the legal stimulation of the investment of social entrepreneurship as one of the main types of economic (entrepreneurial) activity.

**Conclusion.** Summarizing the above, we can draw the following conclusions. The Ukrainian state actively implements world economic trends and legal standards into national practice. These include social entrepreneurship and its legal support. Social entrepreneurship has come to Ukraine from Europe and America and has the following priorities: development of social innovations, ecology, education, vocational training, employment of people with disabilities, health care, welfare, development of territories, organic goods production, culture, etc. At present, social entrepreneurship in Ukraine is underdeveloped due to a lack of adequate support from the state and a lack of funds for its development. There is no specific legal regulation of social entrepreneurship in Ukraine. Today, social entrepreneurship is mainly carried out in the form of charitable activities of NGOs. Therefore, the success of projects in the field of social entrepreneurship depends to a large extent on foreign investment. Investor rights in Ukraine today are protected by advanced legislation and, despite bureaucratic obstacles, are guaranteed by the state. Domestic economic and legal practice analysis indicates that there are social and legal prerequisites for successful investment in social entrepreneurship. It is the willingness of society and organizational support of the state, international assistance, the presence of the concerned social groups, and the availability of drafts of special laws that should stimulate the formation, development, and activity of social enterprises as the main form of social entrepreneurship.

Of course, in Ukraine, the economic and legal guarantees of investing in social entrepreneurship are still developing, and there are many risks and difficulties for the investor. However, in case of cooperation with Ukrainian lawyers and economists, prudent investment in social entrepreneurship has its benefits and can generate a return on investment. The evolution of social entrepreneurship must be accompanied by solutions to both global (for example, the formation of social consciousness) and applied (for example, for efficient development of social entrepreneurship effective business models are to be used) problems. Social entrepreneurship must be commercially successful, environmentally sensitive, and create social value, develop and implement the Development Goals of the third Millennium.

The proposed research may be of interest to potential investors, as well as to investors who are already working in Ukraine and want to develop or diversify their activities.

#### Література

1. Огляд економіки України / Американська торговельна палата в Україні. 2019. URL : [http://www.chamber.ua/Content/Documents/132086\\_2213CountryProfile2019UA.pdf](http://www.chamber.ua/Content/Documents/132086_2213CountryProfile2019UA.pdf).
2. Doing business — 2020. URL : <https://taxlink.ua/ua/news/ukraina-pidnjalas-u-rejtingu-doing-business-2020-na-7-pozicij.htm#hcq=AmGDANr>.
3. Dees G. The Meaning of Social Entrepreneurship. 1998. October 31. URL : <https://centers.fuqua.duke.edu/case>.
4. Richardson M. Соціальне підприємство: уроки, вивчені у Великобританії : доповідь на II Всеукраїнському форумі соціальних підприємців. Київ, 2016.
5. European Commission. Growth. Sectors of the Social economy in the EU: Social enterprises. URL : [https://ec.europa.eu/growth/sectors/social-economy/enterprises\\_en](https://ec.europa.eu/growth/sectors/social-economy/enterprises_en).
6. Defourny J., Nyssens M. Fundamentals for an international typology of social enterprise models. *ICSEM Working Papers*. 2016. № 33. URL : [https://www.iap-socent.be/sites/default/files/Typology20Defourny\\_Nyssens.pdf](https://www.iap-socent.be/sites/default/files/Typology20Defourny_Nyssens.pdf).
7. Проект «Соціальне підприємництво: досягнення соціальних змін за ініціативою “знизу”». URL : <http://socialbusiness.in.ua>.
8. Соціальне підприємництво — найкращі кейси, виклики та можливості для громадських організацій. — Проект USAID «Громадяни в дії». 2018. 22 листопада. URL : <https://www.prostir.ua>.
9. В Україні немає закону, який регламентує соціальне підприємництво. 2018. 21 червня. URL : <http://uacrisis.org/ua/67620-sotsialne-pidpriyemnitstvo>.
10. Western NIS Enterprise Fund (WNISEF). URL : <http://wnisef.org/impact-investing>.
11. Про режим іноземного інвестування : Закон України від 19 березня 1996 № 93/96-SC. *Відомості Верховної Ради України*. 1996. № 19. URL : <http://zakon.rada.gov.ua/laws/show>.

12. Epstein-Reeves J. Consumers Overwhelmingly Want CSR. 2010. December 15. URL : <https://www.forbes.com/sites/csr/2010/12/15/new-study-consumers-demand-companies-implement-csr-programs>.
  13. Hayzlett J. Why Should Your Business Care About Social Responsibility? 2016. October 10. URL : <https://www.entrepreneur.com/article/269665>.
  14. Cone Communications Millennial CSR. URL : <http://www.conecomm.com/research/cone-communications-millennial-csr-study>.
  15. Statement on the Purpose of a Corporation. 2019. August 24. URL : <https://opportunity.businessroundtable.org/wp-content/uploads/2019/09/BRT-Statement-on-the-Purposeof-a-Corporation-with-Signatures-1.pdf>.
  16. Resolution adopted by the General Assembly on 25 September: Transforming our world: the 2030 Agenda for Sustainable Development. 2015. P. 1—35. URL : <https://www.un.org/development/population/generalassembly/global.pdf>.
  17. Указ Президента України «Про цілі сталого розвитку до 2030 року» № 722 від 30 вересня 2019 року. *Законодавство України*. 2019. URL : <https://zakon.rada.gov.ua/laws/show/722/2019>.
  18. Стратегія сталого розвитку «Україна — 2020»: схвалено Указом Президента України від 12 січня 2015 року № 5. URL : <https://ips.ligazakon.net/document/view>.
  19. ОЕСР та Україна. URL : <https://www.oecd.org/eurasia/countries/Global-Relations-Brief-Ukraine-UKR.pdf>.
  20. Drive Ukraine 2030 — the National Transport Strategy. 2018. July 4. URL : <https://www.slideshare.net/Ministerstvo/drive-ukraine-2030>.
  21. Проект Закону України «Про соціальні підприємства» № 2710 від 23.04.2015. URL : <http://w1.c1.rada.gov.ua/pls/zweb>.
- Статтю рекомендовано до друку 08.01.2021* © Косович В. М., Косович Б. І., Рым О. М.

### References

1. Amerykanska torhovelna palata v Ukraini. (2019). *Ohliad ekonomiky Ukrainy 2019 rik [Review of the economy of Ukraine in 2019]*. Retrieved from [http://www.chamber.ua/Content/Documents/132086\\_2213CountryProfile2019UA.pdf](http://www.chamber.ua/Content/Documents/132086_2213CountryProfile2019UA.pdf) [in Ukrainian].
  2. Doing business — 2020. Retrieved from <https://taxlink.ua/ua/news/ukraina-pidnjalas-u-rejtingu-doing-business-2020-na-7-pozicij.htmhcq=AmGDANr>.
  3. Dees, G. (1998, October 31). The Meaning of Social Entrepreneurship. Retrieved January 8, 2020, from <https://centers.fuqua.duke.edu/case>.
  4. Richardson, M. (2016, November 16). *Sotsialne pidpriemstvo: Uroky, vuvcheni u Velykobrytanii: Dopovid na II Vseukrainskomu forumi sotsialnykh pidpriemstv [Social Enterprise: Lessons Learned in the UK: Report at the II All-Ukrainian Forum of Social Entrepreneurs]*. Kyiv [in Ukrainian].
  5. European Commission. (n. d.). Sectors of the Social economy in the EU: Social enterprises. Retrieved January 8, 2020, from [https://ec.europa.eu/growth/sectors/social-economy/enterprises\\_en](https://ec.europa.eu/growth/sectors/social-economy/enterprises_en).
  6. Defourny, J., & Nyssens, M. (2016). Fundamentals for an international typology of social enterprise models. *ICSEM Working Papers*, 33. Retrieved from <https://www.iap-socent.be/sites/default/files/Typology20DefournyNyssens.pdf>.
  7. *Proiekt «Sotsialne pidpriemnystvo: dosiahnennia sotsialnykh zmin za initsiatyvoiu “znyzu”» [Project «Social Entrepreneurship: Achieving Social Change at the Bottom Initiative»]*. (n. d.). Retrieved from <http://socialbusiness.in.ua> [in Ukrainian].
  8. *Sotsialne pidpriemnystvo — naikrashchi keisy, vyklyky ta mozhlyvosti dlia hromadskykh orhanizatsii: Proekt USAID «Hromadiany v dii» [Social entrepreneurship — the best cases, challenges and opportunities for public organizations: USAID Citizens in Action Project]*. (2018, November 22). Retrieved from <https://www.prostir.ua> [in Ukrainian].
  9. *V Ukraini nemaie zakonu, yakyi rehlamentuie sotsialne pidpriemnystvo [There is no law in Ukraine that regulates social entrepreneurship]*. (2018, June 21). Retrieved from <http://uacrisis.org/ua/67620-sotsialne-pidpriemnystvo> [in Ukrainian].
  10. Western NIS Enterprise Fund (WNISEF). (n. d.). Retrieved from <http://wnisef.org/impact-investing>.
  11. Verkhovna Rada Ukrainy. (1996). Pro rezhym inozemnoho investuvannia: Zakon Ukrainy vid 19 bereznia 1996 № 93/96-SC [On the regime of foreign investment: Law of Ukraine of March 19, 1996 № 93/96-SC]. *Vidomosti Verkhovnoi Rady Ukrainy — Bulletin of the Verkhovna Rada of Ukraine*, 19. Retrieved from <http://zakon.rada.gov.ua/laws/show> [in Ukrainian].
  12. Epstein-Reeves, J. (2010, December 15). Consumers Overwhelmingly Want CSR. Retrieved from <https://www.forbes.com/sites/csr/2010/12/15/new-study-consumers-demand-companies-implement-csr-programs>.
  13. Hayzlett, J. (2016, October 10). Why Should Your Business Care About Social Responsibility? Retrieved from <https://www.entrepreneur.com/article/269665>.
  14. Cone Communications Millennial CSR. (n. d.). Retrieved from <http://www.conecomm.com/research/cone-communications-millennial-csr-study>.
  15. Statement on the Purpose of a Corporation. (2019, August 24). Retrieved from <https://opportunity.businessroundtable.org/wp-content/uploads/2019/09/BRT-Statement-on-the-Purposeof-a-Corporation-with-Signatures-1.pdf>.
  16. Resolution adopted by the General Assembly on 25 September: Transforming our world: the 2030 Agenda for Sustainable Development. (2015). Retrieved from <https://www.un.org/development/population/generalassembly/global.pdf>.
  17. Указ Президента України «Про цілі сталого розвитку до 2030 року» № 722 від 30 вересня 2019 року [Decree of the President of Ukraine «On the goals of sustainable development until 2030» № 722 of September 30, 2019]. (2019). *Zakonodavstvo Ukrainy — Legislation of Ukraine*. Retrieved from <https://zakon.rada.gov.ua/laws/show/722/2019> [in Ukrainian].
  18. *Stratehiia staloho rozvytku «Ukraina — 2020»: Ukaz Prezydenta Ukrainy vid 12 sichnia 2015 roku № 5 [Sustainable Development Strategy «Ukraine — 2020»: Decree of the President of Ukraine of January 12, 2015 № 5]*. (2015). Retrieved from <https://ips.ligazakon.net/document/view/u> [in Ukrainian].
  19. *OESR ta Ukraina [OECD and Ukraine]*. (n. d.). Retrieved from <https://www.oecd.org/eurasia/countries/Global-Relations-Brief-Ukraine-UKR.pdf> [in Ukrainian].
  20. Drive Ukraine 2030 — the National Transport Strategy. (2018, July 4). Retrieved from <https://www.slideshare.net/Ministerstvo/drive-ukraine-2030>.
  21. *Proiekt Zakonu Ukrainy «Pro sotsialni pidpriemstva» № 2710 vid 23.04.2015 [Draft Law of Ukraine «On Social Enterprises» № 2710 of April 23, 2015]*. (2015). Retrieved from <http://w1.c1.rada.gov.ua/pls/zweb> [in Ukrainian].
- The article is recommended for printing 08.01.2021* © Kosovych V., Kosovych B., Rym O.