



Paradigms and Practical Realities of the Social Economy

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ABSTRACT

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The study aims to assess the theoretical foundations and practical realities of the social economy around the world. To achieve a common goal, the study focused on solving three problems: first, to substantiate modern identification and institutional recognition of the social economy on a global scale; second, to explain the general context and historical evolution of the process that contributed to the creation of a favorable political framework in the form of a social economy, highlighting its ecosystem, values and characteristics; thirdly, to determine the weight of the social economy in different countries of the world in market conditions, using external audit. The main subjects of the assessment are associations, social enterprises, and non-profit, public, and volunteer organizations. The study analyzed theoretical paradigms, evolution, and balanced practical implementation in different countries. The results confirmed that the social economy has the potential to create and maintain jobs, improve the quality of life, and reduce income inequality, regardless of the country's economic profile. In the European Union, the social economy is actively spreading through social enterprises and innovations. In the United States, this process involves associations and foundations. In the Russian Federation, the social economy develops through non-profit organizations. The findings deepen the understanding of the social economy and its relevance. In addition, the results provide information to politicians on social justice and sustainable development. Therefore, the study can serve as the basis for programs aimed at supporting socially oriented organizations and enterprises.

1. INTRODUCTION

The fourth industrial revolution is causing fundamental changes in economic, social, and political systems; these changes pose both new opportunities and challenges to economies and societies around the world [1]. In the current conditions, economy focuses on the rational separation of political and economic governance. Some politicians, mainly center-left radicals, are convinced that the production and distribution of goods and services should be regulated by the legislative acts of the sovereign or the state, while other politicians - center-right - are fighting for minimal state interference in the functioning of markets. In general terms, the social economy can be viewed as part of a mixed economy that cooperates simultaneously with business and the public sector. In the context of the above definition, business is focused on private benefit, the public sector is concerned with government planning and service delivery, and the social economy combines mutual assistance with actions aimed at the common good. Thus, the hallmark of the social economy

is the values - focus on human capital and social cohesion [2].

Fougère and Meriläinen [3] argue that government control and economic survival are interconnected. Control processes become political when there is a connection with the social organization of relations within the community. Economic survival processes relate to production in relation to meeting the needs of society. Consequently, in a market economy and society, more activity is directed towards production, without focusing on human capital and business, which leads to a high differentiation of the standard of living within societies. The experts of the International Economic Forum [1] found that, compared with 1980, the share of the world population living in extreme poverty decreased from 44% to 8.6% in 2020, which is a significant progress in living standards. However, against the background of the Fourth Industrial Revolution, there is a polarization of income inequality. To enable more people to adapt to the Fourth Industrial Revolution and move towards a more inclusive economy, the inclusion of a social dimension is a critical element in a model based on a genuine interest of business, government, employees, and consumers

for long-term benefits for all economies and societies around the world. Against this background, many methods of measuring social impact have emerged, in particular, Studer [4] used the literature on the economics of conventions. The analytical approach proposed by the researcher emphasizes the consideration of various methods of measuring social impact as agreements on evaluation between the agents involved [5].

In 2019-2020, in addition to expanding digitalization, social risks and environmental problems, the national economies of different countries of the world faced the COVID-19 crisis. In this situation, social innovators, and social entrepreneurs [6] offer new approaches to solving the problems, namely, promoting inclusive labor markets and more sustainable production and consumption patterns, creating new medical, educational, environmental solutions. For this reason, new approaches to the participation of citizens and organizations that work in the field of social innovation and social economy are being developed, contributing to the creation of more cohesive and sustainable societies and economies, among which the most productive countries are the United States and the United Kingdom, as evidenced by a quantitative analysis by Alomoto et al. [7]. Another group of researchers [8] focused on analyzing how social enterprises for labor integration use performance measurement models such as social impact assessment in their stakeholder relationships. Researchers have found that France and Denmark show the highest level of social expenditures among different countries of the world [9].

Consequently, the efficiency of the social economy will be measured in terms of usefulness for people and society, and the role of capital - in terms of the level of meeting the socio-cultural needs of the population. However, the organization of social economy system faces a number of obstacles that hinder its development. They are mainly observed in the markets of Eastern Europe, in countries with economies in transition. These obstacles are largely related to the inadequacy of the legal and regulatory framework in a country, the functioning of the shadow economy, difficulties in accessing finance and markets, insufficient opportunities for capacity building and the development of competitiveness skills in the field of employment. To reach their full potential, social economy organizations and social innovations need an enabling environment to maximize their socio-economic impact. This requires the creation of a coherent and supportive political ecosystem to support their development [10]. To solve these problems, Europeans are developing most effectively in this direction. In particular, the European Union and international organizations (World Bank, Organization for Economic Co-operation and Development, International Labor Organization, United Nations) are developing horizontal policies in the context of the social economy and targeted programs to support social enterprises and social innovation. Thus, to have a competitive social market economy, the European Commission has placed social economy and social innovation at the center of the national economy. Thus, within the framework of the Europe 2020 strategy [11], inclusive growth is being implemented in the context of increasing employment and strengthening social cohesion. In the framework of the flagship initiative "Innovation Union", new jobs are created with the help of innovative means to replace people lost as a result of the crisis (health, population ageing, lack of resources) [12]. The European Platform against Poverty and Social Exclusion [13] promotes programs to provide the population with a guaranteed minimum income to

ensure an acceptable standard of living in a given society. The considered practice, in accordance with the development and functioning of the social economy in Eastern Europe, in particular the Russian Federation, is in a latent form, which is largely due to the low level of cooperation between social and economic policies in the context of financial security [14]. Thus, despite sufficient interest in the chosen topic, there is a research gap. This gap lies in the insufficient analysis of specific strategies and policies aimed at supporting the social economy in different countries of the world.

Based on the above, this study seeks to explore the practical approaches being developed within the social economy and to evaluate their practical implementation in the context of a shared vision. Thus, to raise awareness of the social economy's contribution to the national economy in the territorial profile of different countries of the world in a market environment and to study public policies and exchange best practices, it is relevant to make an in-depth analysis of the institutional framework as well as the practical acceptability of the social economy.

The purpose of the study is to correlate the declared ideas of the concept of social economy with the peculiarities of its practical implementation.

Problems that need to be solved to achieve the general research goal are as follows:

- 1) Defining the modern identification and recognition of the social economy on a global scale;
- 2) Making a historical overview of the evolution of the concept of social economy, highlighting its values and characteristics;
- 3) Carrying out an external audit between the declared ideas and practical application in different countries of the world in a market environment.

This study highlights general concepts and basic principles of social economics. It aims to evaluate the effectiveness of various approaches and best practices in the development of the social economy in an international context. The novelty of the study is an attempt to analyze the relationship between the concepts of social economy and their practical implementation in different countries of the world. Such analysis can contribute to understanding the effectiveness and relevance of this direction of economic development. The structure of the article includes the following sections: Introduction, Materials and Methods, Results, Discussion, and Conclusions, as well as recommendations for further research.

2. MATERIALS AND METHODS

The study uses various methods of analysis to examine social economy issues from different points of view. For the external audit, a specification was used. The specification included the identification of agents of the approach to social economics, their characteristics, and economic and social dimensions. This method allowed for the analysis of similarities and differences between theoretical approaches to the social economy and their practical application in different countries. In addition, methods such as analysis, synthesis and systematization, as well as comparison, contributed to a deeper understanding of various aspects of the social economy and their impact on economic institutions in different countries.

The presented research aims to assess the pragmatic basis of the social economy and is related to questions of politics and utility to the population under the influence of business practices in society. The theoretical framework is based on concepts that focus on social practices: Monzón and Chaves [10]; Kosygina [14]; Schwab [1]; Alomoto et al. [7]. The empirical basis is the reporting and measurement tools of experts from international organizations: International Labor Organization [15]; United Nations [16]; World Economy Forum [17]; World Bank [18]; OECD [19]. The criteria of analysis are the economies of the United States and Europe to make an in-depth analysis of the social economy's practical features in the implementation of various policy packages for the studied territories. The methodological toolkit of the study consists of analysis, synthesis and systematization, as well as the method of comparison and external audit.

The study consists of three parts. The first part of the study is aimed at studying the modern identification of the social economy and its institutional recognition on a global scale. The selection of representatives and organizations for institutional identification was based on case studies [1, 14]. These studies describe in detail the formation of the mechanism of the social economy in the United States and European countries in a modern market. The works of research groups of international organizations were also taken into account [10, 15, 19] in the field of social protection within the framework of the Sustainable Development Goals. The time frame of the first stage covers 2019-2022. The second part contains a historical review [10] of the social economy concept evolution, with the aim of defining the ecosystem of the social economy, which is designed to achieve scientific and political consensus, highlighting its values and characteristics. In the third part of the study, an external audit of the declared ideas in theoretical approaches was carried out - the concept of the third sector (TS), the concept of social economy (SE), the concept of nonprofit organizations (CNO), and practical application in the context of different countries in the market. External audit includes the following specification: identification of agents of the considered approach, their characteristics, economic and social dimensions. Thus, with the help of an external audit, an analysis was made of similarities and differences of social economy's theoretical approaches. This analysis explains in detail the degree of conformity of the declared ideas with respect to practice in different countries of the world and the weight of the social economy in the territorial profile of a country.

The object of the research is the economic institutions of different countries of the world in the conditions of the modern global market. The selection criteria for representatives and organizations involved in the study rested on several key principles. First, the included representatives had a significant impact on the social economy in their regions or countries. This category may include leading organizations, experts who actively research the topic of social economics, or representatives of international organizations with extensive experience in the field. Second, the selected subjects met the research objectives. The latter included an analysis of the pragmatic basis of the social economy and its connection to the issues of policy and utility for the population. It was also necessary to consider different countries and regions to obtain a diverse perspective and contextual understanding of the social economy at the global level.

The subject of the research is the implementation of the concept of social economy within the economic institutions of

individual states.

3. RESULTS

3.1 Global recognition and identification of the social economy

The modern recognition and identification of the global social economy take place due to a comprehensive set of measures and initiatives. More and more countries and international organizations are realizing the importance of the social economy as a powerful tool for solving complex social and economic problems, as well as for achieving sustainable development. This process includes establishing specialized management and support bodies for the social economy, adopting laws and regulations that provide social enterprises with status and benefits, as well as researching in this field. International organizations actively participate in this process, creating platforms for the exchange of experience and the transfer of best practices. The growing interest of society in the social responsibility of business and sustainable development increases the role of the social economy. Educational programs and events distribute knowledge and attract attention to this important area. All these efforts signify the steadily growing tendency to recognize the social economy as a fundamental tool for creating a more just and sustainable society.

In international development discourse, the term social economy [1] is used to refer to the expanding scope of economic activity of organizations driven by values and practices related to basic needs, inclusiveness, equity, and sustainability. From the perspective of the International Labor Organization [15], the social economy is viewed through the prism of four dimensions of decent work for all: 1) productive employment, 2) social protection, 3) respect for rights, and 4) social dialogue. The formation of the social economy in countries with economies in transition is associated with education, health care, and social security, which set the vector for the development of a socially-oriented economy [15, 20] (Table 1).

The historical origins of the evolution of the concept of social economy go back to the 19th century and develop until the second half of the 20th century. There are three main theoretical approaches related to social economy [10]:

1) Third Sector (TS) concept - used mainly in Britain, continental Europe, and other parts of the world as a synonym to social economy. The third sector includes associations and foundations, does not have a democratic structure, provides free services that are social or valuable public goods, and lies between the state and capitalist sectors;

2) the concept of a nonprofit organization (NPO), first appeared in the United States. The approach applies only to private organizations. The historical roots of this concept are associated with philanthropic and charitable ideas;

3) the concept of social economy (SE) - developed in France, has also been applied in Latin and South America. The proposed concept attempts to connect the three poles of the system: the market, the state and reciprocity. It is a hybrid form between market (sale of goods and services), non-market (government subsidies and donations) and non-monetary economy (volunteers). The potential of the social economy is as follows: the government guarantees the production and distribution of goods and services necessary to ensure an

acceptable standard of living for its population. In Latin America, this concept is developing as a global alternative to capitalism, and in South America - as an alternative economy/people's economy focused on the needs of the country's population.

It is important to note that the described approaches are based on the fight against all kinds of social risks - poverty, unemployment, loss of health, social isolation. At present, theoretical approaches that have been developed on the basis of these concepts take place in modern economic systems and consider the social economy not only as part of industrial policy and society, but also as an ecosystem, consisting of many participants (Figure 1).

Table 1. Modern identification and institutional recognition of the social economy

Representatives/ International Organizations	Concept
European Union [10]	The social economy includes a set of organizations (cooperatives, mutual aid societies, associations, foundations) that do not belong to the public sector, act in a democratic way with members who have equal rights and responsibilities, and practice a special regime of ownership and distribution of profits, using surpluses to expand the organization, improve its services for members of the organization and society. The potential of a social economy lies in compatibility with the market and the state.
International Labor Organization [15]	Social economy is a concept that denotes enterprises and organizations, in particular cooperatives, mutual aid societies, associations, foundations and social enterprises, which have the specific characteristic of producing goods, services and knowledge, pursuing both economic and social goals, promoting solidarity. The social economy is guided by the principle of restoring a balance between economic, social and environmental goals.
Organization for Economic Co-operation and Development [19]	The social economy creates inclusive, creative and sustainable societies and economies by providing management solutions aimed at improving the quality of life of people and territories, while addressing socio-economic and environmental problems. The social economy traditionally refers to certain types of entities that contribute to economic activity with a pronounced social purpose: associations, cooperatives, mutual aid organizations and foundations. These organizations are guided by the following principles: 1) solidarity and reciprocity; 2) supremacy of people over capital; 3) democratic governance; 4) combination of interests of members, users and common interests (society); 5) reinvestment of surplus financial resources in services to members or society.
Alomoto et al. [7]	Social economy is a concept that is used to refer to all economic activities,

	including organizations such as associations, cooperatives, foundations, mutual aid societies, and social enterprises, which are guided by principles, values, and practices related to participation, democracy, solidarity and commitment to the environment and the pursuit of a social goal.
Kosygina [14]	The social economy is viewed in the context of the nonprofit sector, which is an active participant in social and economic transformations in the territorial profile of the country.

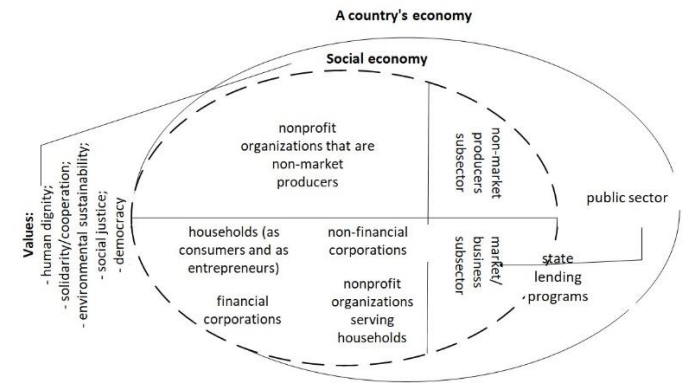


Figure 1. Ecosystem of the social economy
Source: According to data from Monzón and Chaves [10].

3.2 Subsectors and economic activity

In terms of analysis of a country's economic activity, the social economy includes two main subsectors:

1) market or business subsector:

- non-financial corporations (cooperatives; social enterprises; other enterprises based on associations; some producers in the private market; nonprofit organizations; non-financial corporations controlled by the social economy);
- financial corporations (credit cooperatives; insurance companies and cooperatives; nonprofit organizations serving non-financial organizations of the social economy);
- general government sector in the context of lending, households (as consumers and as entrepreneurs);
- nonprofit organizations serving households (individual entrepreneurship, social action funds - social security for vulnerable/at-risk groups of the population);
- other nonprofit organizations serving households (cultural, sports, etc.);

2) subsector of non-market producers - associations and foundations that produce goods and services free of charge or at economically insignificant prices (charities, mutual aid organizations, trade unions, professional or scientific societies, consumer associations, political parties, churches, or religious societies, social, cultural, entertainment and sports clubs).

There are permeability and close linkages between the two subsectors, market, and non-market. As a result, the participants in the social economy are organizations of people who carry out activities with the aim of satisfying the needs of people, rather than rewarding investors in monetary terms.

Naturally, to carry out joint or mutual activities, it is necessary to communicate with other market participants who are not participants in the social economy. According to the

presented ecosystem format, its values can be distinguished as human dignity, solidarity/cooperation, environmental sustainability, social justice, democracy and thus the features of the social economy can be formed:

- 1) it includes private entities that are not part of or controlled by the public sector;
- 2) organizations have a legal entity (formally organized);
- 3) organizations have autonomy in making decisions about their activities;
- 4) organizations are based on voluntary and open membership;
- 5) any distribution of profit or surplus among the member-users, if any, is not proportional to the capital or contributions

made by the members in their activities or transactions with the organization;

- 6) economic activity is carried out at organizations to meet the needs of people or households;
- 7) organizations are democratic in nature.

3.3 Regional trends and development

Taking into account the trends described above, the similarities and differences between the main theoretical approaches in the context of different countries of the world in the market conditions are presented in Table 2.

Table 2. Similarities and differences between declared ideas and practical application regarding social economy

Approaches	Third Sector	Social Economy	Nonprofit Organizations Sector
Agents (overwhelming majority)	Associations, foundations	Social entrepreneurship, social enterprises, social innovation	Nonprofit organizations
Features of agents	The market is not the main source of funding	The presence of a social purpose, entrepreneurial behavior, democracy, reinvestment of profits	An organization has an institutional structure and presence. It is a partner both for the state (additional funding to ensure public goods) and for business (performs the function of a socially responsible business entity)
Economic dimension	Producing social goods and services to benefit the community	Continuous production of goods and services, significant level of financial risk and minimal amount of paid work	Non-commercial distribution: manufacturers of non-marketed goods and services - supply most of their products free of charge or at prices that are not economically significant
Social dimension	Collective dynamics, joint decision making	Cooperation based on guaranteed reinvestment of all profits	Self-government, freedom of membership
Territorial affiliation	The USA	EU countries	Russian Federation

Source: The authors' development.

Table 3. Similarities and differences between the declared ideas and practical application regarding the social economy

Approaches	The Third Sector	Social Economy	The Sector of Non-Profit Organizations
Agents (the vast majority)	Numerous non-profit organizations, including public, charity, volunteer, etc.	Social enterprises, cooperatives, associations, foundations and others.	Various non-profit organizations, such as public organizations, charitable foundations, volunteer organizations, etc.
The features of agents	The main focus is on the positive social impact and support of society	Organizations have a social Orientation and use profits to achieve social goals	Non-profit organizations are guided by the values of social responsibility and sustainability; they strive to improve society through their activities
Economic dimension	Economic sustainability through a variety of financial sources	Economic aspects combined with social orientation and positive impact on society	Non-commercial goods and services with a social purpose, balancing between profit and social benefit
Social dimension	Focus on social responsibility and social needs	The integration of economic and social goals, creating a positive impact and improving social conditions	The main goal is to meet social needs and solve social problems through their activities
Territory	The USA	European Union countries	The Russian Federation

Source: Author's development

In summary, it is necessary to note that approaches to the social economy - the third sector, the social economy, and the sector of non-profit organizations - have many similarities (Table 3). Nevertheless, there are differences in their methods of solving social problems and the ways to achieve their goals. Thus, the similarities include the following:

- All approaches aim to improve society, solve social problems and create positive social influence.
- In all three approaches, a key role belongs to non-profit organizations focused on public goals; these organizations do not primarily pursue financial profit.
- Their focus is on social responsibility and sustainability, striving for a balanced combination of economic and social

aspects.

The differences can be the following:

- The third sector organizations focus on positive social impact and support of society, including a variety of non-profit organizations and activities.
- In the social economy, the emphasis is on the combination of economic and social aspects, where social enterprises, cooperatives, and associations play an important role.
- The sector of non-profit organizations emphasizes social responsibility and solves social problems through a variety of public organizations, charitable foundations, and volunteer structures.

Therefore, although the approaches have various

peculiarities, their common goal is to solve social problems and improve people's lives. To this end, the approaches employ non-profit organizations, a positive impact on society, and a balanced combination of economic and social aspects. In addition, in the approaches to the social economy in different regions, there are the following general trends:

The USA: The USA has a rich third sector, where numerous non-profit organizations play a key role in solving social problems. Organizations in this sector focus on the positive social impact and support of society. An important feature is the multiplicity and diversity of organizations that strive for economic sustainability through a variety of funding sources.

European Union countries: The concept of social economy is actively developing in the EU countries. It includes social enterprises, cooperatives, associations, and other forms of organizations that combine economic and social goals. A special feature is the desire of organizations to positively impact society and improve social conditions. These organizations use profits to achieve social goals and solidarity, contributing to an innovative approach to social problems.

The Russian Federation: In Russia, the sector of non-profit organizations plays a significant role in solving social problems. Organizations in this sector combine values of social responsibility and sustainability. Economic and social aspects closely interact in the activities of organizations that produce non-commercial goods and services for a social purpose. This sector strives to meet social needs and solve social problems by introducing innovative solutions.

Thus, different countries adhere to different approaches to the social economy. Their goals and development vector depend on their historical, cultural and economic characteristics. Nevertheless, in general, they all strive to solve social problems through non-profit organizations and create positive social influence.

4. DISCUSSION

Currently, global economic and political instability has highlighted the shortcomings of the current development system, which is reflected in the need for an alternative development paradigm. Experts from the group of the European Economic and Social Committee (EESC) [10] argue that the social economy is a viable solution to restore the balance of economic, social, and environmental goals for the sustainable development of society. In this regard, more and more governments around the world view the social economy as an area of activity that is relevant to solving problems related to employment, service delivery and the level of social cohesion [21]. The World Bank also pays attention to the strategy for social economy development [18], the main goals of which are to help people, regardless of gender, race, religion, ethnicity, age, sexual orientation, health, to overcome the obstacles that prevent them from full participation in the active social life of society and support their efforts to shape their productive future. This strategy involves working with governments, communities, civil societies, businesses to create more inclusive societies. As a result, together with empowerment for everyone, there is a reduction in poverty, which entails an increase in the quality of life of people. Thus, the spectrum of activities of the social economy, which is engaged in finding sustainable and social solutions to today's problems, is fully consistent with the United Nations Sustainable Development Goals [16]:

- poverty eradication;
- good health;
- access to education;
- gender equality;
- ecosystem;
- circular economy;
- decent employment;
- expanding digitalization and innovation;
- reducing inequalities;
- partnerships for sustainable development.

The experts of the High School of Economics [22] confirmed the importance of social economy in the context of the nonprofit sector (following the above-described paradigm), which is an example of resilience in markets with economies in transition, while other sectors of the economy are experiencing difficulties, for example, in the context of the COVID-19 pandemic. In the current conditions, national economies reflect the need for agents of the social system that combine social, economic, and environmental aspects and can create income (profitability and profit) not only in terms of financial capital but also with their social capital (meeting the needs of society and social cohesion), on the example of volunteering.

Barroso [11] summarized that to maintain the growth of the social economy nationwide, a prerequisite is the normative support of the social economy from the state, especially for social enterprises that see their participation in a more responsible economy and are willing to invest in people. The plurality of participants in the social economy strengthens their place in society, through microeconomic actors based on free, democratic, voluntary, and open membership, created by civil society to meet the needs of individuals, households, and not to reward or shield investors:

- 1) non-market subsector of the social economy (associations and foundations);
- 2) market subsector (cooperatives, mutual aid societies and similar organizations);
- 3) hybrids of market/non-market subsectors (e.g., social enterprises) with a wide range of resources (funds in the market, government subsidies and volunteering) and actors (participants, employees, volunteers, companies, and government bodies).

Thus, the spectrum of organizations considered above - market/non-market, of mutual interest over the last century has formed the third system of the economy [23]. The first system is business, which is profit-oriented, the second system is public administration, oriented to public services and planning support, and the third system includes the voluntary sector - associations and the family economy. In other words, the third system was formed as a result of life decisions of social assistance to vulnerable social groups through a variety of production activities. As for the subjects involved in the third system, as a result of international comparison [24], there is a tendency that associations and foundations are the main actors of social entrepreneurship in the United States. In Europe, preference is given to the cooperative tradition, which has become the basis for the development of social enterprises, social entrepreneurship, and social innovation, and in countries with economies in transition - the nonprofit sector. Summarizing various essential interpretations of the social economy system [25, 26], one can state its ability to create and maintain jobs, social cohesion, and environmental protection, which balances the national economy, acting as a protective shield against economic crises and global problems.

Nevertheless, in many countries, in practice, there is no recognition of the social economy, which leads to inconsistency in the intercountry comparison of the activities of social economy agents at the global level [27].

Myamlin [28], while researching the markets of countries with economies in transition, found that the weak implementation of the social aspect in the domestic market of a country leads to an increase in the differentiated standard of living among the main social and demographic groups of the population (able-bodied, pensioners, children, people with disabilities). In parallel with economic inequality, the components of social disability (social justice, solidarity, partnership, security) are becoming the main catalyst for this negative process.

Based on the tendencies of global social development, there is a connection with the processes of socialization of the world economy. Countries are creating a global socio-economic space that serves as a platform for cooperation in solving problems and ensuring a decent standard of living for the population within the welfare state [29]. As the researcher notes, the concomitant changes in the implementation of the social economy in practice result in the need to measure social impact, which includes changes in production and growth of services, as well as increases and changes in volume, nature, and purpose in the evaluation of public policy. This also applies to states that have economies in transition, the main problem of which with regard to the development and functioning of the social economy is low financial security, inconsistency of economic and social policies in the domestic market of the country and legislative insolvency, which moves away these countries from the search for potential sources of financing and makes their social enterprises relative [30, 31]. As for recommendations for future research, it is necessary to explore the cross-sectoral partnerships between social economy organizations, government agencies, and private enterprises, as well as its role in achieving the Sustainable Development Goals and strengthening social cohesion.

5. CONCLUSIONS

As a result of the study, it was found that, regardless of the economic profile of a country, the social economy represents the potential for creating and maintaining employment, improving the quality of life, reducing income inequality, and promoting the development of the local territory. The system of social economy in a market environment is actively spread in the EU countries, a moderate spread takes place in the USA, and in countries with economies in transition, in particular, the Russian Federation, the development of a social direction in the economy can be traced in the context of the nonprofit sector. The agents of the social economy in the EU countries are social enterprises, social entrepreneurship, and social innovation, in the USA - associations and foundations, and in the Russian Federation - nonprofit organizations. A distinctive feature of the European approach to social economics is its focus on ensuring the values of democracy, stability, and openness of markets.

The results of the study highlight the important role of the social economy, which is a viable alternative way of solving global problems at the local level and positions itself in the context of a just society in which the production of goods and services is based on socially responsible values.

The results of the study open up new prospects and important opportunities for the development of the social economy as a key tool for solving global social problems. Regardless of the country's economic profile, the social economy has the potential to create and maintain jobs, improve the quality of life, reduce income inequality, and promote local development. This research can be an effective basis for developing programs aimed at promoting socially oriented organizations and enterprises. The presented findings can serve as a source of information for decision-making by policy makers regarding the development and functioning of social justice for sustainable development.

The implications of the study highlight the importance of the social economy as an essential element of a just society, in which the production of goods and services rests on socially responsible values. The social economy offers an alternative to existing principles of development. Moreover, the social economy is promising and vital for building the future of a just and sustainable society.

The main limitation of the study regarding the analysis of the social economy is the weak vindicability of empirical data in countries with economies in transition, which forms a contradictory picture of the institutional environment and requires a more in-depth consideration of the ecosystem of entrepreneurial activity in the financial markets of Eastern Europe.

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