

CROWDFUNDING IN SOCIAL ENTREPRENEURSHIP: EUROPE AND UKRAINE

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INTRODUCTION

Promoting social efficiency is a key aspect of the development of modern social entrepreneurship. This form of business is defined not only by financial success, but also by a positive impact on society and the environment. Evaluating the effectiveness of a social enterprise requires a comprehensive approach covering various aspects of its activity.

First, it is important to define the social goals facing the enterprise and to determine how they correspond to the needs and challenges of society. Then the specific results and impact of the projects on the social and environmental level should be assessed. Taking into account such indicators as the employment of vulnerable groups, improving the quality of life and improving environmental indicators, allows you to objectively measure social efficiency.

In addition, it is important to consider market indicators and financial results, but in the context of their relevance to social goals. The ability to secure sustainable funding allows a social enterprise to survive and expand while ensuring lasting social impact.

Social entrepreneurship and crowdfunding play an important role in solving social problems and supporting social enterprises. Attracting investment resources is a crucial problem for enterprises at all stages of its development, regardless of the form of ownership and size.

One of the main goals of any entrepreneurial activity is to make a profit, the enterprise may aim to ensure financial stability, profitability and effective work to ensure the profitability of its activities, but the emergence of social entrepreneurship is the result of modern economic development, which is influenced by the values and traditions of enterprises, state institutions, charitable organizations and volunteer movements. Economic crises such as the COVID-19 pandemic and Russian aggression against Ukraine have greatly affected entrepreneurship in Ukraine, and the goals are focused on solving social, cultural and environmental problems.

In European, social entrepreneurship crowdfunding is an effective mechanism for solving social problems and supporting social enterprises, which promotes innovation and positively affects the economy and society. Great Britain has a special approach to social services through the public and non-profit sector Scandinavian countries, where the level of social security of the population is high, non-profit organizations are mainly aimed at the sphere

of entertainment and culture, and not at solving unemployment problems, but in these countries there is a strong cooperative movement that covers various fields, including labor cooperatives. The example of Germany and Poland shows the success of social enterprise crowdfunding and Ukraine can adopt the experience of foreign countries.

1. Peculiarities of the development of crowdfunding in social entrepreneurship

Attracting investment resources is a key issue at any stage of enterprise development, regardless of its form of ownership and size.

The choice of methods of financing an enterprise becomes especially important in times of crisis, when the efficiency of its activity is severely limited. Finding ways to attract resources to finance operations, financial operations and investments is becoming one of the most urgent problems for modern Ukrainian enterprises.

Enterprise finance defines a set of forms, methods, principles and conditions related to its financial support both in the short term and in the long term. From time to time, societies experience periods of political and economic turbulence. Economic crises, such as the coronavirus pandemic, Russian aggression against Ukraine, have strongly affected entrepreneurship in Ukraine, regardless of scale – from small to large enterprises. In such periods, choosing the optimal source of financing for legal entities becomes especially important.

One of the main goals of any entrepreneurial activity is to make a profit, the enterprise may aim to ensure financial stability, profitability and effective work to ensure the profitability of its activities, but the emergence of social entrepreneurship is the result of modern economic development, which is influenced by the values and traditions of enterprises. state institutions, charitable organizations and volunteer movements.

Social business is designed to solve problems and meet needs that the public sector cannot help with, and the private sector is not interested in.

Working in any field – from the provision of services to the production of goods – social entrepreneurs solve a number of important issues, such as: overcoming unemployment of vulnerable population groups, social protection, environmental protection, protection of human rights, development of education and culture, beautification initiatives, etc. That is why social entrepreneurship is also called the evolution of business, or even the revolution of non-profit activity¹.

¹Координатор проєктів ОБСЄ в Україні. Практичний аналіз розвитку. URL: <https://www.osce.org/files/f/documents/a/9/426392.pdf> (дата звернення 10.06.2024)

Social entrepreneurship is an ordinary entrepreneurial activity, but the basis of which is the obtained social value. Its advantage over other forms of providing social services lies in the implementation of entrepreneurial activity on the border with charity, while the goal is the realization of a social mission based on the identification and satisfaction of the needs of the end user of the service. This way of conducting the economic activity of commercial and non-commercial enterprises, based on innovative methods, is able to ensure a balance between the necessary level of self-sufficiency and profitability and the solution of current social problems. In other words, social entrepreneurship is one of the pillars of the country's economic and social well-being.

Unlike traditional entrepreneurship, social entrepreneurship is based on such basic principles²:

- Social influence. The main goal of this type of entrepreneurship is to solve or alleviate existing problems in society.
- Self-payment. Despite the special status, the enterprise must be profitable, primarily in order to be able to conduct social activities.
- Entrepreneurial approach. An entrepreneur must be able to find opportunities for development, accumulate resources, make decisions that will positively affect society in the future.

In recent years, social entrepreneurship has turned into a very important and effective tool for solving social problems, both for civil society and for small and medium-sized businesses in our country.

Social entrepreneurship is a relatively young business tool in Ukraine, which through innovative concepts responds to social challenges, creates additional social value and, at the same time, generates income for its further development. One of the main rewards for a social entrepreneur is recognition of his mission and work results.

The creation of a social enterprise is primarily an influence on changes in values. The value it creates cannot be accurately measured because it is based on things that go far beyond what can be captured in financial measurements.³

Objective evaluation of activity results social entrepreneurship and their contribution to the solution of a certain social problem is a necessary prerequisite not only for their perception and recognition by society, but also for increasing the efficiency of their activities and further development. At the same time, such an assessment has distinctive features due to the specifics of

² Диба М.І., Гернего Ю.О. Глобальні тенденції та потенціал розвитку ринку краудфандингу в Україні. Економіка України. 2020. № 2 (699). С. 66-79. URL: <https://doi.org/10.15407/economyukr.2020.02.066>

³ 20 краудфандингових платформ – UASpectr. Новини про технології та бізнес. URL: <https://uaspectr.com/2020/05/18/20-kraudfandynhovyyh-platform/> (дата звернення: 10.06.2024)

themselvesocial enterprises. The fact is that a social enterprise simultaneously has two closely interconnected systems of goals. One (priority) is aimed at solving a certain significant social problem. The second (subordinate) is to achieve profitability (self-sufficiency or partial self-sufficiency). At the same time, the achievement of the subordinate goal forms the basis for the implementation of the priority goal. So, in the process of evaluating the activitysocial entrepreneurshipit is necessary to clearly distinguish the social and business results of its functioning. The choice of focus of evaluation significantly affects its methodology.

Recently, social entrepreneurship is one of the most relevant areas of practice and research. However, despite the growing popularity of social entrepreneurship, scientists and practitioners still have not reached a consensus on a single definition of social entrepreneurship⁴.

Social entrepreneurship is gaining momentum every year, the general understanding of "Social entrepreneurship" is based on the fact that it is an activity that solves such problems as: social, cultural, environmental with the help of business methods.

The main areas of activity of social enterprises are the union of the workforce of vulnerable population groups in society, the provision of personal social services and the development of less developed population groups.

Special attention is paid to solving old social problems. Although social enterprises are not the focus of government attention, local authorities are beginning to take a new look at their impact on community development⁵.

Social enterprises try to be commercially successful, ecologically sensitive and create social values. Social enterprises can receive financial support from various sources, for this we will understand what types it is divided into, shown in Figure 1.

External sources of financial support for social enterprises include cash and resources from investors, grant programs, crowdfunding, government initiatives, etc. At that time, the internal ones play an important role in the functioning and provision of the social mission of the enterprise.

For social enterprises, it is necessary to effectively use crowdfunding as a means of innovation to attract financing for their needs and aimed at achieving social goals. There are also quite a few definitions of "crowdfunding", but its main purpose is to attract funds to finance enterprises, based on which funds are collected from a small number of people. The crowdfunding method is

4 Соціальне підприємництво: посібник для викладачів курсу / за наук. редакцією к.е.н. А. О. Корнецького. Київ : Фамільна друкарня Huss, 2019. 160 с.

5 Богацька Н.М. Перспективи розвитку соціального підприємництва в Україні. *Економіка та суспільство*. 2023. № 53. <https://doi.org/10.32782/2524-0072/2023-53-4>

gaining momentum nowadays and allows you to create your own projects and attract funds from potential sponsors.

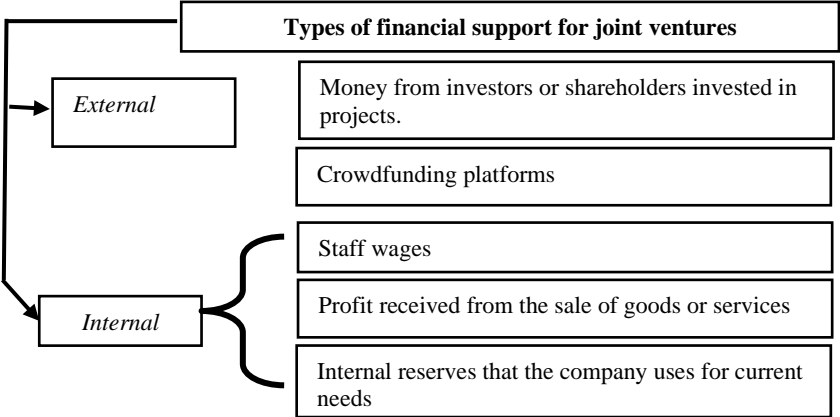


Figure 1. Types of financial support for social enterprises

The history of crowdfunding in Ukraine begins about a decade – starting with the foundation of joint funds in 2012 on the basis of the "Big Idea" platform, now it is a powerful tool for companies and enterprises.

Crowdfunding comes from two English words: crowd and funding.

The principle of crowdfunding is to use online platforms to pool small investments from individuals or groups. This type of investor is motivated by supporting the social mission of the company and the effectiveness of the pledged business model.

So, crowdfunding is financed by attracting a large number of small sums of money from many people. Let’s consider the main definitions of the concept of "crowdfunding" in the Table 1.

Depending on the financial expectations of the people who support the project and the provision of funds, there are different types of crowdfunding:

- Based on donations – in this type of crowdfunding, the sponsor provides funds for social motivation, he does not expect any reward or profit from the implementation of the project.
- Based on the reward – the sponsor provides funding and hopes to receive a non-financial, purely symbolic reward, such as concert tickets or products that he finances on the crowdfunding platform.

So, these two types of crowdfunding are the most common when implementing projects in the field of cultural and creative industries.

Major donation-based and reward-based crowdfunding schemes include the following:

- "All or nothing" – contributions from sponsors belong to the author of the project only if they are finally collected in order to reach the requested amount. If this does not happen, the funds will be returned to the sponsor in full.
- "Everything remains" – the author of the project receives all contributions from sponsors, regardless of whether the project is collected or the required amount is met.
- Subscription – sponsors indicate the amount of funds that will be automatically transferred to the account of the project or organization they are ready to support.
- Free price – sponsors independently determine the amount of the project and their contribution, and then the author of the project receives the collected funds.
- The breaking point or "tipping point" – if the minimum accepted amount is collected, the funds will be transferred to the authors of the project⁶.

Table 1

Basic interpretations of the concept of "crowdfunding"

Source	Definition
Akhnovska I.O., Levchenko O.V. ⁷	Crowdfunding as a source of financing
Bahur N.V. ⁸	Crowdfunding is public funding
Gulyaeva L. ⁹	Crowdfunding is a joint effort of many people who pool their resources to support ideas and projects initiated by other people or organizations. Usually, modern crowdfunding is implemented with the help of the Internet, and more recently with the use of social networks and specially created crowdfunding platforms.

⁶ Богацька Н.М. Сучасний стан та перспективи розвитку соціального підприємництва в Україні. *Соціально-політичні, економічні та гуманітарні виміри європейської інтеграції України*: зб. наук. пр. XI Міжнар. наук.-практ. конф., м. Вінниця, 25 вересня 2023 р. Вінниця, 2023. Ч. 1. С. 13-25.

⁷ Ахновська І. О., Левченко О. В. Розвиток краудфандингу для фінансування малого бізнесу в умовах інформаційної економіки. *Підприємництво та інновації*. 2021. № 16. С. 76–82. URL: <http://www.ei-journal.in.ua/index.php/journal/article/view/408/395>

⁸ Бахур Н. В. Краудфандинг та краудсорсинг як інструменти стимулювання розвитку регіонів та громад. *Ефективна економіка*. 2021. № 9. URL: http://www.economy.nauka.com.ua/pdf/9_2021/87.pdf

⁹ Волосковець Н. Ю. Корпоративна соціальна відповідальність підприємств як основа інноваційного розвитку сучасної економіки. *Наукові праці Кіровоградського національного технічного університету*. 2010. Вип. 17. С. 125-130.

There is also a subspecies of crowdfunding, which is divided into crowdlending and crowdinvesting. Crowdlending is a model of collective financing in which sponsors combine social and financial motives: they finance a socially important project and expect a return of their money, possibly even with interest. Crowdinvesting is a model of collective financing in which sponsors combine social and highly financial motives, they finance a project in exchange for a share of the project, also receiving part of the rights to the product. Crowdlending and crowdinvesting focus on providing funding to organizations, not individual projects.

Crowdfunding, as a method of attracting financial resources, uses models, detailed characteristics are shown in Table 2.

Table 2

Characteristics of different crowdfunding models

Crowdfunding model	Characteristics	Advantages	Disadvantages
Crowdfunding Based on donations	Funding based on social motivation, sponsors do not expect any financial compensation or profit	1) The possibility of attracting funds without the obligation to return them 2) No risk for investors	Sponsors do not have any financial incentive, so it is difficult for entrepreneurs to attract significant capital
Reward-based crowdfunding	Participants provide funding and expect a non-financial reward, such as a token gift, of the product or service they fund	Low risk for participants as they receive no financial reward	Potential income for entrepreneurs is small, there is no mechanism to protect the interests of participants and accountability of the company. High competition
Crowdinvesting	Investing money in exchange for a share in the company or even the right to receive dividends	The possibility of attracting capital for the development of social business.	Potential loss of capital as shareholders have lower priority in bankruptcy.
Crowdlending	Sponsors provide debt instruments with a fixed rate and a defined repayment term.	The specified percentage of return to the captain in the stipulated period.	There is a high probability of failure of the startup, the presence of a stable flow of funds for repayment.

Consequently, crowdfunding has become the main tool for financing social enterprises, which allows the public and investors to receive financial support for the implementation of social and environmental projects. In conclusion, crowdfunding is an innovative financing method that allows social enterprises to raise funds from various sources, including the public, investors, and other organizations.

Crowdfunding models include: donations, rewards, investments, debt instruments, each model provides insight that crowdfunding can help social enterprises achieve social and environmental missions to attract investors who are interested not only in financial, but in social outcomes.

2. Peculiarities of the development of crowdfunding of social entrepreneurship in European

In European, social entrepreneurship crowdfunding has become an effective mechanism for solving social problems and supporting social enterprises, which in turn help support innovations that have a positive impact on society and the economy.

Crowdfunding and social entrepreneurship are becoming increasingly important for solving social problems not only at the national, but also at the global level, together they form a new way of doing business, and influence the growing concern about social and environmental problems. Entrepreneurship with a social goal is increasingly recognized as a separate direction of economic activity, the main goal of which is not only profit, but also the solution of social and environmental problems.

The development of the European crowdfunding market began in 2012, in the early stages the Netherlands and Italy were the leaders. Crowdfunding creates opportunities for financial support for social enterprises and promotes development in various countries¹⁰:

In Scandinavia, where the level of social security of the population is high, non-profit organizations are mainly focused on the sphere of entertainment and culture, and not on solving the problems of unemployment, but in these countries there is a strong cooperative movement that covers various fields, including labor cooperatives.

On the example of Great Britain, where the level of public spending on social services is relatively low, activities in the non-profit sector play an important role in the provision of social services relatively low, activities in

¹⁰ Соціальне підприємство: посібник для викладачів курсу / за наук. редакцією к.е.н. А. О. Корнецького. Київ : Фамільна друкарня Huss, 2019. 160 с.

the non-profit sector play an important role in the provision of social services, mainly financed by business organizations¹¹.

In the 1980s, Great Britain introduced a pseudo-welfare model, where the state must retain the function of funding and regulating social services, and both public organizations and non-profit and for-profit entities can provide social services.

Great Britain is actively attracting funding from various specialized financial institutions. On table 3. contains information about sources of funding for British social enterprises that actively raise funds for the implementation of their social initiatives and projects.

Table 3

Funding sources for UK social enterprises

Sources of funding	Example of organization / funds
Local and international funds	Ashoka, Big Lottery Fund, ClearlySo, Co-operavite, Community Finance
Credit unions	Unions that guarantee loans to social enterprises
"Trust funds"	Foundations that provide financial support
Venture organizations	Impetus - PEF
"Social" investors of the organization	Big Issue Invest, Bridges Ventures, CAF Venturesome, Social Finance
Social stock exchange	Social Stock Exchange
Online is a platform	Ethex
Crowdfunding platform	Abundance
Financial instruments	Social Impact Bonds and MicroGenius

Sources of funding include various financial institutions, funds, organizations of "social" investors, the stock exchange, crowdfunding and online platforms that promote development in Great Britain, such active development of social entrepreneurship would not be possible without active support from the state.

The main features of crowdfunding social entrepreneurship are:

- The existence of a legislative and regulatory framework that regulates and regulates the functioning of entities and its state support.
- System of state programs to support social entrepreneurship.
- Distribution of support functions between authorities.

¹¹ Богацька Н. М., Боросюк Н. О. Особливості розвитку соціального підприємництва в країнах ЄС. *Міждисциплінарні дослідження науки XXI століття* : матеріали ІІІ Всеукраїнської науково-практичної Інтернет-конференції молодих учених та студентів, 1 грудня 2023 р. Київ: ВНЗ «Університет економіки та права «КРОК». 2023. С. 16-19.

– Funding sources, including crowdfunding, that provide an opportunity to raise funds.

– The social impact of crowdfunding is an effective tool for attracting funds and projects aimed at solving social problems.

Therefore, Great Britain is actively developing social entrepreneurship and uses crowdfunding as one of the tools for financing and supporting social enterprises.

Another example is Germany, for the development of social entrepreneurship, the environmental movements of the 1960s and 1970s, which led to the emergence of social enterprises based on already existing charitable organizations, became active.

Germany has one of the largest crowdfunding markets, only at the stage of formation, the cost of a crowdfunding operation was from 50,000 to 100,000 euros, and now such operations are valued at about 3 million euros, this growth trend will continue in the future, on Fig. 2 shows the dynamics of the crowdfunding market in Germany during the studied years 2020-2023¹².

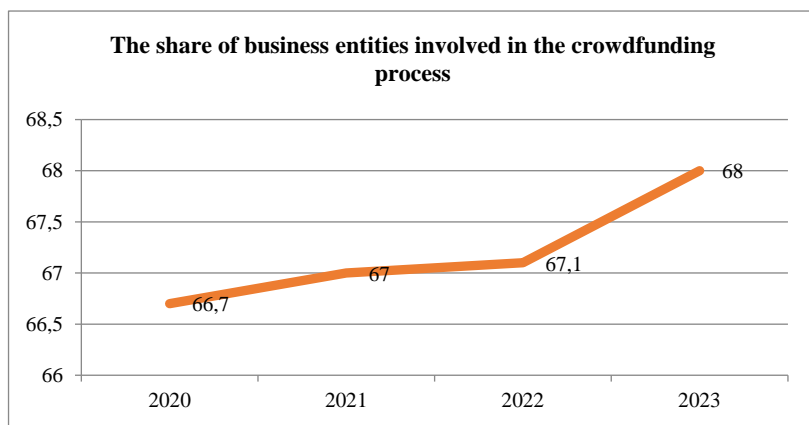


Figure 2. Dynamics of the crowdfunding market in Germany

From Figure 2 it can be concluded that crowdfunding has a general trend towards growth during the studied years 2020-2023, crowdfunding is becoming popular in the country, this is due to the fact that crowdfunding allows you to receive funds within a relatively short period of time, avoiding unnecessary intermediaries. Activity on crowdfunding platforms allow

¹² Дибя М.І., Гернего Ю.О. Глобальні тенденції та потенціал розвитку ринку краудфандингу в Україні. *Економіка України*. 2020. № 2 (699). С. 66-79. URL: <https://doi.org/10.15407/economyukr.2020.02.066>

entrepreneurs to attract financing without the complex schemes of an investment plan typical of most traditional forms of investment. At this stage, the crowdfunding market is steadily growing, as more and more entrepreneurs, creators and artists turn to crowdfunding as a means of financing projects¹³. As the COVID-19 pandemic has accelerated the trend of online fundraising, more and more people are turning to crowdfunding to support small businesses affected by the economic downturn and quarantine.

The next example of successful crowdfunding is Poland. In Poland, crowdfunding is subject to regulation in accordance with the Law of August 19, 2011 on payment services, as well as the definition of the Decree of the Minister of Finance of December 17, 2015, which concerns the regulation of payment services¹⁴.

There are two main funding models in crowdfunding:

- All or nothing model. The organizer of the crowdfunding company sets a target amount, and if this target is not reached, the money is automatically returned to the donors' accounts. The model carries a greater risk for the organizer, but at the same time it can be an important motivation for donors to reach the specified target amount.

- "Keep what you collect" model. There is no target threshold that donations must meet, meaning the organizer can withdraw all funds raised, and there are no restrictions on funds or deadlines. The model allows organizers to freely maneuver and adapt the parameters of crowdfunding companies.

Both models of crowdfunding have both positive and negative sides, they contribute to the stimulation and support of various projects, organizers have the opportunity to choose a model for financing, and donors, in turn, can join projects taking into account their own conditions, which facilitates interaction between organizers and donors. On Table 4. contains information on crowdfunding platforms for non-governmental organizations and social activists.

In Poland, the rules of crowdfunding were unified by the adoption of the "Law on Crowdfunding", which came into force on April 1, 2015. The law defines the norms and conditions for carrying out activities related to obtaining financing through online – crowdfunding platforms, and also regulates the conditions of trading in financial a tool According to this Law, crowdfunding is divided into two categories¹⁵:

¹³ Crowdfunding. Germany / Statista URL: <https://www.statista.com/outlook/335/137/crowdfunding/germany> (дата звернення: 10.06.2024)

¹⁴ Краудфандинг для підтримки ініціативи сталого соціального підприємництва / Л. Гуляева та ін. URL: <https://www.researchgate.net/publication/369560439> (дата звернення: 10.06.2024)

¹⁵ Краудфандинг для підтримки ініціативи сталого соціального підприємництва. URL: <https://www.researchgate.net/publication/369560439> (дата звернення: 10.06.2024)

– Intermediary platforms – facilitate interaction between sponsors and beneficiaries of the project, but do not participate in the financing of the project and do not issue financial instruments within the framework of crowdfunding.

– Financial platforms – actively participate in the financing of projects by issuing financial instruments within the framework of crowdfunding.

Table 4

Main crowdfunding platforms in Poland

The name of the crowdfunding platform	Features
http://www.wspolnyprojekt.pl	From one successful project, the organizer takes 7% commission for the operation
https://zrzutka.pl	The leader in the Polish market, does not take a commission for operations, but you can declare what percentage was used for the development of the project
https://www.siepomaga.pl	6% commission is paid by crowdfunding companies for their own fund, which includes: administration, marketing and other expenses
https://polakpotrafi.pl	10% commission from each successful project

Crowdfunding is an effective tool for non-governmental organizations in Poland to attract funds for the implementation of various projects and activities, on Table 5. the use of crowdfunding in SWOT analysis is given¹⁶.

Table 5

SWOT - analysis of crowdfunding in Poland

Strengths	Weak sides
Growing popularity Government support Public community	Lack of awareness Lack of experienced project managers Risk for the investor
SWOT - ANALYSIS	
Opportunities	Threats
Development of startups Development of social involvement Ability to reach a wide audience Quick fundraising for projects Early access to funding	Competition Risk of fraudulent activities Low level of social capital

¹⁶ Bahatska, N. M. & Khachatryan, V.V. (2016). Suchasnyi pidkhdid do otsinky sutnosti resursnoho potentsialu pidpriemstva [A modern approach to assessing the essence of the resource potential of the enterprise]. *Economy and society*, 3, 134–139. URL: <http://surl.li/ulykf>

Therefore, crowdfunding in foreign practice is used to attract funds from local charitable organizations, to collect funds for social projects, namely to increase investment income at the expense of funds saved by the city to meet the needs of financing certain public services, and to support the development of local enterprises. The use of crowdfunding for social enterprise is considered with coverage of countries such as the Scandinavian countries, Great Britain and Poland.

3. Analysis of the level of crowdfunding development on the example of the social enterprise "Urban Space 100"

Urban Space 100 is an example of a social business. First of all, entrepreneurs do not want to make a profit, but to solve social problems and develop their city. To attract investments, crowdfunding was needed, that is, the initiators of the project attracted 100 like-minded people, each of whom made a financial contribution of \$1,000 to realize this goal. They joined forces to lay the financial foundation for the development of a public restaurant Urban Space 100¹⁷.

The idea of development Urban Space 100 was created on the "Teple Misto" platform with the aim of creating a public restaurant in Ivano-Frankivsk, which is recognized as a successful example for socially active individuals, aimed at the joint development of the city. According to the Pareto principle, 80% of the restaurant's profit goes to 20% of the co-founders, they were the ones who got the right to distribute the profit and the funds are spent to support public initiatives in Ivano-Frankivsk.

The founder of the public restaurant is Yuriy Mykolayovych Fylyuk, the restaurant is 180 m² and has 120 seats, located in the center of the city at the address: Ukraine, Ivano-Frankivsk region, Ivano-Frankivsk, st. Mykhailo Hrushevskiyi 19¹⁸.

The story of development began back in 2014, the inspiration for creation was the wave of elevation after the Revolution of Dignity, in 85 days it was possible to irrevocably collect 1,000 dollars from each person for this cause. On December 27, 2014, Urban Space 100 celebrated its opening in the heart of Ivano-Frankivsk. Since the opening of the public restaurant, 162 projects worth UAH 6,559,032 have been financed¹⁹. Since its opening, Urban Space 100 has hosted more than 1,500 free events. The co-founders decide which projects to support within the restaurant's grant program [24].

¹⁷ Проект міжнародної технічної допомоги «Партнерство для розвитку міст». URL: <http://pledgdg.org.ua/wp-content/uploads/2020/12/SocialEntrepreneurshipDevProg-IF.pdf> (дата звернення: 11.06.2024)

¹⁸ Офіційний сайт Urban Space 100 URL: <https://urbanspace.if.ua/uk#top> (дата звернення: 10.06.2024)

¹⁹ Громадський ресторан Urban Space 100 – Підтримані проекти. URL: <https://urbanspace.if.ua/uk/projects/year/2023> (дата звернення: 10.06.2024)

The emergence and operation of a public restaurant was the result of the joint efforts of a number of partners [24]:

- "Teple Misto", which launched the project, looked for co-founders, organized the opening of a public restaurant, is the author of the project and the owner of the trademark "Urban Space", responsible for the management and development of the franchise, are shown in Figure 3 [32].

- The restaurant company "23 restaurants", which manages the establishment, takes a responsible approach to its activities and fulfills, first of all, the important UN Sustainable Development Goal – Responsible consumption and production. Ensuring responsible consumption and production is an urgent task, in order to influence the achievement of this goal, it is important to implement economic models of frugal production and joint consumption, the enterprise's activity sets itself the task of reducing the amount of food waste²⁰.

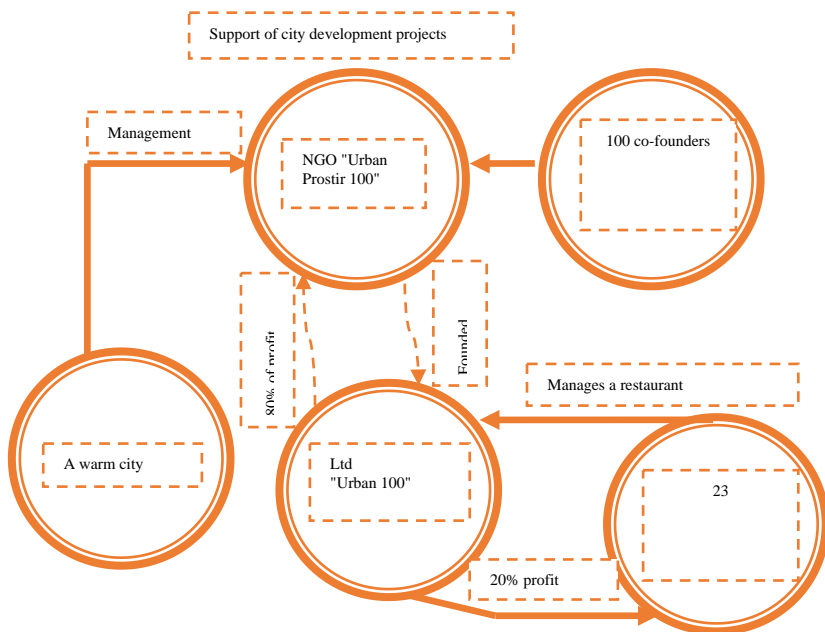


Figure 3. Organizational structure of the distribution of roles of all project participants

²⁰ Цілі сталого розвитку, Ціль 12. Відповідальне споживання та виробництво. URL:<https://business.dii.gov.ua/handbook/sustainable-development-goals/cil-12-vidpovidalne-spozivanna-ta-virobnictvo> (дата звернення: 10.06.2024)

The model of the Urban Space 100 project involves the use of two legal forms: a public organization and a limited liability company²¹.

– The public organization sets the goal of promoting the development of local communities and implementing social and cultural projects. Members of the organization may include: founders, investors, representatives of local communities. The activity of the Public Organization is subject to the Law of Ukraine on Public Organizations.

– The LLC was created with the purpose of carrying out economic activities and providing a financial foundation for the project, which provides limited liability for its participants.

Urban Space 100 interacts with the UN's Sustainable Development Goals, promoting social and environmental responsibility through the following goals: poverty eradication, fighting hunger, decent work and economic development, urban and community development, and responsible consumption and production.

Value Urban Space 100 for the community and society is primarily an opportunity to unite and support interaction between active participants of the project, co-founders and visitors of the institution. Implements its social mission through a grant program.

For various events, the establishment has a small stage with multimedia equipment, which allows the restaurant to organize various events. At the expense of monthly 25-30 free events, the public restaurant creates an opportunity for active and caring people to express their opinions, present ideas and projects to the general public²².

In Figure 5 the activity of the restaurant's events for 9 years of its existence is depicted. Events are held in a restaurant, where every event is a place of innovation and creativity, regular events only ensure a continuous flow of united creative ideas in a single public space and speed up the development of the city to improve the lives of local residents, events should not be religious or political, discriminate or without a commercial component.

The grant program of the project is formed from 80% of the profit of the public restaurant, so every guest who eats a burger or drinks a coffee makes a significant contribution to the future development of Ivano-Frankivsk. Within the framework Urban Space 100, a grant program is an innovative mechanism aimed at the development of social initiatives, provides financial support and

²¹ Тепле місто. Urban Space 100 – приклад соціального підприємництва. CASES. URL: <https://cases.media/case/urban-space-100-priklad-socialnogo-pidpriyemnictva> (дата звернення: 10.06.2024)

²² Тепле Місто. Urban Space 100. URL: <https://issuu.com/teplemisto/docs/urbanspace100ukr> (дата звернення: 10.06.2024)

resources for the implementation of projects and ideas for the improvement of public space, this program is a key factor in the development of projects, during the years 2015-2023 162 projects were financed, in table 6. the depicted funded projects for the 2020-2023 research period.

Table 6

Funded and implemented "Urban Space 100" projects for 2020-2023, thousand hryvnias

Years	Projects	Financing
2020	11	346,986
2021	18	752,897
2022	12	2,205,554
2023	17	1,090,303

Analyzing Table 6, we can note that during the studied period of 2020-2023 Urban Space 100 financed projects, in general, the largest funding was directed to projects in 2021 and 2022, with the amount of UAH 2,205,554 thousand, and UAH 752,897 thousand. in accordance. In 2023, funding decreases, but the amount is 1090303 – this can be explained by the fact that some projects received partial funding from the declared amounts and are at the stage of fundraising. The lowest indicator in 2020 in the amount of 346,986 thousand UAH, related to the global financial crisis, the COVID-19 pandemic and a new challenge is 2022, where the highest indicator of funding is related to the beginning of a full-scale Russian invasion of Ukraine. The war provoked new challenges for Ukrainians and their projects, testing their strength.

Most of the projects in 2022 were related to the creation of a military support coordination center (1,617,284 thousand hryvnias), biotechnology in the recovery of the wounded (100,000 thousand hryvnias), preservation of the historical heritage of the city of Ivano-Frankivsk by restoration of ancient doors (130,000 thousand hryvnias), production of ponchos from rain fabric for military personnel (62,000 thousand hryvnias), film screenings for the support of the Armed Forces (36,000 thousand hryvnias), protection of animals during the war, etc.

In 2023, the most important projects were the rehabilitation center for veterans (56,500,000 hryvnias), the completion of first-aid kits (57,000,000 hryvnias), the psychological rehabilitation space for military personnel (400,000 hryvnias), the provision of military life-saving equipment

(43,450 thousand hryvnias) and ensuring the effectiveness of the problem of environmental pollution (31,053 thousand hryvnias)²³.

From the studied years 2020-2023, the smallest amount for support was UAH 5,400,000. During the creation of the project "Park under feet" (2021), a 5 km race was organized, after which the participants planted trees and set themselves several key tasks: draw attention to deforestation, help people overcome fatigue from quarantine, increase motivation to do sports during quarantine. The grant program included costs for individual protection, antiseptics, work equipment and tree seedlings²⁴. The largest amount that was transferred in 2022 – to support the military of Prykarpattia, the co-founders of Urban Space 100 decided to transfer the entire grant fund, namely 80% of the net profit for two quarters (600,000 UAH), with these funds medicines were purchased from the USA, which was delivered to our defenders.

In the summer, Urban Space 100 continued to support the Save Ukraine Now center, transferring UAH 320,000. from the grant fund, and in the fall – another 80,000 hryvnias, the funds were used for the purchase of military first-aid kits and warmers for hands and feet. In 2023, 170,000 thousand UAH were allocated. in January, April – 57,000 thousand UAH, 259,872 thousand UAH. in July and October 130,412 thousand UAH. for the purchase of quadcopters with thermal imaging cameras. The total amount of the transfer for October 2023 was UAH 1,617,284 thousand²⁵.

So, Urban Space 100 is an example of a social business where entrepreneurs joined forces using crowdfunding to create a public restaurant in Ivano-Frankivsk. Their initiative not only led to the successful development of the restaurant, but also became a support for the public and the development of the city. It is noted that the measures are not limited by religious or political contexts, and the grant program is a key tool in the support and development of social initiatives. Urban Space 100 has implemented an active grant program that provides financial support for innovative projects aimed at improving the lives of local residents and city development. During the 9 years of existence of the public restaurant, 162 objects were successfully implemented for the total amount of UAH 6,559,032. The grant program is

²³ Краудфандинг як інструмент залучення коштів для фінансування стартап-проектів: аналіз зарубіжного та вітчизняного досвіду. Економіка та управління підприємствами. 2020. URL : http://www.market-infr.od.ua/journals/2020/43_2020_ukr/26.pdf

²⁴ Парк під ногами – громадський ресторан urban space 100 – підтримані проекти. Громадський ресторан Urban Space 100. URL: <https://urbanspace.if.ua/uk/projects/602ae87166b67c7b1225217c> (дата звернення: 10.06.2024)

²⁵ Save Ukraine NOW – координаційний центр підтримки військових Прикарпаття – Громадський ресторан Urban Space 100. URL: <https://urbanspace.if.ua/uk/projects/6328853e66b67c0de958a07f> (дата звернення: 10.06.2024)

formed from 80% of the profit of the public restaurant, making each guest a co-participant in promoting the development of the city of Ivano-Frankivsk.

4. Crowdfunding as an instrument for attracting financing for social entrepreneurship

Social entrepreneurship crowdfunding faced the COVID-19 pandemic and quarantine restrictions, and when they recovered, a full-scale Russian invasion of Ukraine began. All entrepreneurs faced new obstacles and challenges, it seemed that only the big market players would survive in such conditions, but Russian aggression spurred interest in crowdfunding among those who want to support public initiatives or provide assistance to regions affected by rockets and shelling.

The main advantage of using crowdfunding is the ability to attract not only financial resources, but it is also an effective means of checking the feasibility and demand of your business idea on the market, crowdfunding provides access to international markets and acts as an information stimulus to attract the attention of the media, sponsors, investors and investors to the project²⁶. The goal of most projects is to improve people's lives or help them, and crowdfunding opens up the possibility of involving the public in the process of joint creativity.

Collection of funds for projects is carried out through crowdfunding platforms, which check all projects for their credibility and realism, as well as monitor the collection of funds and the process of their implementation.

Crowdfunding takes stages for grant funding:

1. Project submission and moderation.
2. Conclusion of the contract for the launch of the project.
3. Fundraising and active promotion.
4. Implementation of the project.
5. Submission of a meaningful and financial report.

Unlike applying for grant programs, the application process for crowdfunding platforms is much simpler. In the case of receiving grants, only those projects that best meet all the criteria mentioned above are selected.

Advantages of crowdfunding platforms include:

- Targeted use of funds involves limiting the use of patrons' funds only to the needs specified in the project.
- The broad specialization of crowdfunding portals allows you to implement both business ideas and social or charitable projects.
- Transparency of projects is available to any person in full.

²⁶ Краудфандинг в Україні. Розповідаємо про платформу «Мое місто». Гвара Медіа. URL: <https://gwaramedia.com/kraudfandyng-v-ukrayini-rozpovidayemo-pro-plattformu-moye-misto/> (дата звернення: 10.06.2024)

- Focusing on the project result, the owner fully reports on the stages of implementation, and in case of failure, the funds are returned to the owners.
- Availability of entry into the minimum threshold of projects is mostly absent, you can invest with access to the Internet and free funds.
- Crowdfunding platforms provide a simple and clear interface for users without the need for a large number of documents or complex procedures²⁷.

In Ukraine, society actively responds to crowdfunding projects aimed primarily at solving social problems, as shown in Figure 4. main crowdfunding platforms of two types are depicted.

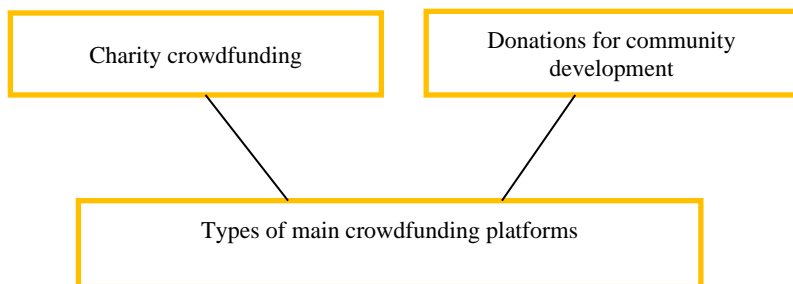


Figure 4. Main crowdfunding platforms in Ukraine

Charitable crowdfunding – projects aimed at collecting funds to solve individual problems: treatment or construction of housing affected by war, natural disaster, or funding of educational needs.

Donations for community development are projects aimed at improving the city’s infrastructure, holding educational events and expanding communication channels.

Crowdfunding platforms set certain requirements that must be met before starting the collection of investment financing, such requirements exist for the presentation of the project: relevance, qualification team, budget, terms, purpose and mechanism of implementation of ideas²⁸.

The non-governmental organization "Garage Gang" in Ukraine plays a key role in the formation of the culture of crowdfunding, having founded the first all-Ukrainian digital platform for collective financing "Spilnokost" in 2012, which has contributed to the active development of local and thematic crowdfunding platforms since 2016, such as " My City" and the educational

²⁷ Краудфандинг в Україні. Розповідаємо про платформу «Моє місто». Гвара Медіа. URL: <https://gwaramedia.com/kraudfandyng-v-ukrayini-rozpovidayemo-pro-platformu-moye-misto/> (дата звернення: 10.06.2024)

²⁸ Краудфандинг: як отримати фінанси для старту бізнесу? Школа бізнесу. URL: <https://online.novaposhta.education/blog/kraudfanding-v-ukraine> (дата звернення: 10.06.2024)

platform of GOFUND ME projects [15]. At the moment, the most popular international crowdfunding platforms are shown in Figure 5.

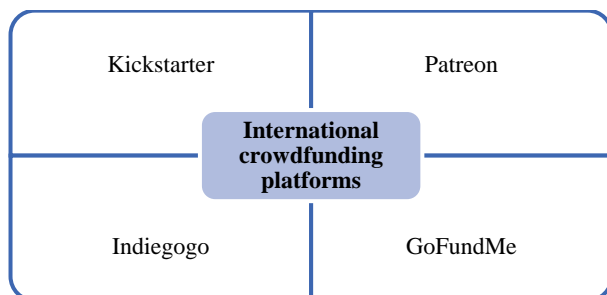


Figure 5. Types of international crowdfunding platforms

The most popular international crowdfunding platform is Kickstarter, founded in 2009. The Kickstarter platform focuses on the implementation of innovative ideas and refuses to cooperate with already existing businesses, the platform successfully collects funds to finance various creative projects, for example, musical, technical projects²⁹. Visually, the official website of Kickstarter is shown in Figure 6.

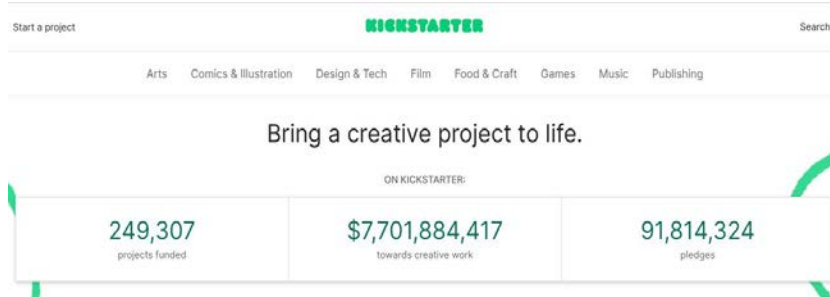


Figure 6. The official Kickstarter site

The Kickstarter crowdfunding platform has strict rules. If the required amount is not collected within the set period, all funds are returned to the sponsors who invested their funds in the project, the size and deadline of the

²⁹ Богацька Н.М. Вплив ринку праці на конкурентоспроможність соціального підприємства. *Економіка та суспільство*. 2022. № 43. URL: <https://doi.org/10.32782/2524-0072/2022-43-1> (дата звернення: 10.06.2024)

collection are set by the project author. For posting ideas, the platform offers to pay a commission of 5%³⁰.

Indiegogo is used to launch any project, but unlike Kickstarter, it is possible to raise money here for non-commercial projects. Indiegogo offers a flexible funding system that allows you to receive the collected funds even if you do not reach the initial goal – this platform is no less popular on the crowdfunding platform, but the size of the fee for using the resource depends on whether the required amount has been collected. If everything needed was collected, the commission is 4%, otherwise – 9%. Visually, the official Indiegogo website is shown in Figure 7.

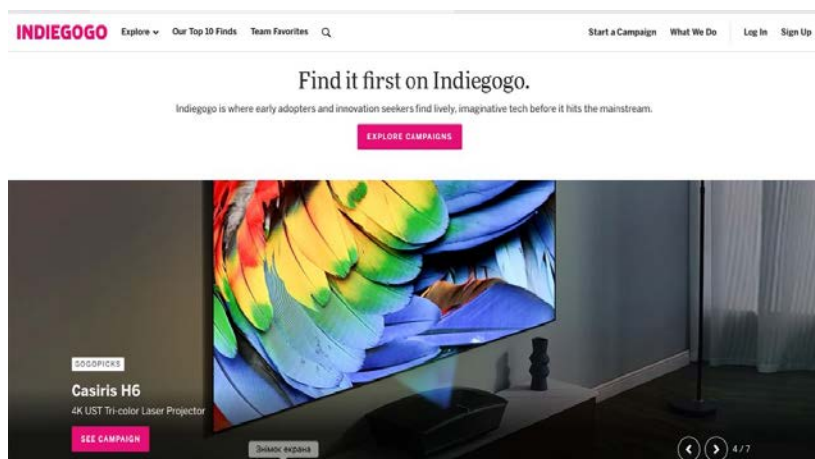


Figure 7. The official Indiegogo website

Unlike other crowdfunding platforms shown in Figure 7, which function as sites for one-time donations, Patreon offers a platform for monthly subscriptions, project donors provide monthly contributions, instead of a one-time payment, the site shown in Figure 8 the main advantage is also changing the language on the main site.

The GoFundMe crowdfunding platform is primarily used for personal emergencies, but can also be used for short-term personal projects³¹. The main goal is not to support a specific project, but to provide constant support for a

³⁰ Краудфандинг: як отримати фінанси для старту бізнесу?. Школа бізнесу. URL: <https://online.novaposhta.education/blog/kraudfanding-v-ukraine> (дата звернення: 10.06.2024)

³¹ 20 краудфандингових платформ – UASpectr. Новини про технології та бізнес | UASpectr. URL: <https://uaspectr.com/2020/05/18/20-kraudfandyngovyh-platform/> (дата звернення: 10.06.2024)

creative enterprise. The GoFundMe site is presented in Figure 9, the difference from other platforms is the receipt of all funds collected by the platform, even if they did not reach the initial goal.

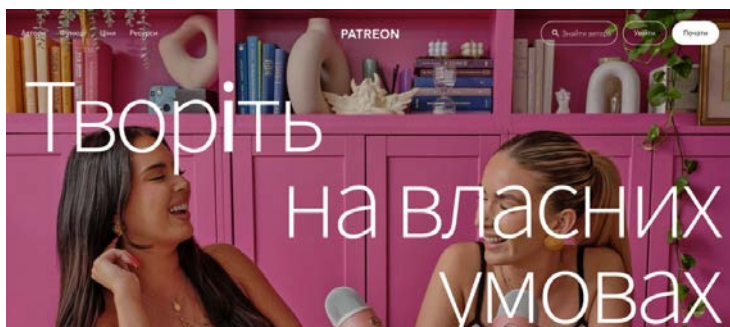


Figure 8. The official Patreon site

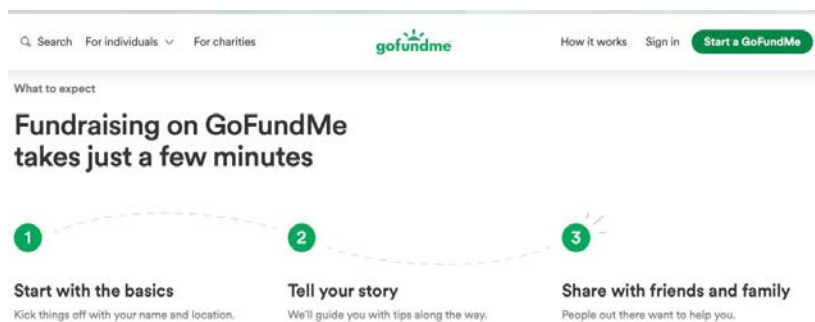


Figure 9. Official GoFundMe website

Table 7 shows references to international crowdfunding platforms and their characteristics.

So, crowdfunding can be used to support business, provide assistance to people affected by natural disasters, finance election companies or any other purpose, the main condition is to unite a group of people for one common goal.

Crowdfunding is rapidly developing in Ukraine, and there is a positive experience of fundraising for charity events through crowdfunding platforms.

The essence of crowdfunding is no different from the platforms in Europe and are just as effective, there are several different crowdfunding platforms, shown in Figure 10.

Table 7

Main international crowdfunding platforms

The name of the platform	Features
https://www.kickstarter.com	Focused on creative projects and innovations. The authors of the project set the funding goal and deadline, the funds are returned to the sponsors if the goal is not achieved. There are rules of the platform for placing projects, the commission is 5% of successfully collected funds
https://www.indiegogo.com	Allows you to launch a variety of projects, the platform is used for any project, including non-commercial ones. The size of the commission depends on whether the required amount was collected (4% and 9%, respectively), the project receives money only if this goal is achieved, and the collected funds are received if the initial goal is not achieved
https://www.patreon.com	The platform is designed for monthly subscriptions, not just one-time donations, with donors providing monthly contributions.
https://www.gofundme.com	Aimed at personal and charitable purposes, it is mainly used to meet one's needs, emergency situations and charity. The commission is 2.5% + 0.30 dollars for each transaction related to payment for services.

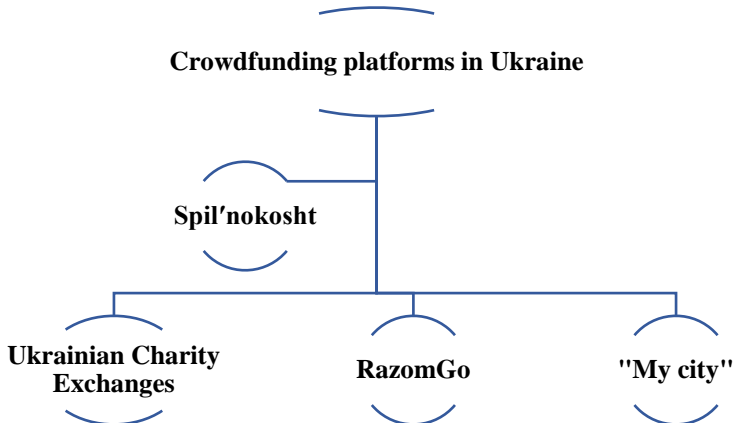


Figure 10. Types of crowdfunding platforms that exist in Ukraine

As we can see from Figure The Ukrainian Charity Exchange is an active participant in the formation of a culture of mass charity in Ukraine and is noted for its role in increasing the level of trust and efficiency of the activities of charitable organizations, the initiators of the project successfully managed the charity platform dobro.ua, which acts as an effective tool for attracting funds for charitable and social projects The main goal of the Ukrainian Charity Exchange is to make charity transparent, public and accountable³². Using SWOT analysis is an effective tool for assessing the factors that influence the activity of Ukrainian crowdfunding platforms and are listed in Table 8.

Table 8

SWOT analysis of the Ukrainian crowdfunding platform

Strengths	Weak sides
<ul style="list-style-type: none"> - Helping to increase the trust and efficiency of charitable organizations - Charity transparency - Use of the dobro.ua platform to attract funds for projects 	<ul style="list-style-type: none"> - Dependence on economic status can negatively affect people's willingness to participate in charity projects.
SWOT analysis of the crowdfunding platform "Ukrainian Charity Exchange"	
Opportunities	Threats
<ul style="list-style-type: none"> - Growing interest and popularity of crowdfunding platforms for raising funds - Attracting new partners can help increase support and resources 	<ul style="list-style-type: none"> - Legal restrictions - Fraud risk - Competitors

Estimates of the prevalence of charitable foundations became more common during the full-scale invasion and are shown in the indices. It is characterized by evaluations on a 10-point trend scale, in which the prevalence of charitable foundations is assessed as "high", as evidenced by the index in 2022 of 7.8 points out of a possible 10, compared to previous years, when this indicator remained at an average level. The lower the level of well-being of the respondent, the more skeptical he is about the prevalence of charitable foundations.

RazomGo is an innovative platform founded in 2018 focused on fundraising for education, healthcare and sports projects. The main thing is the absence of a time limit for the collection, allowing the authors to independently determine the necessary period to achieve the goal³³.

³² МБФ "Українські Біржі Благодійності". Карта благодійності. URL: <https://rating.ufb.org.ua/rating/fund?id=55> (дата звернення: 11.06.2024).

³³ Краудфандинг: як отримати фінанси для старту бізнесу?. Школа бізнесу. URL: <https://online.novaposhta.education/blog/kraudfanding-v-ukraine> (дата звернення: 11.06.2024)

The "My City" platform is intended for a conscious Ukrainian society that seeks to improve and solve social problems of its city. The main goal is to support active residents to realize their initiatives with the help of crowdfunding.

There is no commission for all projects. Social projects are implemented in three cities: Kharkiv, Odesa, Dnipro. "My City" has been successfully operating in Odesa since 2015, and in 2021 Kharkiv and Dnipro joined the platform³⁴.

The war forces not only to provide the military with equipment and weapons, but also to support groups of vulnerable population groups – seriously ill people, children, persons who cannot leave the occupied territories.

In 2014, in order to activate the residents of Ivano-Frankivsk and improve the quality of the city's development, the "Warm City" platform was created. This innovative project functions as a unifying platform for citizens, businesses and the city administration to create conditions for the comprehensive development of the city. The website of the "Warm City" platform looks like this:

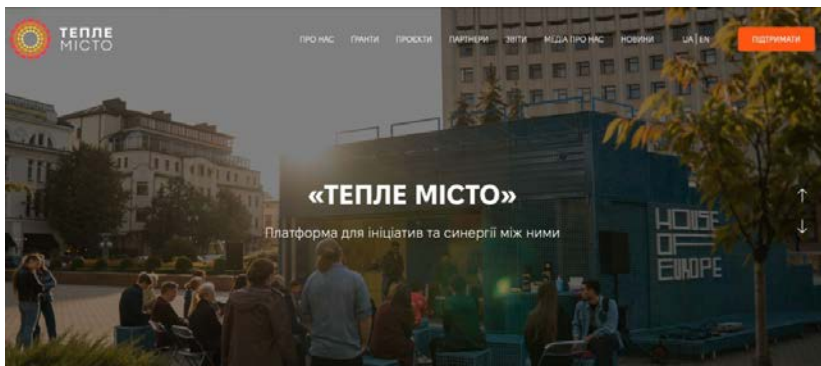


Figure 11. Official site "Warm City"

One of the "Warm City" projects is the opening of the Urban Space 100 public restaurant, which received financial support from 100 investors, all of them are shown in Figure 11.

³⁴ Краудфандинг в Україні. Розповідаємо про платформу «Мое місто». Гвара Медіа.
URL: <https://gwaramedia.com/kraudfandyng-v-ukrayini-rozpovidayemo-pro-platformu-moye-misto/> (дата звернення: 11.06.2024)



Figure 11. 100 investors attracted to finance Urban Space 100

The Urban Space 100 crowdfunding platform helped implement 162 initiatives. Among them are the provision of military means to preserve life, a rehabilitation center for veterans, persons with disabilities, and Urban Space Radio, a public radio that discusses the social problems of the city, culture and music, Ukrainian performers sound on the air, and activists are guest presenters, who share experience. Subsequently, "Teple Misto" decided to develop the idea of social institutions in the Urban Space Global program, such a restaurant operates in Kyiv Urban Space 500 (it required the involvement of 500 investors to open it)³⁵.

Therefore, crowdfunding platforms play an important role in ensuring the implementation of projects. Everyone has the opportunity to choose the platform that best meets the specific requirements of their project and team. In the conditions of the difficulties caused by the pandemic, quarantine and full-scale invasion, crowdfunding proved to be not only an effective tool for collecting resources, but also a means of uniting the public to support social business.

³⁵ Богацька Н. М. Соціально-економічний зміст соціального підприємства і його вплив на вирішення суспільних проблем. *Наука і молодь у XXI сторіччі* : збірник матеріалів ІХ Міжнародної молодіжної науково-практичної інтернет конференції (м. Полтава, 30 листопада 2023 року). Полтава : ПУЕТ, 2023. С. 140-143.

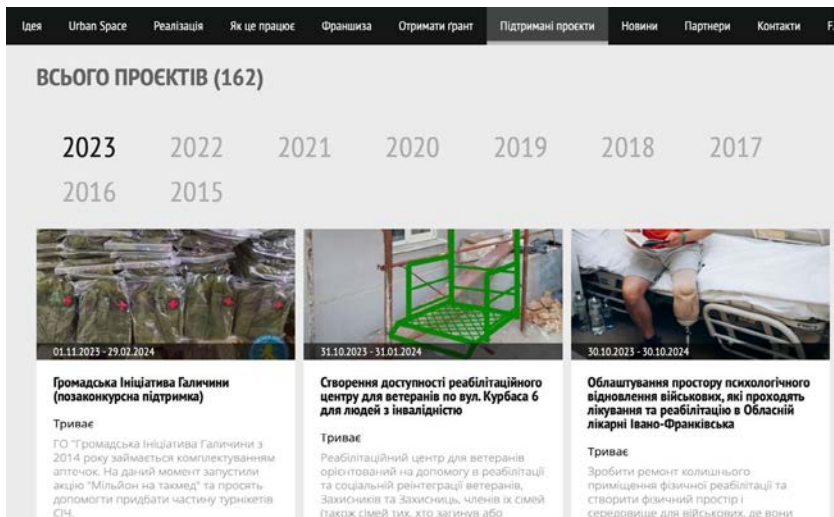


Figure 12. Urban Space 100 funded projects

5. Perspectives of social entrepreneurship crowdfunding

Today, there is no in-depth analysis of the socio-entrepreneurial sector in Ukraine. Currently, all social enterprises are actively developing and benefit greatly from the use of crowdfunding as one of the financing tools.

Crowdfunding funds not only provide financial assistance, but also provide moral support for an entrepreneur. The received funds do not need to be returned, but it is important to use them effectively to justify people's trust³⁶.

In today's conditions, the prospects of crowdfunding for social entrepreneurship are extremely important, first of all, crowdfunding provides social enterprises with the opportunity to obtain the necessary financing for the implementation of their initiatives, especially those that have a potential impact on the community and solving social problems, to involve the community in the process of creating and developing projects, that contribute to the interest of social initiatives, when people provide financial support, they become active supporters and can contribute to the spread of the idea and goals of the enterprise.

³⁶ Краудфандинг: що це таке і як він працює в Україні. Програма підтримки підприємництва "Будуй своє". URL: <https://buduysvoe.com/publications/kraudfandyng-shcho-ce-take-i-yak-vin-pracyuє-v-ukrayini> (дата звернення: 11.06.2024)

Creating awareness helps to raise awareness of the social problems that the business solves and contributes to the understanding and support of the community, without transparency, any social enterprise cannot exist, people who have donated funds get the opportunity to follow costs and results, which can improve the effectiveness and impact of projects.

In general, crowdfunding is a powerful tool for social enterprises, helping them to attract resources, interact with the community and develop in the direction of social responsibility.

Evaluating the effectiveness and efficiency of crowdfunding for social entrepreneurship is a key stage aimed at understanding the degree of success of the company and identifying opportunities for further improvement³⁷:

- Achieving financial goals to understand how much it was possible to collect the necessary funds for the project.
- Number of sponsors, their contributions and sources of support.
- The level of activity on the platform for community engagement and engagement.
- Terms of performance of works.
- Report on the use of funds.
- Interaction with the community around the social project.
- A learning experience as a crowdfunding opportunity for future learning and improvement.

Therefore, there is a potential area of improvement that should be addressed when planning and implementing crowdfunding initiatives.

The author of the project initiates and develops the project, which has the opportunity to post detailed information about it, including a description, video – presentation and personal data.

The curator of the company, who shows interest in the implementation of the project and is always ready to provide assistance, which includes: premises, advertising and equipment³⁸.

In order to ensure the sustainable development of social entrepreneurship, it is important to consider the success of building a crowdfunding company. The initial stages of starting crowdfunding require a deep understanding of the essence of crowdfunding and whether this platform is suitable for the implementation of projects. The stage of founding a crowdfunding company involves the establishment of a project and system work, the form includes:

³⁷ Богацька Н.М. Вплив ринку праці на конкурентоспроможність соціального підприємства. *Економіка та суспільство*. 2022. № 43. URL: <https://doi.org/10.32782/2524-0072/2022-43-1> (дата звернення: 10.06.2024)

³⁸ Краудфандинг: як отримати фінанси для старту бізнесу? Школа бізнесу. URL: <https://online.novaposhta.education/blog/kraudfanding-v-ukraine> (дата звернення: 10.06.2024)

idea, essence, values, team, necessary resources, finances, donors, fundraising strategy and incentives for donations³⁹.

It is necessary to develop a strategy for attracting donors for a successful crowdfunding company, participate in various educational platforms such as Prometheus, Edera, VUMonline, project promotion trainings, create and form strategies for projects.

A key element of crowdfunding success is a friendly team with a shared vision, agreed action plan and mutual understanding, each team member to be actively involved in fundraising, promotion and implementation.

CONCLUSIONS

One of the main goals of any entrepreneurial activity is to make a profit, the enterprise may aim to ensure financial stability, profitability and effective work to ensure the profitability of its activities, but the emergence of social entrepreneurship is the result of modern economic development, which is influenced by the values and traditions of enterprises. state institutions, charitable organizations and volunteer movements.

Social entrepreneurship is gaining momentum every year, the general understanding of "Social entrepreneurship" is based on the fact that it is an activity that solves such problems as: social, cultural, environmental with the help of business methods.

The history of crowdfunding in Ukraine begins about a decade - starting with the foundation of joint funds in 2012 on the basis of the "Big Idea" platform, now it is a powerful tool for companies and enterprises.

Crowdfunding comes from two English words: crowd and funding. Crowdfunding is financed by raising a large number of small sums of money from many people.

Crowdfunding has become the main tool for financing social enterprises, which allows the public and investors to receive financial support for the implementation of social and environmental projects. In conclusion, crowdfunding is an innovative financing method that allows social enterprises to raise funds from various sources, including the public, investors, and other organizations.

In foreign countries, social entrepreneurship crowdfunding is an effective mechanism for solving social problems and supporting social enterprises, which promotes innovation and positively affects the economy and society.

The main advantage of using crowdfunding is the ability to attract not only financial resources, but it is also an effective means of checking the feasibility

³⁹ Краудфандинг в Україні. Розповідаємо про платформу «Моє місто». Гвара Медіа. URL: <https://gwaramedia.com/kraudfandyng-v-ukrayini-rozpowidayemo-pro-plattformu-moye-misto/> (дата звернення: 10.06.2024)

and demand of your business idea on the market, crowdfunding provides access to international markets and acts as an information stimulus to attract the attention of the media, sponsors, investors and investors to the project.

Crowdfunding proposals for an engagement project can be: crowdfunding platforms for the promotion of a social enterprise (Kickstarter, Indiegogo, Splinkokosht, etc.). It is necessary to develop a description of the project in which you need to tell about the goal, what social problems you will solve, use social networks to attract attention to your project, openness and interaction with investors.

Crowdfunding platforms play an important role in ensuring the implementation of projects. Everyone has the opportunity to choose the platform that best meets the specific requirements of their project and team. In the conditions of the difficulties caused by the pandemic, quarantine and full-scale invasion, crowdfunding proved to be not only an effective tool for collecting resources, but also a means of uniting the public to support social business.

SUMMARY

The study highlights the essence of the concept of social entrepreneurship, the peculiarities of crowdfunding in Europe and Ukraine, as well as the state of its development. Social entrepreneurship is gaining momentum every year, the general understanding of "Social entrepreneurship" is based on the fact that it is an activity that solves such problems as: social, cultural, environmental with the help of business methods.

The term "social enterprise" is usually associated with the activities of charitable organizations or the social integration of disadvantaged people and the disabled, rather than with entrepreneurship. Stereotypes, misunderstandings and lack of awareness negatively affect the growth of social enterprises and the prospects for funding. This is a key factor that prevents the development of relations with partners and potential customers

Attracting investment resources is a key issue at any stage of enterprise development, regardless of its form of ownership and size. The choice of methods of financing an enterprise becomes especially important in times of crisis, when the efficiency of its activity is severely limited. Finding ways to attract resources to finance operations, financial operations and investments is becoming one of the most urgent problems for modern Ukrainian enterprises.

For social enterprises, it is necessary to effectively use crowdfunding as a means of innovation to attract financing for their needs and aimed at achieving social goals. There are also quite a few definitions of "crowdfunding", but its main purpose is to attract funds to finance enterprises, based on which funds are collected from a small number of people. The crowdfunding method is

gaining momentum nowadays and allows you to create your own projects and attract funds from potential sponsors.

The history of crowdfunding in Ukraine dates back about a decade – starting with the founding of joint funds in 2012 on the basis of the "BIG IDEA (Common Fund)" platform, now it is a powerful tool for companies and enterprises.

Also, crowdfunding platforms are well-known in Ukraine: Ukrainian Charity Exchanges, RazomGo, "My City".

Crowdfunding in foreign practice is used to attract funds from local charitable organizations, to collect funds for social projects, namely to increase investment income at the expense of funds saved by the city to meet the needs of financing certain public services, and to support the development of local enterprises. The use of crowdfunding for social enterprise is considered with coverage of countries such as the Scandinavian countries, Great Britain and Poland. Urban Space 100 is an example of a social business.

To attract investments, crowdfunding was needed, that is, the initiators of the project attracted 100 like-minded people, each of whom made a financial contribution of \$1,000 to realize this goal. They joined forces to lay the financial foundation for the development of the Urban Space 100 community restaurant.

The main advantage of using crowdfunding is the ability to attract not only financial resources, but it is also an effective means of checking the feasibility and demand of your business idea on the market, crowdfunding provides access to international markets and acts as an information stimulus to attract the attention of the media, sponsors, investors and investors to the project.

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