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# PERSPECTIVES FOR DEVELOPMENT SOCIAL ENTREPRENEURSHIP IN REPUBLIC OF MOLDOVA

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**Abstract:** *Social entrepreneurship, as a field for research and scientific disputes between scholars and practitioners, it still remains a novel investigation area, as far as new opportunities, challenges, business approaches and concepts appear into the modern world and competitive market. This paper puts emphasis on social framework behind the development of social businesses in Moldova. Moreover, it presents the grass-root state of readiness of existing small and medium – sized enterprises from Moldova to undertake the leap towards the new kind of economy and different organizational approaches. The paper provides a content analysis of specific literature on social entrepreneurship, with particular emphasis on general perception of the small holders and small and medium – sized enterprises on social business. A total number of 593 small and medium – sized enterprises and individuals participated to organized interviews. The survey results show that 66% of the respondents are not acknowledged with social entrepreneurship concept and functionality. From those (34%) who are informed about the topic, most of them are actual young entrepreneurs. Additionally, young entrepreneurs, respondents, wouldn't reinvest their profit for social mission (73%). Unlike young entrepreneurs, individuals would reinvest their profit in social missions, in case they have a business. These findings suggest that, in the society there is a lack of general understanding on social entrepreneurship. The author also found out that, the general perception regarding social problems is mostly assigned to public authorities instead of enterprises. Moreover, the research results show that the absence of a clear mechanism which would raise public awareness regarding social problems and social capital, affects the active implication of community stakeholders into the societal problems.*

**Keywords:** *social enterprises, social capital, community development, leadership, norms (JEL code: M140)*

## INTRODUCTION

Social business is a cause-driven mechanism for those communities where social problems predominates the community. In the social enterprises, investor/owner has to use the gains for social purposes and they cannot take any dividends from the economic activity of the organization. The impact of the business must be on people and environment and the success of the objective achievements must be measured on the light of social goals [1].

Different theories in recent years states that it is a need to build theories from practices, especially in case of social business [2].

Other researchers suggest that the facilitating actors for economic development are community entrepreneurs [3]. This research article contends that economic contribution is made as well by local enterprises, but social contributions must be made by social entrepreneurs.

In 2003, Sarah Alvord, Chris Letts, Dawid Brown suggest that social enterprise is the way to improve the social challenges and solve community problems [4].

The research of the CONCISE Project, in 2003, underline relevant aspects of the author's article. It support the same idea that the formation of social enterprises and the development of a vibrant social economy rely both on individuals and organisations using social capital and on individuals building social capital on behalf of their organisation [5].

Other recent relevant studies contend the same ideas of the actual research that there are several local actors that must solve community problems, including social enterprises [6].

In the last years there is a huge interest on social entrepreneurship from scholars and practitioners. Some countries succeeded to create their own models according to their actual problems, others didn't yet achieve any progress in the field of social entrepreneurship, which is also the case of Republic of Moldova.

The purpose of the research is to conceptualize and define behavioral factors that must be changed on the societal level in order to advance with practical development of social entrepreneurship.

The paper analyzes and gives detailed summaries of the existing literature and practices in the field of social business. The authors found that there aren't common vision regarding both, the concept and the types of social entrepreneurship. Moreover, the basic preconditions for developing social entrepreneurship is not the legal framework or any relevant policy thereat but are leadership skills, attitudes and social capital pillar.

### *A. History, concepts and main theories of social entrepreneurship*

In order to have an understanding of social entrepreneurship, it has been undertaken a comprehensive research on traditional theories and definitions of entrepreneurship and social enterprises. The authors identified some controversial facts regarding the evolution of social entrepreneurship as a part of traditional entrepreneurship. For example, Mair states that there is still a lack of conceptual and empirical research to prove whether social entrepreneurship is a part of „traditional entrepreneurship” or whether it is an independent field of study [7].

One of the main founders and researchers who undertook comprehensive studies in the field of entrepreneurship is Cantillon who introduced his theory about “landowners, hirelings and undertakers”. Cantillon perceived the entrepreneur as being responsible for economic system consisted of exchanges of goods and services [8].

On other side, Say gives different interpretation for the responsibilities that entrepreneurs must have into the economic system. He perceived the entrepreneur as a manager of a firm; an input in the production process. In his vision, the entrepreneur is the person responsible for economic balance of the capital/economic system [9].

The early theories of entrepreneurship underline the findings of Cantillon and Say (mentioned above), while the Frank Knight's Risk theory first introduced the dimension of risk taking, as an obvious characteristic of modern entrepreneurship.

Withal, the entrepreneur has been seen as a disturber of equilibrium and the cause of change by Joseph Schumpeter's innovation theory of entrepreneurship. Thus, Schumpeter viewed the entrepreneurs like innovators and change-makers [10]. Some scholars argue that Schumpeter put the basis for social enterprises theories, in terms of innovation.

More recently, according to Hebert and Link, entrepreneurship has been recognized as an independent factor of production on a more-or-less equal footing with land and labor, as recognized by contemporary economic theory. The latest theories of entrepreneurship states about the core place of risk takers, value creation and competitiveness achievement [11].

Also, it is important to list the Alfred Marshall's theory

that introduced land, labor, capital, and organization as the four factors of production as well as Weber sociological theory which states about social culture as the driving force for the entrepreneurship. The remark of Harvey Leibenstein, who considered entrepreneurs as “gap-fillers”, must be underlined [12].

In his turn, Peter Drucker holds innovation, resources, and an entrepreneurial behavior as the keys to entrepreneurship. Along with that, McClelland's “Theory of Achievement Motivation” hold that people have three motives for accomplishing things: the need for achievement, need for affiliation, and need for power.

In 2006 Austin, Stevenson, Wei-Skillern state that social entrepreneurship is innovative, it is an activity that creates social value within or across the nonprofit, business, and public sectors. They mentioned that social entrepreneurship is defined as “entrepreneurial activity with an embedded social purpose [13]. However, they don't state about the limitations of social entrepreneurship and the exact models for designing it.

On other side, Perrini suggests that most researchers of social entrepreneurship see the crisis of the traditional welfare state and the increased competition within the nonprofit sector contributing to the emergence of social enterprises [14].

Mostly, the social entrepreneurship begun as a competition between profit and non-profit sector but it is not ascertained the exact position of this sector in the overall. A number of authors have emphasized the not-for-profit (NFP) nature of social entrepreneurial activities. In the same time, another business steam, Social Enterprise School, states that entrepreneurship itself is viewed as social enterprise initiative. This refers to any organization, in any sector, that uses earned income strategies to pursue a double bottom line or a triple bottom line, either alone or as part of a mixed revenue stream (as a social sector business) that includes charitable contributions and public sector subsidies”. Social Enterprise School centers on earned-income activity by nonprofits, but also includes market-based solutions to social problems as well as businesses that generate profit that is donated to a social venture or purpose. In contrast, Mair and Marti argue that social entrepreneurship can take place equally well on a for-profit basis [15].

Perrini and Vurro show the linkage between social entrepreneurs and social enterprises, arguing that social entrepreneurs implement their social mission through profits they gain from economic activities [16].

According to Roger L. Martin and Sally Osberg, social entrepreneurship signals the imperative to drive social change, and it is that potential payoff, with its lasting, transformational benefit to society, that sets the field and its practitioners apart

### *B. Social entrepreneurs and leadership skills*

From what or from whom to start development of social enterprise still remains area of discussion and interest. In different countries the situation is different, and cases are as well different. It is easily for already successful business to lunch a social mission business direction (i.e: delivering food

with all necessary vitamins at low prices to people from poor communities), and harder to the start-ups or other category of enterprises.

The author hypothesis is that the social entrepreneurship development must begin not from a legal frame or financial supporting mechanisms, but must start from leadership characteristics of entrepreneurs.

According to Ashoka's researchers, social entrepreneurs are individuals with innovative solutions to society's most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change. They are visionaries, but also realists, and are ultimately concerned with the practical implementation of their vision above anything else [17].

Other researchers suggest that there is an important leadership behavior that is underdeveloped in many social entrepreneurs, which is transactional leadership. Transactional leadership – often associated with the more managerial side of running the organization – is important to provide followers with guidance and to manage the organization in an effective way. [18]

There are only very few findings regarding the optimal age of social entrepreneur. Scwa, in his research, suggests that the most suitable age is 42-65.

Some authors do not create age limitation for social entrepreneurs, however they suggest about certain leadership characteristics social entrepreneurs must have. For instance, Lin Sreiber mentions that social innovators must have the following qualities:

- They are highly innovative. Well, of course, they are. But what's interesting is that out-of-the-box, creative thinking is a natural for them. They're always searching for new ways of doing things;
- They are persistent. They keep trying until it works. And, they never let road blocks, obstacles, or naysayers deter them. It's their can-do attitude that keeps them moving forward -- no matter what;
- They found a cause that inspires them. It may seem obvious, but each of them is fully committed to and believes in what they're doing. They may come at the cause from different experiences (from childhood, career, personal tragedy, but each of them is passionate about their cause.);
- They have boundless energy. Barbara describes it best when she says that while many of her friends are slowing down at this stage, she has more energy than she's ever had before, and often feels like a teenager. I'm not sure if the work creates the energy or the energy keeps the work going;
- They are exceptionally collaborative. In every case, these social innovators are masters of seeking out partnerships that support the work they're doing, help spread the work, and make it sustainable;
- They have a positive vision of the future. There's not a gloomy Gus in this bunch. No matter how daunting the social problem (85% illiteracy in Afghanistan, one billion victims of mass violence) that some might call

“hopeless”, they see the possibility and the potential for change and are hopeful and optimistic about the future.

Additionally, every social entrepreneur is facing some leadership challenges from the very beginning, as follow:

- a. Identifying the social problem and suitable solutions for it;
- b. Building a management team and sustainable business model;
- c. Recruiting right people;
- d. Leadership development;
- e. Retention people;
- f. Delegation;
- g. Managing the time and energy;
- h. Improve continuously the processes.

Jeremy Office suggests that successful social entrepreneurs have common values. They're typically more focused on social values than profits, and partner with local communities, governments, companies and charities. Social entrepreneurs are in it for the long haul; overall success comes when there is long-term, structural change to address their cause. Their positive contributions to society include changes in health care, transportation and education.

### C. Types of social enterprises

As part of wide and holistic discussions, the scholars identified several types of social enterprises. The first type of social entrepreneurship, is “Social Bricoleur”, found on Hayek's view of entrepreneurship as a largely localized undertaking, in 1945. The “Social Bricoleur” type of social entrepreneurship, with a focus on local concerns, is partly driven out of first-hand exposure to problems.

The second type of social entrepreneurship, labeled “Social Constructionists”, identifies gaps in the social market, mentioned by Kirzner in 1973 and tries to fill them. This kind of enterprise build and operate alternative structures to provide goods and services addressing social needs that governments, agencies, and businesses cannot [19].

The third type focuses on deconstructing and reconstructing the engines of society to achieve broad social aims. This form of social entrepreneurship, labeled as “Social Engineers”, engages in entrepreneurship as envisioned by Schumpeter. This type seeks to build lasting structures that will challenge existing order.

Basically, social entrepreneurship is about social engagement and entrepreneurial action. This is one of the issues debated among scholars, entrepreneurs, NGOs, policy makers.

In the Republic of Moldova there is a huge gap of perception between different community actors regarding types of social entrepreneurship and who is a social entrepreneur. In order to define concrete models of social enterprises is not enough to benchmark the situation worldwide, but it is important to understand the whole integration context inside the country. Moreover, it seems very difficult at the first stage to set out

a unique model that will be able to characterize and integrate interested stakeholders.

According to Benchmarking study on social entrepreneurship in the framework of the Project ISEDE-NET, innovative social enterprise development network, following models can be found in different EU countries:

**In Austria**, the social economic sector is characterized by a high degree of heterogeneity and complexity concerning the organizational legal forms. A specific segment of social enterprises prevails in Austria, so called "Work Integrated Social Enterprises". There are six models of WISEs:

- a. Social economic enterprises (SÖB)
- b. Non-profit employment projects (GBP)
- c. Non-profit temporary-employment agencies (AKÜ)
- d. Integrative enterprises (IB)
- e. Employment projects for disabled persons
- f. Social integration enterprises that make (only) use of an integration subsidy to finance their services of integration into the labour market.

**In Bulgaria**, the existing forms of Social Enterprises are:

- a. Non-profit organizations which perform profit activities and use the profit for financing the social mission of the organization;
- b. Non-profit organization which provides employment of people with disabilities or provides training services (for example, trainings for development of labour abilities);
- c. Non-profit organizations engaged with social assistance;
- d. Socially oriented cooperatives.

**In Hungary**, social economy consists of the following organisations:

- a. Non-profit organisations undertaking employment of disadvantaged people;
- b. Social association;
- c. Associations reorganised after the change of the political regime;
- d. Foundations;
- e. Public Benefit Companies;
- f. Social cooperatives.

**In Greece**, the main social enterprise types are:

- a. Social Cooperatives of Limited Liability (Koi.S.P.E) for people with mental health problems;
- b. Social Cooperative Enterprises of the Law 4019/2011;
- c. Women's Agro-tourist Cooperatives.

**In Slovenia**, the general social enterprise sector consists of:

- a. Societies;
- b. Non-profit private institutions;
- c. Companies for disabled;
- d. Cooperatives.

As it can be inferred, all the models were created according to the social needs each of the countries faces and the available organizational models of the entities in a specific country, which means that a certain model doesn't exist for all the countries.

#### *D. Risks associated to social enterprises*

Because of its nature, social enterprises face different kind of risks. Moreover, the opinions that appeared near these beliefs share the idea that social enterprises need a special approach, facilities and "attention". The author's opinion is that social business is that kind of commercial activity that are managed by the best social change makers from every community, the innovators. Moreover, social enterprises must be treated and shall have the same privileges as any traditional enterprise.

In many countries, especially developing one, wherein the model of social businesses is still unknown (Moldova case), local stakeholders believe that social enterprises must be treated different and must have Government facilities. However, the facilities are required because of high risks social enterprises can have. This sub-chapter describes some risks associated to social enterprises.

Many authors Dees in 1998, Di Domenico, Haugh, and Tracey in 2010, Haugh in 2006, Peredo and McLean in 2006, believe that social entrepreneurs face different challenges while setting social business models, especially regarding financial and human resources involvement. In Republic of Moldova, the lack of qualified human resources is one of the problems that SME sector face. The phenomenon of "brain drain" characterize mainly the problem with human resources qualification. Regarding the financial support, SMEs sector has very limited access to State funding or/and international funding.

Investigations of Harding and Cowling in 2006 show that social entrepreneurs are significantly more likely to fear failure than traditional entrepreneurs.

Additional risks associated to social enterprises are related to organization mission. Mission and reputation could be compromised if the venture is seen as a sell-out by stakeholders. Organization has difficulty balancing mission and money, causing mission drift from core social activities to business.

Operations risks characterize social enterprises as well. Increased organizational complexity requires to support additional costs. In addition, the need for skilled influence the cost structure and directly impact the price competition on the market.

#### **RESEARCH METHODOLOGY**

There are 593 respondents interviewed from all three regions of Moldova (South, Center and North). From the total number of respondents, 215 are young entrepreneurs and the rest of 378 are individuals. For different measurement questions, the answer rate varies. Several important techniques for data collection were used. First of all a significant data were collected through questionnaires. Additionally, face to face interview took place for more precise answers from respondents. The period for data collection took about one month. The gender of the sample for the group of individuals is 60 women and 318 men. In case of young entrepreneurs, 75 are women and 140 are men. An important research factor

was to find the correlation between the variables, especially the variables of gender and the variables characterizing the social entrepreneurship acknowledgement and perception. Into this respect, the author used the Pearson product-moment correlation coefficient (Pearson's correlation, for short) which is a measure of the strength and direction of association that exists between two variables measured.

## RESULTS

### A. Correlation between variables

Table 1 shows the correlation between gender of young entrepreneurs and basic knowledge regarding social entrepreneurship. The correlation test was made on 215 young entrepreneurs. As can be noted in Table 1, the Pearson correlation coefficient is -0.023, which means that there is not any correlation between gender and basic knowledge on social entrepreneurship, the coefficient value being far from value 1. The significance of correlation coefficient is realized by *t* test. The corresponding Sig. value is 0.786, which underlines that correlation coefficient is significant and there are chances more than 79% ( $\alpha=0.786$ ) not being wrong asserting that between gender variable and basic knowledge regarding social entrepreneurship doesn't exist a significant correlation.

In case of correlation between gender from group of individuals and basic knowledge regarding social entrepreneurship, the correlation test was made on 378 individuals. As can be seen in the Table 2, the Pearson correlation coefficient is 0.005 which means that there is not any correlation between gender and basic knowledge on social entrepreneurship, the coefficient value being far from value 1. The significance of correlation coefficient is realized by *t* test. The corresponding Sig. value is 0.928, which underlines that correlation coefficient is significant and there are chances more than 92% ( $\alpha=0.928$ ) not being wrong asserting that between gender variable of individual group and basic knowledge regarding social entrepreneurship doesn't exist a significant correlation.

Table 1

*Correlation Between Gender and Basic Knowledge Regarding Social Entrepreneurship (Young Entrepreneurs Under 35 Years Old)*

		Gender	Concept of SE
Gender	Pearson correlation	1	-.023
	sig.(2-tailed)		.786
	N	215	137
Concept of SE	Pearson correlation	-.023	1
	sig.(2-tailed)	.786	
	N	137	137

Table 2

*Correlation Between Gender and Basic Knowledge Regarding Social Entrepreneurship (Individuals)*

		Gender	Concept of SE
Gender	Pearson correlation	1	.005
	sig.(2-tailed)		.928
	N	378	375
Concept of SE	Pearson correlation	.005	1
	sig.(2-tailed)	.928	
	N	375	375

The results of the correlation analysis implies that regardless the gender, the general concept of social entrepreneurship is perceived in the same way, by both men and women.

### B. General acknowledgement regarding social entrepreneurship

The field research started from the very beginning, from identifying the perception of small enterprises and family enterprises regarding social entrepreneurship. The findings show that, from 375 respondents representing individuals, almost 2/3 never heard about social enterprises, which means that the concept is still very ambiguous through the whole country.

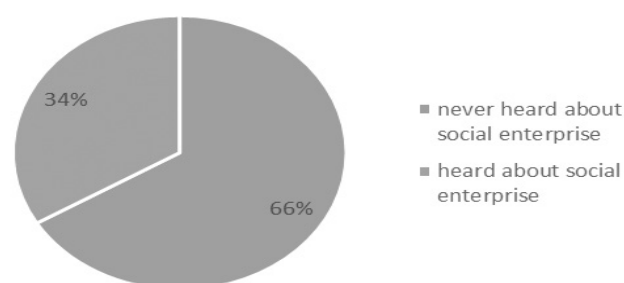
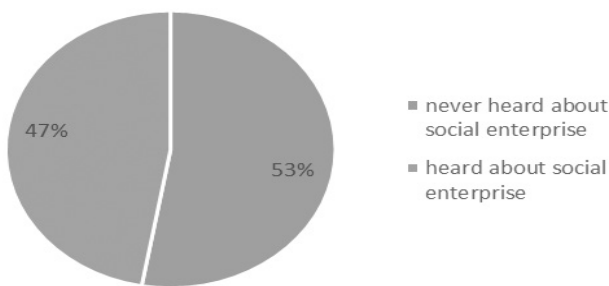


Figure 1. The level of information of family enterprises about social entrepreneurship

In order to deepen the understanding regarding level of information, the author interviewed 215 young entrepreneurs. In this specific case, the situation has the same tendency but the figures are different, as follow:

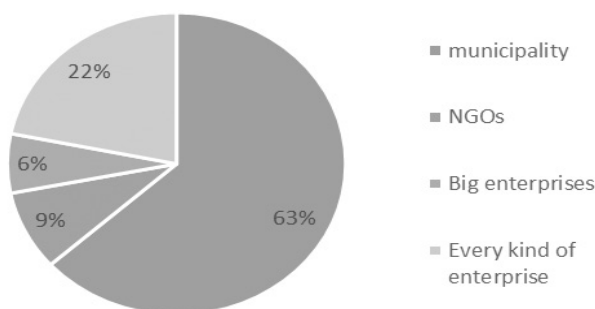


**Figure 2.** The level of information of young entrepreneurs about social entrepreneurship

The findings show that young people are acknowledged more about the concept of social entrepreneurship than older people. However, the facts show that the level of information is very low and vague in both cases.

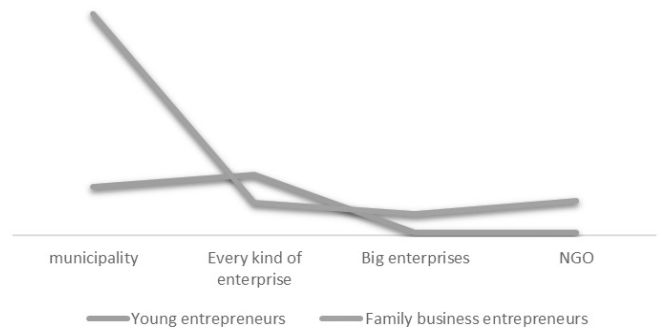
### C. General perception on community social problems

As noted, the concept of social entrepreneurship is poorly understood by the society of Moldova. As known, social entrepreneurship is related to social mission oriented businesses. Into this respect, the author realized the interview on 593 respondents, in order to find out the general perception on who is responsible mostly for solving social problems. However, the findings were separated between young entrepreneurs and individuals in order to understand if the perception differs from one group to another.



**Figure 3.** General perception on the responsible stakeholders for community social problems

As it was expected, about 63% of the respondents perceive that community problems must be solved by municipalities, 9% agree that NGOs are responsible for community problems solving and 28% think that enterprises are those who must solve community problems. Nevertheless, benchmarking the results between two groups (young entrepreneurs and individuals), the findings are interesting (Figure 4).



**Figure 4.** Decomposition of perception on who is responsible for community problems

As can be concluded, different categories of people have a different level of perception on the responsible for community problems solving. Representatives of family businesses, especially from rural areas, predominantly think that problems into the community must be solved only by municipalities and local public authorities are responsible for community development. Such situation underlines a very limited level of social capital existing in rural areas of Moldova. Contrary, young people, already entrepreneurs, understand the role of companies, especially the role of small and medium sized enterprises in the community. The opinions that enterprises are responsible for community problems solving prevail the opinions that municipalities have to solve the problems. In both cases (young entrepreneurs and family business entrepreneurs), the NGOs implication is seen to be very low, which shows the actual impact of NGO sector on the communities.

In conclusion, there are big differences between different categories of people regarding the role of different stakeholders into the society and the role enterprises must have in solving the community problems. Moreover, the general perception in Moldova, that NGOs must be mainly the promoters of social entrepreneurship seems to be in contradiction with public vision regarding responsible institutions for solving community problems.

### D. Readiness for developing social enterprises in Moldova

In the case of the Republic of Moldova, it is still very early to align the leadership attribution to “social entrepreneurs”, once there are only several social missions classified as social businesses.

According to the findings 64% of the respondents would reinvest the profit in social mission, in case they would have a sustainable organization. However, such kind of figures are confusing once already existing entrepreneurs mainly wouldn't allocate their profit for remediation of social problems.

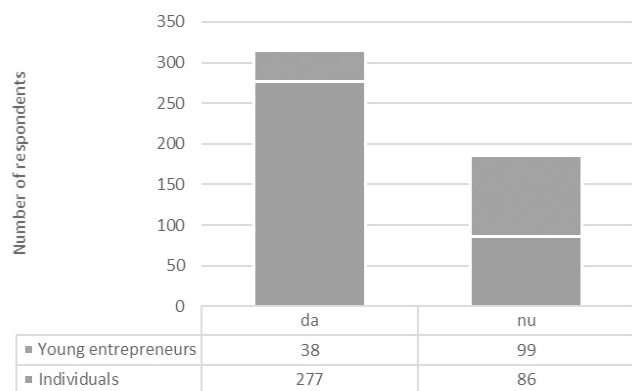


Figure 5. Level of perception on reinvesting the profit on social mission of the business

As can be noted, the perception of individuals differs totally from the perception of already existing entrepreneurs related to the social mission of the organizations they manage or would manage. The facts suggest that there is a lack of common understanding of social enterprises mission and the real life of market oriented approach shows that enterprises aren't ready to reinvest the profit in social problems remediation. 27% of young entrepreneurs would reinvest the profit in social problems remediation.

Another research question was related to the types of social problems already existing enterprises must solve. Can be concluded that opinion vary from the individuals to already existing entrepreneurs.

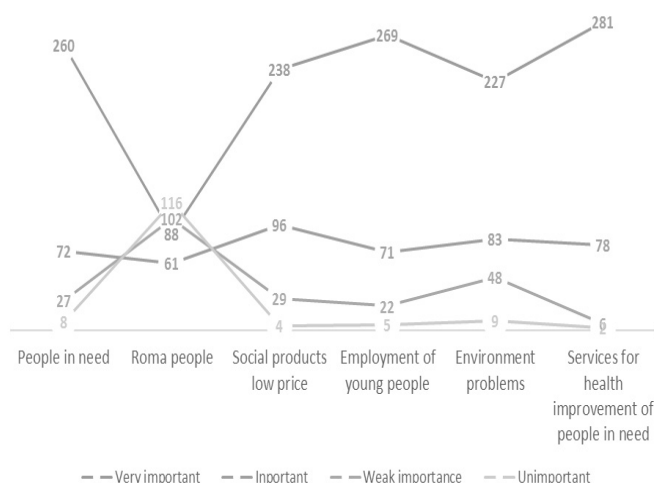


Figure 6. Community problems that must be solved by social enterprises – individuals' perception

The highest importance is given to the services provided by social enterprises for health improvement of people in need (281 respondents), followed by social solutions regarding employment of young people and solutions related to problems of different people in need. Unfortunately, in Republic of Moldova, Roma people are segregated by the society and the problems they have are unimportant for rest of the people (218 respondents consider that the problems of Roma people are unimportant and have weak importance to be solved).

### E. Readiness for developing social enterprises in Moldova

Still there are a lot of discussions regarding which type of public policies should support social entrepreneurship development. Once social enterprises play an important role in addressing social, economic and environmental challenges, in fostering inclusive growth and in increasing social inclusion, the public policies in supporting them must be well balanced. The benefits of social enterprises are increased while they are supported by adequately public policies.

Besides different facilities and recommendations for developing social entrepreneurship, an important element is the perception of traditional enterprises on what type of facilities they need. Into this respect, the author interviewed a considerable number of entrepreneurs in order to find out what are the preconditions for them in order to develop social enterprises.

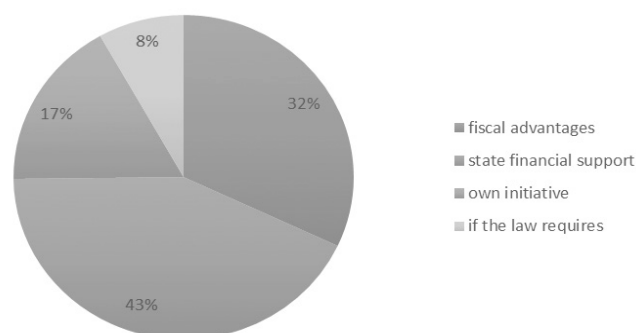


Figure 7. Incentives for developing social enterprises in Moldova

Financial support and fiscal advantages are the main factors that would stimulate existing enterprises to develop social businesses or social missions. Only 17% from all respondents would develop social enterprises by their own initiative. This phenomenon speaks about low level of sensitivity of existing entrepreneurs to social business missions.

Conclusions: one of the key role of public policy is to stimulate the emergence of a strong financial marketplace for social enterprises.

## DISCUSSIONS

The findings of the research are unique for Republic of Moldova academic and professional environment. While the social entrepreneurship is unvalued issues in the country, this research represents a clear perspective for social business framework.

An undeveloped area that has the potential for this research field is quantitative research, mentioned as well by Lepoutre in 2011.

The author agrees with Hoogendorn that social entrepreneurship field needs rigorous empirical assessments to evolve, while this necessity suggests an abundance of research opportunities. Moreover, we stress on the necessity



for qualitative research in order to develop the national legal frame and supporting mechanisms for social entrepreneurship.

Moreover, Ryszard Praszquier, Andrzej Nowak, Agata Zabocka-Bursa share the same opinion like the author in terms of that social entrepreneurs differ significantly from the rest of traditional entrepreneurs, especially in terms of personal optimism.

The investigation of Bornstein and Davis reflects the same conclusion of the author's research that individuals who are eager to make a community impact must understand what they care about, what their strengths and weaknesses are, what are their values, in what environments they works best, and what are their motivations.

The author totally agrees with Davidsson investigation from 2006, asserting the importance of social entrepreneurship for community development.

The author disagree with other researchers like Salamon, stating that the development of social enterprise follows along lines similar to those for the development of nonprofit sectors. The author believes that nonprofits are not the best options for social enterprises.

It is important to have a clear picture of types of organizations that can run social entrepreneurship activities in the developing countries, like Moldova is. Moreover, must be made a clear evidence between limited interests of lobbying groups on social entrepreneurship and the interest of social economy industry as a whole.

Another area of interest is the need for legal preconditions and fiscal incentives, in case they are important to build social enterprises. In this respect, the opinions are different, some of the practitioners and researchers underline the importance for incentives others contend these ideas.

## CONCLUSIONS

The international experience on social entrepreneurship initiatives poses more challenges to definition and impact assessment than on the business entrepreneurship. Moreover, the role of social enterprises is different than the role of business enterprises, as well as their missions. Because of the different definitions and characteristics of social entrepreneurship around the world, in Moldova there are misunderstandings regarding this concept. As well, public perception collates behind the social entrepreneurship framework.

The absence of consistent frameworks and rigorous empirical research makes it difficult to promote critical perspectives and debates on the specific phenomenon categorized as entrepreneurship, social entrepreneurship, social movement, or social enterprise.

In the Republic of Moldova, the findings show first of all big difference in perception between people who are already involved in economic activities and those who are not, as well as people from rural and urban areas.

The social entrepreneurship is not only a new concept for the country but as well as an unknown one.

Lack of school/university entrepreneurial education and

vocational education constrains the aptitudes of people to "think out of the box".

Moreover, the policymakers of the social business must understand very well and undertake a deep research, not only consultations with limited group of stakeholders, on types of social enterprises and incentives needed to stimulate each type of institution to promote social missions within economic activities.

At the national level, it is necessary to undertake several major steps to develop the social entrepreneurship sector:

To find a common definition of what social enterprise is, who is a social entrepreneur and how he can develop the social economy sector. However the definition must be realized not only based on limited public consultations, but it must be undertaken a deep research on the different problems from economic and social sector, involving different stakeholders.

At the first stage, it is irrelevant to adopt a specific law on social entrepreneurship once Moldova have very limited access to financial support from Government and from donors, once the country is in deep economic and political crisis.

To educate on the large scale different stakeholders around the country about social entrepreneurship. Additionally, piloting school and university curricula and vocational trainings in order to build, more or less, a common understanding on what is social entrepreneurship and who must be a social entrepreneur.

At the micro level, "economic revolutionaries" who are overwhelmed by the concept of social business have to:

Identify the problem in respect of which the entrepreneurs/ individuals really want to find a solution to and for which you are willing to bring a change.

After the identification of the problem, social entrepreneurs need to find innovative solutions to the particular problem. Probably this is one of the most crucial and important phase, even some entrepreneurs do not realize it. Being original brings to success of the business.

Find a group of people that share the same vision as you and who are willing to support the implementation of the plan.

Concrete research on business structures and knowledge on how the market works.

Branding the social business model.

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