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SOCIAL ENTREPRENEURSHIP & CORPORATE SOCIAL RESPONSIBILITY DRIVING SUSTAINABLE SOLUTIONS: COMPARATIVE ANALYSIS

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ABSTRACT

The comparative analysis of social entrepreneurship and corporate social responsibility (CSR) holds significant importance in addressing pressing social and environmental issues. This research explores and compares social entrepreneurship and corporate social responsibility (CSR), focusing on their unique attributes, motivations, and impacts. ***Objectives:*** *The study aims to provide valuable insights for individuals, organizations, and policymakers, helping them address societal and environmental challenges while promoting sustainable development.* ***Methods/Approach:*** *Qualitative research methods, including focus group sessions and in-depth interviews, were employed to scrutinize Georgian social enterprises and CSR initiatives. Data synthesis from multiple sources contributed to the comprehensive analysis.* ***Results:*** *The study underscores the burgeoning significance of social responsibility in corporate pursuits, especially in regions marked by socioeconomic disparities. It emphasizes the delineation between social entrepreneurship and CSR, illuminating how strategic marketing amplifies social responsibility, augmenting product value and competitiveness. Integrating social objectives into business frameworks, transparent communication, long-term visions addressing social issues, and fostering collaboration between social entrepreneurship and CSR are instrumental in cultivating a socially responsible business image and nurturing sustainable economic growth. Understanding these distinctions and synergies is pivotal in addressing societal and environmental challenges while promoting sustainable development.* ***Conclusions:*** *The comprehensive comparative analysis between social entrepreneurship and CSR illuminates their distinct traits and potential collaborative avenues, providing a foundational understanding applicable across diverse regional and industry contexts. Additionally, the study underscores the role of marketing in shaping the perception of socially responsible businesses, inviting further exploration into CSR and social entrepreneurship marketing strategies. Policymakers can leverage these insights to formulate policies that bolster socially responsible endeavours and foster sustainable development within the business landscape.*

Keywords: *Social entrepreneurship, sustainable development, economic growth, management*

JEL classification: *A14; B55; M11*

Paper type: *Research article*

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INTRODUCTION

Georgia's entrepreneurial landscape is intimately entwined with challenges such as unemployment and social adversities. Addressing these challenges demands a comprehensive understanding of social entrepreneurship and corporate social responsibility (CSR) alongside their respective merits. However, a significant gap in literature persists, particularly regarding the presence of internal CSR policies and practices within social

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enterprises (Cornelius et al., 2008). Closing this gap is pivotal for shaping discourse on businesses' societal roles and guiding projects with profound social impacts.

Moreover, a critical need exists to better comprehend how social entrepreneurship projects contribute to sustainable development (Spieth et al., 2019). Policymakers and practitioners require a deeper understanding to harness the potential of social entrepreneurship effectively. Similarly, the impact of social entrepreneurs in addressing environmental challenges requires more attention (Austin et al., 2006) to create support structures and policies aiding sustainability efforts. Hence, the examination and comparison of social entrepreneurship and CSR emerge as critical tools in the quest for efficient, enduring solutions to the multifaceted challenges of our society and environment, charting a course towards a brighter future.

This study embarks on an exploration and analysis of the distinctive attributes and potential of social entrepreneurship and CSR, offering invaluable insights into their advantages and constraints. Through an examination of their impacts, scalability, motivations, and objectives, this research equips policymakers, businesses, and society with the knowledge necessary to formulate effective policies and initiatives for sustainable development.

Problem Statement: Despite the importance of understanding social entrepreneurship and corporate social responsibility, there is a conspicuous lack of in-depth comparative analysis, hindering the realization of their full potential in addressing societal and environmental issues. To bridge this gap and drive meaningful change, this research seeks to explore the distinctive traits, motivations, and impacts of these two strategies, offering a comprehensive perspective on their contributions to sustainable development.

Hypotheses of the Study:

H1: Companies predominantly perceive corporate social responsibility as a marketing tool.

H2: Companies align their social initiatives with global trends.

These hypotheses were examined and analysed throughout the course of this study to shed light on the true nature and efficacy of these approaches in addressing social and environmental challenges

These hypotheses underwent rigorous examination throughout this study, shedding light on the efficacy of these approaches in addressing societal and environmental challenges.

Research Questions:

- How do social entrepreneurship and CSR differ in attributes, motivations, and impacts, and what are the implications for individuals, organizations, and policymakers in Georgia?
- How can the integration of social entrepreneurship and CSR drive positive change, sustainability, and stakeholder needs in contemporary business environments?

Conceptual Framework:

Exploring the Intersections of Social Entrepreneurship, Corporate Social Responsibility, and Stakeholder Theory: the proposed theoretical framework offered a robust and structured foundation for conducting research into the intricate and dynamic world of social entrepreneurship, corporate social responsibility, and stakeholder theory. It meticulously encompassed key concepts, influential theories, and empirical findings from the

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literature, ensuring that the study would yield valuable insights into these pivotal areas. This well-organized framework provided a thorough basis for understanding how businesses could effectively drive positive change while maintaining their responsibilities to various stakeholders. Ultimately, this research contributed to our overall understanding of how these areas intersected and impacted each other, drawing on basic ideas, well-known theories, and real-world data from scholarly sources. The proposed theoretical framework for this research aimed to investigate the distinct attributes, drivers, and consequences of social entrepreneurship (SE) and corporate social responsibility (CSR), with a particular focus on their contributions to the advancement of sustainable development. The structure of the framework was organized in the following manner:

Corporate Social Responsibility (CSR) referred to the ethical and moral obligations that corporations had towards society and the environment. It encompassed the voluntary actions taken by businesses to address social and environmental issues beyond their legal requirements.

The focal point for comprehending corporate social responsibility (CSR) inside the business setting was Carroll's Three-Dimensional Model, which was formulated by Carroll, 1979. This influential paradigm presented three fundamental dimensions: economic, legal, and ethical. The aforementioned framework functioned as a fundamental structure that highlighted the ethical and sociological dimensions of corporate social responsibility. This paradigm enabled a systematic evaluation of how organizations strategically managed the intricate terrain of reconciling their economic objectives with their legal and ethical obligations.

Gond et al. (2017) provided significant contributions to the understanding of the impact of corporate social responsibility (CSR) on employee behaviour and motivation. This perspective highlighted the importance of adopting an internal stakeholder perspective when considering corporate social responsibility (CSR). By carefully looking at how corporate social responsibility (CSR) efforts affected employees, one could gain a better understanding of the psychological and social bases of CSR in the workplace. According to the Ribeiro, and Gavronski (2021) stakeholder theory claims that managers should cater for all stakeholders, but employees influence how stakeholders see the company and its impacts.

Social entrepreneurship (SE) refers to the practice of applying entrepreneurial principles and strategies to address social and environmental challenges. It involved the creation and implementation of innovative solutions that aimed

Mair and Marti (2006) presented a unique viewpoint on social entrepreneurship, emphasizing its capacity to enact significant societal and economic transformations. This perspective highlighted the potential of social entrepreneurship as a powerful catalyst for constructive societal change, as it strived to address urgent social issues while also maintaining its economic viability.

Hockerts and Wüstenhagen (2010) emphasized the importance of encouraging collaboration between established businesses and creating sustainable entrepreneurs in the fields of corporate social responsibility (CSR) and social entrepreneurship (SE). Adopting a collaborative strategy was a key part of taking advantage of the synergies that could exist between well-established corporations and socially responsible start-ups. This created a more stable environment that was better for driving positive change.

Key Contributors to the Theoretical Framework:

The integration of Corporate Social Responsibility (CSR) and Social Entrepreneurship (SE) has become a topic of increasing interest and importance in the business world. Dees (1998) and McWilliams and Siegel (2001) made significant contributions to the fields of social entrepreneurship and corporate social responsibility (CSR), respectively. Dees' work provided fundamental knowledge of social entrepreneurship, while McWilliams and Siegel explored CSR activities from a corporate standpoint. These pioneering works served as valuable references for this particular aspect of the framework.

Through the synthesis of these many views, the research shed light on the strategic aspect of corporate social responsibility (CSR) and its smooth incorporation into the overall strategy of a firm. By synthesizing these various perspectives, the research sheds light on the strategic dimension of corporate social responsibility (CSR) and its seamless integration into a firm's overall strategy. Within this section of the framework, particular attention was directed towards the ground-breaking works of Dees (1998), who established the foundational understanding of social entrepreneurship, and McWilliams and Siegel (2001), who examined CSR activities from a corporate viewpoint.

Additionally, the typology proposed by Dyllick and Muff (2015) serves as a valuable tool for categorizing and distinguishing various business operations related to CSR and SE. It emphasizes the significance of differentiating between unsustainable practices and genuine sustainability initiatives, facilitating a more nuanced analysis of the multifaceted impact of these initiatives on society and the environment.

Development of Stakeholder Theory:

The concept of stakeholder theory revolves around organizational management and business ethics. It acknowledges the various groups impacted by corporate entities, including but not limited to workers, suppliers, nearby communities, debt-holders, and more. This theory explores the guiding principles and ethical standards that underlie effective organizational management. It draws from concepts like market economics, social contract theory, and corporations' responsibilities toward society. The strategy's stakeholder perspective combines resource- and market-based elements while introducing a socio-political dimension. A prevalent iteration of stakeholder theory aims to identify the precise stakeholders within a company (known as the normative approach to stakeholder identification) and subsequently analyse the factors influencing how managers consider these entities as stakeholders (referred to as the descriptive aspect of stakeholder importance). Long-held philosophical ideas about society and interpersonal relationships have paved the way for concepts akin to modern stakeholder theory. The term "stakeholder" emerged in 1963 in an internal memo at Stanford Research Institute. Subsequent decades saw a proliferation of stakeholder definitions and theories.

By the notion gained traction as Hein Schwab and Kroos (1971) argued for a broader corporate responsibility in their booklet "Modern Enterprise Management in Mechanical Engineering." Authors like Mitroff (1983) and Freeman (1984) further explored stakeholder theory. Freeman's book, "Strategic Management: A Stakeholder Approach," introduced models for identifying stakeholders and urged management to consider their interests. Unlike the traditional shareholder view, stakeholder theory contends that entities such as employees, customers, suppliers, and competitors influence a company's trajectory. This concept, while debated, has fostered numerous definitions in academic discourse.

Numerous works on stakeholder theory often credit Freeman as its originator. His book "Strategic Management: A Stakeholder Approach" (1984) is widely considered the foundation of the theory. However, Freeman acknowledges various influences, including strategic management, corporate planning, systems theory, and corporate social responsibility. Scholarly exploration of stakeholders' significance and salience is vital in this field. Anticipation of similar concepts under Corporate Social Responsibility emerged in 1968 through an Italian economist, Giancarlo Pallavicini, who introduced an analytical method to assess non-economic outcomes of enterprise with ethical, social, and environmental dimensions.

Recent works contributing to stakeholder theory include Donaldson and Preston (1995), Mitchell, Agle, and Wood (1997), Friedman and Miles (2002), and Phillips (2003). Donaldson and Preston categorize stakeholder theory into three aspects: descriptive, instrumental, and normative. The descriptive aspect delves into understanding firms' characteristics and behaviours. The instrumental aspect connects stakeholder management with corporate goals. The normative aspect establishes moral guidelines for corporate operation. Mitchell et al. classify stakeholders based on power, legitimacy, and urgency attributes, leading to eight stakeholder types with organizational implications. Friedman and Miles introduce compatibility, incompatibility, necessity, and contingency attributes to examine contentious stakeholder-organization relationships. Phillips distinguishes between normative and derivatively legitimate stakeholders based on moral obligation and organizational influence.

Stakeholder theory has gained prominence beyond business ethics and is integral to corporate social responsibility frameworks like International Organization for Standardization ISO 26000 and Global Reporting Initiative GRI. In business ethics, Weiss (2014) showcases integrating stakeholder analysis and issues management to address societal, organizational, and individual dilemmas. Charles Blattberg, a political philosopher, critiques stakeholder theory for assuming that stakeholders' interests can only be compromised or balanced. He advocates for conversation instead of negotiation, promoting a 'patriotic' view of corporations as an alternative. Mansell (2016), a management scholar, contends that applying the 'social contract' concept to corporations, as stakeholder theory does, might undermine market economy principles. It could lead to increased exploitation of weak stakeholders by self-interested managers rather than reducing such opportunities.

Categories of Stakeholders: A company's stakeholders are people, organizations, or others with a stake in its operations, activities, and results. They significantly impact the company's actions and performance, or vice versa. Stakeholders can range in prominence and impact, and they frequently have a variety of viewpoints and concerns. Here are a few typical categories of firm stakeholders:

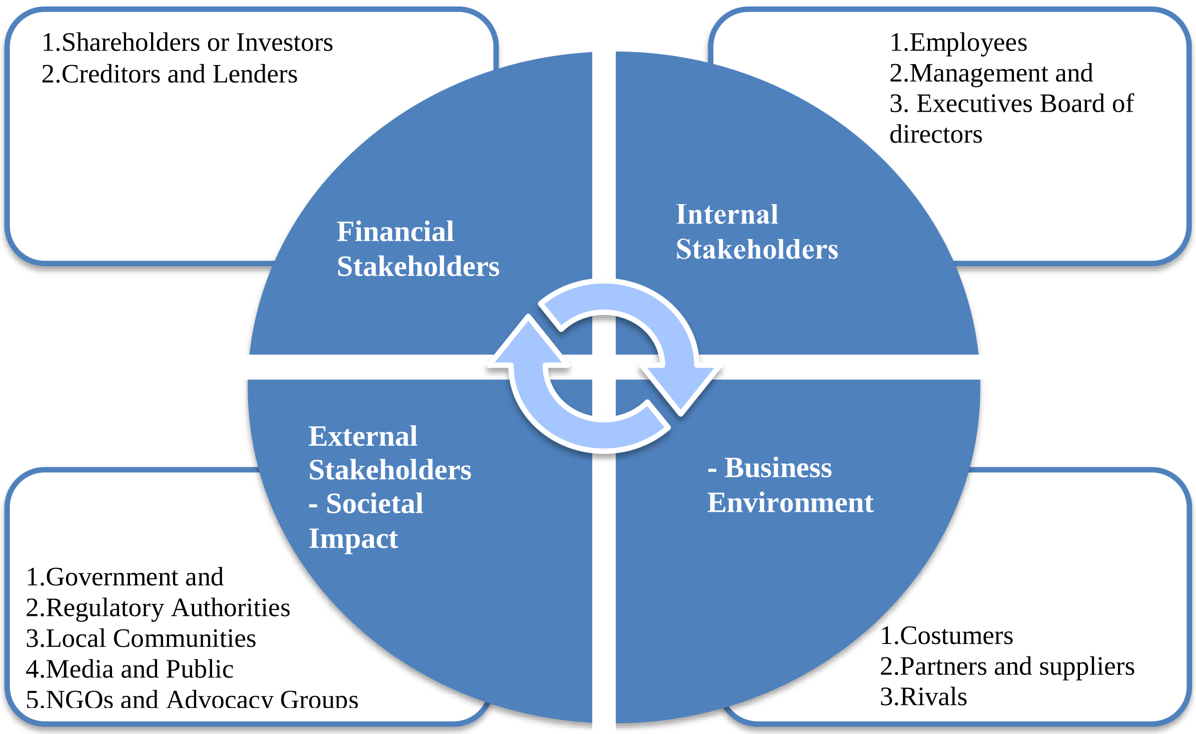

Figure 1. Stakeholders of the company

Source: Authors' own work

Shareholders or investors: Those who possess stock in the corporation are known as shareholders or investors. They frequently worry about the business's financial performance and potential to profit from their investments. (Lehmann, 2019)

Employees: The success of the firm is dependent on the individuals who work there. The firm's success affects career advancement, job security, pay, and working conditions.

Customers are crucial stakeholders since they buy the company's goods and services. The income and reputation of the firm depend on their contentment and loyalty. (Freeman & Dmytriyev, 2017)

Partners and Suppliers: Businesses rely on suppliers for services, goods, and raw materials. In order to sustain the supply chain and guarantee product quality, it is essential to have positive connections with suppliers. (Freeman, Dmytriyev & Phillips, 2021)

Creditors and Lenders: Parties that have given the firm credit or loans have a stake in how well-positioned it is financially and, in its capacity, to pay back obligations. (Noked, 2013)

Government and Regulatory Authorities: Governmental bodies impose laws and regulations that may influence a company's operations, legal obligations, and general business climate. (Rigby, First & O'Keeffe, 2023)

Local Communities: Businesses frequently operate inside communities, and their activities may influence these communities' social, environmental, and economic well-being.

Rivals: Despite being distant from the business, rivals are essential players because their actions and market trends can affect the company's strategy and decisions.

Media and Public: Public perception and media coverage impact a company's reputation, investor confidence, regulatory scrutiny, and consumer loyalty.

NGOs and Advocacy Groups: NGOs and advocacy groups may be interested in topics connected to business operations, such as environmental protection, human rights, and labor practices. If the company's staff is unionized, trade unions and labor organizations advocate employee interests and engage in labor-related negotiations.

Board of Directors: The company's board members, whom shareholders choose, are responsible for working in the interests of the business and its stakeholders.

Management and Executives: The leadership group of the business is in charge of making choices that impact a range of stakeholders and the success of the business as a whole.

Diverse Aims and Social Responsibility:

Aims: Directors and managers are primarily focused on ensuring the smooth operation and growth of the company. They aim to maximize operational efficiency, achieve strategic goals, and enhance the company's overall performance. Shareholders, also known as investors or stockholders, aim to realize a return on their investment in the company. Their primary interest lies in generating financial gains through the appreciation of the company's stock value and the distribution of dividends. (Bebchuk, Kastiel & Tallarita, 2022).

Roles: Shareholders contribute capital to the company by purchasing shares and thus become partial owners. They have the right to vote on certain corporate matters and expect the company's management to make decisions that enhance shareholder value. (Freeman & Velamuri, 2021) Directors, who typically constitute the board of directors, provide oversight, set company strategies, and make critical decisions. Managers are responsible for executing these strategies, managing day-to-day operations, and optimizing resources to achieve organizational objectives. (Larcker & Tayan, 2020)

While directors, managers, and shareholders all play essential roles in a company's success, their aims often differ due to their respective positions and perspectives. Directors and managers focus on operational effectiveness and growth, while shareholders prioritize financial returns and the overall value of their investments. For example, the Directors recognize that the company's actions and decisions impact various stakeholders and the community at large. They emphasize ethical behaviour, environmental sustainability, and corporate social responsibility to maintain a positive image, mitigate risks, and contribute to the greater good. They found that for developed countries, the environmental carbon footprint had a significant negative impact on subjective well-being (Todorov, Aleksandrova, & Ismailov, 2023). Shareholders, especially those focused on short-term gains, might prioritize financial performance over social responsibility initiatives (Todorov, Aleksandrova, & Ismailov, 2023). However, there is a growing trend of socially conscious investors who consider a company's ethical practices and impact on society. Directors play a pivotal role in setting the tone for the company's social responsibility initiatives. They develop and implement policies that align with the company's values, address environmental concerns, ensure fair labor practices, and engage with local communities. (Arikan, Kantur, Maden, & Telci 2016). Shareholders can influence a company's social responsibility efforts through their voting power and engagement in shareholder meetings. They can advocate for sustainable and ethical practices, encouraging the company to prioritize social and environmental concerns.

Balancing the diverse aims of directors and shareholders with the social responsibility of the company is a challenge. Directors need to communicate the long-term benefits of responsible practices to shareholders, showing how they can contribute to the company's stability and reputation. Shareholders, in turn, should recognize that ethical practices can positively impact a company's performance over the long run. Companies that successfully navigate this balance are better positioned to create sustainable value while meeting their social responsibilities.

Social Entrepreneurship (SE): Mair and Marti (2006) provide a distinctive perspective on social entrepreneurship that centers around its transformative role in driving both social and economic change. This viewpoint underscores the capacity of social entrepreneurship to be a dynamic force for positive societal transformation, as it endeavours to tackle pressing societal challenges while simultaneously sustaining itself economically.

In the realm of social enterprises, various stakeholders play crucial roles. These stakeholders encompass the founders, employed individuals, their family members, civil society organizations, government representatives, donor organizations, and consumers who choose the product or service due to the social enterprise's unique status. Each of these groups assumes a distinctive role in relation to the social enterprise. The founders, donors, and community organizations are the pillars providing resources, showing a strong interest, and holding the potential to safeguard and champion the interests of these enterprises. They serve as the backbone of support and advocacy. On the other hand, employees, their family members, and customers maintain a more neutral stance, yet their contributions are equally significant in the enterprise's growth and successful operation. Their involvement is pivotal, albeit less outspoken. Meanwhile, government agencies possess the means to both facilitate and obstruct the enterprise's progress. They hold the keys to promotion as well as potential obstacles. Their role is pivotal, wielding influence over the enterprise's path. These diverse roles are founded on the specific information needs and varying levels of interest of each stakeholder group, shaping the dynamics within the social enterprise ecosystem.

Collaborative Approach: Hockerts and Wüstenhagen (2010) underline the critical importance of fostering collaboration between established corporations and emerging sustainable entrepreneurs within the realms of CSR and SE. This collaborative approach is pivotal for harnessing the potential synergies between established corporate structures and innovative, socially responsible start-ups, fostering a more robust ecosystem of positive change.

The proposed theoretical framework offered a robust and structured foundation for conducting research into the intricate and dynamic world of social entrepreneurship, corporate social responsibility, and stakeholder theory. It meticulously encompassed key concepts, influential theories, and empirical findings from the literature, ensuring that the study would yield valuable insights into these pivotal areas. This well-organized framework provided a thorough basis for understanding how businesses could effectively drive positive change while maintaining their responsibilities to various stakeholders. Ultimately, this research contributed to our overall understanding of how these areas intersected and impacted each other, drawing on basic ideas, well-known theories, and real-world data from scholarly sources.

METHODOLOGY

The research methodology employed in this study was designed to comprehensively investigate and analyse Georgia's social enterprises and corporate social responsibility (CSR) initiatives. To achieve the research objectives, a combination of qualitative and desk-research approaches were utilized, specifically, the proposed theoretical framework offered a robust and structured foundation for conducting research into the intricate and dynamic world of social entrepreneurship, corporate social responsibility, and stakeholder theory. It allowed for the synthesis of data from multiple sources, ranging from published literature to direct interactions with industry professionals, to gain a comprehensive understanding of the subject and draw meaningful conclusions from the research findings.

Selection of research target groups: As part of the qualitative research component, a series of ten focus group meetings were conducted. The sampling process for the focus group aimed to ensure a representative and diverse selection of companies in Georgia. The study targeted two distinct categories of enterprises: Category I - social enterprises and Category II - companies openly declared about their Corporate Social Responsibilities. Category I has been chosen from the pool of 43 members of the Social Enterprise Alliance of Georgia (2022). Invitations were offered to representatives from these 43 social enterprises to partake in the focus group, and 22 agreed.

Category II - invitations distributed to 120 companies, carefully chosen from a pool of 693, with a focus on their reported social corporate responsibility initiatives. The selection process aimed to encompass a diverse representation across sectors, geographical locations, and company sizes. Among these, 34 companies consented and were purposefully chosen to participate in the subsequent focus group analysis.

Data collection: These sessions allowed for in-depth discussions, idea sharing, and the collection of qualitative insights from individuals with direct experience in the field. 92% of focus group respondents from social enterprises hold top management positions and as for the classical (commercial) business companies, 46% of respondents occupied the high or middle-level management positions. The focus group meetings were instrumental in collecting nuanced insights, perspectives, and first-hand experiences related to social enterprises and corporate social responsibility efforts in Georgia.

Data Analysis: Applied thematic analysis to the qualitative data obtained from the focus group sessions, identifying common themes, patterns, and unique insights. To facilitate a comparative analysis of the activities and outcomes of various entities, the social initiatives undertaken by both traditional businesses and social enterprises were categorized. This categorization was based on key criteria such as the content of the initiatives, their scope, the sector they operated in, the size of the organizations, and their geographical locations. This approach enabled a comprehensive understanding of the subject matter and helped highlight similarities and differences among the approaches taken. This sampling strategy ensured a comprehensive exploration of the social entrepreneurship landscape in Georgia, incorporating the perspectives of both social enterprises and traditional Category I and II enterprises based on specific financial criteria. The focus group composition aimed to capture a holistic understanding of the diverse approaches to CSR within the business community in the region.

RESULTS

The study has revealed the following key findings:

The Role of "Social" Integration in Business:

98% of respondents in the study emphasized the importance of incorporating the term "social" into business strategies as a means to simultaneously pursue commercial and social objectives. A variety of real-world examples of companies' social projects and responsibilities in Georgia, covering non-formal education, milk production, environmental protection, waste management, and employee training and development demonstrate companies' dedication to addressing a range of social and environmental challenges in their regions. Only 2% of questioned commercial enterprises think that social issues move beyond the scope of the business sector and ought not to represent its principal area of concern. This finding aligns with the overarching perspective that both social enterprises and conventional businesses can effectively address the challenges faced by specific communities or social clusters by embracing social goals. This integration not only benefits society but also provides significant advantages to the enterprise and its customer base.

Distinguishing Social Entrepreneurship and Corporate Social Responsibility (CSR):

It has become evident that Social Entrepreneurship and CSR are distinct approaches in addressing social and environmental issues, each characterized by its unique purpose, profit-sharing model, stakeholder engagement, and risk considerations.

Social Entrepreneurship:

This approach is primarily motivated by a core mission to tackle specific social problems and create sustainable social impact. Profits generated within social entrepreneurship are typically reinvested in the enterprise or channelled toward creating additional social benefits. Social entrepreneurship prioritizes engagement with a broader range of stakeholders, including vulnerable groups and external partners, to ensure the success of its social mission. Risks undertaken in social entrepreneurship are primarily geared towards benefiting the target beneficiaries, with a strong focus on achieving positive social outcomes. The current research indicated that 64% of surveyed enterprises aim to achieve the so-called open labor market social goal. These enterprises engage in activities such as employing less competitive labour force at the open labour market (57%), creating products (33%), providing social services to users, and offering various services such as landscape design, yard landscaping, cleaning, waste collection, and recycling, as well as non-formal education services for ethnic minorities and others. Furthermore, social enterprises actively prioritize the employment of individuals from vulnerable groups, including persons with disabilities, internally displaced persons, those living below the poverty line, single parents, and representatives of various ethnic, religious, and sexual minorities. Many individuals may belong to multiple social groups concurrently, such as a displaced person who falls under the categories of both poverty and disability.

Corporate Social Responsibility (CSR):

In contrast, CSR is embedded within traditional for-profit companies, where the primary objective is profit maximization while also considering the social and environmental impact of their operations. In CSR, profits are primarily distributed to shareholders and investors, with some funds allocated to CSR initiatives. Stakeholder engagement in CSR primarily centers around employees and shareholders, with limited interaction with external stakeholders. Risks associated with CSR initiatives are undertaken to enhance the company's reputation and brand, rather than directly addressing social issues. Although some traditional businesses offer similar types of social and environmental services or services focused on assisting specific social groups. In fact, 68% of surveyed enterprises implement such projects on a short-term or one-time basis, and their sustainability is linked to the company's marketing and strategic goals.

The Table 1 provides a visual representation of the specific criteria that distinguish between social enterprises and business Corporate Social Responsibility.

Table 1. Comparing Social Entrepreneurship and Corporate Social Responsibility (CSR)

Description	Social Entrepreneurship	Corporate Social Responsibility (CSR)
Purpose	Address specific social problems and create long-term social impact	Maximize profits while considering the social and environmental impact
Profit Sharing	Profits are reinvested in the enterprise or used to create additional social benefits	Profits are primarily distributed to shareholders and investors, with some CSR initiatives
Stakeholder Engagement	Engages with a wider range of stakeholders, including vulnerable groups and external partners	Primarily focuses on employees and shareholders, with some engagement with external stakeholders
Risks	Risks are undertaken for the benefit of beneficiaries	Risks are undertaken for the benefit of the company’s owners or investors

Source: Authors’ own work

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The distinctions between social enterprise and business social entrepreneurship stem from the underlying motivations driving the establishment of these enterprises. Our research findings underscore the critical role that these motivations play in shaping effective engagement and communication strategies. Social enterprises are typically driven by a long-term vision aimed at addressing specific social issues. In contrast, traditional businesses often undertake social projects in response to societal demands or to bolster their reputation. These differing motivations fundamentally shape their approaches. Remarkably, 37% of the surveyed companies view corporate social responsibility as a strategic investment. Such an approach not only enhances their appeal to foreign investors but also bolsters their overall investment attractiveness. Additionally, 42% companies believe that maintaining a strong reputation and image in the business world is intricately tied to the implementation of social projects. Furthermore, 21% companies posit that their involvement in social issues is guided by emotional factors and impromptu decisions. In stark contrast, 100% of the surveyed social enterprises we examined unequivocally place the achievement of a specific social goal at the core of their existence. They view economic activity as a means to achieve this overarching social objective.

Targeting Specific Communities and Stakeholders: the research revealed that both, social enterprises and traditional businesses find addressing challenges faced by specific geographic communities, cultural groups, or social clusters appealing. It aligns with the theoretical framework, which recognizes that stakeholder theory is integral to corporate social responsibility frameworks. Companies' actions and decisions impact various stakeholders and the community, emphasizing the importance of engaging with different groups.

DISCUSSION

In the realm of business dynamics, the interplay between 'social' integration stands as a pivotal force, encapsulating the nuanced facets of Social Entrepreneurship and Corporate Social Responsibility (CSR). This discussion explores the distinct realms and intricate nuances between these paradigms, delineating their motivations and strategic perspectives. Focused on targeting specific communities and stakeholders, it navigates the complexities of inclusive approaches. Moreover, it delves into the complicated landscape of impact assessment and the challenges inherent in performance management, thereby illuminating the terrain for future research implications in fostering holistic and sustainable business models. Specifically:

The Role of ‘Social’ Integration in Business: The overwhelming consensus among respondents (98%) on the importance of *integrating* the term ‘social’ into business strategies is a significant revelation. This aligns seamlessly with contemporary expectations for businesses to go beyond profit maximization and actively contribute to societal welfare. Real-world examples from Georgia vividly demonstrate the breadth of corporate dedication to addressing diverse social and environmental challenges. Importantly, this finding reinforces the notion that both social enterprises and traditional businesses can be powerful agents for positive change when embracing social goals. The dual impact on society and the enterprise itself underlines the symbiotic relationship between social and commercial objectives.

Distinguishing Social Entrepreneurship and Corporate Social Responsibility (CSR): The distinctiveness between Social Entrepreneurship and CSR is a pivotal contribution of this study, providing a nuanced understanding of their unique characteristics. The visual representation in Chart 2 encapsulates the disparities in purpose, profit-sharing, stakeholder engagement, and risk considerations. Notably, the research illuminates the motives driving social entrepreneurship's focus on sustainable social impact, as opposed to CSR's emphasis on profit maximization. The detailed breakdown of social entrepreneurship activities, with 64% aiming for the open labor market social goal, provides rich insights into the diverse initiatives undertaken by enterprises with a social mission. This section not only clarifies conceptual differences but also underscores the practical implications of these approaches.

Motivations and Strategic Perspectives: The discussion effectively delves into the motivations shaping the actions of surveyed companies. The revelation that 37% of companies view CSR as a strategic investment highlights a pragmatic approach toward attracting foreign investors. Additionally, the acknowledgment that 42% of companies tie a strong reputation to social projects underscores the interplay between social responsibility and brand image. These strategic perspectives align with theoretical frameworks that posit CSR as a multifaceted tool, serving both economic and reputational objectives. In stark contrast, the unequivocal commitment of 100% of social enterprises to a specific social goal emphasizes the distinct, mission-driven nature of their existence.

Targeting Specific Communities and Stakeholders: The alignment of both social enterprises and traditional businesses in addressing challenges faced by specific communities and stakeholders reinforces the importance of stakeholder theory in the realm of corporate social responsibility. The research findings resonate with the theoretical framework, emphasizing the interconnectedness between companies' actions and the diverse stakeholder landscape. This alignment highlights the potential for businesses, regardless of their organizational model, to positively impact communities by understanding and engaging with various stakeholder groups.

Impact Assessment and Performance Management Challenges and Future Research Implications: The discussion aptly acknowledges the challenges faced by social enterprises in assessing their results. This aligns with broader discussions on the complexity of measuring social impact, which is inherent to the hybrid nature of social entrepreneurship. The mention of limited resources and competency gaps in systematic data collection and analysis suggests avenues for future research. Further exploration could focus on developing robust evaluation frameworks tailored to the unique characteristics of social enterprises, fostering a culture of measurement, and addressing competency challenges.

In general, the discussion successfully integrates theoretical perspectives with empirical findings, providing a nuanced understanding of the role of ‘social’ integration in business, the distinctions between social entrepreneurship and CSR, and the motivations guiding companies' social initiatives. This revised section strengthens the article's coherence, relevance, and the author's demonstration of deep theoretical and practical knowledge.

CONCLUSION

In conclusion, this study has shed light on the notable distinctions between corporate social responsibility and social entrepreneurship. The main objective of the enterprise is the primary distinguishing aspect between these two approaches. Social businesses are characterized by their dedication to a social mission and their commitment to addressing specific needs within the community. In contrast, corporate social responsibility enables companies to choose social causes that are in line with their strategic objectives. By grasping this critical differentiation, we gain a clearer understanding of the unique characteristics of each approach and can more effectively assess their impact.

Furthermore, the study underscores the most optimal approach to simultaneously pursue both commercial and social objectives - the incorporation of the term "social" into business operations. This strategy offers substantial advantages, especially for large companies, and is essential for meeting the evolving demands and expectations of today's world. The findings emphasize that reliability and a strong reputation are of paramount importance to stakeholders and are closely connected to active engagement in the social sphere.

The research also highlights the role of marketing in shaping the image of a socially responsible business. Many companies integrate their social responsibility initiatives into their marketing strategies, often employing dedicated personnel to accentuate their policies and actions. This underscores the significance of projecting a socially responsible business image, not only as a marketing tool but as a means to enhance the social value and competitive advantage of their products. Based on the aforementioned findings, it becomes apparent that the incorporation of social responsibility into corporate practices is not only recommended but essential for fostering sustainable economic growth in the state of Georgia.

Understanding the distinctions and similarities between corporate social responsibility and social entrepreneurship is vital for effective engagement, communication, and decision-making. Social enterprises have a long-term vision to address specific social problems, while traditional businesses may engage in social projects to respond to societal demands or enhance their reputation.

The research underscores the significance of social entrepreneurship in creating sustainable economic models in Georgia, particularly in addressing social inequality, unemployment, and dependence on state aid. It also highlights the importance of recognizing the complementary nature of these approaches and seeking areas of synergy to create a more sustainable and socially responsible corporate environment.

In conclusion, a comparative analysis of social entrepreneurship and corporate social responsibility is crucial for understanding their unique characteristics, evaluating their effectiveness, fostering collaboration, and guiding decision-making processes. This approach enables the development of innovative solutions to social issues and the establishment of a more sustainable and socially responsible corporate landscape. According to the research findings, H1 is confirmed, and H2 is only partially proved because companies tend to focus on social responsibility initiatives at the micro level, which is evident in their projects.

Based on these insights, we recommend that businesses in Georgia and beyond consider the following:

1. Embrace the integration of social goals into your business operations to reap the benefits of an enhanced reputation and increased stakeholder satisfaction.
2. Prioritize clear and transparent communication with customers and the public regarding your social initiatives to distinguish them from corporate social responsibility efforts.
3. Develop a long-term vision for addressing specific social issues in your community, as this can propel both social enterprises and traditional businesses toward meaningful and sustainable contributions.
4. Foster collaboration and synergy between social entrepreneurship and corporate social responsibility to create a more socially responsible and economically sustainable corporate environment.
5. Continue to project a socially responsible business image through marketing and other activities, enhancing the social value and competitive advantage of your products.

By following these recommendations, businesses can play a significant role in creating positive social and economic change while meeting the demands and expectations of today's world.

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