

TECHNOLOGY, CREATIVITY, IMPLEMENTATION**PROCESSES OF APPLYING BUSINESS MODELS
OF SOCIAL ENTREPRENEURSHIP IN THE FIELD OF PASSENGER
TRANSPORTATION TO IMPROVE THE QUALITY AND ACCESSIBILITY
OF TRANSPORT****Antonina Bazyliuk**

Doctor of Economics, Professor, National Transport University, Ukraine
e-mail: av_ton@ukr.net, orcid.org/0000-0002-4145-5613

Iaroslava Nazarenko

PhD, Associate Professor, National Transport University, Ukraine
e-mail: iaroslavazanazarenko@gmail.com, orcid.org/0000-0002-2343-6988

Summary

The article examines business models of social entrepreneurship in passenger transport enterprises as a tool for solving several pressing problems, such as limited access to transport for low-income groups, lack of necessary infrastructure for people with disabilities, and negative environmental impact. The conceptual foundations of social entrepreneurship are considered, and the key characteristics of social entrepreneurship business models are highlighted. The programs of implementation of business models of social entrepreneurship in the transport sector are analyzed, and the advantages of their implementation and the main social missions they fulfil are determined. The possibilities of implementing these models in the activities of passenger transport enterprises are determined. The article focuses on exploring the potential of applying social entrepreneurship business models in the passenger transportation sector. It aims to assess the impact of these models on the development of transportation systems and to identify strategies for balancing the social and economic aspects of this sector. The study employs several methods: generalization to understand the essence and principles of implementing social entrepreneurship business models in passenger transportation; analysis and synthesis to scientifically substantiate the adoption of these models in transportation enterprises; and a systematic approach, along with planning and forecasting, to determine the feasibility of introducing such business models into the operations of passenger transport companies.

Key words: sustainable business models, passenger transport, resource efficiency, economic potential, economic efficiency, social responsibility, social mission, sustainable development.

DOI <https://doi.org/10.23856/6918>

1. Introduction

Today, the life of any city depends on the well-coordinated operation of the passenger transport complex, as it affects the quality of passenger transportation to workplaces and social facilities, and, as a result, the efficiency of their lives and work. By moving people from their place of residence to places of work, study, and social facilities, transport serves a significant number of human needs for communication, culture, and the maintenance of traditions, etc.

However, traditional management models operating in passenger transport often face a lack of financial resources, impaired financial stability of passenger transport enterprises, problems with the quality of transport services and negative environmental impact. In Ukraine, the above problems are compounded by the ongoing war, namely the destruction of road transport infrastructure, the destruction of rolling stock, and a decrease in passenger traffic due to the decline in the region's population. In such circumstances, there is a need to find new tools and business models that would not only overcome the immediate problems of passenger transport companies but also ensure their development in the future and improve the quality of services.

Sustainable development business models present new opportunities for passenger transport companies, allowing them to effectively tackle operational challenges while integrating commercial interests with social responsibility. One relatively new and popular model in this context is social entrepreneurship. This model focuses on addressing pressing social issues by combining business strategies with social objectives. The primary goal of social entrepreneurship is not just to generate profit but also to create social value through innovative solutions and sustainable practices. In passenger transportation, social enterprises can enhance accessibility, implement environmentally friendly technologies, improve service quality, and engage socially vulnerable groups in the labour market.

The purpose of the article is to study the use of social entrepreneurship business models in the activities of passenger transport enterprises to improve the quality and accessibility of services for all segments of the population. The methodological basis of the study is based on the dialectical method of scientific knowledge and a systematic approach to the study of the conceptual foundations of social entrepreneurship business models and the possibilities of their application in the activities of passenger transport enterprises. In particular, the following methods were used: semantic analysis, methods of induction and deduction, general and specific in generalizing the conceptual foundations of social entrepreneurship, methods of analysis and synthesis, statistical groupings, and graphical representation to analyse existing cases of social entrepreneurship in the transport sector and highlight the possibilities of their application in the activities of passenger transportation enterprises.

2. Literature review

In the context of global transformations and increasing social challenges, social entrepreneurship business models are becoming more relevant. These models combine traditional business practices with the goal of achieving socially significant outcomes. They focus not only on generating profit but also on creating a positive social impact.

The principles of social entrepreneurship can be traced throughout the history of human enterprise. There have been various efforts to merge economic activities with the aim of addressing critical social issues. Many of these projects were carried out within church and monastic communities, which funded educational, medical, and other charitable programs.

However, in the modern sense, this concept acquired its formal form only at the end of the 20th century. Under the influence of globalization processes, crises of traditional models of state regulation and active development of non-governmental organizations, there is a need for a new type of enterprise that would combine economic efficiency and social mission. It is from this period that the development of the concept of social entrepreneurship begins, its content and main criteria are defined (*Bornstein, 2004*).

In the works of many scholars, social entrepreneurship is linked to achieving sustainable development goals through economic, environmental, and social harmony. Christian Seelos and Joanna Mair, for example, emphasize that social entrepreneurship merges the creativity of traditional entrepreneurship with a mission to create social change. They highlight that social entrepreneurship offers innovative approaches that can inspire the development of more socially oriented and sustainable business strategies and organizational models. By focusing on addressing socially significant issues and contributing to the Sustainable Development Goals, social entrepreneurship not only shapes new approaches to entrepreneurship but also motivates traditional corporations to incorporate the principles of social responsibility into their operations. Researchers also examine the processes and effects of social entrepreneurship on society's basic needs and the enhancement of corporate social responsibility.

The theoretical understanding of the peculiarities of functioning and development of social entrepreneurship and the specifics of the formation of different types of business models in social entrepreneurship was defined in her work by N. Krakhmalova (*Krakhmalova, 2018*).

The main characteristics of social entrepreneurship and business models that innovatively integrate resources to create financial and social value are described in a study by scientists Janti Halberstadt and Sasha Kraus (*Halberstadt, Kraus, 2016*).

The essence of the concept of social entrepreneurship and the peculiarities of its implementation in the example of the transport industry were studied by K. Sokoliuk and O. Dodon (*Sokoliuk, Dodon, 2022*). In the study, the researchers outline the key areas and prerequisites for the development of social entrepreneurship in Ukraine, identify priority areas for its formation and factors that affect its further effective development. The problems of meeting social needs and challenges to the transport mobility of society are studied by A. Butniz, M. Rabatieva and S. Emmert. Christian Negrutiu, Calcedonia Enache, and Cristinel Vassiliou study sustainable models of transport sector development in their works (*Negrutiu, Vasiliu, Enache, 2020*).

The study conducted by Hens, L., Melnyk, L., Matsenko, O., Chygryn, O., and Gonzales, C. summarizes trends in the organization of sustainable development principles within the transport sector. The authors concluded that environmental pollution caused by the growth of the transport system results in additional costs across various areas of society. This underscores the necessity of integrating research findings on green mobility into practical applications. Additionally, the researchers provided examples of transport projects that have been successfully implemented and analysed their contribution to sustainable development principles. They emphasize that all transport programs and projects should be founded on three interconnected principles: effective transport planning and localization of production and consumption, a transition to greener transport options, and advancements in technology and fuel (*Hens, Melnyk, Matsenko, Chygryn, Gonzales, 2019*).

Despite the substantial number of scientific studies on the theoretical and practical aspects of social entrepreneurship, the application of socially oriented business models in passenger transportation remains underexplored. Given the importance of passenger transport enterprises in promoting mobility, inclusion, and equitable access to services, it is crucial to investigate the

potential for applying social entrepreneurship business models within these organizations and to develop mechanisms for their implementation.

3. Conceptual framework of social entrepreneurship

Social entrepreneurship uniquely blends market economy mechanisms with social responsibility values, making it a significant business model in contemporary entrepreneurial activity. This type of entrepreneurship focuses on creating a positive social impact by applying entrepreneurial methods. A key characteristic of social enterprises is their commitment to prioritizing the public good over profit. However, maintaining financial sustainability remains an essential requirement for their viability.

The main goal of a social enterprise is not to maximize profits but to create a social effect by improving the quality of life of the population, overcoming social inequality, supporting vulnerable groups, and protecting the environment. Each social enterprise emerges not just as a form of business, but as a response to a specific social problem that cannot be effectively addressed by traditional market or government mechanisms. Unlike classical entrepreneurship, where financial profit is the main criterion for success, a social enterprise is based on a clearly defined social goal that is the main driving force behind all activities. Thus, social value is not created as a side effect of activities but is a systemic and fundamental goal that guides the strategy, business model and implementation mechanisms. However, operating in a competitive market environment, social enterprises independently ensure their operational sustainability and financial stability (Fig. 1).

Innovativeness is an important component of social entrepreneurship, allowing to development and implementation of new approaches to solving urgent social problems, adapting them to social challenges, increasing efficiency and ensuring sustainable development of society. It is in the context of today's global challenges that social enterprises are seen as an important tool for social transformation. The main tasks of their activities include not only the provision of services, but also the implementation of sustainable solutions to solve social problems of society through changing social relations and rethinking access to resources (*Bornstein, 2004*). Social enterprises consider each of their initiatives in the context of long-term impact. Their solutions should be cost-effective, socially just and environmentally sustainable.

One of the key characteristics of social enterprises is the principle of reinvesting profits back into their activities. Unlike traditional businesses, where profit is viewed as the ultimate goal and is typically distributed to owners or shareholders, social enterprises use their profits as a means to create lasting social impact. This reinvestment principle means that a significant portion, or even all, of the net profit generated by the enterprise is not taken out for the personal enrichment of the owners. Instead, it is allocated to enhance the conditions required to fulfil the social mission, improve the quality of services, and develop innovative solutions that effectively achieve social objectives. This approach ensures the long-term financial sustainability of the organization while keeping its efforts focused on the primary social goal rather than getting side-tracked by purely commercial interests (*Dees 2001*).

Thus, social enterprises seek to reform the rules of interaction in society by offering inclusive, sustainable, and ethical alternatives to traditional economic models. It is through this approach that they become true agents of transformation in the modern world.

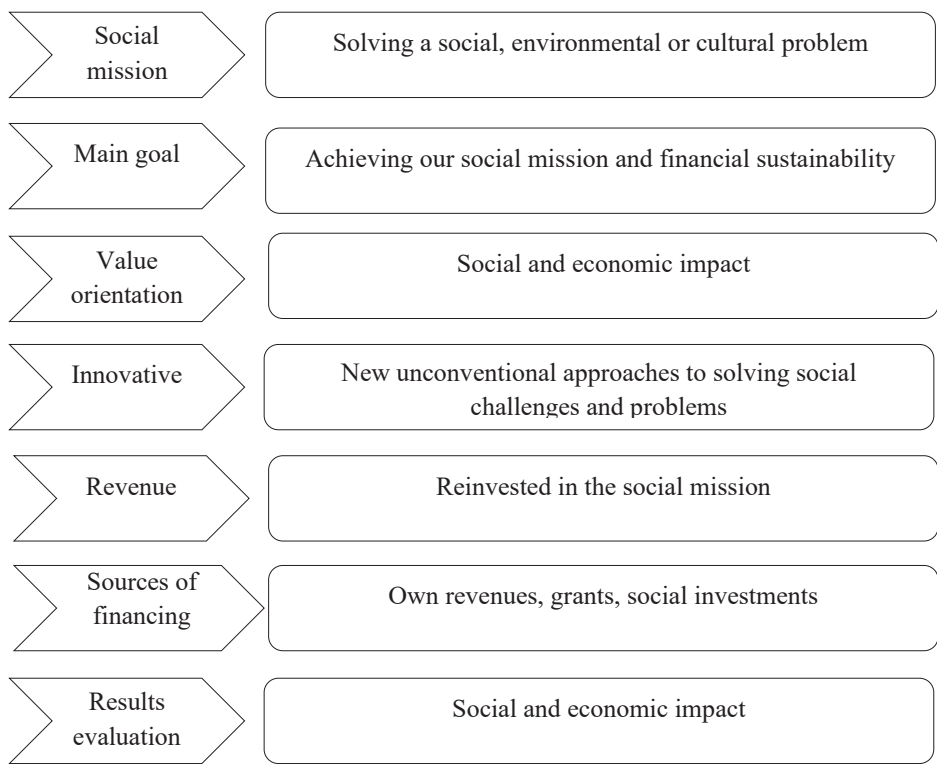


Figure 1. Key characteristics of social entrepreneurship business models.

4. Opportunities for social entrepreneurship in the field of passenger transportation

These transformations are creating a new paradigm in which economic efficiency is no longer the sole focus; social value and environmental responsibility are also becoming increasingly important. Modern approaches to passenger transportation planning and business organization are now viewed within a holistic framework, where people, communities, ecosystems, and technologies interact. The aim of implementing social entrepreneurship business models in the passenger transportation sector is to improve access to transportation services for all segments of the population, enhance the quality of those services, ensure the financial sustainability of enterprises, and promote environmental sustainability. Social entrepreneurship models in transportation are developed in response to complex social, economic and environmental challenges. Examples of these models in the transportation sector are listed in Table 1.

Thus, the purpose of most social entrepreneurship models in the field of transportation services is to provide barrier-free access to transportation for different segments of the population, as well as to ensure mobility between different towns, villages and settlements in all regions of the country. For this purpose, various business models of sustainable development are used and combined. For most of the companies listed in the table, the provision of transportation services is an additional activity that helps to ensure the fulfilment of their social mission. Most of these enterprises use hybrid financing models: a combination of paid services, grants, public-private partnerships, and revenues from commercial activities. This ensures the financial

sustainability of projects without losing focus on the social mission. It is also worth noting the positive impact of social enterprises on local communities by increasing the mobility of the population, reducing social isolation, and stimulating environmental awareness and social responsibility. The diversity of approaches and practical effectiveness of the analysed cases confirm that social entrepreneurship in the transport sector is a promising area of development for the modern economy and society.

Table 1.

Analysis of programs for implementing business models of social entrepreneurship in the transport sector.

Social enterprise	Type of services provided	Main social impact
Autonom'Lab (France) [13]	Specialised transport for people with reduced mobility	Inclusion of people with disabilities in public transport
Vienna City Farm Shuttle (Austria) [14]	Free school buses	Access of disadvantaged children to eco-education and farms
Taxistop (Belgium) [15]	Carpooling, shared rides, car sharing	Sustainable transport, economic accessibility, social inclusion through mobility
Sozialfahrdienst München (Germany) [16]	Specialised vehicles for transport	Ensuring the mobility of the elderly and people with disabilities
HCT Group (United Kingdom) [17]	Public transport, school and special routes	Inclusion and employment of vulnerable groups
EcoMobility Alliance – City of Bremen (Germany) [18]	Sustainable transport: cycling and electric mobility	Access to sustainable transport
Rezo Pouce (Франція) [19]	Organised hitchhiking in small towns and rural communities in France	Reducing isolation in rural communities

Therefore, the integration of social entrepreneurship elements and business models into the operation of passenger transport enterprises is an urgent need that will contribute to solving not only the social problems of the industry, but also help to effectively respond to the environmental and economic challenges it faces. In the passenger transport sector, social enterprises can play an important role in increasing the accessibility of transport services, introducing environmentally friendly technologies, improving the quality of service, and expanding employment opportunities for socially vulnerable groups.

One of the advantages of social entrepreneurship for passenger transport companies is the ability to combine social initiatives with profitable activities. The introduction of social components in the business model not only contributes to the fulfilment of the social mission but also helps to ensure the financial stability and sustainability of the enterprise. By using a combined financing model, passenger transport companies can attract additional financial resources from state and local authorities, international organisations and charitable foundations. Government subsidies or grants allow them to attract additional financial resources and maintain business stability.

Social entrepreneurship in the passenger transport sector addresses social issues while maintaining economic efficiency, fostering the adoption of innovations and technologies. This

approach not only minimizes the negative environmental impact through the use of eco-friendly transport but also enhances the quality of passenger services via digital technology. Additionally, by tailoring services to meet the diverse needs of various social groups and securing extra financial resources, these enterprises become more adaptable and financially stable. This strategy not only allows companies to fulfil their social mission but also boosts their competitiveness in the market.

5. Conclusions

Modern challenges in the passenger transport sector, including the need to ensure the availability of transport for different social groups, improve the quality of service and reduce the negative impact on the environment, require the introduction of new approaches to doing business. In this context, the use of social entrepreneurship business models that combine social initiatives with economic goals is of particular interest. These models open up new opportunities for the development of transport services that meet the requirements of sustainable development and ensure the quality and inclusiveness of service provision while maintaining the financial stability of passenger transport enterprises. The introduction of the latest technologies and innovative solutions helps to increase the efficiency of transportation and improve the quality of service. It also helps to reduce transport operating costs and reduce the negative impact on the environment. Through the use of mixed business financing models, companies can receive government support, grants and subsidies, which allows them to attract additional resources for infrastructure development and ensure affordable and high-quality transportation.

References

1. Hens, L., Melnyk, L., Matsenko, O., Chygryn, O., & Gonzales, C. C. (2019). *Transport economics and sustainable development in Ukraine. Marketing and Management of Innovations*, 3, 272–284. <https://doi.org/10.21272/mmi.2019.3-21>
2. Halberstadt, J., & Kraus, S. (2016). *Social entrepreneurship: The foundation of tomorrow's commercial business models? International Journal of Entrepreneurial Venturing*, 8(3), 261–279. <https://doi.org/10.1504/IJEV.2016.078964>
3. Sokoliuk, K. Yu., & Dodon, O. D. (2022). *Sotsialne pidpriemnytstvo na prykladi transportnoi haluzi: vid teorii do praktyky. Ekonomika ta suspilstvo*, 37. <https://doi.org/10.32782/2524-0072/2022-37-75> [in Ukrainian]
4. Seelos, C., & Mair, J. (2005). *Social entrepreneurship: Creating new business models to serve the poor. Business Horizons*, 48(3), 241–246. <https://doi.org/10.1016/j.bushor.2004.11.006>
5. Krakhmalova, N. (2018). *The use of business models in social entrepreneurship. Scientific Bulletin of Polissia*, 1(13), 24–30. <https://doi.org/10.30857/2415-3206.2018.1.5>
6. SI-DRIVE. (2018). *Final report: Social innovation in mobility and transport*. https://www.si-drive.eu/wp-content/uploads/2018/03/SI-DRIVE-D8_4-Final-Policy-Field-Report-Mobility-and-Transport.pdf
7. Negrutiu, C., Vasiliu, C., & Enache, C. (2020). *Sustainable entrepreneurship in the transport and retail supply chain sector. Journal of Risk and Financial Management*, 13(11), 267. <https://doi.org/10.3390/jrfm13110267>
8. Dees, J. G. (2001). *Social entrepreneurship is the process of pursuing innovative solutions to social problems using entrepreneurial principles*. https://web.stanford.edu/class/e145/2007_fall/materials/dees_SE.pdf

9. Bornstein, D. (2004). *How to change the world: Social entrepreneurs and the power of new ideas*. Oxford University Press.
10. Fairbairn, B. (1994). *The meaning of Rochdale: The Rochdale Pioneers and the co-operative principles*. Centre for the Study of Co-operatives, University of Saskatchewan.
11. Yunus, M. (2007). *Creating a world without poverty: Social business and the future of capitalism*. PublicAffairs.
12. Leadbeater, C. (1997). *The rise of the social entrepreneur*. Demos.
13. Autonom'Lab. (2019). Reports. <https://www.autonom-lab.com/>
14. Vienna City Farm. (2020). Reports. <https://www.cityfarm.wien/>
15. Taxistop. (2022). Annual impact report. <https://www.taxistop.be>
16. Sozialfahrdienst München. (2021). Reports. <https://www.sozialfahrdienst.de/>
17. Hodgson, G. M. (2018). HCT Group and the evolution of social enterprises in transport services. *Social Enterprise Journal*, 14(2), 130–145. <https://doi.org/10.1108/SEJ-01-2018-0003>
18. ICLEI. (2019). *EcoMobility Reports: Bremen Case Study*. <https://www.ecomobility.org>
19. Rezo Pouce. (2020). Official Reports. <https://www.rezopouce.fr>