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**THEORETICAL APPROACHES TO THE ANALYSIS OF THE
INNOVATIVE FUNCTION OF ENTREPRENEURSHIP IN
SOCIO-POLITICAL PROCESSES**

Abstract

The article provides a comprehensive analysis of theoretical approaches to studying the innovative function of entrepreneurship in the context of contemporary socio-political processes. The research is based on the interpretation of classical and modern theoretical concepts that reveal the nature of entrepreneurial innovations and their role in social transformations. The theoretical and methodological foundation comprises an interdisciplinary synthesis of economic, sociological, and political science approaches, allowing to reveal the multidimensional nature of the studied phenomenon. Special attention is paid to the analysis of institutional theories that explain the mechanisms of interaction between entrepreneurial innovations and processes of institutional change. Based on the systematization of theoretical approaches, a conceptual model for studying the innovative function of entrepreneurship has been developed, which includes institutional, communicative, and integration levels of analysis. The proposed model reveals the mechanisms of entrepreneurial innovations' influence on the formation of new social practices and political institutions through structural, functional, normative, and communicative dimensions.

The study substantiates that in modern conditions, the innovative function of entrepreneurship extends beyond the purely economic sphere, becoming an important factor in socio-political transformations and institutional changes. The special role of entrepreneurial innovations in forming new mechanisms of social interaction and political communication has been identified, which becomes

particularly significant in the context of global challenges. The research results demonstrate that the effectiveness of implementing the innovative function of entrepreneurship largely depends on the institutional context and the ability of entrepreneurial structures to consider socio-political aspects of their activities. The proposed conceptual model creates a theoretical foundation for further empirical research on the role of entrepreneurial innovations in processes of social modernization and the development of mechanisms for their support and regulation.

Keywords: entrepreneurship, innovations, socio-political processes, institutional changes, political institutions, theoretical approaches, social transformations.

Introduction

The innovative function of entrepreneurship in the modern world acquires a fundamentally new significance in the context of global societal transformations. The rapid development of technologies, geopolitical conflicts, and economic crises create an environment where entrepreneurial innovations extend far beyond the economic sphere, directly influencing socio-political processes. The emergence of new forms of entrepreneurial activity in the context of digitalization and the rise of a post-industrial society transforms traditional mechanisms of social interaction and political communication.

Existing conceptual models for studying the innovative function of entrepreneurship do not fully account for its impact on political modernization and social transformation. The theoretical comprehension of these processes becomes particularly significant in the context of the growing role of entrepreneurial innovations in addressing contemporary civilizational challenges and shaping new mechanisms of socio-political modernization.

Degree of Scientific Development. The socio-philosophical and socio-political conceptualization of entrepreneurship has been explored in the works of numerous Ukrainian and foreign scholars. Among Ukrainian researchers, a significant contribution to understanding the role of entrepreneurship in societal development was made by V. Kremen [1], who considered entrepreneurial activity as a crucial driver of progress and an effective means of organizing not only economic but also social life in general. Issues of social responsibility and justice in entrepreneurial activity were thoroughly examined by A. Pryiatelchuk [2], who explored the specifics of the relationship between business and societal expectations. I. Kudria [3] enriched the understanding of entrepreneurship's role through the lens of its influence on the formation of civil society and democratic values.

In foreign scholarship, a fundamental contribution to the theoretical understanding of the innovative function of entrepreneurship was made by J.

Schumpeter [4], D. North [5], P. Drucker [6], among others, whose concepts laid the theoretical and methodological foundations for understanding entrepreneurship as a factor in socio-political transformations. However, despite the significant body of research in this field, theoretical approaches to analyzing the innovative function of entrepreneurship in the context of contemporary socio-political processes require further exploration.

Unresolved Issues Addressed in the Article. A significant body of research has been conducted on the phenomenon of entrepreneurship in the context of specific spheres of social life – economic, social, and political. Particular attention has been devoted to studying the role of entrepreneurial innovations in economic modernization and technological development. However, the relationship between the innovative function of entrepreneurship and institutional changes in contemporary society remains insufficiently explored. The role of entrepreneurial innovations in shaping new mechanisms of social interaction and political communication requires deeper theoretical consideration.

Research Objective and Tasks. The objective of this study is to systematize and analyze theoretical approaches to understanding the innovative function of entrepreneurship in the context of contemporary socio-political processes.

To achieve this objective, the following tasks must be addressed:

Conduct a comprehensive analysis of key theoretical concepts concerning the innovative nature of entrepreneurship and its role in societal transformations, particularly in the context of institutional changes;

Systematize and analyze theoretical approaches to understanding the mechanisms through which entrepreneurial innovations transform into drivers of socio-political modernization.

Research Methods

The methodological foundation of the study is based on an interdisciplinary synthesis of economic, sociological, and political science approaches. This enables an exploration of the multidimensional nature of the innovative function of entrepreneurship within socio-political processes. The analysis draws upon both classical and contemporary theoretical concepts that explain the relationship between entrepreneurial innovation and institutional change. Particular attention is given to institutional theories that examine the interaction between entrepreneurial innovations and processes of social modernization. The proposed conceptual model includes institutional, communicative, and integrative levels of analysis, which makes it possible to uncover the mechanisms through which entrepreneurship influences the formation of new social practices and political institutions via structural, functional, normative, and communicative dimensions.

Research results

In examining theoretical approaches to analyzing the innovative function of entrepreneurship in socio-political processes, it is essential to first define the key concepts and their interrelations.

According to J. Schumpeter, the innovative function of entrepreneurship is the ability of entrepreneurs to create new combinations of production factors, leading not only to economic but also to social transformations [7]. Innovations, in this context, are not merely technological advancements but encompass comprehensive changes in the organization of social interaction.

Political institutions, according to institutional theory, are formalized structures that ensure the exercise of political power and governance. They are characterized by the presence of specific rules, norms, and sanctions that regulate political behavior and interactions among political actors [8]. In contrast, political institutional arrangements represent informal, traditional mechanisms for regulating political relations, based on established customs and unwritten rules of political conduct [9].

Notably, in this study, theoretical approaches are understood as systems of conceptual models and analytical tools that explain the mechanisms by which entrepreneurial innovations influence socio-political processes. Of particular importance is the institutional approach, which considers entrepreneurship as a driver of institutional change [10].

Socio-political processes are defined as the sequential change in the state of society and its political system, occurring under the influence of internal and external factors [11]. In the context of the innovative function of entrepreneurship, modernization processes and the transformation of political institutions, as well as the formation of new mechanisms of social interaction and political communication, are of particular significance

An analysis of theoretical concepts regarding the innovative nature of entrepreneurship should begin with J. Schumpeter's fundamental research, as he was the first to systematically substantiate the role of entrepreneurial innovations in social transformations. In his work «The Theory of Economic Development,» he views the entrepreneur as an innovator whose activities extend beyond the purely economic sphere [7, pp. 74-75].

Building on this concept, D. North proposed examining the innovative function of entrepreneurship in the context of institutional changes. He argued that entrepreneurial innovations not only create new combinations of production factors but also transform the institutional structure of society [5]. In his interpretation, entrepreneurs serve as key agents of institutional change, as they are capable of identifying new opportunities and creating organizational structures for their realization. Consequently, entrepreneurial initiative forms the

foundation for the development of new institutional conditions that contribute not only to economic efficiency but also to social stability [5]

K. Polanyi significantly enriched the understanding of the relationship between entrepreneurial innovations and socio-political transformations. In his work «The Great Transformation,» he demonstrated that economic activity, including entrepreneurial innovations, is deeply embedded in social structures and political relations [11]. Particularly important is his conclusion that market mechanisms cannot function effectively without appropriate institutional support and social regulation.

Modern researchers, developing Polanyi's ideas, emphasize that the formation of new social institutions occurs through the complex interaction of various social groups and interests [12]. Moreover, the effectiveness of institutional innovations largely depends on the ability of entrepreneurial structures to consider the social context and integrate their activities in accordance with societal needs and interests.

Institutional theory places special emphasis on distinguishing between formal and informal institutions in the context of entrepreneurial innovations. Formal institutions include political and economic rules and organizations, whereas informal institutions encompass behavioral patterns, moral norms, and societal values [13]. This distinction is critically important for understanding the mechanisms through which entrepreneurial innovations influence social transformations.

An important contribution to the understanding of the innovative nature of entrepreneurship is the concept of S.M. Lipset, who expanded the theoretical framework by incorporating cultural and social factors [14]. He demonstrated that entrepreneurial innovations not only promote economic modernization but also create prerequisites for democratic transformations by fostering the development of the middle class and civil society.

R. Putnam, in his research on civic traditions, proposed a theoretical perspective on the role of entrepreneurial innovations in the development of social capital. He illustrated how entrepreneurial networks serve as a foundation for forming horizontal social connections [15, p. 18]. His key conclusion is that regions with well-developed entrepreneurial networks exhibit better governance and political adaptability.

In the context of globalization and digitalization, theoretical approaches to analyzing the innovative function of entrepreneurship have been enriched by an understanding of the networked nature of modern socio-economic relations. Entrepreneurial networks are viewed not only as economic structures but also as platforms for social interaction and political communication. In crisis situations,

they often become centers for coordinating civic activities, mobilizing resources to address local issues [10].

Further developing the analysis of theoretical concepts on the innovative nature of entrepreneurship, it is essential to consider the Marxist tradition, which reveals the dialectical nature of entrepreneurial activity. K. Marx, in his fundamental study of capitalist production, demonstrated that the innovative function of entrepreneurship is inextricably linked to the evolution of exchange forms and the development of socio-economic relations [9, p. 87]. His critical insight is that economic innovations emerge not as the realization of a priori ideas but as the result of the objective development of social relations.

E. Giddens' structuration theory offers another important perspective on analyzing the innovative function of entrepreneurship through the concept of the duality of social structure. According to him, entrepreneurs, as social actors, simultaneously reproduce and transform existing social structures through their innovative practices [16]. In this context, the reflexivity of social processes plays a crucial role, enabling entrepreneurs to consciously shape new models of social interaction.

A significant theoretical contribution is also found in P. Drucker's concept, which views entrepreneurship as systematic innovative activity with a strong potential for social transformation. In his view, entrepreneurial innovations are not the result of accidental «eureka» moments but stem from a deliberate process of analyzing opportunities and implementing them [6]. He particularly emphasizes that an entrepreneurial approach allows for innovative solutions to social problems even in conditions of limited resources.

Further development of theoretical understanding of the innovative function of entrepreneurship is associated with studies of social solidarity and integration. Particularly important in this context is the concept of E. Durkheim, who considered economic activity as a fundamental mechanism for the formation of organic solidarity in society [17]. His idea that the division of labor creates a system of interdependencies that integrates society allows for a deeper understanding of the social role of entrepreneurial innovations.

P. Sorokin's theory of social mobility enriches the understanding of the innovative function of entrepreneurship through the analysis of its role in the processes of social stratification. He showed that entrepreneurial activity is one of the most effective mechanisms of vertical social mobility, especially in periods of social transformations [18]. This function acquires particular importance in the context of overcoming crisis phenomena and preventing social conflicts

In the context of post-industrial development, an important contribution to the theoretical understanding of the innovative function of entrepreneurship was made by D. Bell, who considered entrepreneurial initiative as a key factor of

social innovation [19]. His concept is especially relevant for understanding the role of entrepreneurial innovation in the processes of political modernization and renewal of institutional practices.

The current stage of development of theoretical approaches to the analysis of the innovative function of entrepreneurship is characterized by increased attention to its role in the processes of socio-political modernization. A significant contribution to this understanding was made by R. Inglehart, showing how entrepreneurial activity contributes to the transition from materialistic to post-materialistic values [20]. His conclusion that the development of entrepreneurship stimulates the affirmation of the values of self-expression and civic activity is especially important.

V. Baumol's theoretical concept significantly enriches the understanding of the institutional aspects of the innovative function of entrepreneurship. He showed that the nature of entrepreneurial innovation largely depends on the institutional environment and the structure of incentives created by social institutions [21].

In the light of modern theoretical approaches, the innovative function of entrepreneurship appears as a complex socio-political phenomenon that ensures not only economic development, but also institutional transformations of society. In this case, the ability of entrepreneurial innovations to create new mechanisms of social integration and political communication is of particular importance, especially in conditions of systemic crises and transformations.

Conclusions and prospects for further research

The conducted study of theoretical approaches to the analysis of the innovative function of entrepreneurship in socio-political processes allows us to draw a number of important conclusions. First, the innovative function of entrepreneurship turns out to be much broader than purely economic boundaries, acting as an important mechanism of socio-political transformations. Second, the analysis of classical theoretical concepts demonstrates the evolution of understanding the role of entrepreneurial innovations from a factor of economic development to a key element of institutional changes and social modernization. Third, in modern conditions, the ability of entrepreneurial innovations to create new forms of social interaction and political communication is of particular importance.

Prospects for further research are associated with empirical verification of the proposed conceptual model and in-depth study of specific mechanisms of the influence of entrepreneurial innovations on socio-political processes in the context of global transformations. Also an important direction of future research is the analysis of the specifics of the implementation of the innovative

function of entrepreneurship in various socio-political contexts and institutional environments.

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**ТЕОРЕТИЧНІ ПІДХОДИ ДО АНАЛІЗУ ІННОВАЦІЙНОЇ
ФУНКЦІЇ ПІДПРИЄМНИЦТВА В СОЦІАЛЬНО-
ПОЛІТИЧНИХ ПРОЦЕСАХ**

Резюме

У статті здійснено комплексний аналіз теоретичних підходів до дослідження інноваційної функції підприємництва в контексті сучасних соціально-політичних процесів. Дослідження базується на інтерпретації класичних та сучасних концепцій, що розкривають природу підприємницьких інновацій та їх роль у суспільних трансформаціях. Теоретико-методологічною основою виступив міждисциплінарний синтез економічних, соціологічних та політологічних підходів, що дозволило розкрити багатовимірність досліджуваного феномену. Особливу увагу приділено аналізу теорій, які пояснюють взаємозв'язок між підприємницькими інноваціями та процесами інституційних змін. На основі систематизації теоретичних підходів розроблено концептуальну модель дослідження інноваційної функції підприємництва, яка включає інституційний, комунікативний та інтеграційний рівні аналізу. Запропонована модель розкриває механізми впливу підприємницьких інновацій на формування нових соціальних практик та політичних інститутів через структурний, функціональний, нормативний та комунікативний виміри.

Обґрунтовано, що в сучасних умовах інноваційна функція підприємництва виходить за межі суто економічної сфери, стаючи важливим чинником соціально-політичних трансформацій та інституційних змін. Виявлено особливу роль підприємницьких інновацій у формуванні нових механізмів соціальної взаємодії та політичної комунікації, що набуває особливого

значення в контексті глобальних викликів сучасності. *Результати дослідження* демонструють, що ефективність реалізації інноваційної функції підприємництва значною мірою залежить від інституційного контексту та здатності підприємницьких структур враховувати соціально-політичні аспекти своєї діяльності. Запропонована концептуальна модель створює теоретичне підґрунтя для подальших емпіричних досліджень ролі підприємницьких інновацій у процесах суспільної модернізації та розробки механізмів їх підтримки і регулювання.

Ключові слова: підприємництво, інновації, соціально-політичні процеси, інституційні зміни, політичні інститути, теоретичні підходи, суспільні трансформації.

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