

UDC 334

DOI <https://doi.org/10.26661/2414-0287-2021-2-50-04>

## SOCIALLY RESPONSIBLE BUSINESS AS A COMPONENT OF SUSTAINABLE DEVELOPMENT

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### Key words:

social responsibility, sustainable development, global goals, business trends, society, public activity

The article focuses on the problem of tolerant attitude of entrepreneurs to society, namely, socially responsible business, its badly-developed structure. It is also described what motivates world business representatives to help citizens. The general definition and characteristics of social responsibility are given through consideration of its main principles. The main reasons for the weak interaction of Ukrainian business with society and the factors that hinder or strengthen socially responsible actions of entrepreneurs are demonstrated. Modern tendencies of social business in Ukraine and the world are considered. The methods of social responsibility of Ukraine are compared with the countries of the European Union. Examples of leading countries in socially responsible activity are given and the most perspective spheres of public relations, such as ecology, educational activity, medical provision are presented. Their indicators of the level of social responsibility are given in the diagram, which is built according to the statistics of recent years. The main ways of charitable activity of small and large business entrepreneurs are singled out. The necessity of development of social responsibility among Ukrainian and foreign business is proved. Charitable activity of companies as a way to gain consumer trust and attract new customers is considered. The interdependence of the concepts of "social responsibility" and "competitiveness" is proved. The main advantages of coordinated interaction of enterprises with the external environment are described. Possible methods of activating the relations between the businessman and the public by focusing on the global goals of sustainable development are presented. Social responsibility can become the basis for the rapid development of the economy and society, create a strong competitive base of the country, improve its global performance in international markets, this is what makes the consideration of socially responsible business relevant today.

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## СОЦІАЛЬНО ВІДПОВІДАЛЬНИЙ БІЗНЕС ЯК СКЛАДОВА СТАЛОГО РОЗВИТКУ

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### Ключові слова:

соціальна відповідальність, сталий розвиток, глобальні цілі, бізнес-тенденції, суспільство, громадська активність

Стаття присвячена проблемі толерантного ставлення підприємців до суспільства, а саме соціально відповідального бізнесу, його погано розвинутої структури. Авторами описано, що спонукає представників світового бізнесу допомагати громадянам. Дано загальне визначення та характеристики соціальної відповідальності через розгляд її основних принципів. В дослідженні представлені основні причини слабкої взаємодії українського бізнесу із суспільством та фактори, що перешкоджають чи посилюють соціально відповідальні дії підприємців. Розглянуто сучасні тенденції соціального бізнесу в Україні та світі. Методи соціальної відповідальності України порівнюються з країнами Європейського Союзу. Наведено приклади соціально відповідальної діяльності в країнах-лідерах та представлено найбільш перспективні сфери суспільних відносин, такі як екологія, освіта, медичне забезпечення. Їхні показники рівня соціальної відповідальності наведені на діаграмі, яка побудована за статистикою останніх років. Виокремлено основні шляхи

благодійної діяльності підприємців малого та великого бізнесу. Доведено необхідність розвитку соціальної відповідальності українського та зарубіжного бізнесу. Автори розглядають благодійну діяльність компаній як спосіб завоювання довіри споживачів та залучення нових клієнтів. Доведено взаємозалежність понять «соціальна відповідальність» та «конкурентоспроможність». В статті описуються основні переваги злагодженої взаємодії підприємств із зовнішнім середовищем. Представлено можливі способи активізації відносин між бізнесменом і громадськістю шляхом орієнтації на глобальні цілі сталого розвитку. Соціальна відповідальність може стати основою швидкого розвитку економіки та суспільства, створити міцну конкурентну базу країни, покращити її глобальні показники на міжнародних ринках, що актуалізує дослідження соціально відповідального бізнесу.

**Formulation of the problem**

The catalyst for sustainable development of the country is society. A high level of state competitiveness can be achieved only through coordinated public interaction with the economic and political spheres. Socially responsible business can be considered as the basis of sustainable development, because social projects unite many Ukrainian and European companies to achieve their goals. That is, there is a process of integration, which has a positive impact on the development of the country. Therefore, the study of socially responsible strategies and innovative methods of their implementation in enterprises is necessary to consolidate the strong position of the state in the world economic space.

**Analysis of recent research and publications**

Socially responsible business as a basis for sustainable development was considered by such scientists as Bondaruk O.V. in his work «Socially responsible business as one of the directions of society development», Shevchenko O.S: «Analysis of ratings of social responsibility of organizations in different countries» and Galchak H.R «Social Responsibility of Business in Market Conditions of Management» and Rudenko O.V., Kondratyuk O.M., Goreva A.S. in the work: «Social Responsibility: Responsibility».

**Presenting the main material**

The modern development of the country’s economy is characterized by the rapid introduction of innovations,

which opens up a wide range of opportunities for doing business in various spheres of society.

The main goal of every businessman is to achieve sustainable development of the company or enterprise, and hence to achieve maximum profit. The main factor that can develop production is human resources. It is a skilled workforce that is the engine of progress. Thus, social responsibility is relevant among the representatives of modern business.

The term «social responsibility» means helping society to achieve its social and economic goals. Such assistance is based on global goals of sustainable development:

- overcoming poverty;
- quality education;
- efficient resource use;
- decent work and economic growth;
- innovation activity;
- fight against environmental problems.

Doing socially responsible business can be enhanced by certain factors:

- social partners (involved through government subsidies);
- non-governmental organizations;
- shareholders;
- representatives of the financial sector;
- private funds;
- consumers.

There are 8 basic principles of socially responsible business (Fig. 1).



Fig. 1 – Principles of social responsibility

The social responsibility of firms and companies can be expressed in the areas presented in table 1.

Thus, it is fair to say that a component of sustainable business development is a voluntary contribution of the company to improving the life of society, which, in turn, creates a balance between economical and social problems of business.

According to the statistics of 2018, we can name the world's companies, which are leaders in the level of social responsibility:

- network of gas stations «WOG» (implementation of the project «Road to the heart», which is aimed at helping medical institutions);
- Kyivstar mobile operator (implements educational language programs for young people);
- cosmetics company «Avon» (support for women victims of domestic violence, implementation of the project «Mission against breast cancer», which is based on providing medical facilities with modern equipment);
- German chemical concern BASF (the project «Kids Lab» is aimed at acquainting students with the chemical industry);
- Carlsberg (aims to reduce carbon emissions, increase the share of alternative energy sources, actively combat the consumption of alcohol by minors; water saving (water used in the production process is purified and reused), implementation of the project «Green Fiber Bottle» – development the world's first wood fiber bottle;

- Metinvest (purchase of equipment for medical institutions, implementation of educational projects for young people, support of educational institutions);
- Nova Poshta (Business School organization, which provides an opportunity for small and medium-sized businesses in Ukraine to gain key knowledge for development).

As you can see, thanks to social projects, many Ukrainian and European companies are coming together to achieve their goals. That is, there is a process of integration, which has a positive impact on business development. Of course, the positive factors of socially responsible activities are:

- attracting new investors;
- positive reputation in international markets;
- stimulating the effective activity of employees;
- attracting new customers.

No less important for Ukrainian business is the adoption of the experience of social projects from foreign countries. The leaders of social responsibility in Europe and the world are the following countries:

- Norway;
- Switzerland;
- Germany.

I want to present the TOP-5 leading countries in the index of social responsibility (Fig. 2).

Their high performance is due to the significant emphasis of leading companies on socially important

Table 1 – Areas of socially responsible business

Direction	Main activity
Providing various benefits to employees	<ul style="list-style-type: none"> <li>• Social insurance of employees of companies                             <ul style="list-style-type: none"> <li>• I pay for sick leave</li> <li>• Granting leave</li> </ul> </li> <li>• Material assistance in difficult life situations                             <ul style="list-style-type: none"> <li>• Decent pay</li> </ul> </li> </ul>
Charity	<ul style="list-style-type: none"> <li>• Assistance to educational and medical institutions</li> <li>• Allocation of funds to help boarding schools, orphanages                             <ul style="list-style-type: none"> <li>• Support for children with disabilities</li> </ul> </li> </ul>
Educational opportunities	<ul style="list-style-type: none"> <li>• Grants for study abroad for schoolchildren and students</li> <li>• International internship programs for future professionals</li> </ul>
Ecology and energy supply	<ul style="list-style-type: none"> <li>• Carrying out charitable events on environmental protection</li> <li>• Use of alternative energy sources in the production process                             <ul style="list-style-type: none"> <li>• Use of safe materials in the production process</li> </ul> </li> <li>• Minimization of air pollution by installing treatment plants</li> </ul>

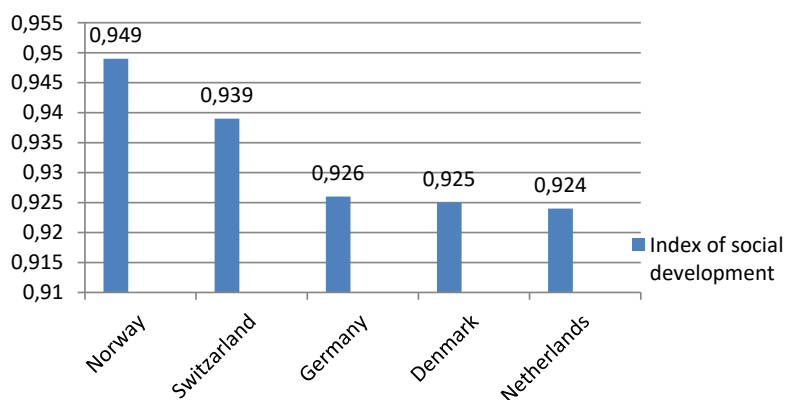


Fig. 2 – TOP-5 countries according to the index of social development

issues. The main principle of such enterprises is «work for society».

Another example of the social development of business is Denmark, where the government adopted a special «Action Plan» in 2008. It is aimed at the development of Danish companies, which will take place by focusing on public life and the problems of society, so now the indicators of the Danish social index is at a fairly high level (0.925), which has a positive impact on economic development.

The Netherlands pursues an effective policy for the development of socially responsible business. Their policy is based on three approaches:

- innovations;
- integration;
- inspiration.

And, it has 8 directions (Fig. 3).

The United Kingdom has no less high levels of social responsibility. It is the only country in the world where issues of social activity of firms and companies are considered at the state level. The government encourages companies to be accountable to society through a special policy – preferential taxation for businesses that adhere to business ethics in the processing of industrial waste, staff relations and resource efficiency. In addition, there are «High Royal Awards» for socially responsible companies in the UK, which significantly affects the positive perception of ethical business activities.

As for Ukrainian entrepreneurs, their socially responsible attitude is based on improving the working conditions of staff, providing educational opportunities, charitable assistance in respect for the consumer. Only a small number of companies deal with such large-scale problems as:

- ecology and environmental protection;
- poverty of the population;
- public health care.

At the moment, socially responsible business is in its infancy. Unfortunately, not all domestic companies conduct socially responsible business, due to various reasons:

- entrepreneurs do not consider it necessary;
- some companies do not see the point of such activities;

- significant lack of funds;
- the belief that social responsibility is a matter for the government, not the businessman.

In general, socially responsible business in Ukraine is divided into the following areas (Fig. 4).

Since 2008, the Center of the Development of Social Responsibility has been operating in Ukraine, working on 4 priority goals. First of all, the center distributes new educational programs, which are mainly based on integration with foreign countries. Assistance to society in times of crisis and active interaction with the public and the government remain no less important.

During the period of intensive economic development in 2020, Ukraine ranked 63rd in the world according to the index of social progress. This is a significant shift compared to other years, when our state ranked 80th. It should be noted that the most successful in conducting socially responsible activities in Ukraine are representatives of TNCs, which focus on modern social principles and standards.

It is worth noting that in 2020 the level of corporate social responsibility in Ukraine and the world increased. This is primarily due to the global COVID-19 pandemic. Many companies have taken a counter-step to society in order to provide support during the quarantine period. So, I can give examples of several such companies (Table 2).

To further strengthen its position among the leading countries of socially responsible business, Ukraine should focus on important aspects:

- first, business representatives in Ukraine should be aimed at improving the system in companies, for example, it will be effective to introduce a position, which will include control and reporting on socially responsible actions, the organization of charitable activities;
- secondly, it will be effective to monitor international trends in the development of countries, to link the international priorities of socially responsible business with the needs of Ukrainian society. Also, in my opinion, it will be effective to unite with foreign countries in order to achieve common public goals;
- The next proposal is to introduce into the education system a subject on the methodology of socially responsible business and to involve foreign specialists in it, in order

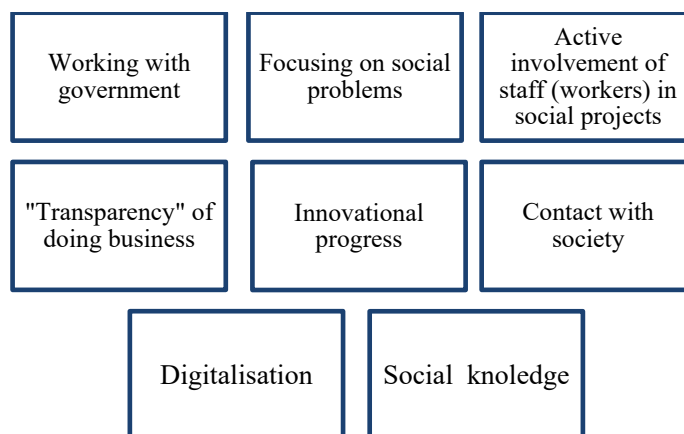


Fig. 3 – 8 areas of social business policy

Source: developed on the basis of: <https://mainbusinesspartner.ua/sotsialna-vidpovidalnist-bisnesu>

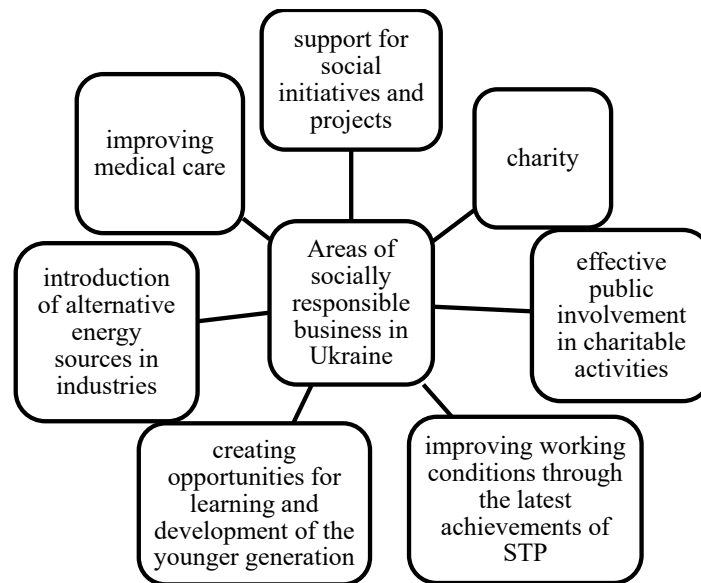


Fig. 4 – Directions of socially responsible business in Ukraine

Source: developed on the basis of: [«Social responsibility of business. Ukrainian realities and prospects»: file: /// C: /Users/user/ Documents/Analitichniy\_Material\_do\_Sluhan\_FINAL.pdf

Table 2 – Socially responsible actions of companies

Company	Charitable contribution to society
TEDIS-Ukraine	Providing support to older people who have difficulty purchasing of food and medicine. The company purchased food kits and distributed them to the elderly in various regions of Ukraine.
Vodafone	Providing customers with free use of Vodafone Press, Vodafone Music, Bookmate and BiFit services to provide entertainment programs for people in the period of self-isolation.
Lifecell	Active support of Ukrainian medical workers. Also, the operator abolished the fee for calls and traffic on the web resources of the Ministry of Health and the Ministry of Foreign Affairs of Ukraine.
Other big enterprises	Ensuring the safety of its employees by providing free personal protective equipment, temperature control, transfer of specialists to remote work.

to exchange experiences, implement new social business programs and consider global problems of society. Thus, the younger generation will already be aware of this area and will offer innovative methods of solving public problems.

Summarizing the above, we can say that adhering to socially responsible business countries will be able to ensure sustainable economic development at both national

and international levels, because progress in forming competitive positions is achieved only in a harmonious relationship with the public and the environment, and most socially responsible actions create close ties between the countries of the world, intensifying integration and globalization processes that create a direct path to a strongly-developed society.

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