

## **IMPLEMENTATION OF EUROPEAN CORPORATE SOCIAL RESPONSIBILITY PRACTICE IN UKRAINE'S ENTERPRISES**

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### **Introduction**

The issue of social responsibility in Ukraine is gaining more and more attention among scholars and educators of various fields of knowledge: lawyers, economists, philosophers, sociologists, political scientists, etc., as well as in the practice of management of international and Ukrainian companies. Over the past 5 years, 494 scientific articles on CSR have been published around the world [1].

It's no coincidence. The implementation of social responsibility in management activities and in social relations of international progressive social systems provides a successful, rational, sustainable human development, with the application of legal, socio-cultural, disciplinary and mental levers of influence. The presence of CSR is an element of competitive advantage and leadership in the market, as it can form the necessary image and reputation of the enterprise. It is not surprising that one of the key competencies of the head of the organization becomes the ability to promote CSR initiatives [2, c. 187].

In the Ukrainian society, social responsibility did not occupy a decent place in the system of social relations, did not become a conscious and applied norm. Among the reasons for the exacerbation of the problem of corporate social responsibility is the long period of the exit from the socio-economic crisis, which, on the one hand, is accompanied by a sharp increase in competition, rising unemployment and a certain cooling of business to the principles of ethical entrepreneurship, and on the other hand, it can become the basis the emergence of new chances, opening opportunities for representatives of socially responsible business windows. Nowadays one can observe a demonstrative turn of a part of the business into the imperatives of sustainable development and new entrepreneurial ethics, in contrast to the pursuit of profits. A number of researchers, as well as rating agencies, note the gradual increase in interest in CSR and Ukrainian business. The integration of relevant academic disciplines into university education programs is intensifying; in the series to training specialists in a new profession – the manager of corporate social responsibility.

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Thus, the need to consolidate corporate social responsibility is growing rapidly. Accordingly, the relevance of finding effective forms of social management with the knowledge of the nature of social responsibility as a basic condition for the consolidation of social order is increasing.

### **Formulation of the problem**

In recent years, the study of KSV issues has been the subject of study by many Ukrainian scholars, namely N.V. Bibik, A.A. Glebova, M.E. Deich, A.M. Kolot, O.F. Novikova, O.V. Pankova, N.A. Sokol and others. Among foreign researchers, the founders of KSV is E. Carnegie, R. Owen. But, despite the great scientific progress on this issue, there remain issues that need to be researched and analyzed, especially in view of the lack of prevalence in Ukrainian enterprises. It is an analysis of the evolution of this concept and the experience of European companies that will enable us to invent possible ways for the spread of CSR in our state.

Despite a large number of scientific publications, there is no single understanding of the content of corporate social responsibility. The institutional bases of the management of the social investment process, the peculiarities of business relations and government at both the state and regional levels, and the objective reasons for the functioning of the business as socially responsible are not sufficiently investigated. In addition, in Ukrainian science, the issue of social responsibility as an independent socio-economic phenomenon in connection with processes of transformation of the social system is not resolved.

### **Problem statement**

The purpose of the paper is to determine the essence of the current state of the Institute of Corporate Social Responsibility in Ukraine, the theoretical substantiation of its forms and principles, and the development of measures to increase the efficiency of this process for the Ukrainian business, taking into account the experience of the leading European companies.

### **Main results of the study**

Corporate Social Responsibility (CSR) plays an important role in the current strategy of American and European corporations, but has not yet become widespread in Ukraine.

It is believed that the movement for social responsibility of business arose in the late 40-ies of the last century in the United States as an element of protecting the free market from communist ideology. In the twenty-first century, the communist threat came to an end, but the social responsibility of global corporations continues to evolve and acquires new dimensions. Only in the USA and the EU investments in CSR reach \$ 2 trillion.

Despite the many interpretations of the phenomenon of "corporate social responsibility" (Table 1), which, for the most part, have the right to exist and make it possible to expand and (or) deepen the intrinsic characteristics of this phenomenon, nevertheless most interpretations center around the very first formulated by G. Bowen definition, according to which the social responsibility of the businessman is to implement such a policy, to make such decisions or to adhere to a line of behavior that would be desirable for the purposes and values of society [3].

**Table 1**

## APPROACHES TO DETERMINATION CORPORATE SOCIAL RESPONSIBILITY

Basis	Definition
1	2
Kotler F., Lee N. [4]	Free choice of the company in favor of an obligation to improve the welfare of society, implementing appropriate approaches to doing business and highlighting corporate resources.
UN Global Compact on Corporate Social Responsibility (UN GlobalCompact) [5]	The initiative aimed at promoting social responsibility of business and supporting the decision of business circles of globalization problems and creating a more stable and comprehensive economy.
Declaration of the International Labor Organization on Social Justice for Fair Globalization [6]	The voluntary initiative and an integral part of the activities of enterprises beyond the scope of the obligations defined by the law are systematic rather than random, aimed at sustainable development and does not substitute for collective bargaining
The European Commission [7]	Responsibility of the company for its impact on society, the process of integrating social, ecological, ethical human rights and consumers into their business operations and key strategies in close cooperation with the stakeholders.
International Standard ISO 26000: 2010 "Social Responsibility Guide" [8]	The responsibility of the organization for the impact of its decisions and activities on society and the environment through transparent and ethical behavior that promotes sustainable development, health and well-being of society; takes into account the expectations of the parties concerned; complies with existing legislation and is consistent with international standards of conduct; integrated into the activities of the entire organization and implemented by it in practice of relationships
CSR – 2008 Social Responsibility Standard [9]	Obligations of the organization that take into account its responsibility for solving the social problems of its staff, local population and society as a whole
European Alliance of Corporate Social Responsibility [10]	The concept of involving social and environmental trends in business activities on the basis of voluntariness and interaction between all stakeholders
United States Corporations Association "Business for Social Responsibility" [11]	Achievement of commercial success by means that are based on ethical standards and respect for people, societies, environment
International Forum of Business Leaders (IBLF) [12]	Promoting responsible business practices that benefits business and society and helps to achieve social, economic and environmentally sustainable development through maximizing the positive impact of business on society while minimizing its negative impact
A group of KNEU scientists [13]	The system of economic, social, environmental measures, as well as ethical norms and values of the company, which are realized on the basis of constant interaction with stakeholders and aimed at reducing non-financial risks, long-term improvement of the image and business reputation of the company, as well as the growth of capitalization, acquisition competitive advantages and strategic stability of the business structure
Kolot A.M. [14]	The national response of the organization to the system of contradictory expectations of interested parties (stakeholders) aimed at the steady development of the company ... a corporate social responsibility (mainly voluntary) implemented in corporate governance is directed at employees, partners, the state, civil society institutions and society as a whole

Basis	Definition
1	2
Hrishnova O.[15]	Social responsibility of the business is the responsibility of the company for the public benefit of its activities to all people and organizations with which it interacts in the process of functioning, and before society as a whole ... Understanding the same social responsibility of the business as the use of only such methods of making profits that do not harm people, nature, society should become the highest benchmark of social responsibility
Baura D. [16]	Responsibility of the company for all groups of shareholders and interested persons. CSR functions: creation of added value, attractive jobs, payment of "white" wages, fair tax payment, compliance with antimonopoly legislation, fair competition, production of quality products, compliance with environmental standards
Nazarova H.V., Honcharova S.Yu., Vodnitskaya N.V. [17]	Voluntary social obligations recognized by such a society and undertaken by the owner or an authorized body of the enterprise in order to meet the social interests of the staff and all interested parties within the limits of economic expediency.
Melnik S. [18]	The social responsibility of business is the sphere of activity of the corporation ... which operates on a trilateral basis (employers, executive bodies, trade unions) by solving socially significant problems both in the business itself and abroad, that is, at the municipal, regional, national, and sometimes global levels; good business practices, company personnel development, employee health and safe working conditions, environmental protection, use of resource-saving technologies, as well as micro level development aimed at achieving the highest results and a high level of competitiveness and ensuring social harmony.
GO "Forum of socially responsible business in Ukraine" [19]	Responsible attitude of any company to its product, services, consumers, employees, partners, active social position of the company, which is in interaction and constant dialogue with society, participation in solving the most urgent social problems

Interpretation of social responsibility as a corporate one is justified in view of the following:

First, the leading corporations have shown commitment to socially responsible behavior and social activity in its broadest sense.

Second, the corporation itself is the leading and most complex organizational form of doing business.

Thirdly, the focus on the corporation does not deny focusing on any other structures that embody business and managers that formulate organizational (corporate) policies and their constituents, which gives grounds for talking about the adoption of organizational (corporate) citizenship.

In a series of works published by K. Davis in the 1960-1970s, a number of fundamental principles that developed the theoretical foundations of the CSR phenomenon were substantiated and, at the same time, made them more understandable for professionals, focusing on practice of social activity. In particular, in the fundamental article "The Arguments For and Against the Recruitment of Social Responsibility Business," Davis summed up the main arguments behind and against corporate social responsibility, which were accumulated at the time in the scientific literature (Table 2).

**Table 2**

## ARGUMENTS FOR AND AGAINST POLICY SOCIAL RESPONSIBILITY\*

Arguments for	Arguments against
Long-term interest of business in public prosperity	Refusal to maximize profits
Increasing the public image of specific companies	Loss of social activity
Supporting business viability as a system	Lack of skills in solving social problems
Weakening of state regulation of business	The blurring of the main business objectives
Compliance with business socio-cultural norms	Weakening of the international balance of payments
Reducing the risks of shareholders regarding the diversification of the investment portfolio	Excessive concentration of power in the hands of business
New ways to solve social problems (give business a chance!)	The weakness of social control
Availability of business resources required	Lack of broad public support
Ability to "convert" social problems into profitable business	
Prevention of social problems is better than cure	

\*Compiled by [20]

Modern experts V.V. Bozhkov, L.Yu. Sager [22], A.O. Hlebova, O.V. Bondar-Podgurskaya brings advantages and disadvantages of introducing social responsibility in business (Table 3), which can both enhance the strengths of the enterprise, region and state, and reduce their competitiveness.

**Table 3**

## Advantages and Disadvantages of Introducing Social Responsibility in Business \*

For Business	For Society	For State	For the Region
Advantages			
the possibility of establishing partnerships between business, government and the public			
ensuring the public reputation of the organization, improving the image	improvement and development of social protection of the population	solving some of the key social problems	solving social problems, raising social standards of life
increasing of public confidence in the activities of the company, its goods and services	the possibility of attracting investment in certain social spheres	preserving and using the "intellectual resource" for the needs of the country, increasing its investment attractiveness	preserving and using the "intellectual resource" for the needs of the region, increasing its investment attractiveness
growing of professionalism and the maintenance of human resources	capacity to support of public initiatives, innovative projects	possibility of attracting investment in certain social spheres	possibility of solving and implementing social projects
providing loyalty to the company's staff	development of social and creative activity of the population		
the possibility of forming a safe environment and company development through its own corporate policy	creation of social resources of production activity	the possibility of forming a safe environment of the population	
increase in the value of	increasing the resource base that is taxed, and the tax payment		

For Business	For Society	For State	For the Region
intangible assets			
reduction of operating expenses			
compliance with regulations and standards of the global economic community			
Disadvantages			
violation of the principle of maximizing profits (directing part of resources for social needs reduces the influence of this principle)	insufficient accountability to the public	removing funds for social programs by reducing the budgets of economic programs	
spending on social inclusion (funds allocated for social needs is for the enterprise cost)	transfer of costs for measures of social responsibility of consumers in the form of price increases		
lack of ability to solve social problems (staff of enterprises is usually deprived of experience with these issues)	transfer of responsibility for solving social problems in the sphere of business		

\* Improved by the authors on the basis of working out literary sources [21, 22]

As we see from the table, the number of shortcomings from the use of socially responsible business is much less than the number of benefits, with their impact can be significantly reduced or even alleviated. For example, the cost of certain social programs, the allocation of resources to social needs in most cases is offset by reducing operational costs, increasing trust in the company, its products, the corresponding increase in sales volumes, and so on.

In recent decades, Ukrainian companies have tried to form their own approach to social responsibility, while aware of their belonging to the preservation of the environment, the responsibility for solving the socio-economic problems of the region in which the organization operates, for improving the quality of life of the local population, for observance of human rights and for other aspects of social responsibility.

There are four main types of corporate social responsibility.

Basic liability, economic is determined by the basic function of the company in the market of goods and services, in which it appears as a producer. This function is aimed at meeting the needs of consumers and obtaining economic benefits (revenues). It includes creating jobs and paying taxes to support the state's livelihoods.

Legal responsibility implies compliance with applicable local and international laws by the business. It is about the lawfulness and public expectations of the company of such activities, which does not contradict the legal norms.

Ethical responsibility requires compliance with the employees and the company as a whole of human standards of conduct in relationships with each other, competitors, the state and society. The latter are not prescribed in the relevant legal acts and appeals to the rules of morality.

The highest type of social responsibility is voluntary (philanthropic, discretionary). This is an investment in socially useful projects that bring significant benefits to society, but have no direct impact. It is the protection of the environment, investment in health and literacy of the population, infrastructure, fighting poverty, etc.

The great American and European business has long been famous for its pragmatism. If compliance with economic and legal responsibility does not raise questions, then what is the concrete benefit of voluntary?

First, in customer loyalty and brand value. Studies have shown that for 70% of European consumers, CSR affects brand choice when buying a product. One out of five Europeans is ready to pay more for goods produced with minimal damage to nature and other elements of CSR [23].

Secondly, in an effective and transparent lobbying of interests at the expense of trust and public support. For example, western electric companies, which are monopolies in certain territories, invest in the economic development of these territories and non-profit "green" energy sources. But when there is a need to increase tariffs for the population, they receive the necessary support from the society and politicians.

Thirdly, the quality and motivation of the staff. Studies show that companies that focus on CSR, engage in their roles, and educate more motivated and less inclined to abuse the interests of the company itself.

In this direction, the experience of European companies in using CSR in their activities may be useful. The active introduction of CSR in business organizations in Europe began with the formal consolidation of its provisions at the Lisbon European Summit in 2000 and the publication of the Green Book on CSR by the European Commission. In a united Europe, CSR is defined as "the concept of integration of care for social and environmental development in business operations of companies in co-operation with their shareholders and the environment".

In countries of Europe, as a rule, the work of companies in the implementation of CSR strategies is regulated by the state: the business organization has responsibilities for compulsory health insurance, pensions, and environmental protection. All these provisions are enshrined in the International Labor Organization, the Universal Declaration of Human Rights, the Organization for Economic Cooperation and Development, the decisions of the World Summits, and others [24]. The regulation of CSR in terms of rights is carried out at three levels: supranational, national and local, and the main principles of CSR are enshrined in such pan-European documents as Integrated Food Policy, Ten Principles of the UN Global Compact, Guiding Principles of the Organization for Economic Cooperation and Development for multinational companies, Standard from the social responsibility of ISO 26000, the United Nations Guidelines for Business and Human Rights, the Environmental Management and Audit Scheme.

Despite a large number of documents regulating CSR activities, many companies not only follow their provisions but also develop their own CSR programs and projects. In the ranking of the leaders of the industrial groups DJSI of 24 groups of European companies lead in 17, with most representing countries such as Switzerland, the Netherlands, followed by Germany, France, Spain, followed by a Belgian company in one group and in one group – an Italian company .

In the framework of this study, we reviewed how CSR strategies are implemented in the following companies: DJSI industrial groups: Nestle SA (Switzerland), Food & Beverage & Tobacco Group, Unilever NV (Netherlands), Household & Personal Products, BMW Group (Germany) and METRO AG (Germany) Food & StaplesRetailing group, the results of the analysis are shown in the table 4.

**Table 4**

CSR IN BUSINESS ORGANIZATIONS OF EUROPE COUNTRIES \*

The direction of CSR activity	Name of corporations			
	Nestle SA (Switzerland)	Unilever NV (Netherlands)	METRO AG (Germany)	BMW Group (Germany)
Ecology	Water resources protection; increasing the efficiency of using resources in production; improvement of environmentally friendly production; climate policy; information work on ecology and conservation of natural resources	GHG emission reductions; reducing the amount of waste associated with the disposal of products; reduction of the use of water resources in the production of products	GHG emission reductions; reduction of water consumption; reduction of electricity consumption in production; reducing waste and increasing the speed of their recycling	Reduction of emissions of harmful substances, used raw materials, reorientation of production in the direction of electric vehicles; reducing resource consumption
Social work	Reducing the amount of salt, sugar and saturated fat in products; enrichment of food products with nutrient trace elements; placement of information about correct and healthy food on packages; promotion of diet and healthy lifestyles; support of farming; cooperation with cocoa farms; responsible marketing policy; promotion of observance of basic human rights and freedoms; counteracting corruption and bribery	Promoting hand washing, oral hygiene; use of useful microelements in the composition of the produced food; cooperation with small farms and small businesses; the use of agricultural raw materials, produced in accordance with the principles of sustainable development	Improving the quality of products certified as organic; observance of the principles of fair trade in products; realization of regional products; charitable projects; investing in local communities	
CSR for employees of a business organization	Compliance with tolerance and respect for human rights at work; the elimination of child labor; obligatory certification of workers in occupational health and safety	Observance of human rights and gender balance in the workplace	Adherence to gender equality in the company; shorter working hours of employees; provision of workplaces for employees of different age groups, nationalities; improving safety; training and	Safety management system used in the production

The direction of CSR activity	Name of corporations			
	Nestle SA (Switzerland)	Unilever NV (Netherlands)	METRO AG (Germany)	BMW Group (Germany)
			retraining of employees	
Work with suppliers	Uses responsible sources in the supply chain of products	Supervises vendors for compliance with CSR and Sustainable Development policies	Choice of suppliers and partners, such principles of CSR	
Corporate direction	Adherence to the principles of corporate ethics			

\* based on annual reports of companies posted on official websites; [25]

Thus, in most countries of Europe, most CSR programs of business organizations are also aimed at solving typical problems for these territories: ecology, farm management.

Due to the high concentration of industrial, industrial enterprises in a relatively small area, the concern for environmental protection for the European countries is particularly relevant (for a long time foreign Europe has become almost the main center of three world centers for destabilization of the environment, and in many of its regions the share of undisturbed territories has decreased to a minimum, and partly disturbed, ranges from 5 to 25%, while the rest of the earth is considered to be completely disturbed, while in the second half of the 20th century, the process of destabilization around th environment continued [26].

Particular attention in this direction is attached to the business organization for the conservation of water resources, which is also relevant due to the small amount of fresh water (for example, in the ranking of 173 countries in terms of total renewable water, compiled according to the CIA The World Factbook, Denmark ranks 145th , The Czech Republic – 130th, Germany – 52nd, Switzerland – 90th, the Netherlands – 73rd [27].

Also important for Europe is the issue of agriculture, support and development of farming, since small areas, quality of land greatly complicates the work of farmers.

Considering the practice of introducing the principles of corporate social responsibility into the practice of Ukrainian business entities, it should be noted that the relevant trends can sometimes be characterized only as private initiatives and should not be considered as systematic measures to increase efforts in this area and business, and authorities. Measures taken by enterprises in this area are not supported by adequate efforts of regulators to stimulate social and environmental activation in idolatrous entrepreneurship. Proper interest in corporate social responsibility is not manifested and from other institutions of civil society. In addition, often the problem of corporate social responsibility is treated everyone-sided, focusing only on the social component in its narrow sense in the part of voluntary business initiatives aimed at supporting vulnerable groups population, sponsorship, corporate social programs, employment, etc., with out to take into account the multifaceted contemporary presents about corporate social responsibility.

The most famous international initiatives in the developed countries of Europe and America in the field of social responsibility of business appeared in the 1990's. First of all, this is the UN Global Compact, which brings together the leading socially responsible corporations of the world based on ten principles of responsible business. Managers of corporations participating in the Global Compact believe that enterprises should support human rights; freedom of association and recognition in practice of the right to conclude collective agreements; advocate the elimination of

any discrimination in the field of labor and employment; be responsible for the environment and contribute to the environment; to counteract all forms of corruption.

Being the world's largest global initiative to promote a responsible corporate citizen position, with thousands of participants from more than 100 countries, the Global Compact has set a top priority for demonstrating and securing the social legitimacy of businesses and markets. By joining the Global Compact, the company claims that it shares the belief that business practice based on universal principles promotes greater stability and equity of the global market, promotes the formation of prosperous societies. In order to achieve these goals, the Global Compact provides training and participation through a variety of mechanisms: political dialogues, training, local networks and partnership projects. Consequently, the Global Compact is:

- A voluntary initiative to promote sustainable development and a responsible corporate citizen position;
- A set of values based on principles that have received general recognition;
- A network of companies and other stakeholders;
- A forum for learning and sharing experiences.

The UN Global Compact has already signed 8,000 companies in 145 countries. Since 2006, there is a local Global Compact Network in Ukraine that brings together 172 Ukrainian organizations – from large international and Ukrainian companies to medium and small businesses, as well as non-governmental organizations, academic institutions, business associations, etc. [28]. It currently employs only 22 participants: most organizations have been excluded in recent years for non-compliance with 10 principles of the human rights treaty, labor relations, environmental protection and the fight against corruption.

However, in the last decade, certain CSR institutions have developed and gradually strengthened in Ukraine, in particular, such processes as the creation of a large number of charitable foundations and philanthropic programs, the development of the National Strategy for CSR Development, the intensification of the introduction of non-financial reporting, the growth of the number of national indices and CSR ratings, the growth of Ukrainian membership companies in international organizations dealing with CSR issues.

Can CSR be of added value to large Ukrainian businesses?

In Ukraine, in recent times, more and more companies are shifting from the position: "We produce the product needed by the consumer, and we pay taxes, and this is our responsibility ends" to the position of open civil liability, and voluntary". There are two main reasons here. Firstly, the objectively growing dependence of companies-producers on the social conditions of their activities in the regions of presence. Regular surveys of the world's leading corporate social responsibility companies show that these companies spend on average on a voluntary basis from 0.5% to 1.5% of their turnover on an annual basis.

Second, the company's motivation to invest in this "non-productive sphere" is the realization that in the case of a truly CSR implementation, companies actually manage to implement a non-financial risk management system, the core of which is managing the interaction with all stakeholders. These two main trends of social partnership change lead to the consistent improvement of corporate governance systems, which has a positive impact on the image, business reputation and, ultimately, on the capitalization of companies. That is, in the operating plan companies carry additional unproductive costs, but ultimately win due to the increase in the value of companies. And often the growth rate of capitalization significantly outstrips the growth of costs for CSR.

The social responsibility of business in Ukraine, as already noted above, is under construction. Social responsibility of Ukrainian companies and organizations is directed, first of all, to labor relations and measures to protect the health and safety of consumers. Less common are measures to protect natural resources and interact with the community. Several dozen, mostly large,

companies have published policies and strategies for corporate social responsibility and implement relevant initiatives.

If a large Ukrainian company, for various reasons, decides to implement a CSR strategy, which specific examples can be used? An interesting example of the largest Indian private corporation, Tata Group [29] (200,000 employees, metallurgy, automotive, IT, telecom). The strategy of the group is laconic in the words of one of the co-owners: "Social responsibility should be in the DNA of Tata Group". Everything we do must keep pace with the interests of society. When our society becomes richer, we will become richer with it. Tata Group regularly invests 5-7% of its net profit in CSR and uses five main principles of its construction.

First, CSR should be one of the priorities of a joint strategy of the company. CSR projects and initiatives are interwoven with tasks and targets of all units of the group.

Secondly, the tasks of CSR should be specific and relevant to the core activities of each unit. For example, an airborne unit for car assemblies should engage in environmental protection projects, rather than invest in cultural development.

Thirdly, the state and the population should respect the voluntariness of the Tata initiatives and not impose their initiatives and projects.

Fourthly, CSR activity should be widely visible to the public through powerful and understandable media coverage.

And most importantly – the management of the group must feel the social demands of society and promptly implement the demanded solutions.

For example, it is doubtful that a poor Indian population will well accept the investment of a group in the way of a football team, appearances in India by famous British artists or avant-garde photo exhibitions. CSR does not include projects that are perceived by society as "whims" or "expensive toys" of wealthy business people.

In conditions of low confidence in business from the population it is difficult to expect its support in matters of tax, currency, regulatory and other liberalization of the economy.

Initiatives of CSR should be perceived by the public as bringing specific social benefits to them. The experience of Tata Group provides a wealth of examples of CSR investments that have worked and gave the group a significant credit of public confidence. It is vaccination of children, AIDS subsidy financing, financing of agro-projects in 400 villages to combat poverty, voluntary transition to more expensive but socially responsible European standards for car collections, investments in energy saving in steel production, planting of 80,000 trees, financing of 10 vocational schools and 211 engineering grants for gifted students, the establishment of a center for the education of children with developmental problems, the restoration of 200 schools after the earthquake in Gujarat, and much more.

Applying similar strategies and projects to Ukrainian business will undoubtedly help him keep loyal customers, strengthen the brand and gain the necessary support from the community and international partners in achieving their goals.

Particular importance of the importance of CSR development in our country gained after the signing of the Association Agreement between Ukraine and the European Union, where the whole section is devoted to issues of sustainable development, CSR and trade (Chapter 13. Trade and sustainable development). In particular, in part 3, art. 293 reads as follows: "The Parties shall endeavor to facilitate trade in goods in order to promote sustainable development, in particular goods that are subject to fair and ethical trade", as well as those related to the principles of corporate social responsibility and accountability" [30].

It should also be noted that the great influence on the development of CSR in Ukraine caused the events of recent years associated with the Revolution of Dignity, the occupation of part of the territory and armed conflict in the east. According to international experts, corporate social responsibility in such periods includes three types of activities: compliance, the principle of "no

harm" (donoharm) and peacekeeping actions. An analysis of these practices suggests that Ukrainian companies have gone beyond CSR [31].

For the full implementation of CSR ideas in Ukraine, efforts need not only business, but also support from the state and civil society. Ukrainian business must realize its responsibility to the state and society, to get out of the shadows and pay taxes, supporting the state. And the synergy of efforts of civil society, free press and responsible business will help solve three major problems today: corruption, the judicial system and bureaucracy.

Consequently, taking into account the course of Ukraine on European integration, as well as global tendencies to the legislative regulation of CSR issues, Ukrainian companies should carefully consider the issue of implementing the principles of corporate social responsibility in their own activities and now start work in order to meet their requirements.

### **Conclusions and perspectives of further scientific research**

The study conducted in this section suggests that increasing the role of corporate social responsibility in Ukraine should be a significant factor in solving social and environmental problems and improving the competitiveness of the economy. The development of the Institute of Corporate Social Responsibility involves the transition to the systemic participation of the state in the field of stimulation of socially responsible behavior of business entities, which, in turn, both for the state as well as for society, is the basis for solving a number of key social problems, including the basis for growth of volumes of investments in public sphere, reduction of the outflow of "intellectual resources", improvement of the image of the state on the international scene as observing norms and standards of the world community. There is stability and conditions for investment.

Among the main activities of companies supported by CSR measures using the appropriate management procedures and indicators of economic, social and environmental performance, the following can be distinguished: corporate development (restructuring and organizational changes involving senior management, their staff and public organizations); ecological policy and use of natural resources; effective staff development; health and safety at work; interaction with local authorities, state structures and public organizations for solving common social problems; cooperation with suppliers and buyers of their products and services, PR-provision of all the above-mentioned directions and others.

Thus, CSR has to become a multi-vector factor for the company and, most importantly, for the whole system of corporate governance.

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