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CORPORATE SOCIAL RESPONSIBILITY IN EUROPE AND UKRAINE: REGULATION ISSUES

The concept of corporate social responsibility (CSR) is becoming essential and more popular among the companies in Ukraine. The local business exercise initiative to follow the well-known 'sustainability concept' which is disclosed by the numerous European guidelines on sustainable development. Moreover, social responsibility is considered to be of great interest to many international and regional non-profit organizations, namely:

1) Business for Social Responsibility. Its basic functioning idea is to establish the social role of the companies in achieving sustainable growth, necessary for both parties of the corporate conflict – owners and shareholders;

2) Global Alliance for Business Social Responsibility. The main goal of the organization is to expand the understanding of corporate social responsibility (CSR) and provide the entrepreneurs with the possibility of the further cooperation in the field;

3) Global Compact (GC) offers development, which was introduced at the World Economic Forum back in 1999. It unites companies of UN agencies, workers and civil society to support ten universal principles in the sphere of human rights, labor and environment;

4) International Business Forum of Leaders. Its main functions are to promote responsible business decisions and to enable society to get benefits from them;

5) CSR Europe. The purpose is to promote the growth of corporate social responsibility throughout European countries.

Basics implementation of social responsibility in Europe are set out in the Green Paper "Creating conditions for the spread of CSR in Europe" (Brussels, 2001). Its purpose is to initiate a broad discussion and search for different perspectives on corporate social responsibility at the national, European and international/global levels.

Currently, the issue of social responsibility in a world is governed by standards, including international ones: AccountAbility 1000 (AA1000), Global Reporting Initiative (Global Reporting Initiative (GRI), SA 8000 Social Responsibility, ISO: 14000 Environmental management system, OHSAS 18001: 1999 System of evaluation occupational safety and health, OHSAS 18002: 2000 Systems management of occupational safety and prevention of occupational diseases [1].

The attitude of business in Ukraine towards the concept of social responsibility depends, on the one hand, on the size of the company, branch of economy, geographical coverage, an effective communication with the final consumers of goods and services, the level of competition on the market and the management policy. On the other hand, CSR is highly affected by the economic situation in the country, the certain degree of development of other branches of economy (in particular, the media, governmental bodies, and non-profitable organizations) as well as local requirements.

The major motives for adopting CSR by the companies disclosed in the literature have been discovered as follows:

– Companies are willing to implement and adopt CSR because CSR is believed to contribute greatly to the ‘bottom line’. It assumes greater efficiency, because it can serve as a competitive advantage. While attracting customers, getting employee satisfaction, it builds a better image of the company;

– Companies adopt CSR because of their presumption and understanding of the role of business in society in relation to the social and political power they possess. In this case, business gets engaged into CSR with a strong understanding that greater power leads to greater responsibility;

– Companies are likely to adopt CSR because they consider themselves as an integrated element of society, and, therefore they can successfully develop only under conditions of successful society and environment;

– Companies are engaged into CSR, as it is believed to be a right thing to do from the ethical point of view.

Conclusions. Better and wider promotion of CSR for the Ukrainian companies can help to create new markets in Ukraine and abroad. It will promote solution to many social and environmental problems, improve access of companies with Ukrainian capital to the international markets, increase the capitalization of the Ukrainian companies and sustainable development of the country as a whole.

References:

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