

PRACTICAL ASPECTS OF IMPLEMENTATION OF SOCIALLY RESPONSIBLE AGRICULTURAL BUSINESS IN UKRAINE

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The article examines the main practical aspects of the implementation of socially responsible agrarian business in Ukraine, in particular, conscientious business practices; environmental protection activities and resource conservation; development of local society, development of personnel aimed at training and professional development. It is proposed to distinguish the following phases at the current stage of formation and development of social responsibility of domestic agrarian business subjects as a mechanism for increasing their competitiveness: initial, adjacent and terminal. In the first phase of the formation of social programs for the purpose of increasing competitiveness, pilot companies and the development of criteria for assessing the social responsibility of agrarian business entities, principles, the period of implementation and methods of implementation, etc. are determined. The next phase will be considered the holding of an internal social audit by agrarian companies and other subjects of agrarian business. The adjacent stage is a transitional phase of the external assessment of the social responsibility of agrarian business entities, which should provide an assessment by civilian independent experts and the community of the social effect of the activities of agribusiness representatives. The final phase should contribute to the formation of the rating of socially responsible companies of agricultural production in the country, which is also an effective tool for forming their image and customer loyalty, increasing their competitiveness in the domestic space. It is emphasized that the intervention of the state in the sphere of social responsibility of agrarian business should be of a recommendatory, framework nature. The moral support of these processes from the state is especially important for the development of social responsibility of agribusiness subjects in the country. Moreover, some tax breaks for corporations are even more beneficial to the budget and society, since corporations are more accurately and effectively able to solve local regional problems through social responsibility. The business community can either develop its own standard in the area of social responsibility, or join any of the existing Western standards in this area with its adaptation, or provide advisory assistance from the state.

Keywords: social responsibility, corporate responsibility, socially responsible agricultural business.

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STATEMENT OF THE PROBLEM IN GENERAL AND ITS CONNECTION WITH IMPORTANT SCIENTIFIC OR PRACTICAL TASKS

Studies of the latest results and scientific developments have shown that the level of implementation of social responsibility of corporations, business structures, regions and the country as a whole is inextricably linked with the economic foundation of its provision. The key conditions for the implementation of social functions at different levels of management require not only moral-ethical, ecological, cultural foundations of the development of social relations, but, first of all, substantiation of the dominant aspects of financial support of socially responsible policy.

Society is a direct participant in the creation and promotion of social responsibility of agribusiness entities. After all, in addition to the external social audit conducted by the international community, there is an internal social audit, which is designed within the country to encourage companies that are socially oriented and to single out those that do not meet the principles of social responsibility. This, in a way, is also an external motivation for agribusiness entities to increase their competitiveness. And since the internal social audit must be completely independent and transparent, the social responsibility of agribusiness entities, its principles and open reporting must play an important role in its implementation. That is, corporate social responsibility is first of all an open process to which society has access in the first place, therefore social audit is the effective self-sufficient mechanism thanks to which the social responsibility of agribusiness entities can fulfill its main role – increasing the competitiveness of agricultural production, the quality of agricultural products, transparent business conditions and its self-sufficiency in our country.

ANALYSIS OF LATEST RESEARCH AND PUBLICATIONS

The conducted scientific studies showed that the very idea of socially responsible business is relatively new for domestic agro-industrial formations. Along with this, the innovative basis of perception and activation of responsible socio-economic relations is implemented within the national paradigm of transition to an innovative development model, which is the only way to enter the European market and strengthen the country's economy. As noted by Hnatieva T.M. the social factor and capitalization of intellectual resources is one of the key problems of the formation of the innovative system of Ukraine [1]. This approach to the transformation of the national economic system is shared by Mytiai O.V. who evaluates the solution to the problem of the transition of the agro-industrial sector of the Ukrainian economy to an investment-innovation model through the spectrum of the development and adoption of

fundamentally new socially-oriented management decisions in the direction of assessing the potential development opportunities of agricultural enterprises [7].

THE ARTICLE PURPOSES FORMULATION

The purpose of the article: to investigate the main practical aspects of the implementation of socially responsible agrarian business in Ukraine.

MAIN MATERIAL PRESENTING

The scientific-theoretical and methodical plane of a socially-oriented enterprise should be complemented by applied spheres of their implementation. The country's image definitely consists not only of the very fact of the presence of corporate social responsibility, but also of the consequences it carries:

- entry of a larger number of Ukrainian companies into the listing on world exchanges;
- the inflow of foreign investments into the country's economy, thanks to the stability and stability factor;
- increasing the level of non-raw materials production and technology transfer;
- increasing social stability in the country's regions with voluntary business support;
- solving environmental problems of production.

All this, of course, takes time, but from the final result, the state, as a unifying force, will receive such dividends from the corporate social responsibility of business.

Agribusiness itself, working in the field of corporate social responsibility, also has a number of advantages and non-financial income, which will eventually be transferred to the company's profit:

- the possibility of attracting investment capital for socially responsible companies is higher than for other companies;
- the development of human resources and competences allows avoiding staff turnover and attracting the best specialists on the market.

We see the practical actions of socially responsible business in the following aspects (Fig. 1):



Fig. 1. Practical aspects of implementing socially responsible agrarian business in Ukraine

The listed aspects of the practical nature of the implementation of socially responsible business in the market economy not only form a system of effective management and the key principles of the implementation of a thorough social policy of the country, but also create the necessary prerequisites for solving the strategic task of the national agricultural sector - ensuring the competitiveness of agricultural products and food security of the nation. From such positions, the concept of socially oriented economic relations is supplemented by Kriukova I.O., who defines the social factor and its derivatives - human and intellectual capital as the main factor in achieving the key criteria of the nation's food security, the development of rural areas, and improving the welfare of the rural population [4].

Creating and promoting a full policy of corporate social responsibility with the support of the state gives the state itself a huge bonus - raising and strengthening the country's image.

These aspects comprehensively form the dominant principles of ensuring a high level of competitiveness of domestic agricultural production and increasing the level of its financial and economic security against latent risks and threats. The implementation of any business initiatives objectively requires an increase in the volume of high-quality investment flows, the synchronous movement of which allows business entities to maximally protect their value potential from threatening factors of the external and internal environment. As the authors reasonably prove, a key role is played by the spectrum of social responsibility of business, which potentially creates a reserve for increasing the level of social and economic security of business entities [2].

High social motivation increases labor productivity, which by its complex nature is an integral indicator of the effectiveness of the entire system of labor relations and the basis for ensuring dynamic and sustainable economic growth. Motivating factors of business development, which take the form of both material and moral stimulation, along with a high level of corporate culture and philosophy of large firms, have long been recognized by world practice as the most significant and influential factors for achieving success under competitive market conditions [7].

The multifunctional and multifaceted economic nature of the system of socially responsible business is implemented in all spheres of activity of modern companies without exception. Intellectual resource, as a result of the implementation of the policy of social transformations, security and motivation, is a powerful source of development of branding processes and formation of strategic image potential of firms. The company's reputation, its popularity and recognition from the side of society, the quality of the brand in modern conditions are levers that directly bring profit to the company and provide opportunities to strengthen competitive positions in the market. From such methodological positions, socially oriented business is defined in the list of main competitive advantages in the system of competitive relations of enterprises [3].

Scientists agree that the improvement of the company's image, the growth of reputation also leads to positive financial consequences [3].

Finally, domestic scientists have proven that corporate social responsibility is primarily the preservation of social stability in the business region, which also maintains stability for the regional production itself. Stoianova-Koval S.S. in his studies, he reasonably presents the methodology for assessing the potential of the agrarian sector for sectoral and structural changes using the mechanism of social investment, which he considers to be a priority under the competitive conditions of the development of the domestic agricultural production [8].

At the current stage of formation and development of social responsibility of domestic agrarian business entities, the following phases can be noted as a mechanism for increasing their competitiveness.

In the first phase of the formation of social programs for the purpose of increasing competitiveness, pilot companies and the development of criteria for assessing the social responsibility of agrarian business entities, principles, the period of implementation and methods of implementation, etc. are determined. The next phase will be considered the holding of an internal social audit by agrarian companies and other subjects of agrarian business. Representatives of agribusiness must understand the dimension of responsibility not only for the commitments made, but also for the practice of conducting agribusiness, as well as the information that will be submitted by them in a non-financial report to society.

In our opinion, it is necessary to single out a related stage as a transitional phase of the external assessment of the social responsibility of agrarian business entities, which should provide an assessment by civilian independent experts and the community of the social effect of the activities of agribusiness representatives in the development and formation of human capital, the relationship with their employees, in relation to the quality of agricultural products and necessarily to the ecological component.

The final phase should contribute to the formation of a rating of socially responsible companies of agricultural production in the country, which is also an effective tool for forming their image and customer

loyalty, increasing their competitiveness in the domestic space. However, without an unbiased, professional and open assessment, which should be given by social audit and economic experts, all the mechanisms of activation and implementation of social responsibility of business will traditionally turn into another one-time advertising campaign for our community. The social responsibility of agribusiness in Ukraine has been based on state paternalism since Soviet times. As you know, according to Soviet legislation, the basic function of social responsibility was performed by the state. In the transition period of the 1990s, the state could not demand strict implementation of social and labor legislation, which resulted in well-known delays in wages, social explosions, bankruptcy of agricultural enterprises and the decline of large agricultural areas.

The current situation, when the country has seen massive downsizing and the constant growth of the shadow sector of the economy, cannot contribute to the sustainable development of social responsibility of agribusiness. But in recent years, the practice of participation of business entities in solving current social problems has been spreading, which is one of the most important resources for increasing the level of solving social conflicts within the country and improving the quality and competitiveness of agricultural sector products on world markets. The basis of this practice is the adoption of values and principles of social responsibility of business in the agrarian sphere.

In the Ukrainian scientific environment, the social responsibility of agribusiness is considered through the prism of two behavioral imperatives. On the one hand, the business structure in agricultural production is obliged to take care only of the efficiency of the use of its resources, producing products and services necessary for society, providing at the same time work for citizens and maximum profits for shareholders and owners. Thus, the real role of agribusiness entities is to use economic resources in activities aimed at increasing income and profit, provided that they follow the established rules of the game, participate in open competition, without resorting to fraud and deception.

On the other hand, any business structure in the agricultural sector is a complex part of the environment, which includes many components. Such constituents include consumers, suppliers, mass media, social pressure groups, unions or associations, etc. These multi-vector elements can strongly influence the business structure's achievement of its goals, so it has to balance purely economic goals with the economic and social interests of the community.

Business structures of the agrarian sector are undoubtedly responsible to the society in which they operate, therefore priority tasks in addition to ensuring efficiency are also environmental safety, quality of agricultural products, employment, profit and compliance with the law; therefore, directing part of one's resources and efforts to the social development of society is one of the main tasks that ensures the stability of the economic state and competitiveness in the market. Moreover, society has already developed certain ideas and stereotypes of how business structures of agricultural production should behave, which requires acting responsibly in such vital areas as environmental protection, health and safety, protection of consumer interests, etc. These spheres, in terms of programs of interaction of agrarian business subjects with society, form different methodical approaches to the interpretation of the essence of social responsibility of agribusiness subjects.

CONCLUSIONS FROM THIS RESEARCH AND PROSPECTS FOR FURTHER EXPLORATION IN THIS DIRECTION

Thus, in fact, Ukrainian agribusiness is already showing significant social activity and is ready to move towards greater social responsibility and social reporting on the basis of increasing its competitiveness. Agricultural businesses interested in increasing their capitalization on the world market will intensify their social programs and introduce social reporting in order to increase their competitiveness. The intervention of the state in the sphere of social responsibility of agrarian business should be of a recommendatory, framework nature. The moral support of these processes from the state is especially important for the development of social responsibility of agribusiness subjects in the country. Moreover, some tax breaks for corporations are even more beneficial to the budget and society, since corporations are more accurately and effectively able to solve local regional problems through social responsibility. On the part of the business community, it is possible to develop either its own standard in the field of social responsibility, or to join any of the existing Western standards in this area with its adaptation, or to provide advisory assistance from the state (this includes advisory assistance on implementing the principles of corporate social responsibility, development of social reporting criteria and mechanisms).

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ПРАКТИЧНІ АСПЕКТИ РЕАЛІЗАЦІЇ СОЦІАЛЬНО-ВІДПОВІДАЛЬНОГО АГРАРНОГО БІЗНЕСУ В УКРАЇНІ

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У статті досліджено основні практичні аспекти реалізації соціально-відповідального аграрного бізнесу в Україні, зокрема добросовісна ділова практика; природоохоронна діяльність і ресурсозбереження; розвиток місцевого суспільства, розвиток персоналу, направлений на навчання і професійний розвиток. Запропоновано на сучасній стадії становлення і розвитку соціальної відповідальності вітчизняних суб'єктів аграрного бізнесу як механізму підвищення їх конкурентоспроможності виділити наступні фази: початковий суміжний та прикінцевий. У першому фазісі формування соціальних програм з метою нарощення конкурентоспроможності визначаються пілотні компанії і розробка критеріїв оцінки соціальної відповідальності суб'єктів аграрного бізнесу, принципи, періодом впровадження та методи реалізації тощо. Наступною фазою вважатиметься проведення аграрними компаніями та іншими суб'єктами аграрного бізнесу внутрішнього соціального аудиту. Суміжний етап як перехідна фаза зовнішньої оцінки соціальної відповідальності суб'єктів аграрного бізнесу, яка має надати оцінку цивільними незалежними експертами та співтовариством соціального ефекту від діяльності представників агробізнесу. Прикінцевий фазис повинна сприяти формуванню рейтингу соціально відповідальних компаній аграрного виробництва в країні, що також є дієвим інструментом формування їх іміджу та лояльності покупців, підвищення їх конкурентоздатності на вітчизняному просторі. Наголошено на тому, що втручання держави в сферу соціальної відповідальності аграрного бізнесу повинно носити рекомендаційний, рамковий характер. Особливо важливим для розвитку соціальної відповідальності суб'єктів агробізнесу в країні є саме моральна підтримка даних процесів з боку держави. Більш того, деякі податкові послаблення для корпорацій навіть вигідніше бюджету і суспільству, оскільки корпорації точніше і результативніше здатні вирішувати через соціальну відповідальність місцеві регіональні проблеми. З боку ділового співтовариства можлива розробка або власного стандарту в області соціальної відповідальності, або приєднання до якого-небудь з існуючих західних стандартів в даній області з його адаптацією, або забезпечення консультативної допомоги з боку держави.

Ключові слова: соціальна відповідальність, корпоративна відповідальність, соціально-відповідальний аграрний бізнес.