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## **SOCIAL RESPONSIBILITY AS ONE OF THE POLICY STRATEGIES OF THE AGRARIAN SECTOR DEVELOPMENT IN UKRAINE**

The social responsibility of the agrarian sector should be considered as one of the most effective directions for the development of this industry, which enables agrarian enterprises to occupy a certain niche in world markets, significantly improve the image of the country and increase the profitability of any enterprise. Social responsibility is first of all the strategy of enterprise's growth, which, unfortunately is not universally accepted.

The emergence of the idea of social responsibility began at the corporate level in the 50's of the XX century, and in some examples in the XIX century. Since the 50's of the XX century American scientists developed a number of concepts on the definition and essence of social responsibility, in Europe the concept of "social responsibility" arose only at the end of XX century and officially published in the Green Book on Corporate Social Responsibility in 2001.

Significantly, social responsibility in the world has reached its popularity at 70-80s, when the activity of enterprises began to cause serious losses and threats to both the population and the natural environment - pollution of rivers, disasters caused by production activities, negative impact on human health.

Scientists attribute the global rise to the idea of social responsibility to the anti-corporate sentiment in society at the results of „Shell's“ decision to flood the Brent Spar's Petroleum Tower in

the North Sea. It is then that enterprises and companies are beginning to consider social responsibility as a way of creating a positive image and positive public opinion.

Later, social responsibility has become part of the policy of several states (Finland, Denmark, France), That means that its macro level has been isolated.

In turn, FSU countries in 2008 developed and approved the International Standard «Social Responsibility Organization», which includes the following components: social rights of employees, social guarantees of the personnel; quality of products, works, services; environmental protection; cost effective resources; support of local communities; management of social activity.

As a branch of management, social responsibility of enterprises appeared in the 1950s in the United States. The activity of companies, which can be designated as socially responsible, took various forms: donations and charity, community services, welfare improvement for wage workers and popularization of religious behavior.

During the twentieth century social responsibility has become a part of management in the management system of enterprises, organizations, corporations with their international regulatory documents.

A lot of foreign and domestic scholars, among which are N. Bowen [1], N. Dobreeva [2], M. Friedman [3], A. Kolot [4], I. Kostiuk [5], M. Saprikina [6], T. Vlasova [7] and others paid their attention to the development of social responsibility.

The aim is to conduct an analysis on the development of social responsibility in Ukraine as one of the promising directions of the agrarian sector development.

The community of «Socially Responsible Business in Ukraine» has formed the main criteria for corporate behavior on the basis of social responsibility, among which attention is paid to innovative development, the role of corporate governance in the enterprise, interaction with stakeholders, development of human capital, etc.

In accordance with the 17 Sustainable Development Goals of Ukraine, which came into force in January 2016, No. 2 on «Overcoming hunger, achieving food security, improving nutrition

and promoting sustainable agrarian development» the elements that characterize the social responsibility of the agrarian sector are identified:

1) ensuring by 2030 the establishment of sustainable food production systems and the introduction of farming methods that increase viability and productivity and increase of production, promotion ecosystem conservation, enhancing the ability to adapt to climate change, extreme weather events, droughts, floods and other disasters and gradually improving the quality of land and soils;

2) ensuring the preservation of the genetic diversity of seeds and cultivated plants, as well as agriculture, livestock and wildlife by 2020, including the proper maintenance of various seed and plant banks at the national, regional and international levels in order to promote access to genetic resources and related traditional knowledge for sharing of the benefits from their usage under conditions agreed at the international level on a fair and equitable basis;

3) increasing the investment, including international cooperation, rural infrastructure, agrarian research and technology development in the field of genetic bank in order to strengthen the capacity of developing countries, especially in the field of agrarian production;

4) taking measures to ensure the proper functioning of the food markets and their production in order to facilitate timely access to market information, including food reserves [8].

In our opinion, the development and promotion of social responsibility in Ukraine should be carried out at the level of individual enterprises, both nationally and internationally. Formation of social responsibility in the agrarian sector of Ukraine should be divided into four levels. The first is the highest level (megame) when the coordinator of the development is interested in the socially responsible relations of between different countries. The second level is when the state and trade unions can influence the agrarian sector through coercive measures of a regulatory nature. At the third level (local) is when activity of socially responsible business and corporate social responsibility can be observed. First of all, they are partners, employees and the local community, which, on the basis of interaction, develop joint measures of social orientation.

It is at this level that local social responsibility plays an important role in the corporate activities of agrarian enterprises. At the expense of professional development of employees, preferential lending, the development of various programs and the provision of social packages for employees, in the end all this has a positive effect on the financial results and business management efficiency.

The Corporate Social Responsibility Center in 2016 conducted a survey among business entities on "Business that will change the country for the better" (the number of interviewed 92 people). As a result of the survey, it was found that about 26% of respondents believe that "Business that will change the country for the better" is the most transparent business, which pays taxes and focuses on the quality of products and services (ranked first). The second place is the enterprises that work according to the rules, taking into account the interests of all the interested persons (21.7%), the third place is occupied by social enterprises, which activity and profit will contribute to the development of science and technology (16.3%), fourth and fifth places took a business that changes the perception of people about the world (10.9%), the sixth - the business that cares about the environment and other (7.61%) and the last place takes the business which defends its values independently of anything - (6.52%) respectively.

The industries which will influence the development of Ukrainian economy and what contribution they will make in social and economic development is indicated in the table. 1

According to the terms of Ukrainian economy sectors the largest contribution to the overall economic growth will be 19% by 2020 , and in 24% by 2030 will have the agrarian sector. In the second place, the military-industrial complex - 15% by 2020 and 17% by 2030. The smallest contribution to the overall economic growth is observed in biomedical engineering, cellular medicine - 2% by 2020 and 7% by 2030 and tourism - 2% by 2020 and 5% by 2030.

**Table 1 The main drivers of fuuture economy of Ukraine and their contribution to the overall economic efficiency of the country ( the number of experts 25)**

Economic branches	Contribution to the overall growth of the economy, % 2020	Contribution to the overall growth of the economy % 2030	The assessment of contribution to the overall growth of the economy according to Miller's scale (1-7) 2020	The assessment of contribution to the overall growth of the economy according to Miller's scale (1-7) 2030	The terms of economy growth, years
1. Agrarian sector	19	24	7,0	7,0	2015-2020
2. Military and industrial complex	15	17	4,0	6,0	2015-2030
3. Information and communication technologies	9	12	3,7	4,5	2015-2025
4. Creation of new substances and materials, nanotechnology	5	8	3,3	4,0	2020-2025
5. New energy	5	8	3,3	4,0	2017-2025
6. High technological machine, equipment	5	7	3,0	3,8	2020-2030

development					
7. Development of transit infrastructure	5	7	3,0	3,8	2020-2030
8. «Life Sciences» (biomedical engineering, cellular medicine)	2	7	2,0	3,8	2017-2030
9. Tourism	2	5	2,0	3,0	2017-2025
10. Other industries (low-tech, raw materials)	35	5	7	3,8	2015-2030

Resource: Formed by the Author on the base of materials [10]

Such forecasts of indicators of social and economic development are possible only at the expense of increasing the indicators of social and economic growth and changing the vision of society and business entities in relation to doing business. Therefore, one of the promising directions of building an effective economy is the social responsibility of the agrarian sector of Ukraine.

Based on our research, we have outlined the inhibitory and deterrent factors for implementing social responsibility and the benefits of its implementation in the agrarian sector (Fig. 1).

As we see, in the process of introducing social responsibility positive benefits can be gained both by agrarian enterprises and society as a whole. However, there is a number of important problems that hamper the development of social responsibility due to their timely resolution, possible negative consequences for both society and agrarian business.

## Factors influencing the implementation of social responsibility in the agrarian sector

### Factors hampering the development of SR:

- absence of legal normative regulation of SR;
- lack of understanding of SR by agrarian enterprises;
- low awareness of the benefits of CSR in the agrarian sector;
- a shortage of funds in agrarian enterprises, as seasonal production influences;
- absence of privileges and incentives for SR;
- lack of necessary information on the implementation of SR at the enterprise, etc.

### Perspective of SR Development:

- change of SR understanding by agrarian enterprises;
- creation of a partner network, a community for the SR promotion;
- formation of the necessary legislative framework;
- development of appropriate development strategies and programs;
- conducting a dialogue with stakeholders on the SR development;
- support of active civil society by the state, etc.

### Advantages Agribusiness Receives from SR Implementation:

- image enhancement, and eventually financial results of the enterprise;
- Increasing the professionalism of staffing;
- responsibility to international rules and standards, access to world markets;
- creation of a safe environment favorable to the enterprise at the SR expense;
- the interest of employees in the results of their work;
- partnership relations between the enterprise, government, society, etc.

### The benefits society receives from SR implementation:

- raising the living standards of the population;
- infrastructure development: medicine, education, culture;
- formation of awareness in society about SR and ethical and moral values;
- providing targeted assistance to citizens who need it;
- reduction of financial burden on local budgets, etc.

Figure 1 - Constraints on the implementation of social responsibility and the benefits of its implementation in the agrarian sector

Source: author development

An important tool for promoting and developing social responsibility is to increase competitiveness and strategic direction of enterprise development. The Center for Corporate Social Responsibility Development conducted a study on the competitive advantages of socially responsible enterprises. Thus, it was found that the share of enterprises that at the beginning of the survey declared themselves to be socially responsible, had a positive impact from the introduction of social programs and measures (Fig. 2).

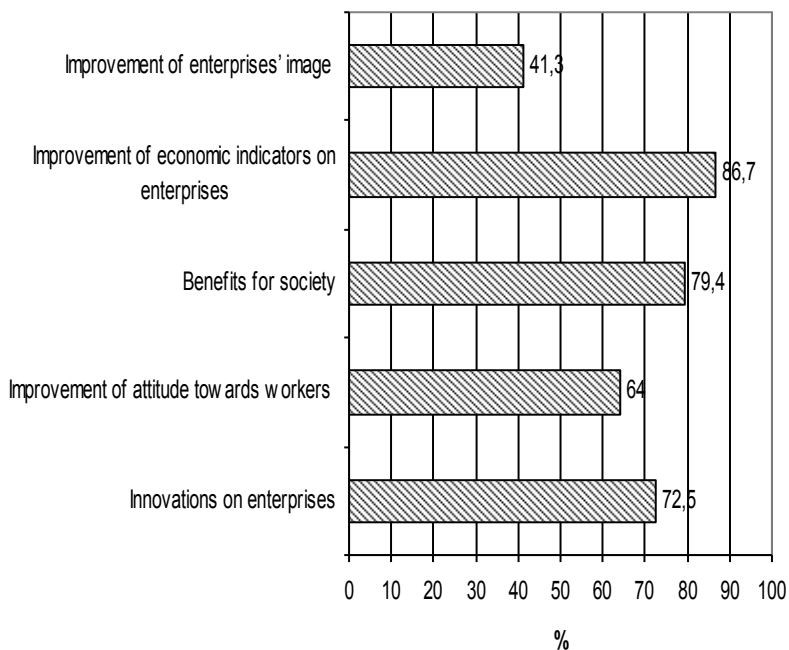


Figure 2 — Positive impact of social programs' implementation on the enterprises of Ukraine Позитивний вплив від запровадження соціальних програм та заходів на підприємствах України

Source: Author's development [6, p.118]



The introduction of the principles of social responsibility at Ukrainian enterprises significantly improves the attitude of employees to the enterprise (86.7%), society benefits (79.4%), the image of the enterprise improves considerably (72.5%), economic indicators of the enterprise showed 64% of improve and the number of innovations in the enterprise increases (41.3%).

The economic crisis that has been observed in Ukraine in recent years has significantly halted the process of developing social responsibility. It significantly influenced the macroeconomic and microeconomic level of development, namely: the level of macroeconomic stability, the efficiency of public and private institutions, the efficiency and size of the goods and labor markets.

Therefore, in our opinion, one of the ways to overcome the crisis is to restore social responsibility and trust in socially responsible enterprises, which will contribute to sustainable economic growth and the stability of job creation in the long run. Indeed, as world practice shows, the efficiency of business management depends to a large extent on whether the company is socially responsible or not. In spite of the introduction and implementation of social programs at the enterprise can significantly increases the cost of the enterprise, but in the future with strategic planning, the costs are offset by increased productivity of workers, increased revenue from improving the image and investment attractiveness of the enterprise.

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