

THE DEVELOPMENT OF SOCIAL INVESTMENT AND SOCIAL RESPONSIBILITY OF BUSINESS IN UKRAINE

The intensification of globalization processes, requiring the introduction of unified norms and standards of entrepreneurial activity, the limited traditional sources of financing the social sphere, the emergence of a new type of consumer, the choice of which is based not only on qualitative characteristics of the offered goods, but also on the ethical behavior of the company, – all this leads to the formation of new targets for the enterprise that needs to focus not only on market demand for high quality products and services, but also on universal values. In these conditions the special urgency is acquired the distribution and creation of systems of social responsibility of business, as one of the key forms of its strategic development, as well as escalating the need to develop qualitatively new approaches to formation of investment policy of business entities in the social sector, based on internationally agreed principles taking into account the peculiarities of modern Ukrainian society.

Problems of corporate social responsibility of enterprises and effectiveness directions of social investments is quite topical and popular subject not only among domestic and foreign scientists and researchers, but also among the modern management practitioners. Leading researchers in this sphere are among domestic scientists: V. Bocharova, O. Grishnova, V. Kovalev, A. Kolot, E. Libanova, V. Livshits, V. Novikov, A. Shermet. Among foreign scientists, the most important are: K. Wicksell, E. Domar, E. Class, J. Lindsay, P. Masse, F. Ramsey, G. Solou, D. Stone, J. Tobin, E. Phelps, G. Harrod, and others.

The aim of this work is to study the current state, characteristics and development trends of social investment and social responsibility of Ukrainian enterprises and development of directions for improving the system of their regulation.

In modern conditions of social investment are building blocks for sustainable business development. Solving social problems of the region through social investment, enterprises first of all create conditions for their future, enhance competitiveness of their products, image in society, solvency and the quality of life of the population.

There is a range of studies on the relationship between the volume of social investment of companies and the trends of their development, they are polar. Some scientists and managers of practice think that social investments are a separate kind of expense enterprise, that brings no economic effect for its development and is only a manifestation of corporate social responsibility before state and society. On the other hand, establish a close relationship between the level of development of the company and the introduction of social investment.

It is manifested in such indicators as increasing the efficiency of the workforce, the growth of sales and profitability of investment, reduce energy consumption businesses and others.

One of the studies that confirms the vision of the tightness of the relationship of social investment and enterprise development is carried out at the Harvard business school survey of more than 650 companies in the world operating in the sphere of production. The findings are based on analysis of the annual financial statements of enterprises over the past 15 years and of existing social programs, which are implemented by them. Among the objects of the study included not only companies that implement social programs, but also those that do not invest their funds in the social sector. The results of the study show that businesses that implement social programs have the greatest growth in the rate of economic development than those that are less active in social responsibility towards society. Thus, in accordance with the ratio of return on assets \$1 USD invested in 1995 has allowed investors to gain profit in 2014 to \$7.1 USD. Thus \$1 USD invested in companies that do not implement social programs brought profit in the amount of 4\$ USD [3]. Dynamics of changes in indicators of profitability of own capital shows that socially responsible companies are more efficient, so \$1 USD invested by these companies in their own projects in 15 years converts to a 25\$ USD profit. Changing and gross sales of the relevant social companies, he is 5-10 percent higher than the companies competitors. The greatest impact social investments have on the efficiency of the workforce, which increases productivity, staff loyalty to the company motivation to work (37.9 % excess) [3].

Volumes and directions of social investments of enterprises increasingly depend from the sector in which they carry out their economic activities and the established development strategy. Overall direction of social investments can be roughly distributed among such groups as:

social investment in education, the most common among large industrial enterprises in the USA and Europe that invest in the development of local educational institutions, through total or partial reimbursement of the cost of training, improve the quality of personnel training, providing the bases for practice, funding educational programs students during the holidays, tailor-made support of talented youth, stimulation of development of professional qualities and creative abilities, the educational distribution of rural infrastructure, creation of modern computer and remote training systems etc.

social investment in health is also one of the most common segments of the investing company in the world, its main areas of focus are combating socially

dangerous diseases in the world and disease on a mass scale, medical assistance to the poor population and few developed countries, mostly in Africa and Asia, improve the infrastructure of health services in the country, staffing them with the necessary modern medical equipment, providing customized care to patients with severe disease, and more.

in the development of social potential of an enterprise is to invest in coaching, ensuring adequate income and opportunities for staff development, improving working conditions, providing opportunities of free medical care, recreation and health maintenance, family support staff, implementation of motivation mechanisms to encourage personnel development social support of employees, retirees etc.

in the sphere of maintenance of ecological safety of the country, is the most relevant in today's world and are evenly spread in all countries of the world, lies in the implementation of the environmental technologies installed wastewater treatment facilities at enterprises manufacturing products with the lowest decay rates, the funding of scientific research in the sphere of protection and support environmental protection and so forth.

in the field of improvement of social infrastructure of the city and the region, providing funds to create funds free housing or partial compensation of their cost, to support the development of the network of kindergartens, especially in rural areas, financing of cultural institutions, the establishment of a network of agencies to support people without homes and those that are in difficult positions, generate more jobs, development of cultural institutions and enhancing their availability, the maturity structure of public recreation etc.

the development of the local community, assistance to vulnerable populations, the provision of material assistance to persons in need, promoting healthy lifestyles, social responsibility of individuals, sustainable development, improve the level of social capital, the development of sport and art, the restoration of historical and architectural monuments.

aid to victims of natural disasters, is one of the most common areas of investment abroad, is to offer material assistance to the population in a certain period of time in hard weather conditions which led to the loss of housing, resources, and threatening their lives. This area of investment can be expressed in direct monetary aid and in things, replenishing stocks of food and drinking water.

Ukrainian socially responsible companies in most cases, investing their resources in community development, support to patients, disabled children and children deprived of parental care, support of culture, arts and sports development, especially for children. The world's leading enterprise key the most effective directions of social investments is considered: internal social assets of the enterprise, the education sector of the country, international aid to victims of natural disasters or infectious diseases that is objective, because these components allow you to cover a wider category of investment objects and further makes it possible to provide the highest level of return both in the long and in the short term.

If you compare the volume of social investments of the ukrainian and foreign enterprises they differ. For example, USA companies invest in social projects 3-5% of its net profits, for european companies approximately 2-4% annual return, russian-about 1%, and ukrainian, on average, 0.7 to 1.2%. The total number of domestic and foreign enterprises that are socially responsible are, respectively, 40% and 90% of the total number of business entities [3].

In addition, radically different from the principles of social investments of the ukrainian and foreign enterprises from the standpoint of their output abroad the country in which they reside. Word companies are more internationalized in the process. Almost 40% of social investments they direct to the development of infrastructure and support of the poor of the developed countries or those that need help in a certain time period.

Today's trends in the sphere of social investments in Ukraine are fairly positive, over the past 10 years, spending on social infrastructure development and improving the quality of life of the population increased almost three times, with a fairly spread number of investors and scale of social programs implemented by.

The most socially responsible company of Ukraine is the System Capital Management (SCM), in 2014 invested in the social sphere of the country more than 100 million UAH, that in 2 times more than in 2012, the volume of the declared future of social investment for the period 2015-2016 is over 480 million UAH, the main areas and principles of investing this company is the development of local society, maintaining an appropriate level of life of the population of cities in which are represented the departments of the enterprise. The priority social programs today SCM is the development of education, ensure its high quality and availability, the training of competent and competitive specialists, energy efficiency and utilities sector, development of social infrastructure in towns, support the development of children's and youth football, and many others [4, 5].

The second place among Ukrainian companies in the ranking of socially responsible companies of Ukraine is Kyivstar GSM, costs this company to social programs account for about 20% of total income, the most well-known social projects: "The child safety Online", which includes a whole range of areas, which are embodied at different levels and aims to teach children the rules of online security, facilitating the creation of safe areas on the Internet for communication, learning and development; "For people, for country" - is aimed at supporting orphans and disabled children, in their education, health and creating the most comfortable conditions for their upbringing and development; maintenance of ecological safety of the country, use energy-saving technologies, gardening and landscaping cities of Ukraine and others [2].

The group of companies NIKO takes the third place in the ranking of social responsibility. It differs from other separately created in the framework of the charitable foundation "Krona", the main mission of which is to create a socially oriented society in the country by assisting vulnerable groups of society to achieve

a decent standard of living and equal opportunities for development [1], the main targets of social investment and aid are the children with deficiencies and those that are deprived of parental care (draft "Special children", "My cozy house" and "Big heart little life"). In addition, NICO is implementing certain social programs that are outside the scope of the charitable foundation are: educational program on behavior on the road and promote the observance of traffic rules and cash assistance nationwide children's Hospital center, for the purchase of necessary medical equipment and medicines to children affected by traffic accidents.

Among the above three leaders in the field of social investment, it is possible to mention such ukrainian companies as MTS Ukraine, Obolon, Kraft Foods Ukraine, Group of companies "Foxtrot", Microsoft Ukraine, Ernst&Young Ukraine, Sandora, METRO Cash & Carry Ukraine, Nemiroff holding and others [5].

It should be noted that a sufficiently high recent investments of foreign companies in the social sphere of Ukraine. The main areas of investment in this case most often are: the fight against socially dangerous diseases, the staffing of health care institutions with modern medical equipment, assistance to vulnerable categories of population (children orphans and children with disabilities), support of talented youth etc.

The experience of social investment for enterprises of Ukraine is not new. The beginning of its development is still at soviet times when there was a clear patronage-mechanism of enterprises over educational institutions, healthcare and culture. In addition, the company was responsible for the development and maintenance of an appropriate level of social infrastructure in the surrounding areas, providing recreation and educational development workers and members of their families. A negative feature of this stage of development was the orientation of enterprises to the needs of the state and not increase the possibilities of obtaining the company a certain return on these investments. With the adoption by Ukraine of the status of independence of social investing, as a separate element of costs has almost disappeared and resumed its existence only in the early 2000s. For the first time in most cases it was incidental and spontaneous in nature and there was no certain software in their implementation and their scale covered only a narrow circle of persons. Today, social programs are a separate segment of the development strategy of most companies, especially those that develop in accordance with the requirements of sustainable development, they are cyclical, gradual, covering a wide range of people and is constructed in such a way as to provide some return on investment in the short or long term. However, despite the relatively positive trends, there are a number of problems hindering the social activity of companies and, in turn, support the social infrastructure of the country is:

insufficient awareness of society about the social activity of ukrainian companies, the volumes and directions of social investments, covering the essence of existing and future social programs of enterprises, their influence well the development of social infrastructure and communities;

rather narrow field of social investment, social programs of ukrainian enterprises in most cases is aimed at supporting vulnerable segments of the population, with little focus on strategic areas of social development, education, health, the formation of social responsibility in young people, the education of future generations, the social infrastructure of the country;

small and medium enterprises are the main actors in the implementation of social investment, social programs are being implemented the largest domestic companies or companies with transnational business in Ukraine;

the lack of a clear understanding of the management of enterprises on the clear relationship between the volumes of social investment and future economic revenues;

the lack of a clear national model of corporate social responsibility in Ukraine, which makes it impossible to build a clear mechanism for strategic action of the enterprise in the social sphere according to modern Ukrainian realities;

low level of responsibility of the enterprises for the provision of comprehensive, reliable and relevant information on their financial statements and taxes;

the lack of clear legislation in the field of social responsibility and the regulation of social investment, the lack of a flexible mechanism for providing benefits to businesses that implement social programs and build a socially responsible business;

the lack of uniform national standards in the field of infrastructure development social investment;

low attractiveness of segments of the social infrastructure of the country for investments, high level of corruption and toning of the economy.

Comparative analysis of the development of social investment abroad and in Ukraine, examines the trends, status and problems in the development of social responsibility and social investments of national business revealed the following perspectives and resources to increase their scope and breadth. Among them are the following:

the construction of incentive mechanism of media, a relatively constant illumination of issues of social responsibility of business and the development of social investment in the country;

creating a legislative base aimed at stimulating entrepreneurs to increase the level of investment revenues to the social sphere of the country. In this case, an example would be the existing USA experience in this area. In accordance with the legislative acts, the enterprises are entitled to tax benefits in the amount of 10% if they are regular investors in the social environment of the country and take part in solving critical social problems of the country;

creation on the basis of large companies of such funds, to empower the participation of small and medium-sized enterprises in large social projects. Alternatively, it is possible to combine resources of medium and small enterprises, to implement certain priority social programs;

the development of corporate volunteering staff, is a common mechanism in foreign countries, implementation of this direction is developing of local society, increases the company's image as a socially responsible business, strengthens corporate culture that supports staff development, reducing the direct financial costs of enterprises in social investment. The implementation of this approach involves encouraging staff to get involved in social volunteer programs, for example, participation in charity, visiting orphanages and nursing homes, attending charity shows and concerts, conducting lectures in schools, assistance to young professionals in acquiring the necessary skills;

assistance to development in Ukraine "banks of time", the essence of which consists in the generation and accounting of time that an individual spends on providing them with volunteer help, 1 hours equal to one credit. If in your lifetime there are situations when the investor will require help, he can ask to "bank of time" and receive help from another person in the amount of credits he amassed during their volunteer activities. This method is widely used in developed foreign countries and declared itself as quite effective;

encouraging companies to use charitable non-profit organizations as a separate generating facility of the total volume of social investing allows you to accumulate and spend funds purposefully allocated for the social support of the community;

increase transparency of charity foundations and social costs of the enterprise, allows to increase the degree of trust funds and advocate of socially responsible business in the country.

Certain the study areas will have certain social and economic effect, which is manifested in the increase in the degree of confidence of enterprises social investment would increase the level of their impact, will help to develop social infrastructure and improve the overall quality of life of the population of Ukraine.

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Пархоменко Ю. М. Розвиток системи соціального інвестування та соціальної відповідальності бізнесу в Україні

В статті розглянуто сутність та роль соціального інвестування в загальній стратегії бізнесу. Проведено порівняльний аналіз обсягів та масштабів інвестиційних вкладень закордонних та вітчизняних компаній в соціальну сферу. Розглянуто особливості побудови політики соціальної відповідальності провідних українських компаній. Визначено ключові проблеми, що стримують в Україні розвиток соціально відповідального бізнесу. Виокремлено резерви та перспективи збільшення обсягів та масштабності соціальних інвестицій.

Ключові слова: соціальні інвестиції, соціальна відповідальність, ефективність, віддача від інвестицій, соціальна сфера.

Пархоменко Ю. Н. Развитие системы социального инвестирования и социальной ответственности бизнеса в Украине

В статье рассмотрена сущность и роль социального инвестирования в общей стратегии бизнеса. Проведена сравнительная характеристика объемов и масштабов инвестиционных вложений зарубежных и отечественных компаний в социальную сферу. Рассмотрены особенности построения политики социальной ответственности украинских компаний. Установлены ключевые проблемы, сдерживающие в Украине развитие социально ответственного бизнеса. Определены резервы и перспективы увеличения объемов и масштабности социального инвестирования.

Ключевые слова: социальные инвестиции, социальная ответственность, эффективность, отдача от инвестиций, социальная сфера.

Parkhomenko Yu. M. The Development of Social Investment and Responsibility of Business in Ukraine

The article considers the nature and role of social investment in the overall business strategy. The comparative characteristic of the volume and scale of investments by foreign and domestic companies in the social sphere. The features of the construction of the social responsibility policy of the Ukrainian companies. Established the key problems hindering the development of Ukraine in a socially responsible business. Identified reserves and prospects for increasing the volume and scope of social investment.

Keywords: social investments, social responsibility, efficiency, return on investment, social sphere.

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