
Ірина Бутирська

Політичні аспекти соціальної відповідальності бізнесу в умовах глобалізації

У статті досліджено політичні аспекти соціальної відповідальності бізнесу у посткомуністичних країнах ЦСЄ – нових членах ЄС. Проаналізовано появу нової парадигми цього явища, що включає розширення сфери відповідальності компаній перед суспільством. Сучасний бізнес у країнах-членах ЄС виходить з під тиску влади, а тому бізнес-середовище має можливість не лише відповідати на виклики влади, а й активно впливати на соціально-економічне оточення в своїх цілях. Автор вважає, що соціально відповідальний бізнес у цих країнах включає певні елементи і характеризує основні з них.

Ключові слова: соціальна відповідальність бізнесу, політичні чинники, країни-члени п'ятого і шостого розширення Європейського Союзу, корпоративне громадянство.

Butyrskya Iryna

candidate of economic sciences, associate professor, management and tourism department
of Chernivtsi Trade and Economic Institute of KNTEU (Chernivtsi, Ukraine)

Political aspects of business' social responsibility under the conditions of globalization

The article focuses on political factors of business' social responsibility in the post-communist CEE countries, new EU members. The rise of the new paradigm of this phenomenon, which includes expansion of the area of companies' responsibility to the society, has been analyzed. Modern business in the EU countries get out of authorities' pressure, and that is why business environment may not only take up the authorities' challenges, but also actively influence the social and economic environment for the own purposes. The author considers socially responsible business in these countries to include specified elements and the main of them have been characterized.

Keywords: *business' social responsibility, political factors, country-members of the 5th and 6th enlargements of the European Union, corporate citizenship.*

Over the past years of the 21st century Ukraine and the whole post-communist region have undergone great changes. Most countries of the region have succeeded in transforming their political systems and strengthening market relations and some countries (especially post-Soviet ones) have still been conducting transformational processes. Democratized countries, due to the achieved success, managed to execute pre-election requirements and to join leading international organizations, namely the European Union and NATO. At the same time the world has changed in general and a number of challenges, which influenced the EU development, stimulated transformation of the EU itself and its country-members, have appeared and to some degree they complicate the development of the integration processes.

The last financial crisis considerably weakened the EU members' resources, revealed its weak points. The aim of Lisbon Summit 2000 and its main slogan "To make the EU economics the most competitive and dynamic one in the world" has not been achieved, in spite of all the EU efforts, and mainly has been transferred into the new "Strategy for smart, sustainable and inclusive growth: Europe 2020" [25]. The EU and its members suffer from globalization, which penetrates into all political, economic and social relations, and makes both the EU members and the supranational organization itself search for the new way-outs. One of such way-outs, to our mind, is the interconnection of the countries and business, and formation of the socially responsible business, that has already been proved by the practice many developed countries in Europe and the whole world.

The aim of the paper is to analyze the political factors of business' social responsibility under the conditions of globalization.

The problem of business' social responsibility is in the focus of many scientists and has been described in a number of foreign researchers' works. Ph. A. Buari [3], J.P. Boduan [4], W. Ouchi [12], J. Manheim, R. Rich [10], A. Ries, J. Trout [14], J. Riggs [15], K. Eklund [22], M. Amstutz [23], D. Caldwell [24], M. Hancock [26] and others have investigated this problem. The issues concerning theoretical and practical aspects of business' social responsibility have been widely analyzed by the Russian researchers, namely L. B. Moskvina [11], V. I. Speranskii [17], M. I. Liborakina [9], A. H. Zdravomyslov [6], Yu. Ye. Blahov [2], S. Ye. Litovchenko, M. I. Korsakov [16], I. N. Havrilova [5], I. N. Trofimova [19], B. H. Stolpovskii [18], S. M. Fedorov [20], Ye. S. Shymanska [21] and others. In Ukraine this question has mostly been investigated by economists (as opposed to political scientists). Nevertheless, modern political science includes considerable potential, which allows researching interrelation between various spheres of politics, sociology and economics, in particular the basis of state politics and relationship in the system "state – business – society", where the problems of social responsibility are of great importance.

Analyzing methodological approaches to the problem, we would like to mention the existence of three conceptual schools in scientific publications. The first approach is the theory of corporate egoism, according to which whole business responsibility is to increase shareholders' profit. This point of view was represented by Milton Friedman in 1971. We believe it to be called the theory of corporate egoism. M. Friedman states that "there is only one business' social responsibility, namely: to use its resources and energy for the sake of increasing profits, while this is kept in line with the rules" [24, p. 71]. The second approach is the theory of corporate altruism. This concept is quite opposite to the theory proposed by M. Friedman. It appeared nearly at the same time with Friedman's publication in the New York Times and belonged to the US economic development Committee. In its recommendations the Committee underlined that "corporations are obliged to make great contribution to improve the quality of American life" [24, p. 76]. The third approach is one of the strongest "centrist" theories, the theory of "smart egoism". The essence of the theory is that business' social responsibility is just "good business", as it cuts down the long-term profit losses. Spending money on social and philanthropic programs, corporations reduce their current income, but in long term perspective they create favorable social environment, and consequently stable profit. Therefore, socially responsible behavior is the opportunity for a corporation to realize its main survival, safety and stability needs [24, p. 79].

Analyzing new EU members, it is necessary to mention, that in these countries as well as in Ukraine the notion of "business" and business as phenomenon appeared after 1990-1991, as a result of liberation from Moscow dictatorship and in some countries only after establishing statehood, democratic political system and radical liberal reforms. In the 21st century business became the independent subject not only from the economic and social, but also from the political life of a country, and this created a problem of business' social responsibility to the state and society. Similar problems of social responsibility in the frames of state and business relations have occupied the leading places in political processes in all modern countries, and the political science searches for the ways of conceptualization and works out new mechanisms and methods of their realization.

There is an urgent necessity to use common principles of business' social responsibility to the society, to comprehend the importance of business structures' social policy as the essential requirement of their acceptance by all groups of people. Business structures, on the one hand, try to work out concrete approaches to social responsibility, implementation of international principles of transparence, ecological safety improvement, development of labour relationship and social and economic support of society. On the other hand, they must work out their policy under the conditions of crisis in the social sphere. The way out in such situation can become the elaboration of approaches and models of business' social responsibility, which would be based on the generally accepted international principles, but which, at the same time, would take into consideration realia of every country. Realization of business' social

responsible policy can actively influence the rise in the level and quality of life, change of consumers' attitude towards the socially responsible corporations, increase in companies' competitiveness on the world's markets due to the usage of common ethic norms and business criteria [10, p. 9].

From the beginning of the new century and up to 2007 many new EU members had been characterized by rather high growth rates in economics, which would have allowed them to catch up with the rest EU countries in 25-30 years, but the crisis period altered their calculations. Economic lag between the countries of the 5th and 6th enlargements and the founding fathers of the EU has grown, see Table 1. If in 1981-1986 when Greece, Spain and Portugal became the EU members the EU territory increased in 30%, population in 18%, and GDP in 15%, then in 2004-2007 when a number of CEE countries, Cyprus and Malta became the EU members, the EU total area grew in 22%, population in 21%, but GDP increased only in 7% [7]. The crisis escalated not only the structural problems of the low and middling developed countries, but also the EU chronic problems, concerning aging of population, low level of its mobility and employment, regions with insufficient energy supply, climatic peculiarities of various regions. All this caused problems in the EU development and acute debates over the future development of the Union, and its regional policy in particular. On the agenda there are items concerning revising the aims, volumes and directions of its financial flows. It should be mentioned that in 2000s the EU could not completely solve both the problem of irregularity in territorial, social and economic development and economic lag in comparison with the USA as its main competitor.

Table 1. The prosperity level of the countries of the 5th and 6th EU enlargement, GDP per capita, 2000–2010 in % in average throughout EU-27

Country	2000	2007	Annual average growth rate of prosperity level, 2000-2007	2010	Annual average growth rate of prosperity level, 2007-2010
Bulgaria	28	40	1,7	44	1,3
Estonia	45	70	3,6	64	-2,0
Cyprus	88	92	0,6	99	2,3
Latvia	36	56	2,9	51	-1,6
Lithuania	40	59	2,7	57	-0,6
Malta	85	76	-1,3	83	2,3
Poland	48	54	0,9	63	3,0
Romania	26	42	2,3	46	1,3
Hungary	54	62	1,1	65,	1,0
Slovakia	50	68	2,6	74	2,0
Slovenia	80	88	1,1	85	-1,0
Czech Republic	71	83	1,7	80	-1,0

Source: *Made up by the author on the basis of Eurostat data* [Electronic resource]. – Access mode: <http://epp.eurostat.ec.europa.eu>

Over the last years the tendency to the business' social functions enlargement and overrun the usual commitments has appeared and it has been implemented in the post-communist CEE countries. Business consider programs of social responsibility management, increase in quality of corporate management, matching the interests with other participants of the social dialogue to be the crucial elements of their development strategy. The tendencies are formed mainly under the influence of two factors, namely strengthening the role of the internal and external pressure groups, which influence the companies' activity (owners, shareholders, personnel, local communities, business partners, consumers, state and mass media); initiatives of the leading representatives of business partnership in the given area on the corporate and consolidated levels. The key factor of the development of social and social and economic business programs is the presence of the rules, codes and mechanisms accepted by the participants, and besides practical methods and procedures of their realization, which are integrated into the business processes [2, p. 19].

It is important, that the notion of "social responsibility" in CEE countries EU members' legislation, unlike other types of responsibility, has not been regulated yet. Thus, legal responsibility is understood as the state compulsion to comply with rules as it has sanctions. Civil responsibility is one of the types of legal responsibility. It means that the sanctions, established by law or agreement, can be imposed on law breakers, so the latter will suffer from non-value-added consequences, namely compensation for loses; forfeit (penalties, fines, reimbursement). As opposed to this social responsibility does not involve such strict measures. It is a voluntary duty of businessmen to carry out business policy according to the needs of society and willingness of business players to share all fullness of responsibility for the social and economic state of the country with the government [21, p. 100].

In the post-communist countries, members of the EU, a great number of official documents, state program documents, presidents' decrees, governments' enactments and other normative legal documents, aimed at developing socially responsible business in the system of its relation with the state and society, have been adopted and promulgated. In these countries private entrepreneurship and market globalization are not only driving force for economic development that attract investment and create workplaces, but they also create preconditions for society polarization and appearance of considerable disproportion in revenue. In such countries the society is divided, on the one part, into elite, i.e. owners, managers of the big companies, and the rest of society on the other part. Despite this, the problems of overcoming such social disproportions, formation and realization of social responsibility models, professional ethics in business-community have come to the foreground [20, p. 78].

It should be stressed, that business' social responsibility means not only sponsorship support for those who need it, but it is a great complex of models, mechanisms and instruments of social policy, which consists of three layers. The basic level stipulates the realization of the following obligations: opportune tax payment, wage payment, creation of new

workplaces. The second level ensures adequate working and living conditions for workers; improvement of professional skills; preventive medical treatment; development of social infrastructure; housing construction. This type of responsibility is called "corporate social responsibility". The third level of responsibility includes the previous levels and stipulates for charitable assistances, sponsorship and patronage. Hence, business in the new EU members take an active part in political processes of corporate social responsibility, social investment, charitable assistance, sponsorship and corporate civil society [16, p. 93].

Corporate social responsibility is a new notion for business in the post-communist countries. Though, in world practice this notion has also appeared recently, about 20 years ago. From the late 70s of the 20th century the leading US and UK companies realized the necessity of uniting the elements of corporate policy with the external environment, working out holistic approaches to their cooperation with society. In fact having implemented social programs, business, on one hand tried to rehabilitate itself towards society, and on the other hand, hoped to improve its public image, to strengthen the reputation of brands and to increase competitiveness of the products. Nowadays there is no common definition of business' corporate social responsibility. But all researches state that corporate social responsibility includes company's responsibility to partners, responsibility to consumers, responsible policy to employees, ecological responsibility, company's responsibility to society [3, p.16].

The considerable motive for company's social responsibility development is the correlation between the social opinion and the level of company's development. The attitude towards this or that brand is determined not only by the quality of goods and the effectiveness of advertising but also by the company's image and reputation, including its responsible position towards the partners, personnel, environment and society in general. The results of the public opinion poll that have been held in various CEE countries show that a great number of consumers are ready to boycott goods produced by those companies which carry out irresponsible policy towards society [4, p. 63].

Nowadays in the new EU members five main principles of business' social responsibility have been formed, namely: business responsibility to consumers, which means fair pricing policy, the quality of goods and services, care for consumers' health and safety, fair competition and advertising, adhering to the ethic norms of business conducting; social protection of personnel: labour rights and adequate recompense, labour protection, safety at work, personnel development and support; careful treatment of environment: environmental safety, efficient consuming of natural resources and their recycling, waste utilization; partnership with local communities and authorities, which is the compulsory requirement of responsibility, which means business participation in the social and economic development of a region, according to the directions concerning the main business activity of a company, including charity, implementation of social and cultural development program, support of social initiative and institutes of civil society; attitude towards human rights [8, p. 35].

It should be mentioned that corporate management is just a small part of the vast sphere of business' social responsibility, which is also usually called "corporate civil society". Corporate civil society compares modern corporation behavior with the citizens' behavior, who implement their responsibility to society and stipulates the responsibility of companies to personnel and mutual responsibility of the country to its citizens. The main items of this approach are: business searches where and how the social investment can be directed; business finds issues which are the most urgent for society and solves these problems, which trouble the majority of population; business wants to receive economic return and profit from the social investment, gets people involved into the process of social problems solution and gradually starts asserting interests and rights of society.

The biggest problem of business and authority interaction in the new EU members is how to determine the level of responsibility for every subject in solving social problems and social development of society. Thus, the president of Bulgaria R. Plevneliev during his speech in the parliament in November 2012, said that the main strategic plans and priorities alongside with the anti-corruption drive and control on terrorism, state and law-enforcement authorities modernization, strengthening of Bulgaria in the international arena, were the formation of the legal civil society, building up an effective state, which could guarantee safety and deserved level of life for its people and formation of free and socially responsible entrepreneurship [13].

It is necessary to single out several main functions, which are executed by business in the countries of the 5th and 6th EU enlargements: economic, innovational, political, leadership, social and ethical or moral. In the EU, every country and its society among 27 members is the main stakeholder of any business structure. As the state and society are interested in business, they must support its development. At the same time business must be equal in rights partner of the state, while the latter should be an administrator and a guarantor of "fair play" on the market of social services and must stimulate business and make it implement its social responsibility to the society [8, p. 37].

Among political models of the state and business interrelation in the social sphere, which exist in the post-communist CEE countries, one can single out several models. The models of "smothering" and "compulsion" are pointed at administrative smothering of business. According to this model the authorities demand some investment into social programs and projects from business, employing administrative resource and structures aimed at controlling over the business activity. The "patronage" model implies compensation for costs on social programs and projects realization at the expense of the state permission for business to have access to the state controlled resources. This model provides an opportunity to haggle over the terms of business support for social programs and national projects. The next model is called "nonintervention of the government"; in the frames of this model, the authorities do not take an active position as to the social politics, carried out by business. According

to the model of “partnership” the representatives of authorities and business are to achieve compromise. This model in current social and economic conditions of the CEE countries is the most acceptable and workable with the principle “when it is profitable for everyone it is profitable for all”. In the model of “partnership” the subjects carry out mutually-beneficial exchange of resources. So, social partnership is the revision of business’ spheres of activity, authorities and society in solving socially-meaningful issues, liquidation of social dependence, creating mechanisms of civilian control over business’ social responsibilities. Social partnership must be understood as a voluntary and equal interaction between personnel, workers’ association and trade unions, employers and business, who act both on the state and regional levels with the aim to protect rights and interests of the workers, employers and society in general [1, p. 74-75].

Thus, in the post-communist CEE countries a new paradigm of business’ social responsibility comes into being and includes the expansion of spheres of companies’ responsibility to society. Modern business in the new EU-members has come out of the authorities’ pressure and that is why business environment has an opportunity not only to react to the authorities’ challenges, but also to influence on the social and economic environment in its own interests. We consider this new paradigm of business’ social responsibility to include a number of political causes and main elements: corporate citizenship, which presupposes mutual responsibility of business and authorities to society and takes in account entrepreneurs’ interests not only in the economic but also in the social spheres; creation of mutually-beneficial mechanisms of business’ social investment; nowadays the main political model of business’ social responsibility in these countries becomes the model of the social partnership between the government and society; social investment, which expand the notion of business’ social responsibility, meaning the transition from charity to companies’ concrete social investment on the national and regional levels, aimed at solving urgent problems in scope of business activity, war against poverty, improvement of educational system, accommodation, security, health and environmental protection.

References

1. Аникеева О.П., Симонова Л.М. Модели социальной ответственности бизнеса: мировой опыт и российская практика / О.П. Аникеева, Л.М. Симонова // Вестник Тюменского государственного университета. – 2010. – № 4. – С. 72-77.
2. Благов Ю.Е. Концепция корпоративной социальной ответственности и стратегическое управление / Ю.Е. Благов // Российский журнал менеджмента. – 2004. – №3. – С. 17-34.
3. Буари Ф.А. Паблик рилейшнз или стратегия доверия / Ф.А. Буари [Пер. с фр.]. – М.: КГ «Имидж Контакт»: ИНФРА-М., 2001. – 178 с.
4. Будуан Ж.-П. Управление имиджем компании. Паблик рилейшнз: предмет и мастерство / Жан-Пьер Будуан [Перевод с фр.]. – М.: КГ «Имидж Контакт»: ИНФРА-М., 2001. – 233 с.
5. Гаврилова И.Н. Социально ответственный бизнес в России? / И.Н. Гаврилова // Социально ответственный бизнес и проблемы межсекторного взаимодействия. – М.: ИС РАН, 2005. – С. 3-28.
6. Здравомыслов А.Г. Ответственность экономической элиты: мнение россиян / А.Г. Здравомыслов // Общественные науки и современность. – 2005. – №1. – С. 45-58.
7. Интерактивная база данных Евростата [Электронный ресурс]. – Режим доступа: <http://err.eurostat.ec.europa.eu>
8. Квист Дж. Социальные реформы в Скандинавских странах в 1990-е годы / Джон Квист // Датский институт социальных исследований // SPERO. – 2002. – №1. – С. 33-39.
9. Либоракина М.И. Социально ответственный бизнес: глобальные тенденции и опыт стран СНГ / М.И. Либоракина. – М.: Фонд «Институт экономики города», 2001. – 72 с.
10. Мангейм Дж., Рич Р. Политология. Методы исследования / Дж. Мангейм, Р. Рич. – М., 1999. – 544 с.
11. Москвин Л.Б. Социальная ответственность в реформируемом обществе (на примере России) / Л.Б. Москвин // Социум и власть. – М., 2003. – С. 149-162.
12. Оучи У.Г. Методы организации производства: японский и американский подходы / У.Г. Оучи. – М.: Экономика, 1984. – 184 с.
13. Плевнелиев Р. България се нуждае от стабилност и укрепване проевропейски курс / Р. Плевнелиев. – «24 часа» (София). – 2013. – 30 марта.
14. Райе Э., Траут Д. Позиционирование: битва за узнаваемость / Э. Райе, Д. Траут // Перевод с англ. Под ред. Ю.Н. Каптуревского. – СПб: Питер, 2001. – 256 с.
15. Риггс Дж. Производственные системы: планирование, анализ, контроль / Дж. Риггс. – М.: Прогресс, 1972. – 340 с.
16. Социальная ответственность бизнеса: актуальная повестка / Под ред. С.Е. Литовченко, М.И. Корсакова. – М., 2003. – 152 с.
17. Сперанский В.И. Социальная ответственность личности: сущность и особенности формирования. – М.: Изд. МГУ, 1987. – 150 с.

18. Столповский Б.Г. Социальная ответственность российского бизнеса в сфере трудовых отношений / Б.Г. Столповский // Социально ответственный бизнес и проблемы межсекторного взаимодействия. – М., 2005. – С. 48-74.
19. Трофимова И.Н. Социальная ответственность бизнеса: дисбаланс ожиданий и интересов / И.Н. Трофимова // Социально ответственный бизнес и проблемы межсекторного взаимодействия. – М., 2005. – С. 29-47.
20. Федоров С.М. Социальная ответственность предприятий (опыт Франции) / С.М. Федоров // Социально ответственный бизнес и проблемы межсекторного взаимодействия. – 2005. – С. 75-98.
21. Шиманская Э.С. Социально-ответственный бизнес в контексте социального партнерства / Э.С. Шиманская // Социально ответственный бизнес и проблемы межсекторного взаимодействия. – М., 2005. – С. 99-117.
22. Экауна К. Эффективная экономика – шведская модель / К. Экауна / [Пер. с швед.]. – М.: Экономика, 1991. – 349 с.
23. Amstutz M. R. International Conflict and Cooperation / M.R. Amstutz. – Boston, 1999. – 162 p.
24. Caldwell D. World Politics and You / D. Caldwell. – N.J., 2000. – 274 p.
25. «Europe 2020. A strategy for smart, sustainable and inclusive growth» [Электронный ресурс]. – Режим доступа: http://ec.europa.eu/archives/growthandjobs_2009/-26
26. Hancock M. D. Politics in Europe: An Introduction to Politics in the U.K., France, Germany, Italy, Sweden and the EU / M.D. Hancock (3 rd Edition). – New York, NY, USA: Chatham House Publishers, Incorporated, 2003. – P. 315-319.