



Maksym Voichuk

PhD Student, Department of International Economic Relations and Project Management, Lesya Ukrainka Eastern European National University (Lutsk, Ukraine)

** Corresponding author: e-mail: voichukmaxym@gmail.com
ORCID: <https://orcid.org/0000-0002-3848-9708>*

CORPORATE SOCIAL RESPONSIBILITY AS AN INSTRUMENT OF SUSTAINABLE DEVELOPMENT GOALS ACHIEVING

ODPOWIEDZIALNOŚĆ SPOŁECZNA JAKO NARZĘDZIE DO OSIĄGNIĘCIA CELÓW ZRÓWNOWAŻONEGO ROZWOJU

СОЦИАЛЬНАЯ ОТВЕТСТВЕННОСТЬ КАК ИНСТРУМЕНТ ДОСТИЖЕНИЯ ЦЕЛЕЙ УСТОЙЧИВОГО РАЗВИТИЯ

Abstract

The essence of the category of social responsibility of business, its evolution and transformation of approaches to education is defined. The role and importance of business social responsibility for sustainable development is analyzed. The models of implementation of CSR models in the national dimension, at the local and regional levels are considered.

Keywords: *corporate social responsibility, sustainable development, spatial development, urban development.*

Streszczenie

Zdefiniowano charakter kategorii odpowiedzialności społecznej w biznesie, jej rozwoju i transformacji podejść do formacji. Analizowana jest rola i znaczenie społecznej odpowiedzialności biznesu dla zrównoważonego rozwoju. Uwzględniono modele wdrażania modeli CSR w wymiarze krajowym, na poziomie lokalnym i regionalnym.

Słowa kluczowe: *społeczna odpowiedzialność biznesu, zrównoważony rozwój, rozwój przestrzenny, urbanistyka.*


Аннотация

Определена сущность категории социальной ответственности бизнеса, ее эволюция и трансформация подходов к образованию. Анализируется роль и значение социальной ответственности бизнеса для устойчивого развития. Рассмотрены модели реализации моделей КСО в национальном измерении, на местном и региональном уровнях.

Ключевые слова: *корпоративная социальная ответственность, устойчивое развитие, пространственное развитие, градостроительство.*

ISSN 2450-2146 / E-ISSN 2451-1064

© 2018 /Published by: Międzynarodowy Instytut Innowacji Nauka-Edukacja-Rozwój w Warszawie, Polska

 This is an open access article under the CC BY-NC license (<http://creativecommons.org/licenses/by-nc/4.0/>)

Voichuk M., (2018) Corporate Social Responsibility as an Instrument of Sustainable De-velopment Goals Achieving

. *International Journal of New Economics and Social Sciences*,2(8)2018: 185-192

[DOI 10.5604/01.3001.0012.9936](https://doi.org/10.5604/01.3001.0012.9936)

Article history: Received: 03.12.2018 / Accepted: 15.12.2018 / Published: 30.12.2018
JEL Classification: M 14; Q 01; G 38; H 70

Statement of the problem in general outlook and its connection with important scientific and practical tasks.

Using the terms “social responsibility” and “sustainable development” as interchangeable concepts is wide common. Although there is a close connection between these definitions, but these are different concepts. Sustainable development is a generally accepted concept and common goal, which gained international recognition after the publication in 1987 of the report of the UN World Commission on Environment and Development “Our Common Future” (Our Common Future, 1987). Sustainable development refers to meeting the needs of society, while meeting the ecological constraints of the planet and not undermining the ability of future generations to meet their own needs. Sustainable development has three components – economic, social and environmental, which are interdependent. For example, the eradication of poverty requires the promotion of social justice and economic development, as well as environmental protection. After 1987, the importance of achieving these goals was reaffirmed in many international forums, in particular at the UN Conference on Environment and Development in 1992 (Rio de Janeiro Earth Summit, 1992) and at the World Summit on Sustainable Development in 2000 (United Nations Millennium Declaration, 2000). Social responsibility is directed to the organization and concerns its responsibility

to society and the environment. Social responsibility is closely related to sustainable development. Since the idea of sustainable development lies in economic, social and environmental goals that are common to all people, it can be used to unify the broad expectations of society, which organizations that want to act responsibly need to take into account. Thus, as an overarching goal of social responsibility, an organization should be considered a contribution to sustainable development. The principles, practices and main themes of social responsibility form the basis for the practical realization of social responsibility in an organization and its contribution to sustainable development. Decisions and activities of a socially responsible organization can make a significant contribution to sustainable development.

The goal of sustainable development is to achieve the sustainability of society as a whole and the planet. It does not concern the sustainability or continued existence of any particular organization. The sustainability of an individual organization may or may not correspond to the sustainability of society as a whole, which is achieved by solving social, economic and environmental problems within an integrated approach. “Sustainable consumption”, “sustainable resource use” and “sustainable lifestyle” are applicable to all organizations and refer to the sustainability of society as a whole.

Analysis of latest research where the solution of the problem was initiated.

As a result of the evolution of theoretical views on the of business ethics nature, corporate citizenship and social responsibility in the papers of Western Scholars such as H. Bowen (Bowen H., 1953), K. Davis (Davis K., 1960), A. Carroll (Carroll A., 1979; 1991; 2003) and others, the scientific

concept of Corporate Social Responsibility (CSR) was formulated as a justification of the need a responsible business relationship with society and the environment. However, an in-depth study of CSR in the context of sustainable development is needed.

Aims of paper. Methods.

The purpose of the study is to determine the category of social responsibility of business, its interdependence with sustainable development.

In the research, the commonly used in economic science methods were applied: theoretical, comparative and retrospective

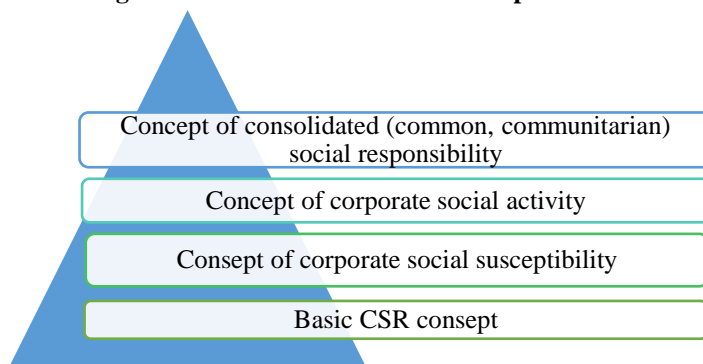
analysis – to reveal the theoretical foundations of CRS; generalization – to improve methodological approaches to the analysis of the CRS concept within sustainable development.

Exposition of main material of research with complete substantiation of obtained scientific results. Discussion.

The concept of corporate social responsibility was formed in several stages. There are many approaches as to periodization,

but also to the actual definition of this category (Fig. 1).

Figure 1. Evolution of the CRS concept



Source: compiled by the authors.

During the basic concept of corporate social responsibility, CRS was seen as compliance with the economic, legal, ethical and discretionary expectations that society places on the organization in the given pe-

riod of time (Carroll A., 1979). Then, during period of corporate social responsiveness concept, was suggested that the idea corporate social acceptance is managerial in nature and approach, and its advocates focus on managing company relationships

ISSN 2450-2146 / E-ISSN 2451-1064

© 2018 /Published by: Międzynarodowy Instytut Innowacji Nauka-Edukacja-Rozwój w Warszawie, Polska
This is an open access article under the CC BY-NC license (<http://creativecommons.org/licenses/by-nc/4.0/>)

Voichuk M., (2018) Corporate Social Responsibility as an Instrument of Sustainable Development Goals Achieving
. *International Journal of New Economics and Social Sciences*, 2(8)2018: 185-192

[DOI 10.5604/01.3001.0012.9936](https://doi.org/10.5604/01.3001.0012.9936)

with society (Frederick W., 1994). On the next stage, were determined that corporate social activity depends first and foremost on the personal values of decision makers in the organization; at the same time, corporate social acceptability, as an element of a complex model of corporate social activity, is considered in the broad context, namely: the component of corporate culture as a system based on the respective values and norms (Swanson D., 1995). And during the fourth period were suggested that consolidated (common) social responsibility denies the domination of individual and collective egoism, instead, it assumes the equal responsibility of all social partners.

There is a proposal to combine the diversity of interpretations of CSR with four approaches: instrumental, from the point of view of political influence, from the point of view of social requirements and ethical approach (Frans Paul van der Putten, 1995).

The issue of CSR, according to K. Davis, should be considered simultaneously at the theoretical and system levels in the managerial context. The real decisions in the plane of social activity are taken by the businessman, and the institution of owners defines only the cultural framework, directions of activity and specific interests (Davis K., 1960).

K. Davis was one of the first scientists who made an attempt to link CSR with the company's development strategy and substantiated the possibility of obtaining a long-term economic effect from making socially responsible decisions in business.

J. McGuire, in his studies, states that "the corporation has not only economic and legal obligations, but is responsible to society" (McGuire J., 1963).

In turn, Sethi S. specified the content of CSR, pointing out that the theory "involves the elimination of corporate actions at a

level that meets the prevailing social norms, values and expectations" (Sethi S., 1975).

Later, Carroll A. provided this model of the completed form, according to which CSR represents a multi-level responsibility that can be presented in the form of a pyramid. Being at the core of the pyramid, economic responsibility is directly determined by the company's basic function in the market as a manufacturer of goods and services that enable consumers to meet the needs and profit. Legal responsibility implies the need to comply with the requirements of the law in the conduct of business. Ethical responsibility requires that the business conforms to the expectations of society, not provided for in the relevant legal norms, but based on norms of morality. Philanthropic responsibility prompts the company to take action aimed at supporting and developing the welfare of society through voluntary participation in the implementation of social programs. At the same time, economic and social responsibility is mandatory for business, ethical responsibility is the expected society, philanthropic – only desirable (Carroll A., 1991).

One of the fundamental factors in the evolution of views on the CRS issue was the research on sustainable development and the ideas of social partnership. Conceptual foundations of the modern approach to the interpretation of the CRS were laid in the work of American economist G. Bowen (Bowen G., 1953), in which the author formulated the doctrine of social responsibility as a duty of businessmen to implement such a policy and make such decisions that are priorities in view of the ethical values and goals of the development of the whole society.

Much later Schwartz M. et al., introduced a new interpretation of the model of social responsibility of business, where the pyramid is changed to the Venn diagram, which

allows a certain way to track the interaction of economic, legal and ethical responsibility (Schwartz M. et al., 2003).

According to ISO 26000, the CSR is determined through the following aspects: the responsible attitude of any company to its product or service, to consumers, employees, partners; active social position of the company, consisting of harmonious coexistence, interaction and constant dialogue with the society, participation in solving the most acute social problems. Consequently, this concept encourages the company to take into account the interests of the society by taking responsibility for the impact of the company's activities on consumers, stewards, employees, the community and the environment in different ways of its activities. An important attribute of corporate social responsibility is effective corporate governance, high reputation of the company, participation in social programs, stable development of the company (ISO 26000, 2010).

Very interesting approach was suggested by Ukrainian scientist Kulieshova L. She sees such Directions of implementing of CSR as: Administrative (developing a clear, transparent program of anti-crisis measures to address social, labor and economic problems); Economic (implementation of state regulation of prices for foodstuffs and other socially significant needs, reduction of taxes on income and value added, increase of depreciation rates; provision of state guarantees for loans, first of all, for socially active enterprises; providing socially responsible companies with regional preferences in the form of preferential land allocation, building permits, etc.; strengthening the practice of voluntary and effective pooling of state and business resources for implementation of individual social programs and solving environmental problems); Moral-psychological (support

for the international exchange of experience in the sphere of CSR, attracting foreign companies to this work; dissemination of the idea of positive CSR practice and the interaction of government and business companies among the population through business promotion programs, competitions, social business projects, exhibitions, mass media; the formation of a positive image of a socially responsible company by regional authorities; introduction of CSR theory and practice in business schools, universities and other educational institutions; introduction of new professions in CSR sphere) (Kulieshova L., 2013).

Suprun N. while referring to ISO 26000, put attention to such a fact, that CSR has such fundamental principles, which, at the same time, are defined its strategic goals, such as: production of quality products and services for consumers; investments in the development of production and human potential; strict compliance with the requirements of the legislation (tax, labor, environmental); building good-neighborly and mutually beneficial relations with all stakeholders; concept of business, aimed at increasing national competitiveness; taking into account public expectations and generally accepted ethical standards in business practice; the formation of civil society through partnership programs and social development projects (Suprun, 2013).

According to Kytsiuk I. CSR does not stay in one place. Its evolution occurs in accordance with new global challenges to Sustainable Development. There are many Drivers of CSR, so more and more companies all over the world are interested in following this rules and principles in their business operations, while demonstrating the responsibility for their impacts on society. An effectively adopting CSR requires developing a strategy for its implementation. Furthermore, it requires assistance from the state, which should recognize

CSR as a desired behavior for domestic entrepreneurship and develop a complex of incentives and measures for CSR dissemination and popularization in society (Kytsyuk I., 2017).

Although, the introduction of CSR in the business activities of companies creates opportunities for optimizing the development strategy through risk prevention (social, economic, environmental, legal); increase sales volumes and market share; motivation of company employees; optimization of operational processes and reduction of production costs; improvement of the investment climate; harmonization of relations with the business environment, government structures and non-governmental organizations; improving financial and economic performance (Suprun, 2013).

One of the strong connections between CRS and sustainable development is UN Global Compact, which is focused on realization of practical ways of solving modern problems of globalization with the purpose of maintenance of sustainable development taking into account interests of all interested parties. By joining the Treaty, the company or the government become members of the global community, which, without violating the principles of competition, implements the principles of social responsibility not only at the national but also at the regional and global levels (UN, 1999). The European Commission considers CSR in the context of the sustainable development of the region and the Strategy of the European Commission on Corporate Social Responsibility (CSR) 2011-2014: faster, higher, stronger (COM, 2011).

O. Sokhatska, states that the concept of sustainable development embodied in the strategy of responsible entrepreneurship acquires an entirely different dimension: the focus of its interests is gradually shifted from social relations to the process of

forming companies competitive advantages and increasing the level of manageability of enterprises (Sokhatska O., 2007, p. 88).

As we see, CRS concept is seen as instrument for SDSG achieving. Thus, important to determined how CRS can be integrated to the sustainable spatial development in different countries. Sharing and implementing of best practices of CRS in such perspective can be seen not only as a means of achieving the SDSG, but an element of strategic governance of sustainable development.

The definition and optimization of the sustainable development strategy implies the construction of a national CSR model based on the same rules of social responsibility for all participants in social interaction: from the state to the consumer. Taking into account the importance of introducing CSR standards as a basis for sustainable development, the main priority of the state regulatory policy should be to improve the legislative framework aimed at creating legal principles for encouraging companies and organizations to develop social responsibility strategies (Sokhatska O., 2007, p. 89).

Based on the experience of the European Union, four types of national CSR policies can be identified as follows: 1) partner (Scandinavian model); 2) community business (British model); 3) sustainable development and society (model of German-speaking countries and France); 4) Agora (Mediterranean model). This typology reflects the convergence between applied government approaches and real actions in the area of corporate social responsibility development, as well as between the national corporate social responsibility policy and the involved actors (Albareda L. Et al., 2007).

CSR in local self-government requires an integrated system of relations, interrelations and joint coordinated active actions, among which the positive social position of each representative of the local community of society, representatives of the authorities and economic entities, identification of their behavior to enrich the common social values prevails, the ability to increase social contributions to socially significant activities, willingness to take responsibility for their own and joint actions to society. CSR in local self-government is not a

means of coercion or influence on the inhabitants or business entities. This is a voluntary combination of people, subjects of social relations in the respective spheres, branches and processes of activity at the expense of awareness and manifestation of socially meaningful behavior, social responsibility to society, local and state authorities for the adoption of social norms of social life and responsibility (social, economic, financial, political, etc.) for their violation or non-compliance (Bobrovska, 2016, p. 241-243).

Conclusions.

Consequently, the concept of CSR and sustainable development was actually formed and developed in parallel. That is why they should be considered as complementary categories. Sustainable development, including sustainable spatial and sustainable urban development, is impossible without

the use of CSR as an instrument for its achievement. Construction of the most effective model of interaction, which involves the use of CSR as an instrument, depends on the specific needs and specificities of a particular local, regional or national model.

References:

1. Albareda L., et al. (2007). *Public Policies on Corporate Social Responsibility: The Role of Governments in Europe*. Journal of Business Ethics. – 2007. – № 74. – P. 391–407.
2. Bobrovska O.Yu., (2016). *Rozvytok korporatyvnoi sotsialnoi vidpovidalnosti – diievyi instrument pidvyshchennia yakosti i efektyvnosti mistsevoho samovriaduvannia (Development of Corporate Social Responsibility - An Effective Tool for Improving the Quality and Efficiency of Local Self-Government)*. Efektyvnist derzhavnoho upravlinnia, Issue 1-2(1), p. 239-247
3. Bowen H.R., (1953). *Social Responsibilities of the Businessman*. Harper & Row: N. Y.
4. Carroll A., (1979). *A three-dimensional conceptual model of corporate performance*. Academy of Management Review, Vol. 4(4), p. 500
5. Carroll A., (1991). *The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders*. Business Horizons. Vol. 34, p. 39-48
6. COM(2011) 681 final
7. Davis K., (1960). *Can business afford to ignore social responsibilities?*. California Management Review. – Vol. 2 (3), p. 71.
8. Frederick W.C., (1994). *From CSR-1 to CSR-2: the maturing of business-and-society though*
9. ISO 26000 (2010). Retrieved from <https://www.iso.org/iso-26000-social-responsibility.html>

ISSN 2450-2146 / E-ISSN 2451-1064

© 2018 /Published by: Międzynarodowy Instytut Innowacji Nauka-Edukacja-Rozwój w Warszawie, Polska

 This is an open access article under the CC BY-NC license (<http://creativecommons.org/licenses/by-nc/4.0/>)

Voichuk M., (2018) Corporate Social Responsibility as an Instrument of Sustainable Development Goals Achieving
. *International Journal of New Economics and Social Sciences*, 2(8)2018: 185-192

[DOI 10.5604/01.3001.0012.9936](https://doi.org/10.5604/01.3001.0012.9936)

10. Kulieshova (2013). *Korporatyvna sotsialna vidpovidalnist yak instrument staloho rozvytku pidpriemstv (Corporate Social Responsibility as an Instrument for Sustainable Development of Enterprises)*, Visnyk Donbaskoi derzhavnoi mashynobudivnoi akademii, Vol. 1, p. 195-199. [in Ukrainian].
11. Kytsyuk I., (2017). *Main global trends in corporate social responsibility development and Ukrainian reality. Mechanisms of interaction between competitiveness and innovation in modern international economic relations: collective monograph / edited by M. Bezpartochnyi*, in 4 Vol. / ISMA University. – Riga: «Landmark» SIA, Vol. 2, pp. 41–49.
12. McGuire J., (1963). *Business and Society*
13. UN (1999). UN Global Compact <https://www.unglobalcompact.org/>
14. Report of the World Commission on Environment and Development (1987) Our Common Future Retrieved from http://www.un.org/ga/search/view_doc.asp?symbol=A/42/427&Lang=E
15. Schwartz M., et al. (2003). Corporate social responsibility: a three-domain approach. *Business Ethics Quarterly*. Vol. 13(4), p. 503-530.
16. Sethi S., (1975). *Dimensions of Corporate Social Performance: An Analytic Framework*. *California Management Review*. Vol. 17, p. 58-64
17. Sokhatska O.M., (2007). *Formuvannia novoi paradyhmy korporatyvnoho upravlinnia v hlobalnomu seredovyshchi (Formation of a new paradigm of corporate governance in the global environment)*. *Korporatsii ta intehrovani struktury: problemy nauky ta praktyky*, Kh.: INZhEK, p. 75–97. [in Ukrainian].
18. Suprun N.A., (2013). *Korporatyvna sotsialna vidpovidalnist yak chynnyk sotsialnoho zaluchennia (v konteksti tsilei stratehii “Europe-2020”) (Corporate social responsibility as a factor in social inclusion (in the context of the objectives of the Europe 2020 strategy)* Retrieved from http://nbuv.gov.ua/UJRN/Usoc_2013_2_14. [in Ukrainian].
19. Swanson D.L., (1995). *Addressing a theoretical problem by reorienting the corporate social performance model*. *Academy of Management Reviewee*. 20(1).
20. United Nations (1992) Rio de Janeiro Earth Summit Retrieved from <http://www.un.org/geninfo/bp/enviro.html>
21. United Nations (2000). Millennium Declaration Retrieved from <http://www.un.org/millennium/declaration/ares552e.htm>
22. Van der Putten F.P., (2005). *A Research Agenda for International Corporate Social Responsibility* Retrieved from [//www.nyenrode.nl/download/NRG/workingpapers/NRGO5-09.pdf](http://www.nyenrode.nl/download/NRG/workingpapers/NRGO5-09.pdf)