

# ENVIRONMENTAL CONTEXT OF SOCIAL RESPONSIBILITY OF BUSINESS

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Corporate Social Responsibility (CSR) is a set of economic, social and environmental rights and norms to be observed by commercial enterprises. A functional CSR system is characteristic of every democratic state and is not only a mechanism of regulating the performance of the enterprises with regard to their social stakeholders, but also a tool of supplementing municipal and non-profit budgets from the local source, improving the transparency and accountability of the enterprises and contributing to their sustainable development.

In practical sense CSR is a set of policies, practices and programs that are integrated throughout business operations, and decision-making processes that are supported and rewarded by top management. The social stakeholder groups the impact on which is assessed within the CSR framework are: a) employees; b) women; c) national minorities; d) customers; e) communities, f) environmental situation in the community; g) shareholders including minority shareholders; h) interest groups relevant to the major business operations of the enterprise.

Corporate societal responsiveness includes environmental management, stakeholder management and issues management. The environmental issue is peculiar to some extent. Compared to the other components of corporate social responsibility, the environment in many cases directly affects production processes and products; as such, it might be related to firms' core activities, and managers, consequently, respond differently. And in general the CSR framework regulates quite a wide range of processes such as local government, private sector development, poverty reduction, environmental protection, employment, health care services, education and youth development, food security etc.

The concept of CSR is on the one hand an instrument of monitoring and enhancing observance of social, economic and cultural rights of people and on the other hand a tool for promoting sustainable economic and environmental development of businesses, a supplementary source of funding for social and environmental protection, a tool of inclusive development and a source of leveraging local funds for the non-profit institutions.

There are the following principles that fund Corporate Social Responsibility:

Principle of legitimacy: society grants legitimacy and power to business;

Principle of public responsibility: businesses are responsible for outcomes related to their primary and secondary areas of involvement with society;

Principle of managerial discretion: managers are moral actors. Within every domain of corporate responsibility they are obliged to exercise such discretion as is available to them towards socially responsible outcomes.

### *Corporate Social Responsibility in Four Domains*

	Social legitimacy	Public responsibility	Managerial discretion
Economic domain	Produce goods and services, provide jobs, create wealth for shareholders	Price goods and services to reflect true production costs	Produce ecologically sound products, use low-polluting technologies, cut costs with recycling
Legal domain	Obey laws and regulations; do not lobby for or expect privileged positions in public policy	Work for public policies	Take advantage of regulatory requirements to innovate in products or technologies
Ethical domain	Follow fundamental ethical principles (e.g. honesty in product labelling)	Provide full and accurate product use information, to enhance user safety beyond legal requirements	Target product use information to specific markets and promote as a product advantage
Discretionary domain	Return a portion of revenues to the community	Invest the firm's charitable resources in social problems	Choose charitable investments that actually pay off in social problem solving

In Ukraine there are the following shortcomings that essentially restrict the potential of the CRS framework implementation:

Poor corporate culture of Ukrainian commercial sector;

Poor quality and accessibility of social services;

Insufficient local funding of the civil society organisations.

## **INFLUENCE OF MOTOR TRANSPORT ON THE ENVIRONMENT OF KYIV AND WAYS OF ITS IMPROVEMENT**

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Over half-million cars are registered in Kyiv now. The State Traffic Inspection registers 80-100 thousand transit cars every day on the city roads. Automobile traffic in Kyiv generates over 260 thousand tons harmful substances in year, that is more than 100 kgs per capita. Additionally, land and water are polluted by oils, lubricants and wastes from automobile washing; the city territory is cluttered with rubber tyres, storage batteries and metal parts. Utilization of these wastes has not been properly organized yet.

In Kyiv this problem is addressed by the municipal enterprise "Ecotrans", established to implement measures provided in the Kyiv program "Transport Ecology".

Petrol containing 10-20 per cent of various fuel additives is used widely in many countries of the world. One of such additives is fuel ethyl alcohol, that has been