

**Ministry of Education and Science of Ukraine**  
Sumy State University  
Oleg Balatskyi Academic and Research Institute  
of Finance, Economics and Management

# ***SOCIO-ECONOMIC CHALLENGES***

Proceedings  
of the International Scientific and Practical Conference

***(Sumy, November 3–4, 2020)***



Sumy  
Sumy State University  
2020

330.3:005(063)

S62

**Editor-in-Chief**

Prof., Dr. **Vasilyeva Tetyana**, Director of Oleg Balatskyi Academic and Research Institute of Finance, Economics and Management, Sumy State University

**Editorial Board:**

Prof., Dr. **Dyakonova Iryna**, Sumy State University, Ukraine;

Prof., Dr. **Kuzmenko Olha**, Sumy State University, Ukraine;

As. Prof., Dr. **Lyulyov Oleksiy**, Sumy State University, Ukraine;

As. Prof., Dr. **Shvindina Hanna**, Sumy State University, Ukraine;

As. Prof., Dr. **Shkarupa Olena**, Sumy State University, Ukraine;

As. Prof., PhD. **Bhola Khan**, Yobe State University, Nigeria;

As. Prof., PhD. **Dipra Jha**, School of Hospitality Business Management, Washington State University

*Approved by the Academic Council of Sumy State University  
(protocol № 5, 12 November 2020)*

S62 Socio-Economic Challenges : Proceedings of the International Scientific and Practical Conference, Sumy, November 3–4, 2020 / edited by Prof., Dr. Vasilyeva Tetyana. – Sumy : Sumy State University, 2020. – 511 p.

Proceedings of the International Scientific and Practical Conference "Socio-Economic Challenges" are devoted to finding a systemic solution to multidisciplinary problems in the field of modern development, management, administration of various systems, corporate social responsibility, innovation management in various fields of environmental management.

For scientists, scientists, students, graduate students, representatives of business and public organizations and higher education institutions and a wide range of readers.

330.3:005(063)

© Sumy State University, 2020

	<b>TABLE OF CONTENTS</b>	<b>P.</b>
<i>Tetiana Vasyliieva, Iryna Didenko, Vladyslav Smiiianov, Soldatenko Darina</i>	INFLUENCING THE FACTORS OF COMMUNITY HEALTH INTO THE DIFFERENTIATION OF REGIONS OF UKRAINE FOR BECOMING ILL ON COVID 19	13
<i>Tetyana Vasilyeva, Serhiy Lieonov, Nataliia Letunovska</i>	THE ECONOMIC IMPACT OF COVID-19: FORECASTING FOR UKRAINIAN REGIONS	18
<i>Yuriy Petrushenko, Natalia Zemliak, Sofia Petrenko</i>	THE IMPACT OF EDUCATION ON MIGRATION	23
<i>Serhiy Lyeonov, Aleksy Kwilinski, Denys Pudryk, Shaforost Yuliya</i>	INTERNATIONAL MIGRATION AND DEMOGRAPHIC CHANGE: BIBLIOMETRIC ANALYZING AMONG RESEARCHERS USING SCOPUS AND GOOGLE SCHOLAR	27
<i>Iryna Dehtyarova, Leonid Melnyk, Oleksandr Kubatko,</i>	SOCIO-ECONOMIC EFFECTS OF DISRUPTIVE TECHNOLOGIES	34
<i>Oleksandr Kubatko, Iryna Sotnyk, Alona Olondar</i>	ESTIMATION OF THE CORONAVIRUS CRISIS IMPACT ON THE ENERGY AND ECONOMIC SECURITY OF THE NATIONAL ECONOMY	42
<i>Oleksandra Karintseva, Oleksii Goncharenko, Mariia Myslovskaya, Oksana Hrinevich</i>	ASSESSMENT OF CONSEQUENCES OF THE VIRTUAL REALITY ECO-TOURS ADVANCING IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT AND THE COVID-19 PANDEMIC	50

<i>Viktor Sabadash, Oleksandra Karintseva, Mykola Kharchenko, Viktoria Sabadash</i>	ACCESS AND RESOURCE ALLOCATION IN THE GLOBAL ECONOMY: CHALLENGES OF POST-INDUSTRIAL SOCIETY	61
<i>Shaparenko S.</i>	SOCIO-ECONOMIC PRECONDITIONS FOR THE DEVELOPMENT OF ENERGY NETWORKS	69
<i>Bilan A.</i>	BLOGGER IS A MODERN PROFESSION	77
<i>Ancibor T.</i>	OPENING YOUR OWN HAIRDRESSING SALON AS A BUSINESS	84
<i>Vorobyov I.</i>	OPENING YOUR OWN FARM-STYLE CAFE	92
<i>Bondarenko Alla, Piven V.S.</i>	ADVANTAGES AND DRAWBACKS OF SALES PROMOTION OF GOODS	100
<i>Maksym Kirilenko, MU Jianming</i>	PROBLEMS OF IMPLEMENTATION OF INDUSTRY 4.0 IN UKRAINE	106
<i>Leonid Taraniuk, Hongzhou Qiu, Karina Taraniuk, Serafima Shakhova, Samuel Bot</i>	ANALYSIS ON APPLICATION AND CONTRIBUTION OF INTERNET OF THINGS TO LOGISTICS ENTERPRISES IN THE CONTEXT OF GLOBALIZATION	114
<i>Vitaliia Koibichuk, Serhii Drozd</i>	PREDICTIVE ANALYSIS OF TRENDS IN THE TOURISM INDUSTRY IN TERMS OF EU COUNTRIES	118
<i>Iryna D'yakonova, Leonid Taraniuk, Yuri Petrushenko, Anastasiya Shebeda</i>	FORMAL AND INFORMAL APPROACHES TO RELATIONS CENTRAL BANK OF THE COUNTIES WITH THEIR GOVERNMENT	125

<i>Bhola Khan</i>	THE IMPACT OF THE SECOND NATIONAL FADAMA DEVELOPMENT PROJECT ON POVERTY REDUCTION IN THE GEIDAM LOCAL GOVERNMENT OF YOBE STATE, NIGERIA	129
<i>Olha Kuzmenko, Tatiana Dotsenko</i>	FRONTIER ANALYSIS OF THE BANKS' FINANCIAL MONITORING EFFICIENCY CONCERNING ASSESSING THE RISKS OF MONEY LAUNDERING	134
<i>Ponomarenko Ihor, MU Jianming</i>	FUTURE LOGISTIC'S TECHNOLOGOIES IN CONTEXT OF INDUSTRY 4.0	138
<i>Kateryna Zaiika, Oksana Zamora, Iryna D'yakonova</i>	INTERNATIONAL ECONOMIC TRENDS DURING PANDEMICS: FROM PLAGUE TO CORONAVIRUS	145
<i>Olexii Karpishchenko, Tetiana Illiashenko, Kostiantyn Illiashenko, Olexandr Tovstukha</i>	DIGITIZATION OF THE HOUSING SERVICES AS A TOOL FOR ENSURING SUSTAINABLE DEVELOPMENT OF SETTLEMENTS	150
<i>Tetyana Vasilyeva, Kuzmenko Olha, Kashcha M. Basanets Sofiia</i>	ECONOMIC AND MATHEMATICAL MODELING REASONS FOR DIFFERENTIATED DEVELOPMENT OF PANDEMIC IN UKRAINE	154
<i>Olena Boiko</i>	TAXATION IN LIFE INSURANCE SYSTEM	158
<i>Svitlana Ivanytska, Zatona Kateryna</i>	PECULIARITIES OF THE ORGANIZATION OF PAYMENT AT THE ENTERPRISE	163
<i>Oleksandr Zaitsev</i>	INTERACTION OF FINANCIAL DEVELOPMENT AND REAL ECONOMY	167

<i>Olha Kuzmenko, Tetyana Vasilyeva Yana Harbar, Aleksy Kwilinski Viktoria Radko</i>	OPTIMIZATION OF THE SYSTEM AND MECHANISM OF REGULATION OF FINANCIAL MONITORING OF INSURANCE COMPANIES	172
<i>Serhii Mynenko, Vitaliia Koibichuk</i>	THE BLOCKCHAIN TECHNOLOGIES IN PUBLIC ADMINISTRATION	176
<i>Chortok Yuliia, Nechyporenko Roman, Yaskevich Anastasiya</i>	SMART TRANSPORT AND LOGISTICS ENVIRONMENT	184
<i>Iryna Marekha, Tetiana Makarenko</i>	WORLD MODELS FOR ASSESING THE EFFECTIVENESS OF ENVIRONMENTAL TAXES	189
<i>Serhii Lyeonov, Serhii Mynenko, Olha Kuzmenko, Oleksii Lyulyov, Kateryna Hrek</i>	THE RISK OF MONEY LAUNDERING: OVERVIEW THROUGH THE OPERATIONS OF INSURANCE COMPANIES	193
<i>Olena Bilotserkivska, Viktoria Shcherbachenko</i>	BRAIN DRAIN FROM UKRAINE: HOW TO SLOW DOWN AND BREAK THIS TENDENCY IN THE CONTEXT OF KNOWLEDGE ECONOMY	199
<i>Olena Pavlenko, Ihor Maksymenko, Oleksii Shkulipa</i>	INFLUENCE OF BUSINESS PROCESSES ON REGIONAL INFRASTRUCTURE	204
<i>Olha Kuzmenko, Volodymyr Ovcharenko</i>	METHODS REVIEW FOR ASSESSING THE INVESTMENT ATTRACTIVENESS OF INNOVATIVE BANK TECHNOLOGIES	209

<i>Anastasiia Yurchenko, Viktoriia Shcherbachenko</i>	ACTUAL PROBLEMS OF THE ECONOMY AND SOCIETY GREENING	214
<i>Dymchenko Olena, Rudachenko Olha</i>	STATE REGULATION OF SOCIO-ECONOMIC DEVELOPMENT OF REGIONS	219
<i>Bozhenko Victoria, Petrova Ksenia</i>	MODELING THE TRANSMISSION OF SYSTEMIC FINANCIAL RISK TO THE DEVELOPMENT OF THE ECONOMY'S REAL SECTOR	223
<i>Vladyslav Shapoval, Mariia Troian</i>	THE IMPACT OF GLOBALIZATION ON COMMUNICATION	227
<i>Halyna Mishenina, Daria Pavlenko</i>	AGILE METHODOLOGY OF THE PUBLIC ADMINISTRATION SYSTEM IN THE CONTEXT OF DIGITAL TRANSFORMATION OF UKRAINE	232
<i>Ved Prakash</i>	MEASUREMENT OF POVERTY AND SOCIO-ECONOMIC REQUIREMENTS OF BPL IN INDIA	237
<i>Tetiana Kurbatova, Valeriia Vialkova</i>	ANALYSIS OF INTERNATIONAL CONFLICTS: ANALYTICAL ELEMENTS AND TOOLS	243
<i>Ahniia Havrylina</i>	FEATURES OF NON-TRADITIONAL TYPES OF INVESTMENT	246
<i>Pokhylko S., Eremenko A.</i>	USING SOCIAL MEDIA PLATFORMS TO CREATE AND DEVELOP BUSINESS PROJECTS	249
<i>Pavlo Hrytsenko, Yevhen Kovalenko, Vladyslav Popov</i>	INNOVATIVE ACTIVITY AS A BASIS FOR SUSTAINABLE ECONOMIC GROWTH	254

<i>Leonid Melnyk, Olena Matsenko, Vladyslav Piven</i>	SOCIO-ECONOMIC ASPECTS OF GREEN ENERGY DEVELOPMENT: THE EXPERIENCE OF THE EU AND UKRAINE	264
<i>Harchenko D.</i>	ECONOMIC SECURITY AND THE FIGHT AGAINST CORRUPTION	273
<i>Hanna Yarovenko, Olena Kolotilina</i>	DEVELOPMENT OF METHODOLOGY FOR ASSESSING THE RISKS OF SOCIO-ECONOMIC AND POLITICAL GROWTH OF UKRAINE	285
<i>Inessa Yarova</i>	ENVIRONMENTAL ASPECTS OF INTERNATIONAL TRADE RELATIONS	289
<i>Denys Smolennikov, Daria Pavlenko</i>	STAKEHOLDER APPROACH TO PROJECT MANAGEMENT	293
<i>Oleksandr Khadartsev</i>	MODERN ENTREPRENEURSHIP ON THE PROJECT MANAGEMENT PRINCIPLES	297
<i>Hanna Yarovenko, Victoria Kovach</i>	GLOBAL TENDENCIES FOR THE IT USE IN MANAGEMENT INFORMATION SYSTEMS	300
<i>Tatiana Shcherbyna</i>	DIGITAL MARKETING AND INTERNATIONALIZATION OF UKRAINIAN BUSINESSES	304
<i>Viktoriia Kubatko, Diana Bilous</i>	THE FIGHT AGAINST CORRUPTION AS ONE OF THE TOOLS OF THE NATIONAL ECONOMY DE-SHADOWING	308
<i>Nataliia Letunovska</i>	CHALLENGES FOR THE HEALTH COMPONENTS OF A REGION IN THE CONTEXT OF GLOBALIZATION	312
<i>Anna Rosokhata, Anna Chykalova</i>	MARKETING ACTIVITIES FEATURES FOR DIFFERENT CLASSIFICATION TYPES OF BUSINESS STRUCTURES	317
<i>Korobets Olena,</i>	MANAGEMENT OF ENVIRONMENTAL	322



<i>Yaroslav Reshetnyak, Yura Yula</i>	RISKS AT THE COMPANY: THE MARKETING DETERMINANTS	
<i>Yana Us, Tetyana Pimonenko, Oleksii Lyulyov, Yuriy Bilan, Yulia Shaforost</i>	THE GREEN-FEMININE STEREOTYPES AS A BARRIER ON THE WAY OF GREEN BRAND DEVELOPMENT	327
<i>Maryna Saienko, Tetyana Pimonenko, Oleksii Lyulyov, Yuriy Bilan, Svetlana Kostornova</i>	NEW TRENDS IN MARKETING FOR SMALL AND MEDIUM ENTERPRISES	333
<i>Ziabina Yevheniia, Tetyana Pimonenko, Oleksii Lyulyov</i>	EFFICIENCY OF UKRAINIAN ENERGY POLICY IN THE FRAMEWORK OF CIRCULAR AND CARBON-FREE ECONOMY	337
<i>Yurii Bilan, Yana Us, Volodimir Nesterenko, Huseynadze K.R.</i>	PROSPECTS OF TOURISM DEVELOPMENT	342
<i>Olena Ivakhnenko</i>	EFFICIENT AGRO-LAND USE IN THE CONDITIONS OF GLOBAL CLIMATE CHANGE	348
<i>Artem Artyukhov</i>	QUALITY OF EDUCATION AND SDGS: SOCIO-ECONOMIC ASPECT	351
<i>Nadiia Artyukhova</i>	KNOWLEDGE MARKETING AS A TOOL FOR SOCIO-ECONOMIC GROWTH: THEORETICAL AND APPLIED BASE	355
<i>Khomenko L.M.</i>	SOME ELEMENTS OF MARKETING ACTIVITIES IN BLOOD SERVICE COMPANIES: CONTENT STRATEGY OF THE SITE	360

<i>Shkarupa O.V., Mayboroda T.M., Kalchenko Y.</i>	SCALING ECO-INNOVATIONS BASED ON SOCIO-ECONOMIC EFFECTS IN THE "ENTERPRISE-REGION-STATE" SYSTEM	365
<i>Oleh Dudchenko</i>	SOCIAL AND ECOLOGICAL RESPONSIBILITY AS A SYSTEMIC ELEMENT FOR AGRICULTURAL SUSTAINABILITY	371
<i>Yevhen Mishenin</i>	ORGANIZATIONAL AND ECONOMIC MECHANISMS FOR ENVIRONMENTALLY SAFE AGRICULTURAL LAND USE	380
<i>Yuriy Derev'yanko, Olha Lukash</i>	EVALUATION ON THE BASIS OF MODERN INDICATORS	389
<i>Vita Hordiienko, Tetiana Semenenko, Violeta Tretynyk</i>	INTEREST RATE AND ECONOMIC GROWTH IN UKRAINE	398
<i>Oleksii Zakharkin, Volodymyr Novikov, Dmytro Yemelianov</i>	COMPARATIVE ANALYSIS OF THE CONCEPTS OF VALUE ORIENTED ENTERPRISE MANAGEMENT	402
<i>Liudmyla Zakharkina, Yevhenii Okhrimchuk</i>	INTERNET OF THINKS IN LOGISTICS	407
<i>Oleksii Zakharkin, Liudmyla Zakharkina</i>	THE USE OF INDICATORS OF FINANCIAL CONDITION TO DETERMINE THE ENTERPRISE'S INVESTMENT ATTRACTIVENESS	411
<i>Ivan Shkarupa</i>	FACTORS AND INSTRUMENTS OF MANAGING THE EFFICIENCY OF ENTREPRENEURIAL ACTIVITY IN MODERN TRANSFORMING CONDITIONS	417

<i>Inna Tiutiunyk, Andrii Zolkover, Sergij Lyeonov, Aleksy Kwilinski, Alina Vysochyna, Kostronova Svetlana</i>	THE INNOVATIVE FINANCIAL TECHNOLOGIES AND ITS IMPACT ON SHADOW TRANSACTIONS	422
<i>Larysa Hrytsenko, Oleksandra Tverezovska</i>	EVALUATION OF PUBLIC-PRIVATE PARTNERSHIP PROJECTS' RISKS	426
<i>Hanna Shvindina</i>	COOPETITION MODEL OF INTERACTIONS FOR INSTITUTIONS IN A SPHERE OF EDUCATION	430
<i>Yuliia Humenna, Semen Tymoshenko</i>	MERITS AND CHALLENGES OF DIGITAL ECONOMY IN DEVELOPING COUNTRIES	436
<i>Yuliia Shkodkina, Yuliia Humenna, Oleksandra Tverezovska</i>	OBSTACLES TO START-UP IMPLEMENTATION IN THE MODERN CONDITIONS OF ECONOMIC DEVELOPMENT	440
<i>Ihor Kobushko Iana Kobushko</i>	CREATING MOTIVATION FOR EMPLOYEES THROUGH KPIS SYSTEM	445
<i>Nataliia Kotenko</i>	THE IMPACT OF INTERGOVERNMENTAL FISCAL POLICY ON LOCAL SUSTAINABLE DEVELOPMENT	451
<i>Nataliia Antoniuk, Iryna Plikus, Alona Myronova</i>	INDICATORS OF FINANCIAL SYSTEM SECURITY	456
<i>Iryna Plikus, Nataliia Antoniuk</i>	THE INFLUENCE OF DIGITALIZATION ON TRANSFORMATION PROCESSES ON THE LABOR MARKET	460

<i>Oleksandr Zaitsev, Dmitro Nikitin</i>	THE MECHANISM OF FINANCIAL RECOVERY OF THE ENTERPRISE SHOULD INCLUDE THE CASH AMOUNT OF THE LOAN AS PRODUCTION COSTS	466
<i>Svitlana Kolosok, Iuliia Myroshnychenko, Yuliia Matvieieva, Denis Hryhorenko</i>	INVESTMENT MANAGEMENT FOR SMART GRID PROJECTS: A CROSS-COUNTRY ASSESSMENT	470
<i>Opanasiuk Yuliia, Taraniuk Karina, Maryn Matvii Viktoria Shkola</i>	TRANSITION TO GREEN ECONOMY: BASIC PRINCIPLES AND PROBLEMS	475
	ADVANCED DEVELOPMENT AND INTELLECTUAL CAPITAL: AN INFLUENTIAL ASSESSMENT	482
<i>Semenog A. Mykhalova A.</i>	THEORETICAL ESSENCE OF TRUST IN FINANCIAL SERVICES	488
<i>Veronika Barvinok, Anna Vorontsova, Julia Sergienko</i>	INTERNATIONAL MIGRATION AND THE COVID-19 PANDEMIC: LITERATURE REVIEW	494
<i>Kateryna Hrek, Iryna Didenko</i>	STUDY OF POSSIBILITIES OF THE BPW PACKAGE. DIFFERENCE ON CREATION OF DFD DIAGRAMS AND IDF0 DIAGRAMS: DESCRIBE THE PROCESS OF LOGISTICS AT THE ENTERPRISE	497
<i>Burnakova Valeriia</i>	SUSTAINABLE DEVELOPMENT STRATEGY FOR TOBACCO INDUSTRY	502
<i>Olena Shkarupa, Anastasija Turchyn, Kateryna Vlasenko</i>	FORMATION OF A POSITIVE IMAGE OF WOMEN LEADERS IN PUBLIC ADMINISTRATION	506

## SUSTAINABLE DEVELOPMENT STRATEGY FOR TOBACCO INDUSTRY

*Burnakova Valeriia, student,  
Sumy State University, Ukraine*

When it comes to sustainability, the tobacco industry has long faced skepticism because of the nature of the product. In 2005 The World Health Organization Framework Convention on Tobacco Control (WHO FCTC), that was required for implementation under SDG 3.a, came into force and 180 countries as well as the European Union have ratified or acceded it [1]. After that a lot of controversies took place. Can tobacco industry be considered as sustainable? This paper is dedicated to challenges and issues, that tobacco companies can face on their way to sustainable development.

Sustainable development, as defined by the World Commission on Environment and Development, is: “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” [2]. In scientific works [3 ; 4], the authors present semantics of sustainable development and the history of the concept “sustainable development”. There are 17 sustainable development goals (SDGs), that aim to promote prosperity and protect the planet. The authors of the paper [5] studied the goals of sustainable development and their priority in different countries. Business is a direct partner in solving the sustainable development challenges, because by applying the creativity and innovation of small and medium-sized enterprises it becomes possible to build a prosperous future. Big companies can also contribute, as they have financial resources for innovations and technologies. The study [6] outlines various aspects for evaluating corporate sustainability. Companies can help in achieving SDGs by connecting their business strategies with global priorities and working on their implementation at the local level. These can be eco-oriented actions, the fight against corruption, protection of human rights, improving social impact on community in which the company operates, etc.

Nowadays tobacco industry is extremely profitable industry all over the world. The tobacco industry has sales of approximately US \$ 814 billion [7]. More than US \$700 billion of this amount is accounted for by conventional cigarette sales, with more than 5 300 billion cigarettes being consumed annually by more than 19% of the world's population. British American Tobacco (BAT) and Philipp Morris International (PMI) are the biggest tobacco companies based on sales. Despite thinking only of high profitability of the tobacco field, it is important to consider the fact that this industry is harmful at every stage of production and affects not only human health, but also the environment.

According to WHO [8], seven million people die each year from tobacco-related diseases worldwide. Tobacco plantations require the use of insecticides, herbicides and other chemicals to grow tobacco and prevent it from pests, and in the process of drying large amount of wood are burned, which contributes to deforestation.

The WHO estimates that more than 11 million tons of wood are burned annually to dry tobacco leaves - the equivalent of one tree for 300 cigarettes [8]. In China, the world's largest tobacco producer, 18 percent of deforestation is the result of the development of the tobacco industry.

According to the study [9] companies need to define priorities and set priority goals in order to build an efficient sustainable strategy, because not all the 17 SDG will be equally relevant for each kind of business.

There are some aspects that should be added into the strategy of the tobacco companies. The principal focus should be on reducing negative health impact. The tobacco industry itself contradicts to the SDG 3 “Good health and well-being”. To reduce the negative impact of the tobacco industry on health, it is necessary to offer consumers a huge choice of products and alternatives that are less risky. This can be achieved by investing in research and development to deliver innovations that can satisfy consumer needs with less harm. For example, BAT, the global leader tobacco company, has introduced the new products on the market – vapour products and tobacco heating products, which are less harmful than smoking (more than 95%). These products are already available on more than 20 markets and company is focused on exceeding the awareness of consumers on such products within the other markets. Based on BAT Sustainability report [11], about 11 million consumers regularly use one of non-combustible products that British American Tobacco offers across 48 markets. Another example of successful implementing of innovations is PMI, a company has introduced a new product on the market – IQOS, which reduces the risk to health, compared with cigarette smoking, by avoiding burning tobacco. Also, tobacco companies need to have a good scientific facility to conduct a quality assessment of emissions, exposure and risks associated with products in order to minimize possible negative impacts.

The most challenging, but equally important part of reducing harmful effects on health is standards and regulation. The industry needs to have strict product safety standards around the world so that the company's marketing is aimed only at adult consumers and does not attract young people. BAT effectively cooperates with the British Standards Institution, the EU standards body technical committee and the International Organization for Standardization in order to develop standards in this industry.

The second goal, which tobacco companies need to develop in their strategies is excellence in environmental management. It includes reducing emissions that have influence on climate change, reducing water withdrawals and improving water recycling, promoting sustainable agriculture and implementing circular economy

principles (which means cut the use of plastic during all process of production as well as post-consumption waste). According to BAT Sustainable Report 2019 [11], the company has reduced CO<sub>2</sub> emissions by 9.5% and the part of renewable energy resulted in 10.8% of the total direct energy usage in 2019. The company is planning to become carbon neutral by 2030. Philip Morris International is focused on developing environmental clean-up programs that have been successfully implemented in 31 countries of the world. The main tool for achieving this goal is to increase awareness among the community, and the company has also developed its own anti-littering policy.

The third part of the strategy is delivering a positive social impact on employees in tobacco industries as well as on people across the supply chain. It mainly means to enhance socio-economic well-being of tobacco-farming communities and to protect human rights. The principal aim is to ensure a quality livelihood for all farmers and workers in the tobacco industry, which is a necessary aspect of the strategies in the biggest tobacco companies.

According to WHO [8], the number of smokers by 2025 will be about 1 billion, which means that people are not going to quit smoking and therefore, no matter how harmful the tobacco industry is for health and the environment, it will develop further. That is why the task of companies is to minimize the negative impact on health and environment and offer quality products on the market. The true approach to sustainable development for tobacco companies is to minimize the negative impact of the products on human health and the production processes on the environment. It means tobacco companies may act sustainably, but they need to constantly look for opportunities to create value and minimize the negative impact associated with their products.

*Scientific advisor: Nadiya Kostyuchenko, PhD, Associate Professor,  
Department of International Economic Relations, Sumy State University*

## References

1. World Health Organization (2018). Parties to the WHO Framework Convention on Tobacco Control. WHO.
2. Brundtland G. et al. (1987). Our common future. New York.
3. Bhandari, M. & Bhattarai, K. (2017). Institutional Architecture For Sustainable Development (SD): A Case Study from Bangladesh, India, Nepal, and Pakistan. SocioEconomic Challenges, Volume 1, Issue 3. P. 6-21.
4. Bhandari, M. (2019). Sustainable Development: Is This Paradigm the Remedy of All Challenges? Does Its Goals Capture the Essence of Real Development and Sustainability? With Reference to Discourses, Creativeness, Boundaries

- and Institutional Architecture. *SocioEconomic Challenges*, Volume 3, Issue 4. P.97-128. [https://doi.org/10.21272/sec.3\(4\).97-128.2019](https://doi.org/10.21272/sec.3(4).97-128.2019)
5. Kostel, M. et al. (2017). The Sustainable Development Goals for Eastern Partnership Countries: Impact of Institutions. *SocioEconomic Challenges*, Volume 1, Issue 3. P. 79-90.
  6. Biewendt, M., Blaschke, F. & Böhnert, A. (2020). An Evaluation Of Corporate Sustainability In Context Of The Jevons Paradox. *SocioEconomic Challenges*, Volume 4, Issue 3. P. 46-65. [https://doi.org/10.21272/sec.4\(3\).46-65.2020](https://doi.org/10.21272/sec.4(3).46-65.2020)
  7. Official website of Centers of Disease Control and Prevention [Electronic resource] – Mode of access: [https://www.cdc.gov/tobacco/data\\_statistics/fact\\_sheets/economics/econ\\_facts/index.htm](https://www.cdc.gov/tobacco/data_statistics/fact_sheets/economics/econ_facts/index.htm)
  8. World Health Organization (2017). Tobacco and its environmental impact: an overview. World Health Organization.
  9. Compass, S. D. G. (2015). The guide for business action on the SDGs. World Business Council for Sustainable Development (WBCSD): Geneva, Switzerland.
  10. Reporting on sustainability, 2019 [Electronic resource] // Philip Morris International. – Mode of access: <https://www.pmi.com/integrated-report-2019>
  11. Sustainability reporting, 2019 [Electronic resource] // British American Tobacco. – Mode of access: <https://www.bat.com/sustainabilityreport>



Наукове видання

# **СОЦІАЛЬНО-ЕКОНОМІЧНІ ВИКЛИКИ**

## **Матеріали Міжнародної науково-практичної конференції**

(Суми, 3–4 листопада 2020 року)

Стиль та орфографія авторів збережені.

Організаційний комітет і редакційна колегія можуть не поділяти точки зору авторів.

Автори відповідають за точність, достовірність і зміст матеріалів.

Посилання на матеріали конференції обов'язкові.

Відповідальний за випуск Т. А. Васильєва  
Комп'ютерне верстання С. В. Миненко

Формат 60×84/16. Ум. друк. арк. 29,86. Обл.-вид. арк. 38,58.

Видавець і виготовлювач  
Сумський державний університет,  
вул. Римського-Корсакова, 2, м. Суми, 40007  
Свідчення суб'єкта видавничої справи ДК № 3062 від 17.12.2007.