

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

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**THE ACTIVATION OF REGULATORY POLICY
 TOWARDS THE DEVELOPMENT OF SOCIAL
 INVESTMENT**

**АКТИВІЗАЦІЯ РЕГУЛЯТОРНОЇ ПОЛІТИКИ
 ДЕРЖАВИ У НАПРЯМКУ РОЗВИТКУ
 СОЦІАЛЬНОГО ІНВЕСТИВАННЯ**

Urgency of the research. In modern terms the issues of developing social investment, are becoming the matter of current interest, because the social sphere of Ukraine remains the least reformed and therefore insufficiently adapted to the modern requirements of a market economy.

Target setting. The vital significance in solving the questions of the impact of regulatory policy on the development of social investment belongs to the development of adequate management tools and regulation of social investment both on the part of the state and business in general, in order to create an optimal control algorithm of guiding socially-oriented investments, ensuring their cost-effectiveness in the long run.

Actual scientific researches and issues analysis. Such domestic and foreign scientists, as O. Amosova, L. Anichyna V. Babaeva, V. Bakumenko S. Bila, V. Geyets A. Dyehtyar, N. Korableva V. Knyazeva, I. Lukinova V. Martynenko A. Mordvinova, G. Odintsova, I. Pavlova, V. Ryzhykh, I. Rozputenka, S. Salyha, A. Chaplygina and others devoted their work to learning the peculiarities of regulating social investment pointing out.

Uninvestigated parts of general matters. Despite significant scientific achievements in the field of development of social investment, the analysis of recent publications indicates the need for the research of the states policy towards the revitalization of socially oriented investment through joint efforts of the government and business through application of management tools for the development of social sector.

The research objective. The article aims at structuring the areas of development of social investment in Ukraine on the basis of realization of social and economic policy of the state.

The statement of basic materials. In the article the theoretical approaches and practical features of the impact of government regulation on the development of social investment in Ukraine are investigated. The analysis of the current state of social investment in Ukraine has been done the major problems of development of social investments in Ukraine. The role of government regulation in the were discovered development of social investment has been determined. The functional features and characteristics of the functioning of the regulation of social investment have been given.

Conclusions. The landmark in social direction of the state's to development chosen by Ukraine puts priority on the plan to ensure a high quality of life of the country's population. The implementation of the declared plan is only possible on conditions of the social cohesion of society, state and business entities in the solution of common goals.

Актуальність теми дослідження. В сучасних умовах актуальності набувають питання розвитку соціального інвестування, так як соціальна сфера України залишається найменш реформованою, а тому недостатньо пристосованою до сучасних вимог ринкових відносин.

Постановка проблеми. Актуальне значення у вирішенні питань впливу регуляторної політики держави на розвиток соціального інвестування належить розробці адекватних інструментів управління та регулювання соціального інвестування як з боку держави так і бізнесу в цілому, з метою створення оптимального алгоритму управління соціально-орієнтованими інвестиціями, забезпечення їх економічної ефективності в довгостроковому період.

Аналіз останніх досліджень і публікацій. Вивченню проблем особливостей регулювання розвитку соціального інвестування присвятили свої праці вітчизняні й зарубіжні вчені, зокрема О. Амосова, Л. Анічина, В. Бабаєва, В. Бакуменко, С. Біла, В. Геєць, А. Дегтяр, Н. Корабльова, В. Князева, І. Лукінова, В. Мартиненко, О. Мордвінова, Г. Одінцова, І. Павлова, В. Рижих, І. Розпутенка, С. Салига, О. Чаплигіна та ін.

Виділення недосліджених частин загальної проблеми. Незважаючи на значні наукові напрацювання у сфері розвитку соціального інвестування, аналіз останніх публікацій свідчить про необхідність дослідження політики держави у напрямку активізації розвитку соціально орієнтованих інвестицій за допомогою поєднання зусиль держави та бізнесу шляхом застосування управлінського інструментарію за для розвитку соціальної сфери країни.

Постановка завдання. Стаття покликана структурувати напрями розвитку соціального інвестування в Україні на основі реалізації соціально-економічної політики держави.

Виклад основного матеріалу. У статті досліджено теоретичні підходи та практичні особливості впливу державного регулювання на розвиток соціального інвестування в Україні. Проведено аналіз сучасного стану соціального інвестування в Україні, виявлено основні проблеми розвитку соціальних інвестицій в Україні. Визначено роль державного регулювання у розвитку соціального інвестування. Наведені функціональні ознаки та характеристики функціонування механізму регулювання соціального інвестування.

Висновки. Орієнтир соціального спрямування розвитку держави, який обрала для себе Україна, ставить на першочерговий план забезпечення високого рівня якості життя населення країни. Виконання задекларованого плану є можливим лише за умови соціальної згуртованості суспільства, держави та суб'єктів господарювання у

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

Keywords: social system; social investment policy; the state's policy; quality of life; socially oriented economy.

вирішенні загальної мети.

Ключові слова: соціальна система; соціальні інвестиції; політика держави; якість життя; соціально орієнтована економіка; якість життя.

Urgency of the research. At the present stage the ensuring of sustained socio-economic development is based on using social opportunities to generate economic results. The most effective tool in the given context is social investment. The developed countries of the world are using social investment as the practices of investing resources in a variety of assets to achieve beneficial social effect in the future. This type of investment is based on the system of state support and is reflected in the establishment of an appropriate system of state regulation and so on.

Target setting. The modern world dictates new requirements to changes in life priorities and economies, requiring the active involvement of external resources to the development of the social dimension of society and improvement of the quality of life of population. Various forms arise and they are distributed to invest in the social environment, both by individuals and by some individual entities (companies and organizations) and by the State. If previously there existed only a few cases of execution of social investment, in modern Ukrainian reality we can state about the beginning of the birth of the social investments market that is endowed with all the characteristic features and attributes of the market, the specific situation, principles of operation, sectoral diversity, personal and other infrastructure.

Actual scientific researches and issues analysis. Many works by Ukrainian scientists as O. Amosova, L. Anichyna V. Babaeva, V. Bakumenko S. Bila, V. Geyets, Dyehtyar A., N. Korableva, V. Knyazeva, I. Lukinova V. Martynenko, O. Mordvinov, G. Odintsov, I. Pavlov, V. Ryzhykh, I. Rozputenko, S. Salyha, A. Chaplygin, Yu. Chernetsky, A. Cherniavsky, etc. were devoted to the studying of the major problems of the theory and practice of managing the development of social investment. Attention to social investment in the context of the socialization of the economy and ensuring the quality of life of the population as the goal of social and economic development is given in the works of Antoniuk V., L. Budyonny S. Varnaliya V. Vorotin, A. Gerasimenko, S. Hrynkevych O. Doronin, C. Kalinina, A. Kolota, E. Libanova, L. Lisogor, S. Melnyk, G. Nazarova O. Novikova, E. Libanova, V. Osetskoho, Yu. Petrushenko, S. Pyrozhkova, M. Romaniuk, L. Synyayevoyi, L. Shaulskoyi and others.

Uninvestigated parts of general matters defining. Despite the wide range of research areas of state regulation of investment activities, the theme of the development of social investment remains urgent. The need to study this issue, taking into account the demographic situation and the dynamics of socio-economic development of the country is in the development of practical recommendations on the implementation mechanism of regulation of social investment.

The research objective. The aim of the article is to study the theoretical principles and practical features of regulation of social investment in Ukraine based on the construction of the mechanism of regulation of social investment by integrating the efforts of all its subjects.

The statement of basic materials. One of the key factors of becoming a highly developed country is developing its social component, ensuring adequate standards of living, high income, providing free access to all components of the social sector of the country and ensuring a proper quality of social services. Like other components of the country's economic system, social sphere requires a proper level of funding, depending on the existing traditions, legal framework, the degree of social responsibility of business entities which can be done at the international, national, industrial and individual levels.

Socially orientated market economy implies significant activity of the state in solving social problems. Therefore there is a need for government intervention in the area of income distribution through realizing social policy. Through the redistribution of national income through the budget, the state implements the system of social programs. At present, in conditions of the formation and implementation of socially oriented investment there is a need for isolation of a social subsystem as the most attractive destination for investment and business initiatives as well as the appearance and use of new species and technological approaches in operating the social investments in Ukraine [1].

The state regulation of social investment must meet two principles of social justice and socio-economic efficiency. Social investment has a wide range of subjects, the main difference between them is not only their impact on levels of objects and forms of investment activity, but also in the aim they set before them-

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

selves making this investment. The largest investment is the subject of the social state (represented by the public authorities), which mostly aims at improving the quality of life of population, of its material support, the growth of labour productivity in the country and gross domestic product. In addition, social investments are realized by the domestic and foreign non commercial organizations (charities, international organizations, international development funds), their main goal is just getting social benefits from investments, which is shown as in the case with the State in improving the quality and level of life, support of the poor and socially vulnerable categories, they also meet the cultural and spiritual needs of society.

One of the subjects of social investment, whose work in recent years has become more active are business entities (companies and organizations), they are investing their financial resources both into national social development and in the development of social infrastructure and the support of personnel, a key aim of this subject is mainly gain to profits in the short or long run, improving the image and status of the company, increasing the degree of confidence to the products and services it provides [2].

The last, but not the least, subject of social investment is the population, individuals who in accordance with their accumulated social capital investments put in certain tangible and intangible resources in the field of social development or cultural and spiritual development of the society, while pursuing a goal to meet their personal spiritual needs and the implementation of personal social capital. All the subjects of social investment (investors) are subjected to specific principles of its development and implementation of private investment projects. Some of them are defined on a global level within the UN global program of PSI (Principles for Social Investment), which includes a list of basic principles of socially oriented investment (commitment, measurability, dignity and ethics).

In the terms of using these basic principles for the development of social investment, we consider it necessary to examine more objectively the current structure of social investment market and to analyze it in supply through isolating main subjects: government social investment, investment-profit organizations, investment entities (companies), individual investments. As it has been already mentioned, the main areas of social investment at the state level is the development of social infrastructure, adherence to the quality of social services, creating a positive social climate in the country, ensuring the effective functioning of the labor market, compliance with social and environmental security in the country, etc. [3].

In modern conditions social investments are an essential part of sustainable business development. Solving social problems of the region through social investments, enterprises primarily create conditions for their future, increase the competitiveness of their production and the image in the society, solvency and the quality of life of population. Enterprises implementing social programs get the greatest increase in the indicators of economic development as compared to those who are less active in the social responsibility to the society. Social investments have the greatest impact on the efficiency of labor, which increases productivity, staff loyalty to the company their motivation to work, etc. The amounts and directions of social investing of enterprises increasingly depend on the areas in which they carry out their economic activities and the established strategy of development.

On the whole, the directions of social investment can be roughly divided into the following groups: - social investment in education; - social investment in the field of public health; - the scope of developing the social potential of enterprise; - support in the area of environmental security of a country; - the development of the local community; - assistance to vulnerable groups; - social responsibility of the individual; - increasing the level of social capital of the society; - the development of sport and arts; - the restoration of historical and architectural monuments, etc. [4].

Ukrainian socially responsible companies mostly invest their money in the development of the community, the support for patients, disabled children and children deprived of parental care, the support for culture, arts and sports development, especially for children. The leading world enterprises consider to be the most effective directions of social investments as follows: internal social assets of enterprises, educational sphere of the country, international assistance to the victims of natural disasters or fighting against infectious diseases that is objective, because namely these components enable to cover a broader category of investment objects and in future enables to provide the highest level of return both for the long and short terms.

If we compare the amounts of social investments of Ukrainian and foreign enterprises, they are somewhat different. For example, US companies are investing in social projects 3-5% of their net profit, Europe-

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

an companies are investing about 2-4% of their annual income, Russian companies about 1% and Ukrainian ones on the average of 0.7-1.2%. At the same time the total number of domestic and foreign companies that are socially responsible is respectively 40% and 90% of business entities [5].

Besides, fundamentally different are the principles of social investments of Ukrainian and foreign enterprises from the point of view of their going out beyond the borders of the country in which they are located. Global companies are more internationalized in this process. They direct almost 40% of social investment for the development of infrastructure and the support of the population of the poorly developed countries or those who need assistance at a certain period of time.

The current trends in the sphere of social investments in Ukraine are quite positive over the past 10 years, companies spending on the development of social infrastructure and the rising of the quality of life of the population increased almost three times, with the widely enough spread the circle of investors and the magnitude of realized social programs. The most socially responsible company in Ukraine is System Capital Management (SCM), SK Group. The second place among Ukrainian companies within the rating of socially responsible companies of Ukraine takes "Kyivstar", the expenses of the company on social programs account for about 20% of total income, the most famous social projects are: "Child Safety on the Internet", which includes a whole range of areas which are embodied at different levels and aim at teaching children the rules of online safety, promote the creation of safe areas in the Internet for communication, education and development; "For the people - for the country" - aimed at supporting orphans and disabled children, giving assistance in their education, rehabilitation and creating the most comfortable conditions for their education and development; the support of environmental security, of the country using energy saving technologies and greening and landscaping the Ukrainian cities etc. [6].

NIKO Group of Companies ranks third in the ranking of social responsibility. It is distinguished from others by a separately created within its frames charitable fund "Crone", whose main mission is creating a socially oriented society in the country by assisting the vulnerable groups of the society to reach the decent standard of living and equal opportunities for development. The main objects of social investment and help serve children with health deficiencies and those deprived of parental care (projects "Special children", "My cozy house" and "A Big heart of a small life"). Business Groups continued to implement their key investment projects and fulfill their social promises. A total amount of investments in sustainable development exceeded 7.6 bln. in 2016 UAH, the greater part of them have made the investments in labour safety and environmental protection [6]. As a part of the Social Partnership Program, Ukrainian business invested 232.8 million USD in the development of cities and towns last year. Due to investments over 500 different projects in 11 regions of Ukraine have been realized [7].

It should be noted that in recent years the levels of investments of foreign companies in the social sphere of Ukraine have become high enough. The main areas of investments mostly are: the fight against socially dangerous diseases, staffing of health facilities with modern medical equipment, the assistance to the vulnerable categories of population (orphans and disabled children), the support of talented youth and others.

At present, social programs form a separate segment of the strategy of development for many companies, especially those that are developing in accordance with the requirements of sustainable development, they have cyclical phases, covering a wide range of individuals and are constructed so as to provide a certain return from investing in them in the short or long term prospects.

However, there are some problems that hinder the development and dissemination of social investment in Ukraine, including: the lack of awareness of society as for the social activity of Ukrainian companies, the volume and directions of their social investment, highlighting the essence of current and future social programs of businesses and their impact on the development of social infrastructure and community; rather narrow scope of social investment, the social programs of Ukrainian enterprises, in most cases are aimed at supporting the vulnerable layers of the population, while little attention is paid to the strategic areas of social development, education, health, care the formation of social responsibility of the youth, bringing-up, of future generations, updating the social infrastructure of the country; SMEs are on the verge of implementation of social investments; social programs are most frequently introduced by large national companies or

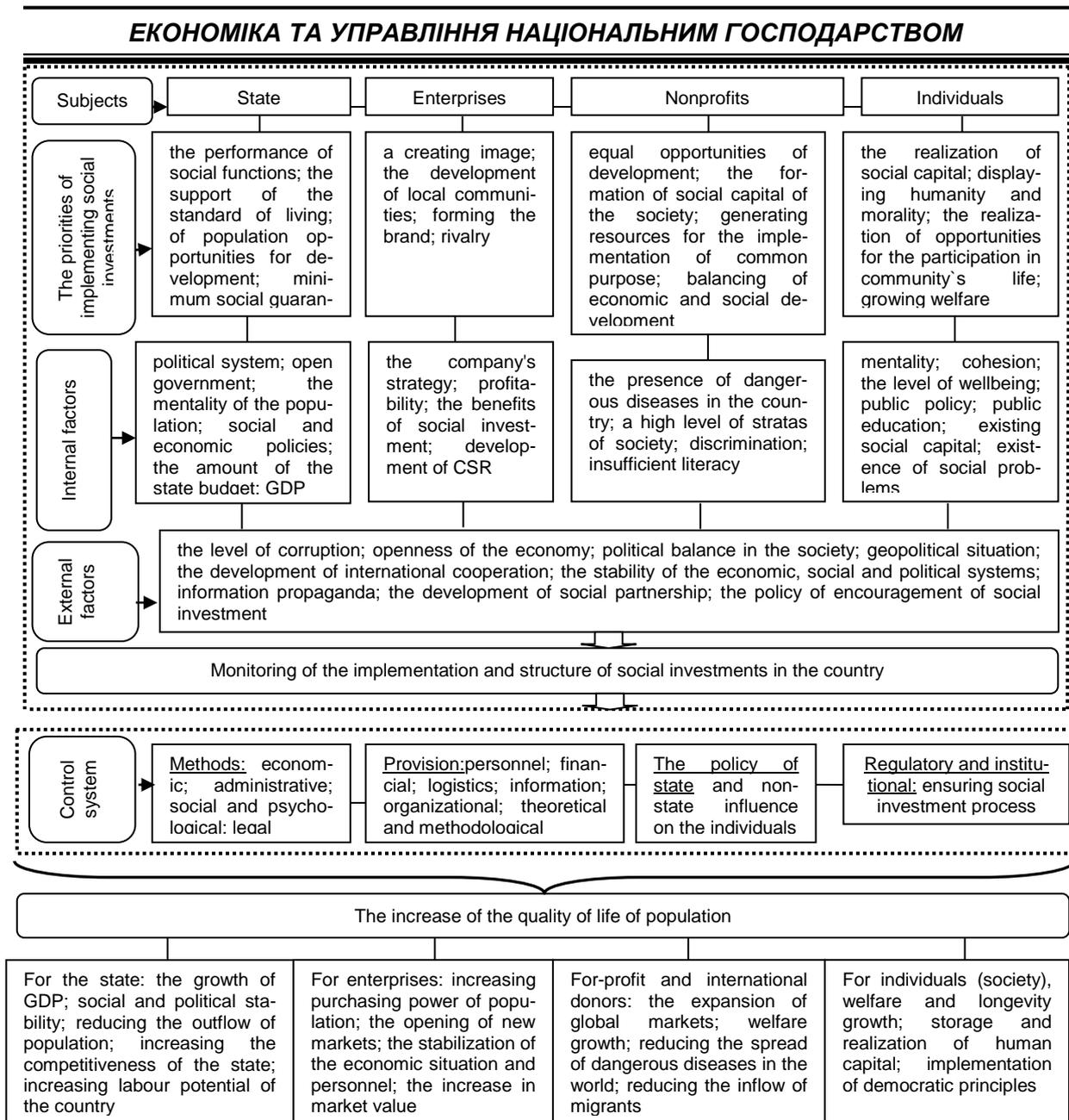


Fig. 1. The main components of the mechanism of regulation of social investments

multinational companies with business in Ukraine; the lack of clear understanding regarding the managerial branch of enterprises as for clear relationships between the amount of social investments and future general economic profits; the lack of clear national model of corporate social responsibility in Ukraine, which makes it impossible to build a clear mechanism of strategic actions of enterprises in the social sphere in accordance with the current Ukrainian realities; a low level of responsibility of enterprises by providing comprehensive, reliable and actual information as for their financial statements and taxes; the lack of clear legislation in the sphere of social responsibility of the business and the regulation of social investments the lack of flexible mechanism in providing incentives to the enterprises implementing social programs and building socially responsible business; the lack of uniform national standards in the field of development of the infrastructure of social investments; low attractiveness of the segments of social infrastructure of the

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

country for investing, a high level of corruption and the shadow economy. Taking into consideration a preliminary analysis of the peculiarities of the development of social investments in Ukraine, identifying their areas of activation, in our view relevant is the activation of the mechanism of regulation of social investment (Fig. 1). The resulting element and the general aim of realization of the mechanism of regulation of the process of social investing in the country is to ensure a high level of quality of life for the population, which provides additional opportunities not only for the population or certain individuals, but also for the state as a whole, for the companies that are located in the respective areas and communities. Such a broad scope of the perception of the results of social investments makes actual the implementation of their regulation.

Conclusions. For Ukraine, the development of social investment is one of the most important directions of the development of the welfare state and ensuring the quality of life of population in accordance with world standards. The authors have improved the component-functional software of regulating social investments, namely the mechanism of regulation of social investments in the country is worked out (the main purpose of its realization is the improvement and optimization of the processes of social investment at all levels and the increase in the quality of life of the population in Ukraine), whose implementation has to provide a continuous monitoring of the state of using the investing funds and needs in the realization of the social investing in certain directions.

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