

## **SOCIAL OBJECTIVES OF CORPORATE SOCIAL RESPONSIBILITY (CSR) OF TRANSNATIONAL CORPORATIONS**

**Ilyashenko A.S.**

*National Aviation University, Kyiv*

*Scientific supervisor: Bila S.O., Professor of International Economic Relations and Business Department, Professor; Doctor of Public Administration, Honored economist of Ukraine*

Abstracts are devoted to the study of the role of corporate social responsibility (CSR), “Corporate Social Responsibility” (CSR) in the daily activities of transnational corporations (TNC) and the definition of social goals of TNC’s CSR in solving social problems of social development.

In the XXI century, big business dictates the conditions for the development of world economic production and exchange of goods and services. The result of these exchanges is the establishment of commercial relations, which may result in powerful business structures - TNC. In modern conditions, the activities of TNC except purely economic, extends to the institutional environment of society. This approach is based on TNC’s adherence to CSR principles.

Corporate social responsibility (CSR) - is seen as a type of economic activity of business (usually for large firms, corporations, TNC), which involves the management of business structures, on a voluntary basis, social and environmental consequences of doing business in their daily activities. TNC’s CSR have traditionally focused on systematically addressing a number of issues: human rights; fulfillment of conditions of official employment, adjustment of workers and payment of all taxes; non-discrimination of people and employees on racial, state, gender grounds; protection of ecology [1].

The role of TNC in solving social problems of society is growing every year. It is the CSR that forms the new mechanism for regulating the activities of TNC through the development of a new legal standard for their social behavior. This creates individual and collective responsibility of TNC for their activities in the social sphere, formulates new joint links. TNC maintain a constant dialogue with society, participate in solving the highest social problems - from environmental to human life and health,

Adherence to the principles of CSR requires for TNC and other companies to take into account the consequences of their activities for individuals and for society as a whole. This behavior forces TNC to deepen relationships with various stakeholders. TNC business partners are particularly interested in this process. Their participation in a project or production chain

gives them a special place to implement CSR policy or, conversely, if they do not participate in CSR - it can potentially have a negative impact on production policy and the image of business partners. As an example - ignoring the principles of CSR brings TNC financial losses and loss of a positive image in the market and vice versa - adherence of TNC to the principles of CSR brings it long-term image and financial benefits. This is evidenced by the so-called “diesel scandal” with the German company Volkswagen (2017) and the precedent of court decisions to reimburse \$ 1.5 billion. USD for the settlement of civil lawsuits for 11 billion dollars. US as compensation to buyers for violations of the principles of operational safety and greening (including for inaccuracy of results “in emission tests” and for violation of US environmental legislation) [3].

Among the positive examples of TNC’s CSR are decisions made by Adidas, Puma, Levi Strauss, Marks & Spencer, H&M and others (2015 - 2016) to stop cooperating with suppliers who bought cotton from Syria and Turkmenistan, as it was proved that the labor of minors during the cotton harvest was used illegally in these countries. Such decisions of TNC’s CSR were positively assessed by European consumers, which was embodied in the increase in sales of socially responsible TNC.

In the XXI century inter-firm relations have become a major problem for the stable development of TNC, and especially - the management of TNC’s chains of branches located in different countries. By using imperfect legislation that violates human rights, social rights, and disregard for the environment, TNC and outsourced companies run the risk of being involved in violations committed by their partners. Therefore, TNC’s CSR extends to branches and partners of TNC [4].

To increase social business responsibility, TNC are developing so-called “codes of conduct”, which are becoming the main tool for implementing CSR. In general, the “codes of conduct” are international, reflecting the desire of TNC to improve working conditions and put an end to violations of their fundamental rights, the desire to adhere to environmental standards and environmental protection. In general, CSR is expanding the responsibilities of TNC both in the field of production and in the field of environmental protection, labor, hygiene and safety, and increasingly - in the field of human rights.

Conclusions. TNC’s CSR provides: regular accountability and transparency of the corporation; compliance with ethical norms in the business conduct of TNC; coordination of interests of clients, business partners, the state and society. In the XXI century the role of CSR will grow steadily, as it allows the state to delegate part of its social obligations to society to financially powerful TNC that adhere to the universal principles of CSR in their business conduct.

**References:**

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