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Corporate social responsibility in banking institutions: foreign experience

Abstract. Introduction. *The study examines the development of corporate social responsibility in banking institutions around the world. It is established that the foreign experience of corporate social responsibility is diverse, as it is related to the historical conditions of development and the peculiarities of the country's mentality.*

It has been found that in continental European countries, the concept of CSR has been more widely interpreted in the relationship between society and business; the American model of social responsibility implies greater independence of corporations; in continental Europe, there is a hidden form of corporate social responsibility; The Chinese model of corporate social responsibility is a hybrid of continental and American models; the Japanese model of corporate social responsibility is focused on the internal environment of the city's enterprise and assumes that the company has a solidary reputation.

The analysis of the directions of development of corporate social responsibility of foreign banking institutions is carried out. As for Ukraine, the most common areas of CSR, including in the banking sector, are: conscientious payment of taxes, compliance with the law, charity. While enterprises of foreign origin, in addition to the above aspects, also see compliance with civil society, care for the environment, care for employees and more. It is proved that all these models of corporate social responsibility describe a different conceptual understanding of the goals of the organization, its society, the relationship of the organization with its internal and external environment. Based on this understanding, the organization can use various tools of corporate social responsibility to achieve its strategic goals.

Keywords: *corporate social responsibility; banking institutions; social entrepreneurship; models of corporate social responsibility; Sustainable development goals.*

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Корпоративна соціальна відповідальність у банківських установах: іноземний досвід

У процесі дослідження розглянуто розвиток корпоративної соціальної відповідальності в банківських установах різних країн світу. Встановлено, що іноземний досвід корпоративної соціальної відповідальності має різноманітний характер, адже пов'язаний з історичними умовами розвитку та особливостями менталітету країни.

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З'ясовано, що в континентальних європейських країнах концепція корпоративної соціальної відповідальності (КСВ) отримала більш широке тлумачення у відносинах між суспільством і бізнесом; американська модель соціальної відповідальності передбачає велику самостійність корпорації; у континентальній Європі, спостерігається прихована форма корпоративної соціальної відповідальності; Китайська модель корпоративної соціальної відповідальності є гібридом континентальної та американської моделей; японська модель корпоративної соціальної відповідальності орієнтована на внутрішнє середовище підприємства міста і передбачає наявність в компанії солідаристської репутації.

Проведено аналіз щодо напрямів розвитку корпоративної соціальної відповідальності іноземних банківських установ. Щодо України, то найбільш поширеними напрямками КСВ, у т. ч. в банківському секторі, є: добросовісна сплата податків, дотримання законодавства, благодійність. У той час, як підприємства іноземного походження, окрім наведених аспектів, також вбачають ще дотримання норм громадянського суспільства, турботу про навколишнє середовище, піклування про співробітників тощо.

Доведено, що всі перелічені моделі корпоративної соціальної відповідальності описують різне концептуальне розуміння цілей організації, її у суспільстві, взаємовідносин організації із її внутрішнім і зовнішнім середовищем. На основі цього розуміння, організація може використовувати різні інструменти корпоративної соціальної відповідальності задля досягнення своїх стратегічних цілей.

Ключові слова: корпоративна соціальна відповідальність; банківські установи; соціальне підприємництво; моделі корпоративної соціальної відповідальності; Цілі сталого розвитку.

Formulation of the problem. Foreign experience of corporate social responsibility is diverse, as it is related to the historical conditions of development and the peculiarities of the country's mentality. There is no single approach to the classification of models of corporate social responsibility (CSR) abroad among scientists and professionals. For example, one group of scientists believes that there are two such models: American and European. Another group insists on the need to classify CSR models by groups of countries.

Analysis of recent research and publications. In modern scientific sources, issues of corporate social responsibility in banking institutions are presented in the works: O. Dzyublyuk, T. Stechyshyn [1], Mozgovoy Ya. I. [2], OO Primostka, AO Zakharchuk [3], Lockett A., Moon J. and Visser W. [4], A. McWilliams and D. Siegel [5] and others. However, there is a significant shortage of work on the development of corporate social responsibility in banking, which led to the research.

Formulation of research goals. The aim of the article is to conduct an analysis of the development of corporate social responsibility in banking institutions around the world.

Outline of the main research material. Regarding the development of CSR in the banking sector, it should be noted that one of its areas is social entrepreneurship, the «father» of which is considered to be Muhammad Yunus. He is the founder of Grameen Bank, a microfinance organization and development bank that provides small loans (known as microloans) to the poor without collateral. Microcredit is one of the main types of microfinance, which is to issue small loans to people who do not have access to traditional banking for various reasons. Microcredit should be distinguished from money to salary, which is not intended to finance business, but to cover the current expenses of individuals.

The classification division of CSR models is based on CSR concepts, features of the role and place of business in the decision-making system, which are specific to a particular country. It is worth noting two key models: American and European. For example, in the practice of

American companies more often use CSR as a tool for marketing and strengthening the investment image. This approach is based on the concept of internal development of the company through CSR.

The peculiarity of this model due to the specifics of American entrepreneurship, based on maximum freedom of market participants and self-regulation, are the mechanisms of participation in social support through the creation of corporate funds to provide various social spheres: education, health, pensions and insurance funds. . The role of the state in this model is manifested at the legislative level and is to alleviate the tax burden and encourage socially responsible companies related to benefits and loans.

In continental European countries, the concept of CSR has been more widely interpreted in the relationship between society and business. That is, greater participation of corporations and businesses in social programs and projects of society. Forms of CSR implementation are considered to be models involving a wide range of stakeholders (stakeholder model) in the corporate governance process, which, with some degree of limitation, includes employees, customers, partners, authorities and the local community.

The American model of social responsibility implies greater independence of corporations. This model of corporate social responsibility is based on the following principles:

1. The principle of case law (absolute law).
2. Realization of CSR goals through charitable funds.
3. The main relations in the field of labor and social policy are based on the principles of individualism.
4. Versatile methods of information support of corporate social responsibility measures.
5. Voluntary activities of companies in the social, economic and environmental spheres are systemic. This activity correlates with the values, missions and development strategies of the corporation and is focused on meeting the needs of various stakeholders.

The most common areas of social programs of foreign companies are:

- human resources development system is a special area of social programs implemented in the framework of strategic objectives for the development of the company's staff to reduce staff turnover, attract and retain highly qualified employees (training, professional development, motivational pay schemes, social packages, creating conditions for recreation and leisure, maintaining internal communications in the organization, etc.);

- the system of ensuring safe working conditions and labor protection is a line of socially oriented projects of the company aimed at preserving the life and health of employees in the process of work, and also provides for possible expansion of working conditions offered by the employer. mandatory norms (labor protection and safety, medical care, maintenance of sanitary and hygienic working conditions, maintenance of motherhood and childhood, etc.);

- socially responsible restructuring - these are the company's social programs that provide restructuring in a socially responsible direction, especially in the field of enterprise personnel;

- resource conservation and nature protection - is the company's activities aimed at planning and implementing environmental measures, operation of major environmental funds and control of maximum permissible concentrations of pollution, improving the use of natural resource potential, minimizing negative anthropogenic impact on the environment;

- positive impact on local communities - is the direction of social programs of the company, implemented on a voluntary basis and focused on the development of socio-cultural communities, whose area of residence is in the territory where the company operates (plans to operate). population, etc.);

- honest business practices are associated with a certain ethics of behavior in the interaction of the organization with other organizations and individuals (shareholders, suppliers, business partners, customers, etc.).

The United States has a tradition of systematically involving businesses and their representatives in investing in nonprofit projects. Due to the large number of corporate funds aimed at solving social problems, the mechanism of business participation in social support of society is successfully implemented in the United States. It is known that in the United States vocational education is funded by business as in no other country in the world. A corporation whose behavior is considered socially responsible and is encouraged by tax benefits enshrined in law.

Thus, speaking of the American model of corporate social responsibility, we note that corporations are independent in determining their public contribution, while legally encouraged by tax breaks and offsets in the case of investing in areas beneficial to society. State regulation of corporate social responsibility is minimal.

Turning to the model of Continental Europe, it is usually a hidden form of corporate social responsibility. This is primarily due to the fact that there is a high regulatory level in this area by the state. Thus, the legislation fixes local authorities and health care of employees, their pensions and many other socially important aspects. The above allows us to state that the European model of corporate social responsibility is essentially a set of measures of state regulation.

The Chinese model of corporate social responsibility is a hybrid of continental and American models. This model is characterized by a number of features:

- special attention on the part of financial organizations to corporate social responsibility programs (for example, tracking improvements in the areas of quantitative increase of investment socially oriented funds);

- increased attention from the media (for example, China Daily prepares and publishes social responsibility indices in the Company Profile column on a weekly basis);

- expanding the forms, approaches and methods of independent consulting on corporate social responsibility;

- the Chinese business education system has in its arsenal a greater variety of corporate social responsibility curricula than the continental European system;

- The Chinese government takes an active position on the development of public-private partnership programs that allow to develop certain elements of corporate social responsibility (organization of partnerships with business structures in the education sector, development of CSR initiatives through creating a favorable investment climate, project co-financing, tax holidays etc.).

Thus, the Chinese model of corporate social responsibility combines a number of features of the US and Continental Europe models, while having a significant advantage of the influence of the state apparatus and socially oriented institutions on the process of promoting and coordinating public interests and best practices.

It is worth noting another model of corporate social responsibility - the Japanese. It is focused on the internal environment of the city's enterprise and provides for the presence of a solidarity reputation in the company. This model is based on the fact that corporations pay great attention to the process of building close cooperation with government agencies and staff. In addition, addressing corporate values such as the spirit of cooperation, employee loyalty to the company's brand and management, products or services, and a focus on common goals is paramount. All this is aimed at creating the preconditions for the creation of so-called social capital, which, in turn, directly interconnects the possibilities of human potential and innovative development of the company.

However, with a marked increase in global economic turbulence and tensions on the geopolitical map of the

world, stagnation in the labor market, and a marked deterioration in the environmental situation (for example, in Afghanistan, Iraq, Libya, Syria, Ukraine and other countries). resolved military conflicts) the resource of internal corporate solidarity has shown its vulnerability: it is limited. In these circumstances, corporations faced the problem of finding new drivers to increase competitiveness, as a result of which traditional priorities began to be reconsidered. More attention is paid to environmental protection and networking with regional communities [6].

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Table 1. Directions of development of corporate social responsibility of foreign banking institutions

Name of the organization	Directions for the development of corporate social responsibility of foreign leading banking institutions
Bank of America	fight against hunger, support for victims of natural disasters;
	inclusive ATMs;
	elimination of gender discrimination
Citybank	housing finance programs;
	care for homeless animals;
	transition to renewable energy sources
Deutsche Bank	work-life balance;
	facilitating access to work on childcare leave;
	fight against money laundering;
	management of financial crimes
	conducting anti-corruption policy;
	responsible marketing;
Berenberg	support and rewarding of socially responsible institutions;
	maintaining the health of employees, stress management;
Commerzbank	work with politicians and academic and research institutions
	reduction of carbon dioxide emissions, rejection of disposable cups
	vacations if you want to volunteer;
Aozora Bank	certification of personnel working with persons with disabilities;
	systems for converting language into text;
	internship programs for students, attracting graduates;
	work at home and mobile work
Sumitomo Mitsui Financial Group	environmental education
Societe Generale	- "green" bonds

Source: formed by the authors on the basis of materials [12]

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Foreign leading banking institutions in their areas of corporate social responsibility implement the Sustainable Development Goals and universal principles of the UN General Assembly in the field of human rights, labor, environment and anti-corruption [10, 11]. From the experience of foreign banking institutions in the direction of corporate social responsibility, it is advisable to implement such practices as combating hunger and disaster relief (CSD №2), inclusive services, jobs, services (CSD №10), environmental protection by issuing green bonds "(CSR №15), anti-money laundering, anti-corruption policy (CSR № 16), etc.

As for Ukraine, the most common areas of CSR, including in the banking sector, are: conscientious payment of taxes, compliance with the law, charity. While enterprises of foreign origin, in addition to the above aspects, also see compliance with civil society, care for the environment, care for employees and more.

Conclusions. Thus, the comparative analysis of the development of corporate social responsibility in banking institutions helps to choose the tools that are needed to effectively address both strategic and tactical issues. At the same time, the choice should be made based on the specifics of the organization, its general policy and direction, the already established relationship between staff and management, as well as the peculiarities of the state system.

Therefore, the formation of corporate social responsibility does not necessarily have to be carried out in strict accordance with one or another model. For the greatest effectiveness of corporate social responsibility, the approach to its formation and implementation must be deeply individual. In general, one or another model of corporate social responsibility should be considered as a mechanism that uses its tools, forms and methods.

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