ECONOMY AND MANAGEMENT OF NATIONAL ECONOMY, SOCIALIZATION OF NATIONAL MODELS OF ECONOMIC SYSTEMS

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SOCIAL CORPORATE RESPONSIBILITY AS A FACTOR OF SUSTAINABLE INVESTMENT ENVIRONMENT OF A COUNTRY

Voluntary initiatives in the area of corporate responsibility have been among the major trends in international business in recent years. Business surveys show that most large transnational companies have participated in this trend in one way or another. These initiatives involve, first, the issuance of codes of corporate conduct setting forth commitments in such areas as labor relations, environmental management, human rights, consumer protection, disclosure and fighting corruption. These codes are often backed up by management systems that help firms respect their commitments in their day-to-day operations. More recent developments include work on management, reporting and auditing standards and of the emergence of supporting institutions [1].

Corporate social responsibility (CSR) is considered as a deliberate choice of enterprises to achieve the three dimensions of growth (people, profit and planet) and maintaining relations with various shareholders on the basis of transparency and dialogue. CSR thus includes all activities where companies take responsibility for the whole of their value chain and consider effects on social, ecological and economic parameters in dialogue with their stakeholders [2].

The following components of modern responsible corporate conduct are commonly outlined: labour practices and employment relations, human rights, fair operating practices (combat of bribery and corruption), environmental care, consumer interests, community involvement and organizational governance (including information disclosure). Much CSR behaviour is driven by business practices and triggered by motives of innovation and product/market development rather than by government policies. CSR behaviour by private companies can, however, be encouraged, supported or enforced through different types of policy activities, ranging from practical guidelines and partnership arrangements to procurement rules and legal frameworks [3-5].

A properly implemented CSR concept can bring along a variety of competitive advantages, such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes [6].

Generally, CSR initiatives are categorized as follows:

– environmental responsibility (is aimed to reduce pollution and greenhouse gas emissions and the sustainable use of natural resources);

– human rights responsibility;

– philanthropic responsibility (can include things such as funding educational programs, supporting health initiatives, donating to causes, and supporting community beautification projects);

– economic responsibility (involves improving the firm's business operations while participating in sustainable practices – for example, using a new manufacturing process to minimize wastage) [7].

Thus, issues that arise from implementing CSR strategy by a company are tightly connected with image and reputation not only from the company's side but as well from the positive/negative perception of the local country by investors. Implementing strategies of CSR by companies provides the necessity of managing ESG-factors and also the development of responsible investment practices. The interrelation is shown up in creating of the positive image of investment environment of a country through declaring responsible business models by companies and influencing that way to create a background for sustainable economic development. Considering mentioned above, we can say that realization of responsible investment covers from the investors' standpoint of managing assets based on ESG factors from one side while deciding about what to invest in and from the other side defining their role as owners/creditors as well their impact on the global investment environment [8].

New challenges that appear because of the contribution of the CSR are connected with mechanisms of implementation and therefore fostering of development of CSR and sustainable strategies in companies' business models as well. All together, they also influence the investment environment of a country dispersing its investment opportunities for creating the favorable investment climate and effective and adequate infrastructure. Moreover, it should be mentioned about the appearance of new investment facilities and instruments like green investments, green shares/bonds, green crediting, ESG related facilities, and fundamentally new responsible investment strategies.

In global investment markets, all these trends are only at the very beginning of their development. Globally, there were established specific initiatives and cooperation platforms that, together with stock exchanges, have a significant impact on the development of the entire global economy and investment environments in particular. In addition, big transnational business is the main translator of changes in innovation, including social and environmental. Taking all these into account, we can sum up that CSR is going to be considered as a new extra factor in the estimation system of the sustainable investment environment of a country.

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