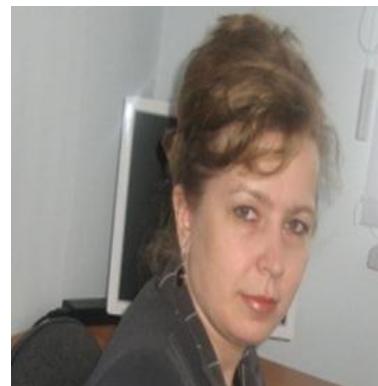


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SOCIAL RESPONSIBILITY AS A SUSTAINABLE DEVELOPMENT CONDITION

The article provides an overview of state programs that determine the prospects for the development of the agro-industrial complex in Belarus. Despite the positive results of the agro-industrial complex development in Belarus, a lot of technological, economic and social problems remain unresolved. Some solutions have been proposed. In particular, the focus is on the need for developing a social responsibility strategy in the context of the interest balance among agroindustrial enterprises, the region and the state.

Keywords: strategy, social responsibility, sustainability.

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СОЦИАЛЬНАЯ ОТВЕТСТВЕННОСТЬ КАК УСЛОВИЕ УСТОЙЧИВОГО РАЗВИТИЯ

В статье выполнен обзор государственных программ, определяющих перспективы развития агропромышленного комплекса Беларуси. Несмотря на положительные результаты развития АПК Беларуси, остаются нерешенными множеством проблем технологического, экономического и социального характера. Предлагаются пути решения некоторых из них. В частности, акцентируется внимание на необходимости разработки стратегии социальной ответственности в рамках согласования интересов предприятий отрасли, региона и государства.

Ключевые слова: стратегия, социальная ответственность, устойчивость.

Introduction. The course towards an innovative, socially oriented type of economic development taken in Belarus requires the creation of effective mechanisms for the interaction of society, business and government, which will create a favourable environment for the sustainable development of the national economy. One of these mechanisms is social responsibility which effectively solves its commercial problems as well as combines economic success with a movement towards social well-being and environmental safety. Effective management of corporate social responsibility issues allows us to manage resources and non-financial assets properly, to increase capitalization growth and breeds, to evaluate the performance of social policy. It appears from this that the national priorities of the society development and the tasks of effective business are not only strategically compatible, but must also be harmoniously linked with each other. Currently, this approach requires to be clarified and extended in the changing economic situation.

Materials and results of the study. Transformational processes occurring in the economy of Belarus demand the constant review of economic policies to ensure the sustainable development. At the state level, a number of fundamental documents have been adopted. They determine the development prospects of the state in the social and economic spheres.

Thus, the concept of food security as a scientific system for the development of the agroindustrial complex and the agrarian market in Belarus received the status of a regulatory document after it had been approved by the Council of Ministers' Resolution of the Republic of Belarus of March 10, 2004 No. 252 'On the Concept of National Food Security of the Republic of Belarus'.

In accordance with the concept, both the economic tasks facing the state (mostly included in programme documents) and key strategic directions that aim to solve comprehensively current and future tasks of effective regulation and sustainable development of the agrarian economy are theoretically justified. The most important of them are as follows:

- the concept of production concentration, ensuring the restoration and growth of agricultural production (defined in 'The State Programme of Village Revival and Development for 2005-2010') [1, p. 17];

- the concept of placement and specialization of agroindustrial production, based both on the relative advantage of the international labour division and on the balance of supply and demand, mainly relying on its own production (formed during the development of recommendations 'The Main Directions of Structural Transformations of Agricultural Production of the Republic of Belarus for the Period up to 2005'; the concept is enshrined in 'The State Programme of Village Revival and Development for 2005-2010');

- the concept of integration process development, within the framework of which it is planned to improve the organizational and economic structure in agriculture through the creation of specialized and diversified cooperative formations of various types, sizes as well as organizational and legal forms. The foundations are enshrined in 'The Programme for the Improvement, Creation and Development of Cooperative Structures for the Period of 2008–2010', which envisaged the creation of at least 40 cooperative integrated formations in the agroindustrial complex [2];

- the concept of quality improvement of agroindustrial production in the Republic of

Belarus, whose main objectives are to develop mechanisms and create conditions conducive to saturating the domestic consumer market with high-quality and safe products, to promote the export capabilities of domestic producers, to implement modern methods and forms of quality management into agricultural production, to stimulate high-quality productive labour, to apply resource-efficient methods of management and support environmentally sustainable production. The concept has been implemented in stages when introducing key policy documents for the development of the agro-industrial sector, including industry programs, for example, 'The Programme for the Development of the Processing Industry of the Agroindustrial Complex for 2003–2004', 'The Programme for the Development of the Meat and Dairy Industry for 2005–2010';

- the concept of the innovative economy formation, which 'allows increasing the national system efficiency of production and service, contributes to the competitiveness of the domestic economy and forms sustainable prospects for its development in the world trade and economic space' [3, p. 21]. The concept has been provided on the base of the State multidimensional integrated scientific and technical programme 'Agropromcomplex - Village Revival and Development for 2006–2010', comprehensive and targeted programs for the development of agro-industrial production;

- the concept of combining market self-regulation of economic entities and state regulation of the economic relations of the agrarian market, aimed at balancing the interests of social and economic development, stimulating innovation and reducing price fluctuations. It has been outlined in 'The State Programme for Sustainable Rural Development for 2011–2015' and in 'The State Programme for the Development of Agrarian Business in the Republic of Belarus for 2016–2020' [4, 5].

Despite the implementation of these government programs for the development of the dairy industry, the key problems remain unresolved. The current paradigm of measures is mainly concerned with increasing the volume of raw milk production. However, we assume that if the management and sales system are not reorganized, this approach can lead to increase in commercial risks and decrease in investment.

The measures aimed at a radical improvement of the organizational structure of the industry have not moved to the side of practical implementation and are still under discussion. So

far they have been reduced mainly to the consolidation of organizations and are run by regional state-owned meat and dairy associations transformed into state holdings. Obviously, these steps can result in positive changes, but systemic problems have not been resolved yet, and in some cases they are even deteriorating. The redistribution of raw materials in favour of the leading enterprises led to the contraction, sometimes to the liquidation of district milk processing organizations, which decreased the number of jobs and income of the population in towns.

State holdings are focused mainly on solving current tasks. The level of strategic planning, the measures for the distribution network development are still weak and insufficient. Despite the ongoing consolidation of the production potential, over 100 large traders selling Belarusian dairy products operate on a regular basis in the wholesale segment of the milk market in Russia.

To resolve the above mentioned contradictions, it is essential to develop a social responsibility strategy as a stage of the concept and program for the agro-industrial complex development. The formation of the strategy corresponding to modern market conditions is of decisive importance for agriculture development and the related industries, which are included in the structure of the dairy subcomplex.

Relation features of economic entities with suppliers of milk raw materials, consumers of dairy products, sales intermediaries as well as with the monetary system determine the development of the organizational and economic mechanism of enterprise management, where economic preferences are realized, the basic patterns of formation and functioning of economic entities become obvious, on the basis of which dairy product enterprises operate.

One of the basic goals of the development strategy of dairy enterprises is to ensure strategic equilibrium (balance of economic interests) between dairy processing, trading and agricultural enterprises based on the extension of economic relations among them, which will stimulate the development of the above-mentioned enterprises of the dairy subcomplex, using accelerated development of the leading systemic link. In accordance with the above characteristics, the development strategy of dairy product enterprises should currently include the creation of a system of mutually agreed measures that provide an equilibrium strategy of economic conduct of agricultural producers as well as processing and trading enterprises.

The implementation of the industry development strategy as a whole should be carried out through the formation of relationship strategies among enterprises in various areas of the dairy subcomplex. Their essence means creating institutional frameworks that direct the activities of processing enterprises, agricultural producers, authorities and consumers in the best way in the region resulting in the implementation of the national development strategy. At the same time, the economic interests of each of the above entities should be ensured in the target orientation vectors (existing regulatory restrictions and regulated impacts of the competitive environment).

In turn, the transformation of the strategy is impossible without its evaluation and determination of the actions which are needed to be taken for the best interaction with the external environment and how these actions correspond to the conditions of economic development.

In this regard, we consider it is necessary to adapt and apply at the new qualitative level the following types of strategies (using Porter's model as a basis): in relation to the product - a low-cost strategy (cost leadership) and a differ-

entiation strategy; in relation to the choice of market segments - a strategy of rational specialization. In addition, we suppose that the development market and integrated growth strategies are the most significant ones for the further stable functioning and the dairy subcomplex development.

The concept of social responsibility is very promising for the formation and implementation of the above strategies in the frame of the dairy subcomplex. It aims to developing sustainable links between market specialists, provides integration and network analysis of customer satisfaction based on coordination methods, taking into account the interests of both partners and the state in the process of their interaction [6].

An important task in this context is not only determining the directions of development, but also establishing a configuration of promising strategies from the position of social responsibility. To use the provisions of the proposed concept effectively, a system of basic directions for the strategic development of the dairy subcomplex has been formulated (Table).

Table – Conceptual approaches and directions of the dairy subcomplex development as a part of social responsibility measures

Social Responsible Development Strategy				
Directions of strategic development				
Integrated Growth Strategy	Segmentation Strategy	Market Development Strategy	Innovation Strategy	Minimization Strategy
Expansion of the enterprise's activities through cooperation with related enterprises; strengthening productive and commercial relations	Defining a specific segment and maximizing its saturation	Production of high-quality, safe and competitive products	Introduction of resource-saving equipment and flexible technologies, expansion of variable assortment	Optimization of resource utilization, implementation of a safe mode
Result of strategic development				
Increasing production volumes, expanding the company's market share, increasing the level of supply in the domestic market and labour productivity, increasing the profitability and competitiveness of the industry.	Reducing losses and maintaining the quality of raw materials and products when it is delivered to the dairy factory and increase in the turnover of funds, increase in the profitability of economic activity.	Satisfying consumer needs, improvement of goods and consumer properties of milk products.	Creating proper enterprise, overcoming technical delays, increasing productivity and wages.	Reducing the use of non-renewable sources of raw materials and energy, increasing funds to realize social programs.

Source – the table was compiled by the author according to the results of his own research.

By integrating social responsibility into a development strategy, an enterprise enhances its image and reputation, increase competitive advantages, builds the ability to attract personnel with high competencies, to retain their customers and win new markets and improve relationships with all stakeholders.

The strategic realization of the dairy subcomplex development in the region is considered in the context of the strategy of social responsibility development of the dairy subcomplex. The process is possible within the framework of the structural model of interaction between business entities shown in the figure.

The proposed model will allow balancing the interests of enterprises, partners, modern requirements of consumers and society as a whole. The application of the social responsibility strategy will expand the capabilities of enterprises in the production and sales activities both on the domestic and foreign dairy products markets. As a result, the model will ensure not only profit growth in the long term, but also sustainable development in general.

Conclusion. Thus, carried out researches have allowed us to formulate the following set of measures which are necessary for the successful implementation of the dairy industry development strategy.

There is an urgent need to develop a regional strategy for the development of the industry, taking into account the economic potential, the peculiarity of the region and the uniqueness of available resources.

In order to achieve promising directions for the development of the dairy subcomplex for the long term, the following types of strategies should be adapted and applied at a new qualitative level: in relation to the product - a low-cost strategy and a differentiation strategy; in relation to the choice of market segments - a strategy of rational specialization. For the further stable functioning and development of the dairy subcomplex the most practically significant strategies are the strategies of integration growth and the development of markets.

It is proposed to implement the strategic directions for the development of the dairy subcomplex of the region in accordance with a structural model aimed at balancing the interests of enterprises, partners, modern requirements of consumers and society as a whole, that are based on responsible interaction, manifestation of fair competition (excluding dumping), social partnership of management and labor team as well as information openness, which together constitute the unique resources of the company (associations).

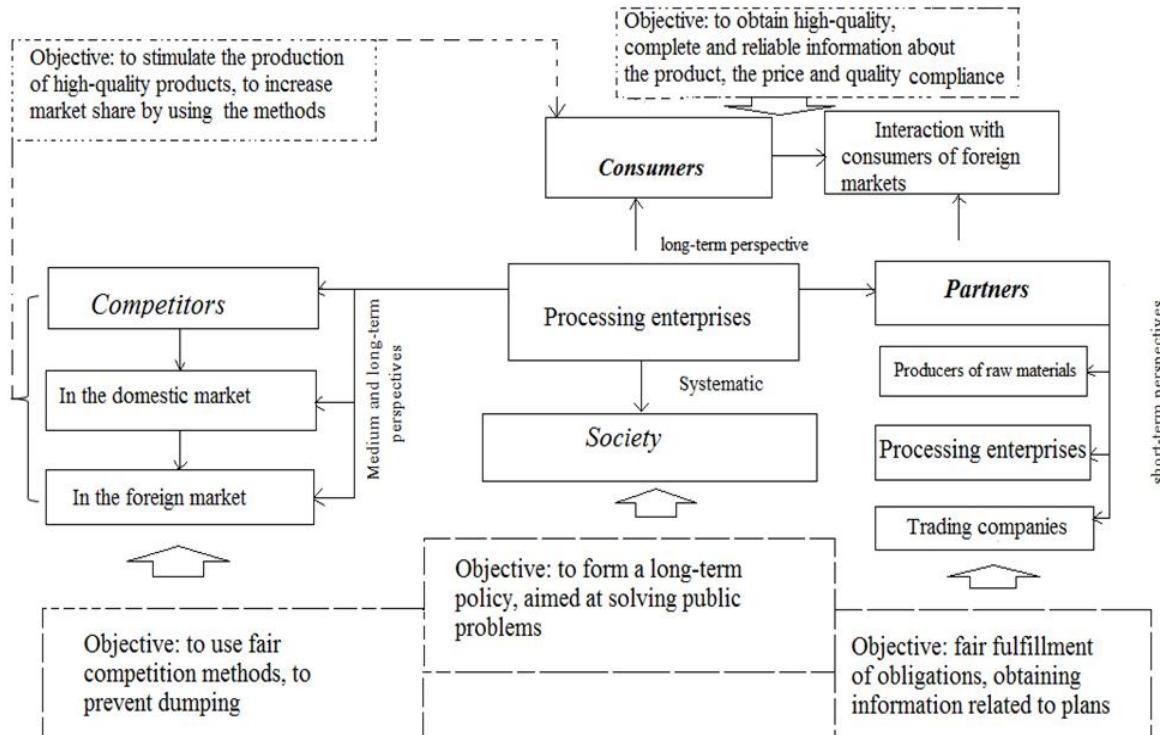


Figure – Structural model of implementation of socially responsible development strategy in the dairy subcomplex

Improving the current organizational and economic management mechanism based on social responsibility as part of coordinating the interests of all enterprises in the industry, region and state, as well as increasing the efficiency and economic responsibility for decisions made will help to improve the economic parameters of the dairy industry and create the preconditions for the sustainable development of the industry.

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