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MODELS OF INTERACTION BETWEEN GOVERNMENT, BUSINESS AND SOCIETY IN THE PRACTICE OF MANAGERIAL DECISION-MAKING

Abstract. The article examines the main models of interaction between government, business and society in the practice of making managerial decisions on social investment. The factors that have a negative impact on investment activity in Ukraine are clarified. The main forms of companies' participation in solving social problems are identified. It is proved that state regulation of social investment should follow two fundamental principles: the principle of social justice and the principle of socio-economic efficiency. The economic meaning of state regulation of social investment is to perform four main functions of the state and its structures. The problem of relations between government and business cannot be considered outside the problem of social responsibility of business to society as a key element of the complex process of interaction between society, the state and business.

Keywords: state regulation, interaction, interaction models, social investment, management decisions.

Problem statement. Due to the unstable economic situation in the country, there is a growing need for interaction between the government, business and society to solve common problems. Making informed decisions in the process of social investment allows you to focus on long – term development, which ultimately makes it possible to increase the main asset of the state-human capital.

Social investment is designed to solve the most acute problems of society, helping the state, business and non-profit organizations to realize their mission. At

the same time, it is important to understand the role and tasks of each counterparty, as well as the models of their interaction that help make effective decisions about social investment.

The corporate sector is an active participant in economic relations and at the same time a full member of all socio-public relations, which encourages businesses to participate in the life of society, in solving its social problems. The company's strategy, which includes social investment programs, allows it to improve its business reputation, image and other important indicators, and the local community in the territory of its presence to solve pressing socio-economic problems.

Analysis of research and publications. A number of publications are devoted to the study of the interaction of government, business and society in the practice of managerial decision-making. Among them, we should highlight the works of such scientists as Bakumenko V.D. [1], Herasymenko H.V. [2], Diehtiar A.O. [3], Khaletskyi A.V. [3], Bielai S.V. [3], Bukovynska M.P. [4], Libanova E.M. [5], Makarova O.V. [6] et al. However, despite numerous studies, there is no unified approach to the model of interaction between government, business and society in the practice of making managerial decisions on social investment.

Purpose of the article. The purpose of the article is to summarize the main models of interaction between government, business and society in making managerial decisions on social investment.

Presentation of the main material. One of the main issues of interaction between business and government is ensuring the quality of social investment projects, efficient spending of funds and conscientious implementation of planned programs and activities, which is possible with building a system of mutually beneficial relations, continuous improvement of the management decision-making process and the management system as a whole.

It should be noted that states, as a counterparty to social investment, implement their procedure in accordance with the country's social policy.

Despite the limited budget funds allocated for social development, there is a relative increase over the years for almost all types of economic activity, which indicates the social orientation of the state budget and the desire to develop the social sphere.

The socially significant function of the state is to establish the social orientation of the budget, which would ensure sufficient consolidated expenditures on social development [1, p. 35]. It is important that social spending is protected, and Budget and tax legislation can guarantee the financial performance of social spending in regional and local budgets. It is also necessary to effectively spend federal extra-budgetary funds, ensuring their targeted use for social needs, especially in the regions. Private extra-budgetary social funds under state guarantees can be considered a source of additional resources.

Other areas of the social sphere can make do with private investment. For the

development of social investment activities in these areas, non-financial options for state regulation are sufficient: tax incentives, legal mechanisms, and information support. The main thing in state financing of social investment activities is to follow the selected performance indicators, for example, to reduce morbidity, increase jobs, reduce payments from social insurance funds, etc.

State regulation of social investment should follow two fundamental principles: the principle of social justice and the principle of socio-economic efficiency [2, P. 41]. The economic meaning of state regulation of social investment is to perform four main functions of the state and its structures:

- production and redistribution of necessary social goods, works or services;
- financing of social investment activities;
- stimulating the social investment process;
- information support for Social Investment.

The purpose of state regulation of social investment activity is to achieve the best option for interaction between the state, investors and consumers in the process of improving the level and quality of life in the country.

Well-known models of interaction between government and business include [3, p. 28]:

"Voluntary-compulsory charity" – directives of the authorities in relation to business, for non-compliance with which business expects certain sanctions. Subject of initiative of this model: authorities. The advantages of the model are the preservation of social infrastructure, the implementation of large social projects based on co-financing. The disadvantages are the dictate of power, low efficiency of corporate social programs of companies. Commitment to democratic values is low;

"Bargaining" is a model in which social investment is an instrument of pressure of business and government on each other without taking into account common socio-public interests. Subject of initiative of this model: authorities. Advantages of the model in implementing projects aimed at low-security groups of the population: pensioners, disabled people. Commitment to democratic values is high. The disadvantages are the lack of social initiative of companies, insufficient allocated funds;

"City-combine" is not always a profitable business investment in the region of its presence, without which doing business will be difficult in the future. Subject of initiative of this model: companies. Advantages of the social infrastructure development model. The disadvantages are the subordination of social infrastructure to the interests of the company, and local communities are not involved in the decision-making process. Commitment to democratic values is low;

"Social partnership" – awareness of common interests by business and government and joint work to improve the quality of life of people in accordance with their goals and competencies. Subject of initiative of this model: companies. The advantages of the model lie in the joint determination of Social Policy Priorities, pooling resources and professional expertise. Commitment to democratic values is

high. The disadvantages are that the authorities assume the function of coordinator, which they will not always be able to cope with.

These models are distinguished depending on the subject of initiative and commitment to democratic values and allow us to trace the level of development of awareness and communication in the interaction of subjects of public relations.

Companies in the regions where they operate significantly affect the quality of life of the population living in cities, certain areas of large cities, and other localities in the country. Some experience in this area was accumulated in the soviet period. However, the post-soviet period also determined the presence of factors that have a negative impact on investment activity in Ukraine as a whole:

- socio-political instability in the country;
- lack of a set of programs for the strategic development of the country, territories, companies [4];
- social stratification of the country's population by income and property;
- low standard of living of the country's population;
- unemployment;
- the presence of corruption and criminalization of society in economic spheres of activity;
- failure to comply with democratic principles in the organization at all levels of government.

Since the 2000s, the situation has been improving and social investment practices have been developed. However, the continuation of this development is impossible without the interaction of state authorities and business structures.

There are several options for businesses to participate in social programs, both their own and implemented by other stakeholders. One of the well-known classifications of forms of participation of companies in solving social problems provides for the following forms of participation [5]:

- social investments-allocated for the implementation of social programs aimed at improving the standard of living of the population;
- cash grants-financial resources allocated for the implementation of specific social programs and research, selected on a competitive basis;
- volunteer activities of the company's employees-aimed at attracting employees to social programs through the provision of their resources, such as time, professional knowledge and private donations;
- sponsorship and charity-funds allocated by the company for social programs in both financial and non-financial form;
- socially significant marketing-program financing, which is the deduction of a percentage of sales of a particular product or group of products to social programs;
- equivalent funding-provides for joint financing of programs by the company, non-profit organization and authorities;
- social budget-a comprehensive financing plan that a company forms for its

social programs.

The listed forms of business participation in solving social problems usually complement each other in practice, but currently new forms are appearing or prevailing ones are highlighted. Based on the results of a study of the practice of social investment of companies, we have proposed the following forms of participation of companies in social programs:

- social investment together with a non-profit organization. Such a partnership allows you to transfer the content component to a non-profit organization that has expertise in this matter and better understands the market. Typical programs include support for specialized education, work with disabled and vulnerable segments of society, and Environmental Protection [6];

- public-private partnership. The partnership allows you to find funding for large-scale projects that will benefit both the company and the entire society. Typical programs are infrastructure projects;

- scholarships and grants. A company can apply for grants and allocate its own to support certain projects and areas. Typical programs include research and educational projects, support for talented young people;

- corporate fund of the company. It allows a systematic approach to social investment, but requires a lot of interest from the company and the allocation of financing. Typical programs are long-term social programs, regional support, and entrepreneurship development;

- corporate volunteering. A non-financial form of participation that, in addition to the social good, increases employee loyalty. Typical programs are support for vulnerable groups of the population, donation;

- implementation of your own programs. Requires a dedicated department or person to meet the company's goals and mission. Typical programs are leadership development and reducing the negative impact of the company's activities.

The presented forms of participation of companies in the implementation of social programs reflect the variety of possible impacts on social facilities and allow the company to make management decisions depending on the goals and available resources. For example, implementing corporate volunteering programs usually requires smaller budgets, but more time spent by the company's employees. When implementing projects with a partner non-profit organization, on the contrary, the budget increases and the direct participation of the company's employees decreases.

To solve social issues, companies often involve not only government bodies, but also public organizations in social investment projects. Large companies usually have a base of partners: departments, departments, foundations, volunteer movements, non-profit organizations [7].

Partnership with non-profit organizations gives the company the opportunity to perform high-quality social investment projects without its direct participation. At the same time, non-profit organizations can act as intermediaries or directly implement

social investment programs.

The non-profit sector plays an important role in the practice of international companies in the field of social investment.

The standard model of interaction with non-profit organizations provides for joint development of goals and objectives of the social program with the company, identification of the main stakeholders.

Non-profit organizations implement social programs with the help of their partners and report to the investor company after implementation. This model of cooperation is quite transparent, but requires a large number of professional non-profit organizations specializing in various social issues.

At the same time, an analysis of the activities of non-profit organizations in Ukraine has shown that most of these organizations practically do not conduct real activities or do not have sufficient resources to implement projects. This state of affairs is due to the following reasons:

- lack of educational programs that train personnel for the non-profit sector;
- lack of extensive experience in interaction of non-profit organizations with companies and authorities, which is due to a lack of understanding of the place and role of non-profit organizations in solving social problems;
- lack of resources, in particular, offices in most non-profit organizations due to high rental rates; lack of co-working spaces (joint work spaces) and other spaces where it is possible for such organizations to work together.

Unfortunately, currently there is a belief among existing non-profit organizations that "business should" allocate funds for their activities. While additional initiatives of companies are voluntary, which should encourage non-profit organizations to show the benefits of participating in social initiatives and motivate companies to participate in them.

The development of non-profit organizations is an important task for increasing the number of social investment programs. It is important to provide state support to current organizations and public activists, as well as inform the public about existing examples of non-profit organizations' activities.

Another form of participation of companies in socially significant projects is implemented through public-private partnerships. This model has already proven its effectiveness and is increasingly used in modern Ukraine. Among the areas of interaction between the state and business in developed countries, social infrastructure (education, healthcare, culture) prevails, and in developing countries – transport (construction of roads, airports, etc.).

By definition, public-private partnership is a form of interaction between the state and business in order to solve the problems of society on favorable terms for both parties [8].

However, many companies, especially medium-sized businesses, often lack the connections and business reputation to work with the authorities.

Conclusions. Analysis of models of interaction between government, business and society in the practice of making managerial decisions allows us to determine that it is necessary to expand the interaction of government, business and society to the model of three-way relations between business, government bodies and non-profit organizations in order to implement effective social investment projects. As practice confirms, the forms and models of such interaction require additional development. This will make it possible both to solve complex tasks of socio-economic development of society, and increase the loyalty of the population to all participants in the social investment process.

So, the problem of relations between government and business cannot be considered outside the problem of social responsibility of business to society as a key element of the complex process of interaction between society, the state and business. Partnership between the state and entrepreneurship is now becoming the most important mechanism for solving socio-cultural problems and building a civil society in the country.

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