Public Policy in order to Boost Socially Responcible Businesses in Ukraine: Post-war Prospective and Callenges

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Abstract: The full-scale Russian invasion in 2022 caused enormous human, economic and infrastructural losses for Ukraine. According to the Fourth Damage and Needs Assessment (RDNA4), prepared by the Government of Ukraine, the World Bank, the EU and the UN, as of December 2024, direct cumulative losses to the Ukrainian economy exceeded 176 billion US dollars, and the volume of recovery needs for the next decade is estimated at 524 billion dollars. Indirect losses have already reached more than 1.1 trillion dollars, which indicates the scale of economic devastation. In such circumstances, it is important to develop public policy within the framework of the ESG (Ecological, Social and Governance framework), which makes it possible to assess the impacts and sustainable development of companies/businesses through their involvement in environmental projects, social responsibility and corporate governance.

In a broad sense, socially responsible business (hereinafter CSR) is a system of decisions, actions and values aimed at creating a positive impact of business on society and the environment. The European Commission defines social responsibility as “the responsibility of enterprises for the impact they have on society and the environment”. This approach encompasses economic, social and environmental dimensions. The World Business Council for Sustainable Development (WBCSD) interprets CSR as the commitment of companies to contribute to sustainable development, in particular by improving the well-being of workers, their families, local communities and society as a whole

In a situation where public resources are severely limited, the participation of business in the recovery process becomes crucial. According to RDNA4, the private sector should play not only the role of an economic driver, but also take an active part in overcoming the social consequences of war. In this context, it is CSR that can become an important link in strengthening social stability and resilence - through participation in humanitarian initiatives, creating employment opportunities for vulnerable groups, supporting the economy at the local level.