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THE ANALYSIS OF THE STATE OF CSR INDICATORS OF RETAIL ENTERPRISES IN UKRAINE DURING THE COVID-19 PANDEMIC AND THE RUSSIAN INVASION OF UKRAINE (2019-2022)

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Abstract. The activities of enterprises of various types of economic activity in the direction of CSR during various types of shocks (natural disasters, pandemics, economic crises, etc.) are actively studied both in Ukraine and abroad. However, the number of studies related to changes and transformations in corporate social responsibility during the retail war is insignificant. At the same time, in recent years, significant changes have taken place in Ukraine both in the retail sector in general and in its CSR under the influence of the Covid-19 pandemic and the war on the part of the Russian Federation. This state of affairs determines the expediency of a comprehensive analysis of the impact of these factors on the corporate social responsibility of the retail sector, the food part of which was included in the critical import goods during the period of war (The Cabinet of Ministers of Ukraine, 2022). It should be noted that such a change is due to the critical importance of providing the population with the necessary food products, which became possible to a large extent thanks to the activity of enterprises in the direction of CSR. That is why the study of the directions and depth of changes and transformations of indicators of corporate social responsibility of enterprises in the retail sector in the conditions of a pandemic and war becomes an urgent both scientific and practical task.

Keywords: *corporate social responsibility, CSR, retail, Covid-19.*

JEL code: M14

Introduction

In recent years (2020-2022), the activity of retail enterprises both in Ukraine and in the world has been affected by the Covid-19 pandemic. Enterprises faced a number of problems that caused changes in operational processes, logistics, HR processes, relations with authorities (GR), corporate social responsibility (CSR) policies, etc. The pandemic had a negative effect on the global economy, which led to the deterioration of the financial and economic indicators of retail enterprises. Globally, the retail sector lost 2.9% of the increase in sales compared to the base year of 2019 in the peak year for the pandemic – 2020. The situation changed already in 2021, when there were significant improvements in the fight against this pandemic: retail growth this year reached 9.7% (Retail sales growth...), which made it possible to talk about the recovery of the world economy and the retail sector in particular. It is assumed that 2021 became a "post-leader" for Ukrainian retail. The next test for the domestic retail sector was a full-scale Russian invasion of Ukraine in February 2022. At this time, retail suffered colossal losses and changes, which we noted in previous works (Konstantynovskiy, 2022). In general, for the period from February 2022. until the end of May 2022 Ukrainian retailers lost 2768 trading points or 18% to the pre-war number (Retail is on the counterattack..., 2022). Such significant losses, as well as the war in general, also affected CSR priorities. Therefore, its main directions have changed, a total transformation has taken place in support of the company's stakeholders, while other directions have receded into the background, or have completely ceased to have a place in the CSR of retail enterprises. All the environmental factors listed above directly and indirectly influenced not only retail enterprises, but also their corporate social responsibility (CSR). CSR is an important aspect of the enterprise's business activity, which covers: economic activity, the legal basis for building business processes, social, environmental, ethical norms and rules, the basics of volunteering and charity under various environmental conditions. Since retail is a very dynamic industry, CSR in this area must be fast, adaptive and respond to today's challenges. During the pandemic and half a year of war, the corporate social responsibility of enterprises in the retail sector underwent significant changes, transformations and, in some cases, changes in focus. To this end, the paper addresses research questions:

- 1) How deep are the changes in indicators of corporate social responsibility of enterprises in the retail sector of Ukraine during the Covid-19 pandemic and the Russian invasion of Ukraine (2019 - the first half of 2022)?
- 2) What are a new directions of CSR of enterprises in the retail sector of Ukraine have appeared during the Covid -19 pandemic and the Russian invasion of Ukraine (2019 - the first half of 2022)

The paper is structured as follows. Next section describes the results of literature review. Then, the paper provides general characteristics of operational activity of enterprises in the retail sector of Ukraine as well as their CSR during the Covid-19 pandemic and the Russian invasion of Ukraine (2019 - the first half of 2022). Next section provides analysis of some important indicators of CSR of enterprises in the retail sector of Ukraine during the above-mentioned period. Conclusions and future avenues for research are suggested at the end of the paper

Literature Review

Research on CSR and its indicators began to actively develop at the end of the last century. However, to a greater extent, in connection with dynamic changes in both the internal and external environment of enterprises, CSR indicators were actively changing and adapting to the needs of today. Such changes became the reason for the research from all over the world are devoted to analyzing the state of CSR under various conditions of enterprise activity: pandemics (in particular, Covid-19), various crises, man-made or natural disasters, etc. However, there is a small number of works that would cover the activities of enterprises in the direction of CSR during wars or military conflicts.

Mackie P., Brown A., Dickenson K and others were engaged in researching the topic of CSR during military conflicts, who in his work generally described the patterns and peculiarities of the behavior of commercial enterprises in the direction of corporate social responsibility in such times (Mackie et al. 2017). Most of the works of economist researchers were devoted to the impact of the Covid-19 pandemic on CSR. For example, Bae K.-H., Lee S. H., Swaen V., Zhang D., Lu S., Zhang N. and others in their works described corporate social responsibility in the conditions of a pandemic and investigated the main directions of CSR activities of domestic enterprises in connection with the spread of Covid-19 (Bae et al. 2021, Lee 2021, Swaen, Demoulin and Pauwels-Delassus 2020, Zhang et al. 2021, Zhang 2022). Another group of researchers: Agrawal D., Dal Mas F., Elg U. and Welinder A., Blancheton B., Di Vaio A., Hultman J., Kim S. and Woo H described in their works the features of effective management of the social responsibility of commercial enterprises in conditions of quarantine and spread of Covid -19 (Agrawal and Bütikofer 2022, Dal Mas et al. 2021, Elg and Welinder 2022, Blancheton 2021, Di Vaio et al. 2022, Hultman and Elg 2018, Kim and Woo 2021, Russo et al. 2022, Yi et al. 2021). Actively researched CSR of enterprises during the pandemic, Waheed A., Faisal Sh., Farrah A., Anjam Azizb A., Zahidch M., Muhammed U., who empirically evaluated the role of CSR in meeting the needs of consumers and changing their loyalty during Covid-19 and in the post- pandemic period on the example of enterprises from developing countries. They also investigated the influence of gender and educational level on the perception of CSR by enterprises during the pandemic (Waheed et al. 2022). Such foreign researchers as Ruiz-Real J., Nilssen R., Yakut E. and Bayraktaroglu A. investigated the impact of CSR on the operational activity of enterprises in the retail sector; analyzed the current strategies of enterprises, as well as labor and ethical problems that were caused by different external factors (Ruiz-Real et al. 2018, Nilssen, Bick and Abratt 2018, Yakut and Bayraktaroglu 2020). It should be noted that among foreign scientists, the topic of the impact of the war on the CSR of enterprises in various fields was also studied. Some of these researchers are Astrov V, Smorchevska- Mitskevich B., who studied the impact of the war in Ukraine on corporate social responsibility. Also,

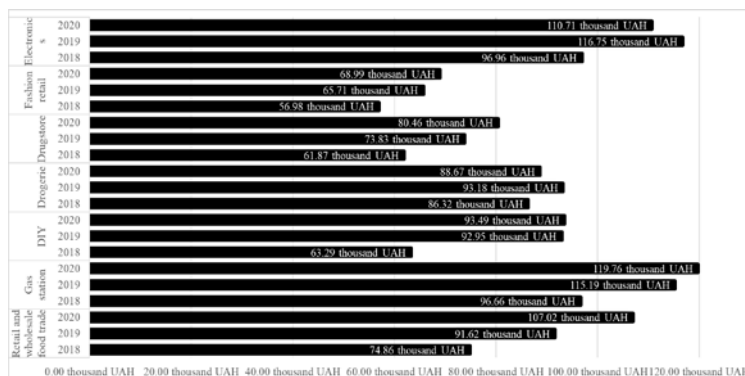
they analyzed CSR transformations during the first stages of the war (February-March 2022) and changes in the behavior of enterprises in the direction of social responsibility, including ethical and moral norms (Smorchevska- Mitskevich, 2022, Astrov et al. 2022).

Research results and discussion

Coronavirus pandemic Covid-19 the world as a whole and people's lives in particular have undergone significant changes. The global economy felt the negative effect already at the first stages of mass lockdowns, and their economic impact in the long term remains to be determined. The retail sector has faced a number of challenges and transformations in consumer behavior. While food, fuel and pharmacy retail experienced a significant increase in demand and lack of stock, other types of it were not able to operate in offline stores. Such significant changes in the retail sector also left their mark on corporate social responsibility, which was also transformed in accordance with the realities of the time. The trends in CSR practices of that period were set not only by large international enterprises (traditionally in Ukraine international retailers took the primary roles in CSR), but also by Ukrainian enterprises. CSR of enterprises in the retail sector at that time was characterized by: ensuring safe conditions for customers (access to sanitizers, issuance of protective masks, placement of informational materials to prevent the spread of the pandemic, etc.); enabling customers to make purchases using other channels, separate from the traditional trip to the store, to minimize physical contact and ensure safety; ensuring safety at the workplace for employees; transition to a mixed format of work of the main offices (offline and online). For the whole world, 2021 has become a "post- Covid" year, which in turn affected the world economy, easing of quarantine restrictions and getting used to the "new reality". For its part, the retail sector adapted to these changes and rebuilt business processes. At the same time, the pandemic in Ukraine became a "litmus test" that cleared this market of weak, financially unstable enterprises, as well as enterprises with low or no development of corporate social responsibility. Moreover, "thanks" to the pandemic, the retail sector was able to learn how to overcome such critical situations, to change approaches to business and to CSR (before the pandemic, CSR was traditionally the goodwill of the enterprise, after – a necessity that allows maintaining the financial and economic condition, strengthening interaction with employees and customers, as well as improve the image and reputation of the enterprise). In February 2022 a full-scale Russian invasion took place on the territory of Ukraine, which caused a number of changes in the economic environment of the state and in the retail sector, as an element of this environment. We described the peculiarities of the retail sector and its corporate social responsibility at this time in a previous work (Konstantynovskiy, 2022). However, it is necessary to summarize the main changes and transformations that have taken place in the CSR of enterprises in the retail sector: full transition of CSR to focusing on the company's stakeholders : clients, employees, contractors, local communities and the state; ensuring food security of the population; strengthening assistance to the Armed Forces of Ukraine (AFU), territorial defense associations (TDA), volunteers; allocation of resources of retail enterprises for the needs of the state (primarily logistical and human); postponement of projects in other areas of CSR (environmental protection, education, culture, entertainment); provision of safe and prepared storage facilities for customers and residents of local communities near points of sale; closure of points of sale and shopping centers during an air raid or other type of threat to the safety of employees and customers; financial and moral support of non-working employees; assistance with relocation to employees who were under occupation or in places of military operations, and others.

All of the above-mentioned changes and transformations directly reflected on the indicators of the state of CSR of enterprises in the retail sector. As you know, CSR in its general form covers a number of aspects of the company's activity: economic, legal, environmental, social and other (Error! Reference source not found.). Therefore, in order to assess the changes and transformations of CSR state indicators of retail enterprises under the influence of the Covid-19 pandemic and the Russian invasion of Ukraine in 2022. It is expedient to categorize indicators of corporate social responsibility. In our study, the economic indicators of the state of CSR of enterprises in the retail sector are represented by such an indicator as personnel costs by type of retail. The second group of indicators, which covers the legal aspect of CSR, includes "with tan stacking collective contracts in retail in relation to the average values for the country". The ecological aspect of CSR in this study is represented by such an indicator as "expenses for protection surrounding environment by enterprises in the retail sector". The social aspects of CSR in our study are represented by the following pool of indicators: the ratio of wages of women to men in retail and the number of informally employed people aged 15 to 70 in retail.

The economic aspects of corporate social responsibility have caused a number of debates and controversies, but the modern approach is based on the importance of CSR for the economic and financial stable well-being of the enterprise. The basis of this approach was laid by Friedman M. in his research back in the 70s of the last century (Friedman, 1970). Nowadays, this theory has found practical use in the vast majority of both large multinational enterprises and local business representatives. Even before the spread of Covid-19 on the territory of Ukraine, both domestic and international retail enterprises actively integrated corporate social responsibility into economic activity. To evaluate the effectiveness of such activities, we will use such an indicator as "personnel costs by types of retail". That covers both the direct costs of enterprises for personnel (wages, bonuses and irregular payments), as well as indirect ones related to social security, training and others (Kulakova, 2017). Data for evaluating this indicator were obtained from annual reports from the State Statistics Service of Ukraine. Data for 2021 were not published, so 2018 was chosen as the base year for the assessment, as "before the year ", 2019. - the beginning of the pandemic, and 2020 - her Data on personnel costs of enterprises in the retail sector by types and years are presented in fig. 1 (Personnel costs of economic..., 2021).



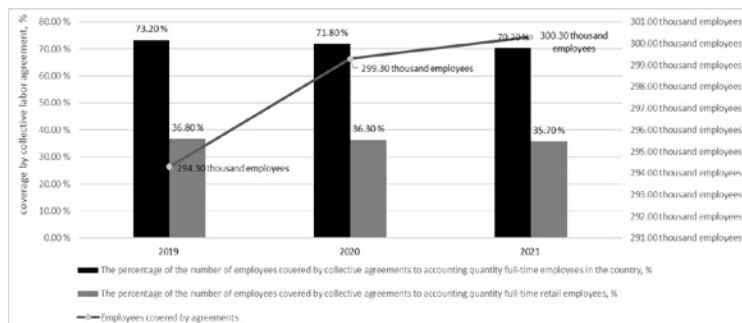
Source: author's construction based on State Statistics Service of Ukraine

Fig. 1. Personnel costs of retail enterprises by types and years

Based on the obtained data, the following conclusions can be drawn: such types of retail as car gas stations and trade in electronics and household appliances lead in terms of payments according to this indicator. For the trade in electronics and household examples, this was the result of a significant increase in the demand for goods due to the growth of online trade (The e-commerce market..., 2021). For gas stations, the development of CSR of these enterprises serves as an explanation. Since in many cases gas stations are located on the outskirts of cities or

outside their borders, companies organize free delivery of employees to and from work. Also, most of them have adjusted salary revisions several times a year. In such types of retail as trade in electronics and household appliances, trade in household goods (DIY), trade in clothes, shoes and accessories (Fashion retail), there is a decrease in the growth rate of personnel costs in 2020, which was the peak in the spread of the pandemic. This situation is explained by the closure of shops for the duration of the lockdown, the reduction of allowances and bonuses, the registration of downtime.

The next stage of CSR assessment of retail enterprises during the Covid-19 pandemic and during the Russian invasion of Ukraine in 2022. There is such an indicator of the legal aspect of corporate social responsibility as "the state of conclusion of collective agreements". In general, collective agreements are the basis of CSR, because they regulate and regulate a number of rights and obligations of both the company-employer and its employees. Collective agreements cover industrial, labor and socio-economic relations (Department of State Labor in Ternopil region, 2019). The importance of concluding labor collective agreements for enterprises in the retail sector is undeniable, because it helps to declare the enterprise as socially responsible and at the same time to establish it legally. The state of conclusion of labor contracts at enterprises in the retail sector (Fig. 2) relative to the average values for the country by year.

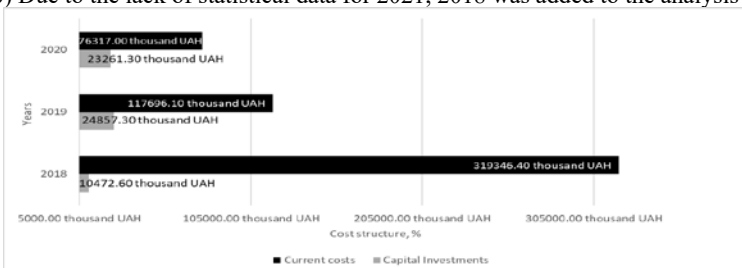


Source: author's construction based on State Statistics Service of Ukraine

Fig. 2. The state of concluding labor contracts at enterprises in the retail sector in relation to the average values for the country in terms of years

Based on the obtained statistical data, the following conclusions can be drawn: the number of concluded contracts in relative terms decreases annually both in the country as a whole and in the retail sector. The reasons for this are the growth of the number of employees at a faster pace than the pace of concluding contracts; significant upheavals in the country, due to which enterprises cannot declare their CSR legally, because they do not have stability; the negative impact of the Covid-19 pandemic on the activities of enterprises; low activity of trade unions in the retail sector; on average, only a third of the employees of retail enterprises are covered by collective agreements, which indicates the insufficient development of CSR of enterprises in this direction

The next stage of assessing the state of corporate social responsibility of enterprises in the retail sector involves the analysis of the environmental aspect of CSR, which in this study is represented by such an indicator as "expenditure on environmental protection by enterprises in the retail sector". The choice of this indicator is due to the fact that in our time, in order to achieve their goals, enterprises must also take into account the need to comply with rules and regulations that allow, if not to positively influence the state of the environment, at least not to worsen it. For the retail sector, this problem is quite relevant, because enterprises use a large number of various resources during implementation, and in some cases during production. Enterprises with developed CSR aim to reduce this negative impact, however, due to the spread of the Covid-19 pandemic and military actions on the territory of Ukraine, this aspect of corporate social responsibility has fallen off the agenda, which can be observed due to the decrease in the costs of retail enterprises for environmental protection (Fig. 3) (Environmental protection expenditures..., 2020) Due to the lack of statistical data for 2021, 2018 was added to the analysis as a "pre-year".

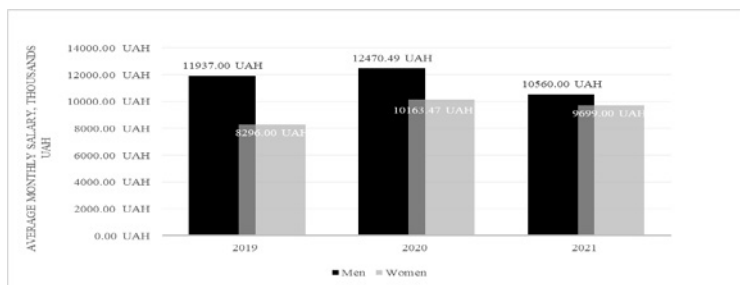


Source: author's construction based on State Statistics Service of Ukraine

Fig. 3. Expenses for environmental protection by enterprises in the retail sector

Based on the obtained data, the following conclusions can be drawn: in 2018 during the research period, there were the largest infusions into the current costs of environmental protection by enterprises in the retail sector, which indicates that these enterprises have a sufficient number of resources and stability to carry out such activities. During the years of the beginning and the greatest spread of the pandemic in the territory of Ukraine, there was a significant decrease in the costs of enterprises for environmental protection activities which is due to changes in the CSR focus of enterprises with the beginning of the Covid pandemic from nature protection to health care and the medical industry as a whole; but even despite the pandemic, enterprises were able to expand capital investments in environmental protection. Despite the lack of data on the costs of retail enterprises on environmental protection during the Russian invasion of Ukraine, based on surveys and studies of this industry, it becomes clear that investments in this aspect of CSR have completely stopped, and only point infusions for current needs took place.

The next stage of assessment covers the pool of indicators of the state of corporate social responsibility of enterprises in the retail sector, namely social ones. The first assessment indicator from this set is the ratio of wages of women to men in the retail sector. The appropriateness of this indicator is explained by the fact that in the modern world there is an equalization of the rights and responsibilities of women and men under the influence of social, political and other factors. In Ukraine, this manifestation of sexism is quite widespread, however, in 2020, the state joined two global initiatives, the Biarritz Partnership for Gender Equality and the International Coalition for Equal Pay (Equal Pay International Coalition , EPIC) (The Government of Ukraine became..., 2020), (The government approved the Plan..., 2020). The ratio of wages of women to men in the retail sector is presented in fig. 4 (Average monthly wages..., 2021).

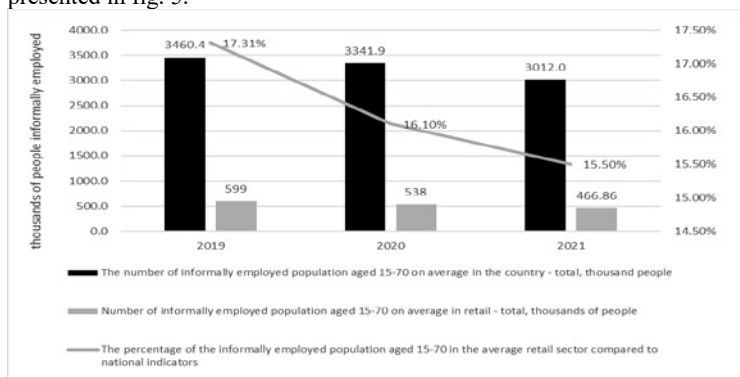


Source: author's construction based on State Statistics Service of Ukraine

Fig. 4. The ratio of wages of women to men in the retail sector

The obtained results indicate the following CSR trends in this direction: the average salary of women in the retail sector did not exceed 82% of the salary of men, which indicates the insufficient development of CSR of enterprises in the direction of overcoming inequality in the workplace; in 2021, there was a significant reduction in wages for both women and men due to the coronavirus pandemic, due to which the positive trend of equalization changed again to an increase in the gap; despite the involvement of Ukraine in international programs to overcome gender inequality, retail enterprises did not have positive changes in this direction, which indicates the continuation of the trend of dividing work into male and female with the corresponding level of remuneration.

The next indicator of the state of CSR is "the number of informally employed population aged 15 to 70 in the retail sector ". The problem of informal employment of the population is quite relevant in Ukraine due to a number of economic and social reasons. Statistical data of the State Statistics Service of Ukraine (Informally employed aged 15-70..., 2021) were used to assess the state of affairs in this direction and are presented in fig. 5.



Source: author's construction based on State Statistics Service of Ukraine

Fig. 5. Number of informally employed population aged 15 to 70 in the retail sector

Based on the obtained statistical data, the following conclusions can be drawn: in the country as a whole, from year to year there has been a gradual decrease in the informally employed between the ages of 15 and 70, which indicates the positive dynamics of moving away from the shadow economy towards the rule of law. This trend is part of the CSR activities of enterprises in this area in this direction, however, the retail sector still occupies a significant share in the total number. In most cases, this state of affairs is influenced by small local or regional networks, which, thanks to the shadow economy, reduce personnel expenses, while large international and domestic market representatives work in accordance with all laws and regulations governing this issue; paradoxically, despite the widespread spread of the coronavirus pandemic, in 2020 the largest decrease in the share of informally employed persons in the retail sector (from 17.31% to 16.1%) took place, which indicates a significant development of the corporate social responsibility of these enterprises and a change in their focus CSR to ensure the welfare of employees; it will be difficult to estimate the number of informally employed people in 2022, both in the retail sector and in the country as a whole, due to a number of factors: a certain part of the territories of Ukraine were under occupation, part of the population went abroad, part was mobilized into the Armed Forces, TRO detachments, etc. d . However, based on the experience of other countries, it can be assumed that due to military actions, there may be a significant increase in the number of informally employed in all spheres of economic activity (Mackie et al., 2017). The decrease in the number of informally employed persons indicates a significant improvement in the CSR of enterprises in the retail sector, as well as the correctness of state policy in the fight against this problem. However, if during the Covid-19 pandemic, retail enterprises improved the situation of this CSR indicator, then it is assumed that during the war there will be a significant deterioration in this direction, the consequences of which will be felt in the long term.

Conclusions, proposals, recommendations

1. During the pandemic and the war, there were significant changes in the approaches of retail enterprises to the directions and aspects of CSR. During the pandemic, the main directions were: maintaining safe working and shopping conditions in terms of anti-virus measures, financial, moral and physical assistance to employees and customers, moving away from non-urgent projects towards health protection; during the war, CSR of enterprises in the retail sector, like the entire industry, experienced a number of transformations and changes. However, the main directions of corporate social responsibility at that time were: support of the company's stakeholders, assistance to the Armed Forces and TRO, assistance to the state, and others.
2. Such types of retail as car gas stations (gas stations) and trade in electronics and household appliances lead in terms of personnel costs, which indicates a sufficiently high level of CSR development of representatives of this type of retail , while such types of retail as trade in electronics and household appliances, trade in household goods destination (DIY), trade in clothes, shoes and accessories (Fashion retail) there is a decrease in the rate of growth of personnel costs in the peak period for the pandemic of 2020. With the onset of war, a decrease in personnel costs was observed in all industries in order to preserve the activity of the enterprise as such.
3. To a greater extent, the conclusion of collective labor agreements in this field is typical for large international and Ukrainian enterprises; during the years of the beginning and the greatest spread of the pandemic in the territory of Ukraine, there was a significant decrease in the expenses of enterprises for environmental protection activities, despite the lack of data on the expenses of enterprises in the retail sector for environmental protection during the Russian invasion of Ukraine, on the basis of surveys and research in this field, it becomes clear that investments in this aspect of CSR completely stopped, and there were only point infusions for current needs.

4. The average salary of women in the retail sector did not exceed 82% of the salary of men, which indicates the insufficient development of CSR of enterprises in the direction of overcoming inequality in the workplace. Due to the significant losses of retailers due to military actions, companies will adhere to a similar position in wages, which may increase the gap in the amount of wages of men and women in the future.
5. The rate of decrease in the number of informally employed persons in retail exceeded the rate of decrease in the country as a whole (17.31% in 2019, to 15.5% in 2021). This trend is part of the CSR activities of enterprises in this area in this direction, however, the retail sector still occupies a significant share in the total number. Based on the experience of other countries, it can be assumed that due to military actions, there may be a significant increase in the number of informally employed people in all areas of the economy in 2022.
6. Future studies of the state of CSR of enterprises in the retail sector will be aimed at evaluating the above-mentioned indicators already in the late war or post-war period.

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