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HISTORICAL PROGRESS OF IMPACT INVESTING IN UKRAINE: FROM PRIMITIVE FORMS TO CONTEMPORARY PRACTICES

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Impact investing, which integrates financial returns with positive social and environmental outcomes, is a key component of sustainable development in Ukraine. An analysis of the history of this investment approach within the Ukrainian context reveals stages of socio-economic transformations against the backdrop of post-Soviet transition, economic crises, and political instability. To fully understand the development of impact investing in Ukraine, it is essential to examine the key events and initiatives that have contributed to the formation of this sector, as well as the contemporary challenges and opportunities arising in the context of global changes and local reforms. The historical roots of impact investing in Ukraine are traced not only to recent history but also to much earlier periods, including the 16th century in the western Ukrainian lands. In the context of social and economic transformations across different eras, manifestations of business social responsibility evolved as part of broader societal initiatives.

The initial forms of socially responsible activity can be traced through the guild associations of artisans in the cities of Western Ukraine, such as Lviv, Drohobych, and Peremyshl. These guilds were not only engaged in economic activities but also performed functions of social support: organizing assistance for members in difficult life situations, providing training for new masters, and supporting local communities through charitable initiatives. This contributed to societal stability and development, strengthening social ties at the level of local communities. One of the most organized and influential forms of socially responsible activity were church brotherhoods, particularly the Lviv Dormition Brotherhood, founded in 1586. These brotherhoods united not only clergy but also laypeople—artisans, merchants, and affluent townspeople. Their activities included establishing and funding schools, hospitals, printing houses, and providing aid to the poorest segments of

the population. This reflected the principles of solidarity and support that are characteristic of contemporary understandings of socially responsible business. [2]

The activities of the Ukrainian nobility and wealthy burghers have historically been closely linked with early forms of corporate social responsibility. The patronage efforts of noble families such as the Potockis, Sapiehas, and Koniecpolskis aimed not only at supporting religious and cultural institutions but also at ensuring the sustainable development of local communities through the construction of schools, hospitals, and churches. Although these initiatives often had political and religious motives, they contributed to the stability and prosperity of regions, which, in turn, positively impacted the long-term development of economic activity. From the late 19th century, during Ukraine's industrialization period, social responsibility took on new forms. Enterprises developing in the industrial cities of Galicia and Eastern Ukraine began to actively implement innovative approaches to social responsibility, particularly by improving working conditions and social welfare for workers. These initiatives, although partially driven by economic benefits, demonstrated early manifestations of social responsibility in business. [3]

At the same time, educational organizations such as "Prosvita" carried out educational and cultural projects crucial for social progress and national revival. Their activities contributed to the development of education and culture, which were vital for enhancing the social and cultural awareness of the population. Under Soviet rule, social responsibility became an integral part of state plans and the propaganda of socialist values. In the context of restricted private entrepreneurship, social responsibility was often associated with state initiatives and propaganda campaigns. During this period, social initiatives were part of planned economic measures aimed at the country's recovery after World War II. In the late 1990s, the concept of corporate social responsibility (CSR) began to develop. This period was marked by the active entry of international corporations into the Ukrainian market, which introduced global business standards, including responsible approaches to environmental and social issues. International companies such as Coca-Cola, Procter & Gamble, and McDonald's implemented their global social programs in Ukraine, focusing on environmental sustainability, education, and health.

In the 2000s, amid globalization and Ukraine's integration into the global economy, CSR ideas gained wider acceptance among Ukrainian companies. An increasing number of enterprises began to incorporate social and environmental aspects into their business strategies, implementing projects on energy efficiency, community support, and ethical labor standards. The further development of impact investing in Ukraine was significantly influenced by the events of the 2014

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Revolution of Dignity and the war in Eastern Ukraine. These historical events became catalysts for the growth of civil society, the expansion of social enterprises, and initiatives aimed at supporting vulnerable populations and economic recovery. In the crisis conditions, foreign investors and donor organizations began to show greater interest in projects combining social impact with financial stability. [1]

The historical context of business social responsibility in Ukraine, from its early forms in the 16th century to modern impact investing practices, reflects a significant evolution in concepts of social impact and stability. The current development of impact investing in Ukraine demonstrates how historical traditions can be adapted to contemporary conditions, opening new opportunities for socially responsible business. Analyzing historical aspects of social responsibility allows for a better understanding of current trends and adapting them to global challenges, ensuring sustainable societal and economic development. Thus, understanding the historical context is critically important for developing effective impact investing strategies that meet contemporary needs and challenges.

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