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# SOCIAL BUSINESS PLANNING AS THE ECONOMIC METHOD OF STATE POLICY DEVELOPMENT MANAGEMENT

The article studies the essence of the definition "social business plan", specifies the features of the application of social business planning as an economic method of controlling the development of state policy.

**Keywords:** business plan; social business planning; economic methods of management; state development.

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## СОЦІАЛЬНЕ БІЗНЕС-ПЛАНУВАННЯ ЯК ЕКОНОМІЧНИЙ МЕТОД УПРАВЛІННЯ РОЗВИТКОМ ДЕРЖАВНОЇ ПОЛІТИКИ

У статті досліджено сутність дефініції «соціальний бізнес-план», конкретизовано особливості застосування соціального бізнес-планування як економічного методу управління розвитком державної політики.

**Ключові слова:** бізнес-план, соціальне бізнес-планування, економічні методи управління, державний розвиток.

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# СОЦИАЛЬНОЕ БИЗНЕС-ПЛАНИРОВАНИЕ КАК ЭКОНОМИЧЕСКИЙ МЕТОД УПРАВЛЕНИЯ РАЗВИТИЕМ ГОСУДАРСТВЕННОЙ ПОЛИТИКИ

В статье исследована сущность дефиниции «социальный бизнес-план», конкретизированы особенности применения социального бизнес-планирования как экономического метода управления развитием государственной политики.

**Ключевые слова:** бизнес-план, социальное бизнес-планирование, экономические методы управления, государственное развитие.

**Introduction.** Social development is the priority in politics in Ukraine. Social business is a new direction in state economy, primarily because it does not pursue the aim of existence, as the first priority, profit, and has no commercialization.

However, most entrepreneurs underestimate the possibility of effective functioning in the social sphere considering it unprofitable and unpromising, are limited in the information on this area, do not have sufficient knowledge on justification of own business ideas. These aspects create a gap between the capabilities of social business and implementation of public policy in this area, therefore, it leads to substantial restriction of social state, and entrepreneurial overload in other areas.

We found that at present there is no clear definition of "social business plan" and proper grounding for its semantic component, as an economic mechanism of state policy.

The identified problem, in our opinion, revealed the need for the research aimed at defining the essence of the concept of "social business plan" and features social business planning as an economic method of state policy development.

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Analysis of the research and publications. Research on the social aspects of design, prediction and management includes a significant amount of theoretical and methodological and practical works of domestic and foreign scholars, such as P. Berger (2011), I. Byestuzhev-Lada (2010), O. Melnik (2010), E. Orlova (2012), T. Parsons (2011), V. Shapiro (2009). Problems of business planning at enterprises of different industries actively are studied by D. Bridzhelend (2009), A. Dzhella (2004), J. Covello and B. Hazelgren (1995), M. Meskon and F. Hedouri (1992) and others.

The object of this research is social business planning as a method of economic management of the state development of Ukraine.

The aim of the research is theoretical substantiation of advantages from practical application of business planning of state social programs and the development of social business.

The methods of research are systematic methods of research and comparative analysis of the theoretical, methodological, and practical approaches to business planning in scientific literature.

The main results of the study. Social planning is an activity directly related to social development, organization of effective social work, overcoming various social issues. We have found that one of the areas that is becoming increasingly popular in developed countries is "social entrepreneurship". Encouraging entrepreneurs to participate in social business is one of the priority areas of economic policy. The condition for the creation of social business and obtaining appropriate state financial support is a business plan — a reasonable document that embodies a vision of social business trends of capital and a primarily social impact in the long term.

Thus, the initial objective of the study that needs to be addressed is the specification of the definition "social business plan". In our opinion, social business planning is feasibility study initiated by social innovation project, the goal of which is to create, upgrade or support material or spiritual values, which is the space-time and resource limits and whose influence on society is recognized by their positive social value. We specified that social business plan is a concise, specific, accessible and understandable description of the proposed business in the social sphere that reflects the priorities of state, provides the needs of society and guarantes the expediency of fiscal subsidies, rational resources use and budget effects of integration with commercial profit.

General advantages of social business planning is that a business plan gives a definite and correct answer to the most important issues for entrepreneurs: whether to choose the social direction of business and invest in project capital, and whether this project will bring social benefits to the society. Justification of budget expenditures is an essential tool when considering the large number of situations of potential business development with a business plan being a document that allows us consider the most promising investment options and choose the means to achieve them. Business plan determines the level of social impact on society and analyzes the social effectiveness of its implementation.

It should be noted that the formation of business elements in the social area of Ukraine has essential features, namely, complexities and priorities. Particularly relevant is the analysis of processing social issues within the project that is: occupational structure, the ratio of production and engineering staff, the number of new jobs and

the level of wages, planned system of stimulation and motivation, management interaction, personnel cooperation or possible conflicts, as a business of project managers and business base.

The most important priority of business is public funding of social projects for entrepreneurs who do not have equity capital a the driving force for realization of business ideas. Social projects are often unprofitable and create losses, but solve important social problems (and in this sense are paying for themselves), many projects are a part of government social policy and solutions to local problems.

These projects are funded from the respective budgets (state budget, regional and local), often in the form of appropriations to carry out planned activities of state and local agencies, and in some cases — a whole network of relevant agencies and institutions, as well as subsidies territorial executive authorities, local governments, non-governmental organizations.

A similar mechanism is in many international organizations (UNO and its specialized agencies, 1986), foundations (Soros Foundation, Ford Foundation and others.), professional associations (Association of Social Workers et al.). Many international and foreign funds in the 90-ies started to actively support social projects implemented in Ukraine and other CIS countries. Many other charities and private foundations intend to support projects in the social sector, willing to invest for this purpose heavily. Most of these funds are in the form of grants.

In other words, social business planning is a combination of entrepreneurship with social missions of state and commercial approach to self-finance social events. Wanting to achieve the goal, entrepreneurs attract considerable resources to achieve the mission, at the same time receive net profits, because acting in accordance with the laws of business.

Social enterprises are guided by "double targets", synthesizing social and financial performance. Social business planning substantiates directions for the reform of social security system, health care, social protection of the poor to overcome the consequences of natural and social upheaval.

Social business - a business that puts profit above poseding value, but ignores the profit as such.

**Conclusions.** The conducted research allowed presenting a definition of "social business plan" with justification of its of content component through the prism of public policy. Social business planning is an effective economic management development policy of Ukraine, which allows developing entrepreneural social morale, spiritual and other social values.

**Prospects for further research** consist in the justification system of the indicators of the social and budgetary project efficiency as a tools of social guarantees for the effectiveness of state policy in Ukraine.

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### книжковий світ



#### СУЧАСНА ЕКОНОМІЧНА ТА ЮРИДИЧНА ОСВІТА ПРЕСТИЖНИЙ ВИЩИЙ НАВЧАЛЬНИЙ ЗАКЛАД

## НАЦІОНАЛЬНА АКАДЕМІЯ УПРАВЛІННЯ

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У навчальному посібнику викладено теоретичні основи виникнення, становлення та розвитку транснаціональних корпорацій, механізм їхнього функціонування та вплив на світову економіку. Розглянуто систему національного і міжнародного регулювання ТНК.

Посібник містить також ситуаційні вправи, що дозволяє закріпити теоретичні знання шляхом виконання практичних завдань та обговорення ситуаційних вправ.

Призначений для студентів та викладачів вузів. Посібник стане корисним всім, хто цікавиться проблемами транснаціоналізації світової економіки.