



Облік та оподаткування

УДК 657.1:338.24

**Farming and social responsibility: the role of accounting in ensuring sustainable development.**

**Dovzhyk Olena Oleksandrivna,**

candidate of economic sciences, Associate Professor at Department of  
accounting and Taxation Sumy National Agrarian University, 160 Herasyma  
Kondratieva Street, Sumy, 40000, Ukraine

e-mail: [lgamanenko@ukr.net](mailto:lgamanenko@ukr.net), <https://orcid.org/0000-0001-6547-1418>

**Abstract.** This article examines the increasing importance of social responsibility in farming, particularly in the context of Ukraine's sustainable development goals. It highlights how social farming positively influences rural economies, integrates agriculture with sustainability objectives, and addresses social problems within local communities. The study emphasizes the need for Ukrainian agricultural enterprises to embrace social responsibility by promoting sustainable practices, enhancing community well-being, and empowering workers. Proper accounting practices are presented as essential for measuring, reporting, and improving the social and environmental impact of farms, enabling them to build trust, access new opportunities, and contribute to a more equitable and resilient food system. The growing interest in social farming reflects a shift in societal values, emphasizing not only profitability but also positive impacts on the environment and community development, which warrants further research. The study examines the growing importance of social responsibility in farming, especially in the context of Ukraine.



It highlights how social farming has a positive impact on the rural economy, connects agriculture with sustainable development goals, and addresses social issues in local communities. It examines the need for Ukrainian agricultural enterprises to embrace social responsibility by promoting sustainable practices, improving community well-being, and empowering workers. It highlights that good accounting practices are essential for measuring, reporting, and improving the social and environmental impact of farms. The article contributes to understanding how embracing social responsibility builds trust, opens up access to new opportunities, and contributes to a more equitable and sustainable food system.

**Keywords:** social responsibility, sustainable development, farming, accounting.

**Фермерське господарство і соціальна відповідальність: роль бухгалтерського обліку у забезпеченні сталого розвитку.**

**Довжик Олена Олександрівна,**

кандидат економічних наук, доцент кафедри обліку і оподаткування  
Сумський національний аграрний університет, вулиця Герасима  
Кондратьєва, 160, Суми, 40000, Україна

**Анотація.** У цій статті досліджується зростання важливості соціальної відповідальності у сільському господарстві, зокрема в контексті цілей сталого розвитку України. Дослідження підкреслює, як соціальне фермерство позитивно впливає на сільську економіку, об'єднує сільське господарство з цілями сталого розвитку та вирішує соціальні проблеми в місцевих громадах. Дослідження наголошує на необхідності для українських



сільськогосподарських підприємств прийняти соціальну відповідальність шляхом просування екологічних практик, підвищення добробуту громади та розширення можливостей працівників. Належна практика бухгалтерського обліку представлена як важлива для вимірювання, звітування та покращення соціального та екологічного впливу ферм, що дозволяє їм зміцнити довіру, отримати доступ до нових можливостей і зробити внесок у більш справедливу та стійку продовольчу систему. Зростаючий інтерес до соціального фермерства відображає зміну суспільних цінностей, наголошуючи не лише на прибутковості, а й на позитивному впливі на довкілля та розвиток громади, що вимагає подальших досліджень. Дослідження розглядає зростаючу важливість соціальної відповідальності у фермерстві, особливо в контексті України.

Підкреслюється, як соціальне фермерство має позитивний вплив на сільську економіку, пов'язує сільське господарство з цілями сталого розвитку та вирішує соціальні проблеми в місцевих громадах. В статті досліджується потреба українських сільськогосподарських підприємств у прийнятті соціальної відповідальності шляхом просування сталих практик, покращення добробуту громади та розширення можливостей працівників. Наголошується на тому, що належна практика бухгалтерського обліку є важливою для вимірювання, звітності та покращення соціального та екологічного впливу ферм. Стаття сприяє розумінню того, як прийняття соціальної відповідальності зміцнює довіру, відкриває доступ до нових можливостей і робить внесок у більш справедливу та стійку систему харчування.

**Ключові слова:** соціальна відповідальність, сталий розвиток, фермерський облік.

**Introduction.** Social farming is becoming more and more significant as it has a positive effect on rural areas economic and social life in crisis periods and it takes an important place in connecting agriculture to sustainable development goals.



Social farming brings together entrepreneurs and citizens who care to positively impact the living conditions of vulnerable groups or solve pressing societal issues in local communities. It has a positive impact on society.

People are starting to focus not only on profit right from their farm, but also on social activity with a positive impact on the environment. The interest in social farming keeps growing. When considering the social responsibility of farms, businesses should consider sustainable practices to improve community and worker well-being, environmental free from harm, and to foster stakeholder trust. In the conditions of modern realities of domestic enterprises, socially responsible activities are a challenge for many business entities. Moreover, special attention is required for properly organized accounting and reporting process on socially responsible activities, the sources of information for which are data from financial, management and tax accounting at the enterprise.

**Analysis of recent research and publications.** In recent years, scientists such as Zakharova O., Makarov I., Barulina I., Zinchuk T., Levkivskyi., Sirenko N., Lunkina T., Burkovska A., Mikulyak K., Benayas J., Martins A., Nicolau J., Schulz J. often turn in their research to consider various aspects of the manifestation of social responsibility by agricultural enterprises. Despite the rather active research that Ukrainian scientists have been conducting in recent years within the framework of our chosen topic, the question of the role of business social responsibility programs in the possibilities of socio-economic improvement and achieving sustainable development trends within agricultural farms in Ukraine still remains open. The problems of organizing farm accounting and improving the methodological principles of forming a system of accounting and analytical support for managing the economic security of the enterprise are presented in the works of Zakharova, O., Makarov I., Kapula I., Prokopyshyn O., Pryimak, N., Trushkina N., Konoval M.

Climate change and inequality have become inextricably linked, and the source of these problems is primarily agricultural efficiency and food sufficiency.



Awareness of irreversible changes encourages businesses to accelerate and be more open in publishing conclusions about their achievements in restoring and preserving the natural environment. The agro-industrial complex is important for the development of the Ukrainian economy - it generates more than 10% of the country's GDP. The agro-industrial complex attracts significant foreign investments into its development, providing world markets with many crops. The domestic agricultural sector is quite diverse in terms of areas of activity and size. It includes everything from small farms to large holdings, which have a huge impact on both the national and local economies of the regions of presence, as well as on the environment.

Due to erosion, soils lose phosphorus, potassium and nitrogen. Annual losses from such losses are estimated at almost \$5 billion. In view of this, the responsibility of business for its own actions, which affect the interests of many parties, is obvious.

The sustainability of agriculture remains under question worldwide due to social, economic and environmental challenges [1]. In some developing countries, farmers face serious challenges such as food insecurity and rural poverty. Millions of people still live in extreme poverty, and various forms of inequality remain widespread.

At the same time, in developed countries, agriculture is capable of providing food for the population, but this is often accompanied by negative environmental impacts and insufficient economic returns for farmers, forcing some of them to abandon this activity [2]. Many modern agricultural systems are vulnerable to climate change and price fluctuations, especially if they are based on highly specialized production and have limited resources to overcome challenges such as shortages of irrigation water or capital.

To address the challenges of food security and climate change, global food production must be reformed while avoiding exceeding environmental limits at global and regional levels [3]. Improving agricultural systems is possible through the introduction of more sustainable farming practices and innovations, especially at the farm level. Domestic scientists consider sustainable development of the



agricultural sector as "... as the ability of economic entities to continuously move and maintain a rational proportionality between reproduction factors and the necessary pace of development in conditions of uncertainty and variability of the external environment both now and in the future, taking into account the responsibility for creating appropriate social conditions and preventing environmental pollution" [4].

Currently, there is a tendency to increase social activity in medium-sized agricultural enterprises and a higher assessment of social responsibility in large agricultural enterprises, which occupy leading positions in this indicator [5]. As stated by A. Duke, "social responsibility of agricultural enterprises in the production system is the basis for shaping the culture of behavior of entrepreneurs and employees, which is transformed into motivation to work; it is a manifestation of the functional principles of social entrepreneurship; "it assumes obtaining a social effect from economic activity" [6]. T. Zinchuk and E. Levkivskyi justify that corporate social responsibility in agricultural business is "effective, innovatively developed and highly profitable activity of the enterprise, based on voluntary and mandatory initiatives, aimed at implementing non-profit activities for qualitative socio-economic and environmental changes in the long term with high responsibility to society" [7]. Both during the war and in the post-war period, the restoration and further development of Ukraine's agricultural regions will largely depend on how high the civic position of the management of Ukrainian agricultural enterprises will remain and in which projects within the framework of business social responsibility they will be ready to take direct part [11].

Despite considerable research on social responsibility in Ukrainian agriculture, several challenges remain unresolved. While many Ukrainian scholars have explored the topic, the precise impact of corporate social responsibility programs on socio-economic development and sustainable farming practices is still not fully clear. Organizing effective accounting and reporting for socially responsible activities is particularly complex due to the wide variety of farm sizes



and types, limited financial and human resources, and the intricate legal environment. There is a pressing need for standardized, transparent methods to integrate social and environmental indicators into agricultural accounting systems, enabling better measurement, reporting, and management of CSR initiatives. Addressing these gaps would enhance the understanding and implementation of social responsibility in agriculture, supporting more sustainable and equitable rural development.

**Setting objectives.** The aim of this article is to highlight the increasing importance of social responsibility in Ukrainian farming, emphasizing the role of accounting practices in promoting sustainable development, improving community well-being, and enhancing the overall positive impact of agricultural enterprises.

**Results.** The development of farming is important in ensuring the economic security of the state, the growth of its socio-economic potential and competitiveness in both domestic and world markets. Ukraine is rich in natural resources, and a favorable climate creates conditions for the development of the agricultural sector. However, in addition to natural factors, for its development it is necessary to create conditions for investment, attract foreign investors, and introduce the latest technologies into agriculture. Achieving these goals requires a sound state policy, including in terms of taxation. It is also necessary to take into account the role and importance of agribusiness in the context of achieving the Sustainable Development Goals, which are determined by environmental safety and the growth of global demand for food.

Effective management of a farm is possible only if there is complete information characterizing all areas of production and economic activity. The main source of operational and objective information about the development of production, the implementation of economic operations is accounting and reporting. Keeping accounting records in a farm is evidence of a high culture of activity. A properly organized accounting process contributes to the protection of property





rights and legitimate interests of farmers; provides the necessary amount of information for making informed management decisions.

It should be emphasized that the main goal of socially responsible agriculture is still generating profit, and meeting social needs is of secondary importance. While in the case of social agriculture, the primary goal is to solve social problems, in particular, employing the most vulnerable groups of the population, the amount of profit obtained is of secondary and insignificant importance. Taking into account the above controversial provisions, research on the development of social agriculture, as a multifactorial and controversial phenomenon, taking into account the basic conditions of functioning of this type of farms and their importance in solving social problems, remains relevant. For social farming to be successful, an interdisciplinary approach involving many stakeholders is necessary. There is no specific “best practice” model for the development of social farming. All the lessons that can be learned by studying all EU systems are important. Dissemination of social farming experiences is important for Ukraine today. Although similar initiatives already exist, they remain isolated and not on a large scale. At the same time, it is necessary to focus on reducing product losses at all stages of its journey - from growing and harvesting to transportation, storage and sale. This is important not only for ensuring food security, but also for minimizing the negative impact on the environment, rational use of resources and increasing the economic efficiency of product production. In this context, sustainable development involves the implementation of such goals as ensuring access to safe and nutritious food for all, conserving resources, ecosystems and biodiversity, and promoting economic and social development in all regions.

Over the past few years, Ukraine has significantly increased attention to the issues of food security and sustainable development in agriculture.

The specificity of accounting in farms is determined by their diversity in size, organizational structure and type of activity. Regardless of these factors, accounting should record all changes that occur with the property, resources and finances of the





farm. This is necessary to control production, costs, income, as well as to form reporting required by the state.

The importance of accounting is that it provides management with the necessary information for decision-making, and also allows you to control the use of resources and financial results. For this, primary documents are used, which record all business transactions in detail.

Problems in organizing accounting are often associated with limited resources, insufficient qualifications of employees and the complexity of legislation. To increase the efficiency of accounting, it is recommended to introduce modern technologies, automated systems and constantly improve the qualifications of personnel. It is also important to separate financial and management accounting for a clearer analysis of the enterprise's activities.

Here is a table summarizing the key aspects and descriptions of accounting for the social responsibility of farms (Tab. 1).

Table 1

**Main aspects and descriptions of accounting for social responsibility of farms.**

<b>Aspect</b>	<b>Description</b>
Promoting Sustainable Practices	Adoption of sustainable methods (e.g., conservation tillage, crop rotation) to protect environment and ensure long-term viability.
Enhancing Community Well-being	Investing in local infrastructure, education, and healthcare to improve rural quality of life and social cohesion.
Empowering Farmers and Workers	Providing safe working conditions, fair wages, and development opportunities for farm workers.
Building Trust and Reputation	Transparent social responsibility builds trust with consumers, investors, and regulators, enhancing reputation and market access.



Economic and Strategic Benefits	Measuring/reporting social responsibility supports planning, strategic advice, and financial compensation for sustainable actions.
Supporting Policy and Market Access	Alignment with regulatory frameworks and sustainability standards (e.g., EU CAP) is necessary for funding and market access.
Use of Sustainability Metrics	Using KPIs and calculators to assess sustainability across ecological, social, and economic pillars.
Transparent Reporting	Publishing sustainability reports and engaging stakeholders to foster transparency and accountability.
Investment in Community Projects	Direct investment in local projects (education, healthcare, infrastructure) demonstrates commitment to social responsibility.
Adoption of Best Management Practices	Implementing science-based, industry-led practices to minimize negative impacts and promote biodiversity.

Source: compiled by the author

**Conclusions.** Social farming in Ukraine is becoming an increasingly important factor influencing the economic and social development of rural areas, especially under martial law, and in integrating agriculture in line with sustainable development goals. Social farming has a great impact on society, gathering caring entrepreneurs and citizens around itself, directing its activities to improving the living conditions of vulnerable groups of the population and solving urgent social problems of local communities. The growing interest in social farming in Ukraine indicates a change in the consciousness and values of Ukrainian society and the need to support the army. People increasingly pay attention not only to the profitability of the business, but also to the level of social activity and a positive impact on the environment, community development, which will be the subject of further research.



For farms to effectively measure, report, and improve their social and environmental impact, they need proper accounting practices in place so they can build trust, and be able to access new opportunities.

Overall, the study emphasizes the importance of the role of social farming about sustainable development of Ukraine, in particular during the crisis period and the importance of accounting for social responsibility in achieving these goals.

### References:

1. Pretty J. Intensification for redesigned and sustainable agricultural systems. *Science* 362:908 2018. <https://doi.org/10.1126/science.aav0294>
2. Benayas J., Martins A., Nicolau J., Schulz J. Abandonment of agricultural land: an overview of drivers and consequences. *CAB Rev Perspect Agricult* . 2007. <https://doi.org/10.1079/PAVSNNR20072057>
3. Gerten D. Feeding ten billion people is possible within four terrestrial planetary boundaries. *Nature Sustain.* 2020. 3:200–208. <https://doi.org/10.1038/s41893-019-0465-1>
4. Lopatinsryy Y. V. Components and priorities of sustainable development of the agricultural sector of the economy: conceptual and theoretical discourse. *Ekonomika APK*. 2018. vol. 6, pp. 94—100.
5. Sirenko N., Lunkina T., Burkovska A., & Mikulyak K. Prospects for the Development of Small Agricultural Business Entities in the Market Environment. *Economic Studies*. 2022. no. 31(3), pp. 162–175.
6. Diuk A. Social responsibility in the production system of agricultural enterprises: Methodical aspects of evaluation. *Ukrainian Black Sea Region Agrarian Science*. 2020. 24(1), pp. 27–36.



7. Zinchuk T., & Levkivskiy Ye. Corporate social responsibility of vertically integrated entities as a condition of sustainable development. *Ekonomika APK*. 2019. 26(1). <https://doi.org/10.32317/2221-1055.201901039>
8. Zhang X., Li Q. Does Green Proactiveness Orientation Improve the Performance of Agricultural New Ventures in China? The Mediating Effect of Sustainable Opportunity Recognition. *Sage Journals*. 2021. December 14. URL: <https://journals.sagepub.com/doi/10.1177/21582440211067224>.
9. Barulina I. Integrated methodology for assessing the efficiency of urban agro systems in the context of sustainable development. *Economy and Society*. 2024. (68). <https://doi.org/10.32782/2524-0072/2024-68-34>.
10. Zakharchenko V. I. Institutional traps of land reform in the context of sustainable development of communities and territories. *Economics and management of agricultural complex*. 2022. 137. URL: <https://economyenag.btsau.edu.ua/sites/default/files/visnyky/economika/econ-2-2022.pdf#page=137>
11. Zakharova O., & Makarov I. Social responsibility of business as a basics for sustainable development of agricultural regions of Ukraine. *Economy and Society*. 2023. (53). <https://doi.org/10.32782/2524-0072/2023-53-100>
12. Markus O. & Kolesnyk Y. Organization of accounting and taxation of farms. *Molodyi vchenyi*. 2020. 10(86), 219–222. DOI: <https://doi.org/10.32839/2304-5809/2020-10-86-46>
13. Prokopyshyn, O., Pryimak, N., Trushkina, N. & Konoval, M. Accounting and analytical support for farm development management: theoretical aspects. *Visnyk Lvivskoho natsionalnoho universytetu pryrodokorystuvannia. Seriya Ekonomika APK*. 2024. No 31, 110–120. DOI: <https://doi.org/10.31734/economics2024.31.016>
14. Kushka P. The place of socially responsible activities of agricultural enterprises in the development of rural areas. *Bulletin of the Lviv National University*



*of Environmental Protection. Economics of the Agricultural Industry*. 2022. No. 29. pp. 121–125.

15. Tomchuk V., Kapula, I. The influence of the characteristics of agricultural enterprises on the formation of accounting and analytical information. *Ekonomika ta suspilstvo*. 2023. No 54. DOI: <https://doi.org/10.32782/2524-0072/2023-54-25>