

## **THE ROLE BLOCKCHAIN CAN PLAY IN TRANSFORMING CSR IN A DECENTRALIZED MANAGEMENT SYSTEM**

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We live in the age marked by the rapid technological advances, changes in social values and transformations in business mindsets. The latter is related to the growing awareness of businesses of their obligations to society and incorporation of corporate social responsibility (CSR) into business activities.

The technological progress and CSR are closely connected. The effect of technologies on CSR is multifaceted. On the one hand, technological advances can spawn negative side effects of business activities, such as adverse environmental impacts, global warming, etc. On the other hand, the development of information technologies leads to higher business transparency, which is essential for CSR.

Technology is changing the way we live and interact with each other, but the invention of blockchain technology is changing not only the way we interact, but also the way we are governed, and can bring proper regulation and values to CSR.

The ideology behind blockchain technology is building a decentralized management system on the internet that is not being controlled by anyone, but accessible by everyone. One of the advantages offered by blockchain technology is that it makes not only the outcomes of business and CSR activities but also the processes used to produce those outcomes transparent and accessible for public monitoring. According to [1], by employing blockchain, one can increase inclusivity and expand the number of so-called watchdog stakeholders who hold companies accountable for their CSR. This can be done through public platforms employing blockchain solutions.

The fact that the data cannot be forged, destroyed, falsified and manipulated is conducive to building trust among businesses as well as between business and society. If everyone has access to authentic information about the practices of an organisation, it will create trust between the organization and various stakeholders in its value chain, and help leaders adjust standards of business behavior and make informed decisions based on the feedback received from the public.

In general, deploying CSR to the blockchain platform would create a sense of satisfaction to customers, which is driven by the fact they know how socially responsible the producers of the goods and service they consume, are.

Thus, the creation of blockchain-based CSR management system, would give consumers, governments, and other interested parties access to the information about operations of organizations and their CSR initiatives' metrics. This openness would allow leaders to see the response from a target audience, empowering both external and internal stakeholders with the power to make informed decisions.